



NAYARA

ENERGY

Nayara Energy Limited
Annual Report 2023-24

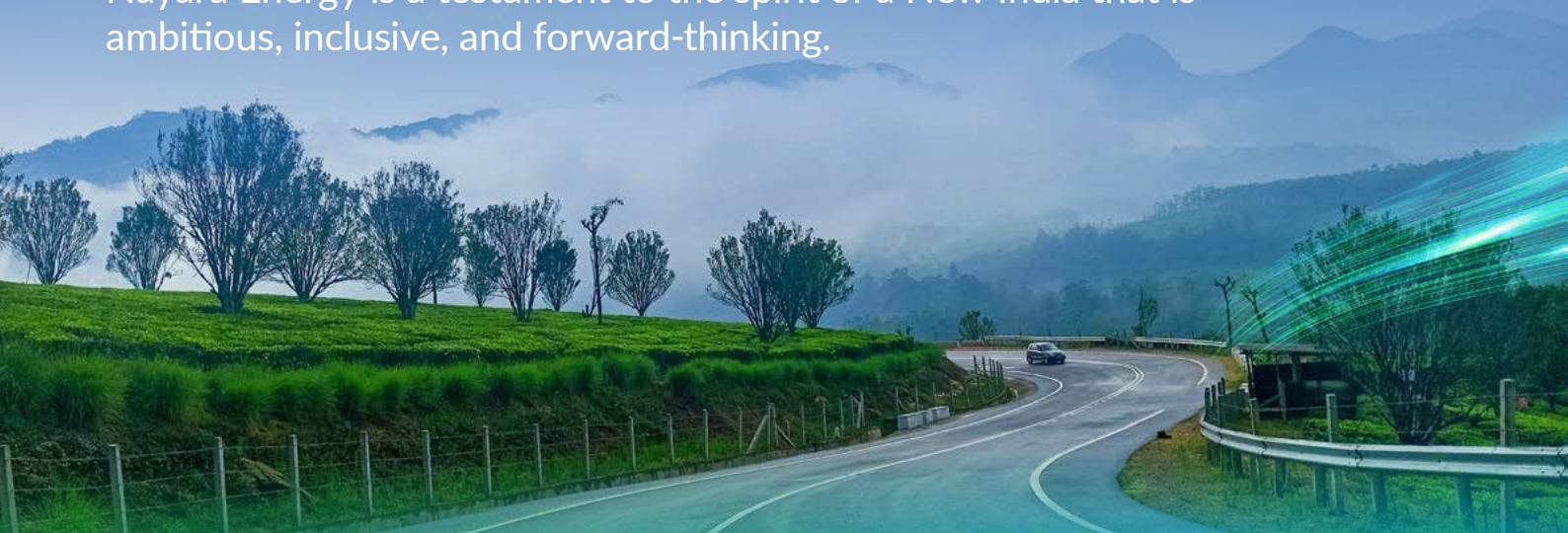


Naye India Ka Nayara

Naye India ka Nayara

It encapsulates the country's aspirations for a transformative and inclusive growth trajectory and how Nayara Energy is fuelling the world's fifth-largest economy. Throughout the Annual Report, the flowing energy waves symbolise the collective spirit and energy driving New India.

Nayara Energy is a testament to the spirit of a New India that is ambitious, inclusive, and forward-thinking.



Securing Energy for 'Naya India'

India is becoming one of the most critical drivers of global petroleum consumption, and to fulfil the nation's energy needs, we continue to emerge as a catalyst for change. We secured consistent and affordable energy supplies from various geographies and ensured that most of our products were consumed in India for India. We contribute ~8% of India's refining output and are vital to empowering India's energy security.

Fuelling the Fifth-largest Economy

India continues to invest in building national highways and modernising transportation systems to improve urban mobility and connectivity between economic hubs. Our extensive fuel retail network across the country provides quality fuel to all our customers while supporting the country's transportation infrastructure. We are planning to set up two new ethanol plants in India to reduce crude oil imports and improve supply reliability.

Forward Integration

India's demand for petrochemicals has been growing steadily, driven by economic growth and rising consumption patterns. We are well on track to complete the Phase 1 polypropylene plant and continue to work on our vision of becoming one of the nation's largest integrated refining and petrochemical complexes. We believe our expansion will significantly contribute to the national and state economies by increasing employment potential and providing opportunities for the establishment of numerous allied industries.

Holistic Upliftment

To address the multifaceted needs of our communities, we have strategically aligned our initiatives. We have embraced a comprehensive approach to community development and social impact. We are revitalising communities by focusing on key areas such as health, sanitation, waste management, sustainable livelihoods, education, and skilling.

We are Nayara Energy

Our name truly stands for the vision of bringing in a new era in the energy sector riding on a wave of excellence. We, at Nayara, are passionate about unleashing the true potential of tomorrow while staying committed to delivering value for our stakeholders, and society at large, each day, every day.

Our Values

E	X	C	E	L
Energetic Constantly looking at better ways to shape tomorrow	Xtraordinary Constantly asks the question, is there a better way of doing things?	Courageous Succeed in the ever-changing market landscape	Ethical Honour commitments with integrity, consistency and transparency.	Lead Taking ownership of our actions and lead by example

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We exemplify the spirit of Naye India Ka Nayara, accelerating sustainable inclusive growth by offering value to our stakeholders and the nation at large.

About this Report

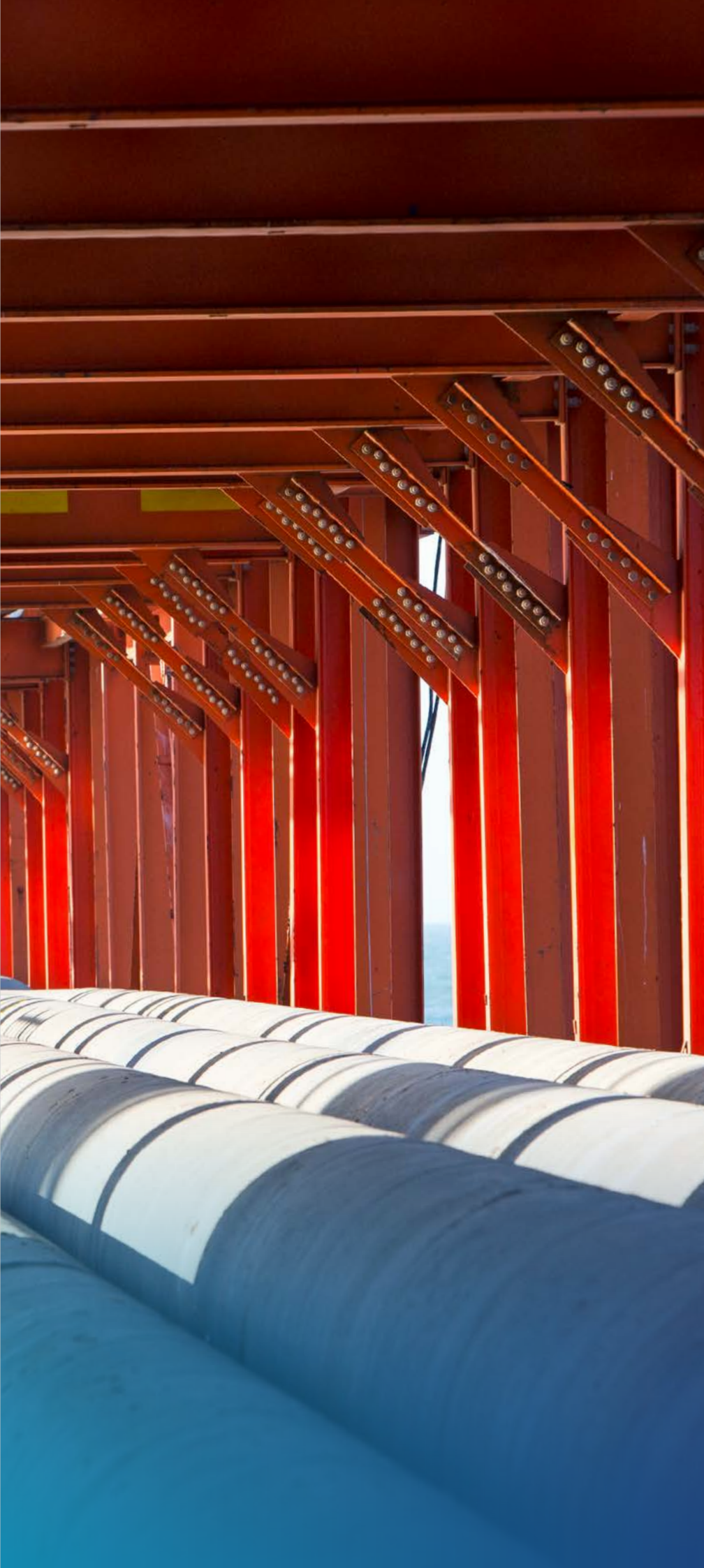
This Annual Report covers the financial, non-financial, and operational aspects of Nayara Energy for FY 2023-24.



The report is available at

<https://www.nayaraenergy.com/investors/financial-performance>

Corporate Portrait



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 strive 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 to enter into the petrochemicals sector, which will be a significant step in our crude to chemicals journey.

Highlights of FY 2023-24

Measuring Our Growth



Refinery

20.32 MMT

Crude oil processed

101.6%

Capacity utilisation achieved

95%

Processed ultra-heavy and heavy crude oils



Trading

144.5 MM BBL

Crude procured

225 MMSCM

Natural Gas purchased

1.85 MMT

Coal purchased



Marketing

7.5 Mn KL

Highest-ever sales achieved through retail outlets

5,000+

Nayara branded outlets

80%

Increase in domestic bulk HSD consumption



Petrochemicals

98.3%

Completion achieved under Phase 1 construction



CSR

>54,000

Medical consultations conducted in 20 villages of Jamnagar and Devbhumi Dwarka districts

722

Youth (including 70% girls) trained in soft skills, beauty and wellness, and IT/ITeS trades

5

Gram panchayats in Bhanvad block declared 'malnutrition-free' due to efforts undertaken under Project Tushti



Workplace safety

28 Mn

Safe man-hours of work completed at polypropylene project site

HSE Vision

Launched during the National Safety Week

Awards and Recognitions

ET Edge Best Brands 2023

- 10th Corporate Social Responsibility Summit and Awards 2024 by UBS Forums Innovations in CSR Practices
- National Awards for Excellence - Best CSR Practices
- AIMA 10th Business Responsibility Summit and Project Excellence Contest and Recognition - Project Tushti and EXCEL
- Economic Times Energy and Leadership Awards 2023 - Project Tushti
- FICCI Water Awards 2023 - Community Initiatives by Industry for Project Gram Samruddhi

- Mahatma Award 2023 - Corporate Social Responsibility (CSR) Excellence
- Indian CSR Award 2023 - Impactful Projects
- Asian Leadership Awards and Middle East Leadership Awards 2023 - Best Corporate Social Responsibility Practices
- CII National Award for Excellence in Water Management under the Beyond the Fence category for Project Gram Samruddhi
- CSR Journal Excellence Awards 2023 - Project Tushti

- Appreciation Plaque by US Aid and The Union - CSR Practices
- Most Trusted Brands of India by Marksmen
- Arogya World Healthy Workplace Award 2023 - World Healthy Workplace
- CHRO Conference and Awards 2023 - Best Use of AI in Learning
- CII National Award for Excellence in Energy Management 2023
- Golden Peacock HR Excellence Award 2023

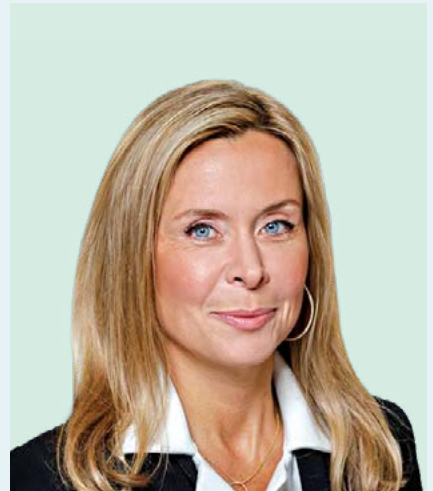
Board of Directors



Prasad K. Panicker
Executive Chairman



Avril Conroy
Non-Executive Director



Victoria Cunningham
Non-Executive Director



Naina Lal Kidwai
Independent Director



Andrey Bogatenkov
Non-Executive Director



Deepak Kapoor
Independent Director



Anton Kabachinskiy
Non-Executive Director



P. N. Vijay
Non-Executive Director



Alexey Lizunov
Non-Executive Director



Jörg Tumat
Non-Executive Director



Abhimanyu Bhandari
Non-Executive Director

Executive Chairman's Statement

Powering New-age India's Future Growth



During the fiscal, India witnessed a record consumption of petroleum products at over 233 MMT and coal production exceeding 997 MT, alongside highest-ever automobile sales, which breached the 4 million milestone in FY 2023-24.”

Dear Shareholders,

I am honoured to pen this message for Annual Report FY 2023-24, reflecting a period of remarkable achievements, strategic advancements and resilient performance amidst dynamically changing global oil markets. As an organisation, we are driven by the core purpose of fulfilling the energy needs of a new India that is soaring high while making its mark in the global economy. Going forward, we will continue to 'EXCEL' as one strong team, while staying true to our core values and taking forward our mission of meeting India's energy needs and supporting the country's ambition to emerge as a Viksit Bharat by 2047.

As India aims to grow at over 7% annually, safeguarding the country's energy security while also ensuring affordability and sustainability is critical. Nayara Energy stands committed to this cause and will strive to be an integral part of this journey.

The Emergence of New India

Amidst a tepid worldwide growth of 3.2%, India showcased remarkable resilience, registering an 8.2% GDP growth in FY 2023-24 to emerge as a rising superpower.

A favourable demographic dividend, along with increasing urbanisation, act as catalysts for high domestic consumption. There is a new market that has blurred boundaries, and the swift stride in infrastructure development and ease of mobility have led to better connectivity. In the given context, the energy markets will be a critical propellant for the growth of commerce and for facilitating economic activity.

During the fiscal, India witnessed a record consumption of petroleum products at over 233 MMT and coal production exceeding 997 MT, alongside highest-ever automobile sales, which breached the 4 million milestone in FY 2023-24. The future spells optimism as India's oil consumption is projected to grow to 7.2 million barrels/day in 2030 and 9.2 million barrels/day in 2050 from the current 5 million barrels/day. If we are to achieve the ambition of becoming a USD 30 trillion economy by 2047, India must significantly increase its refining capacities to 450 MMTPA from the current 253 MMTPA and construct 1 MMTPA steam cracker capacity annually until 2030. This expansion is crucial to meet the rising domestic demand and sustain industrial growth.

Nayara Energy: Fuelling Growing India's Ambitions

Being a leading energy player in India, Nayara Energy has an innate responsibility to fulfil its role in being part of India's growth story. Our corporate actions in the year gone by reaffirms our commitment to the nation as we continue to expand our presence. While our refinery continued to operate at over 99.9% availability and our retail presence reached over 6,500 touchpoints, we are also in the process of commissioning Phase 1 of our petrochemicals journey in Q2 FY 2024-25 – a 450 KTPA polypropylene project at an investment of over ₹ 6,000 crores. In totality, this shall help us contribute ~8% each in India's refinery, fuel retail network and polypropylene market. We are also undertaking major turnaround projects and key strategic initiatives that will boost our operational excellence and position us for future growth and sustainability.

As we further our growth ambitions, effective stakeholder management practices will be the core of ensuring success. Our employees are the backbone of our Company, and their dedication and hard work have

Executive Chairman's Statement

been instrumental in our success. In FY 2023-24, we implemented several initiatives aimed at enhancing employee engagement, providing professional development opportunities, and fostering a culture of innovation and collaboration. Our commitment to creating a safe and inclusive workplace has resulted in improved employee satisfaction and retention rates.

Our customers, crude oil suppliers and technology partners are integral to all our initiatives. Even as we expanded our crude basket and onboarded new counterparties, our ability to deliver high-quality products and exceptional service in a commodity market drives the differentiation which solidifies the Nayara Energy brand. Our customer-centric approach has strengthened our relationships with trade partners and enhanced our brand equity.

Unlocking the Potential Within Team Nayara

Our Company has maintained its position as a cost leader in the oil refining industry through unwavering dedication to operational excellence, and this was reflected in the global Solomon rankings. In FY 2023-24, we achieved improved levels of production efficiency while simultaneously reducing operational costs through continuous improvements in our refining units, ensuring processing of a wider crude slate and adaptive marketing practices for the product portfolio.

During the year, the global oil markets continued to experience volatility driven by geopolitical tensions, fluctuating demand patterns, and varied transition pathways towards renewable energy sources, with energy security emerging as a more important parameter compared to mitigating climate change. Despite these challenges, our agility empowered us to navigate the complexities of the market effectively.

Our financial performance in FY 2023-24 has been exceptional, with significant growth in revenues and improved profit margins. This success is attributed to our disciplined approach to cost management, operational efficiencies, crude mix optimisation and strategic product market positioning. The Company clocked revenues of ₹ 1,555,609 million, while achieving EBITDA of ₹ 202,478 million and PAT of ₹ 120,852 million during the year. These results underscore our ability to generate sustainable value for our shareholders.

We have augmented our capabilities in Singapore to further expand our trading operations in the global oil markets.

The strong performance is a testimony to the inherent potential within the 'One Nayara' Team that rallied together to capitalise on the opportunities. Tapping this momentum as a catalyst to establish one of the world's largest integrated petrochemical complexes, we have initiated work for feed study of Phase 2 of the petrochemical project, consisting of a 1.2 MMTPA steam cracker unit. On the retail front, we plan to grow our network to 10,000 outlets by 2030, supported by multiple depots. We have also commenced the process of setting up ethanol plants of 200 KLPD capacity each in Andhra Pradesh and Madhya Pradesh in the first phase, later expanding to a total of five plants by 2030. We have augmented our capabilities in Singapore to further expand our trading operations in the global oil markets.

Reinforcing Our Commitment to Safety and Operational Excellence

While powering our growth, we remain committed to upholding our safety culture. In an endeavour to create higher awareness of HSE, numerous workshops were organised by the British Safety Council together with organisation-wide activities on the theme of 'Our Aim - Zero Harm'. I am proud to share that our refinery was awarded the 21st Annual Greentech Safety Award 2023 for 'Outstanding Achievements

in Safety Excellence'. We intend to deepen our focus on health and safety and provide adequate staff trainings, including contractors, to ensure maximum incident free days.

We continue to sustain our focus on driving digitalisation and integrating advanced technologies into our operations. In FY 2023-24, we established a comprehensive digital transformation strategy and roadmap for the Company, including both Digital Refinery and Digital Retail, with the aim of boosting organisational efficiency, productivity, effectiveness, and competitiveness.

Managing operational risks is crucial to the success of our business. We have implemented robust risk management frameworks to identify, assess, and mitigate risks associated with our operations. Our focus on safety, asset integrity, and emergency preparedness ensures that we can respond effectively to any operational challenges and maintain the continuity of our operations. Our proactive approach to regulatory compliance and our commitment to ethical business practices are in alignment to legal and regulatory obligations which enable us to mitigate any associated risks.

Embracing Sustainability: A New Dawn for the Energy Sector

Our sustainability focus is an indispensable part of our growth plans. With a holistic view on sustainability, Nayara Energy has developed a comprehensive roadmap integrating Environmental, Social, and Governance (ESG) components. The approach is multi-faceted, focusing on operational efficiency, renewable energy integration, Bioethanol, green hydrogen, compressed biogas (CBG), sustainable aviation fuel (SAF), digitalisation, and stakeholder engagement.

At Nayara Energy, we have identified and selected major impact strategies that will help the organisation grow sustainably. These key initiatives are based on their potential emission intensity reduction impact, technology maturity and financial viability.

Our customer-centric approach has strengthened our relationships with trade partners and enhanced our brand equity.

We are committed to the well-being of our stakeholders, be it at our workplace or the communities we work with. We remain committed to improving the quality of life and opportunities for our communities through our CSR initiatives in sustainable livelihoods, health and sanitation, education and skill development across Gujarat, Maharashtra and Rajasthan.

In Conclusion

When we coined the term 'Naya India ka Nayara', it reflects our optimism in the future that beholds the belief in the promise and potential of New India. An India that is rooted in its values and is yet evolving at an accelerated pace, asserting its identity and unbridled potential to rise as a developed economy by 2047. At Nayara Energy, we stay resolute as we contribute to the rise of this New India.

I would like to take this opportunity to thank the Board, my colleagues, and our shareholders and request their continued trust and support in realising our dream of 'Naya India ka Nayara'.

Regards,

Prasad K. Panicker

Executive Chairman

Letter from the Chief Executive Officer

Heralding a New World View on Energy



We registered a 12% y-o-y growth in revenue from operations, which stood at ₹ 1,546,293 million, and a 26 % y-o-y growth in net PAT, which grew from ₹ 95,916 million in FY 2022-23 to ₹ 120,852 million in FY 2023-24.”

Dear Shareholders,

I am pleased to write to you this very first message in my role as the CEO of your esteemed company. The year gone by has been a remarkable one that has showcased enormous potential and delivered exemplary performance by Nayara Energy. Being the fifth-largest economy currently, India is growing well at 7-8% with an ambitious goal to emerge as a developed economy by 2047. As this new-age nation prospers and propels into the future, it will also need to ensure that the growth of the industry and heightened energy requirements are met reliably and affordably.

Heralding a new perspective on how to manage this rapidly surging energy demand, be it through hydrocarbons or new energy sources, can empower India to safeguard its energy security that will be crucial in powering its economy. A 'Naya' (new) India is rising and at Nayara Energy, we believe that we shall be pivotal in fulfilling the dreams of its people.

Rigging an Energetic Future

According to International Energy Agency, 2023-2030 forecast period, India accounts for more than one-third of global oil demand growth. India is on track to post an

increase of almost 1.2 mb/d, projected to reach 6.6 mb/d by 2030. The positive momentum in the economy backed by rising consumption and a strong industrial growth has enabled us to consolidate and build upon the solid foundation. Demand for domestic consumption of petroleum products has hit an all-time high and safeguarding India's energy security is hence extremely critical at this juncture. Despite numerous geopolitical headwinds, Nayara Energy was able to deliver an extraordinary operational and financial performance during the year.

Our refinery processed 20.32 MMT of crude during the fiscal, maximising the processing of a variety of economically viable crude grades in our CDUs and achieving an overall operational availability of 99.74% during FY 2023-24.

In all, we have processed 129 grades of crude, further optimising our crude basket. Solomon has ranked Nayara Energy amongst the best in Asia Pacific for lowest Cost of Transportation Fuel (CTF).

The Unwavering Spirit of Team Nayara

FY 2023-24 achievements are a testament to our team's resilience, dedication, and strategic vision.

Our various business functions – Refinery, Economic Planning and Scheduling – International Supply Trading, Marketing and Asset development – synergised their capability to deliver exceptional results in FY 2023-24. Fostering a spirit of collaboration through our corporate values of EXCEL has been the key to Nayara Energy's success in navigating the various complexities of the current economic landscape and achieving outstanding outcomes. We registered a 12% y-o-y growth in revenue from operations, which stood at ₹ 1,546,293 million, and a 26% y-o-y growth in net PAT, which grew from ₹ 95,916 million in FY 2022-23 to ₹ 120,852 million in FY 2023-24.

Our performance reaffirmed the strength of our integrated business model as we navigated the rapidly evolving energy landscape while staying true to our core 'EXCEL' values. Another accolade was being ranked among the top 25 in the Fortune India 500 (2023) list of largest Indian companies. It's a reaffirmation from our customers, partners, communities, and employees for being the driving force behind our success.

Letter from the Chief Executive Officer

Going forward, Nayara Energy continues to remain bullish about its long-term India growth story. To efficiently meet both fuel and material need of consumers while assuring highest level of HSE performance, we plan to make significant investments within the country. The investment will be utilised for both new initiatives and capex like setting up Ethanol Manufacturing facilities, Retail network expansion as well as execution of reliability projects like Coker drum replacement, revamp for CDU and VGO MHC resulting in enhancement of unit availability and reliability at our refinery in Vadinar. Post successful completion of Polypropylene project, we are geared towards further expansion of our petrochemical portfolio aiming increased integration with our refinery assets.

A key highlight of the year 2024 would be Nayara Energy's foray into petrochemical business. Once fully commissioned, the facility will capture ~8% of India's Polypropylene (PP) market share.

Reaffirming our commitment to sustainability, we have secured land for two ethanol plants in two states namely Andhra Pradesh and Madhya Pradesh, with three more plants under consideration. The establishment of ethanol facilities will significantly enhance biofuel availability thereby

playing a crucial role in meeting the Indian government's 20% blending target by FY26. The Company aims to progressively increase the ethanol production capacity to ~1,000 KLPD by setting up to five plants with a focus on value enhancement in retail operations and ensuring the reliability of the Ethanol Blending Program in the future.

Nayara Energy strengthened its presence in the institutional business (IB) by trebling its market share in IB HSD sales from 3% to 9%.

A key highlight of the year 2024 would be Nayara Energy's foray into petrochemical business. Once fully commissioned the facility will capture ~8% of India's Polypropylene (PP) market share.

Our refinery underwent a successful turnaround last year. In fiscal 2024, the Vadinar Refinery sustained its operational excellence, and was part of a global benchmarking study conducted by a renowned international agency. The study has ranked Vadinar Refinery as one of the finest in the world upholding highest

industry benchmarks. The year also saw us achieve the lowest-ever Energy Intensity Index (EII) value of 86.9 (YTD) due to improved equipment performance post TA and optimisation of operations.

During the year, we successfully reintegrated indigenous crude oil 'Mangala' into our operations, enhancing operational flexibility and cost efficiency. Also, the focus on enhancing the refinery reliability projects, together with continuous technology upgradation, will ensure that we stay ahead of the curve.

Our international trading continues to achieve substantial export premiums and ensuring enhanced realisation against relevant benchmarks. Our domestic sales are bolstered by our strategic partnerships with oil companies.

Enabling Mobility for Bharat in India through Nayara Fuel Stations

At Nayara Energy, our intricately linked retail network of over 6,500+ fuel stations are connecting the smaller towns within India. With our rural-first strategy and an asset-light business model, we are the largest private fuel network within India. The year saw us expanding our retail network and adding around 500 retail outlets.

The ease of scalability of our DODO model has been instrumental in our success, fostering strong partnerships with franchisees. We have a strategic presence on National Highways and in urban clusters that are vital links to marketplaces and fuelling the dreams of millions of Indians. The year also witnessed the retail business achieving a milestone of 5,000 Nayara rebranded outlets.

Propelling Ahead with Our People

I firmly believe that collective effort and collaboration showcased by our team has created a firm grounding for the next chapter of growth. People are the driving force for our success and our employees and associates across work locations have been instrumental in fulfilling the brand's promise. It is the expertise, knowledge, and commitment that together is integral for our Company's success. By prioritising the well-being, growth, and satisfaction of our employees and all associates, we aim to retain our leadership in the industry and remain a preferred employer.

We were also conferred with prestigious awards such as Economic Times Best Brands 2023, Arogya World Healthy Workplace 2023 amongst others, reaffirming the success of our corporate and people initiatives in building a great workplace.

Our Commitment to Community Building

As a responsible corporate citizen, committed to supporting India's inclusive development, Nayara Energy is creating opportunities and making positive impact in the lives of countless people across India. The year saw us positively impact the lives of 50,000+ forecourt salespeople and communities working around our retail network.

Nayara Energy aspires to build a symbiotic relationship with its stakeholders and believes in making them equal partners in nation-building. We firmly believe that our role is to lay the path that is collaborative, progressive, inclusive, and sustainable through our CSR programmes. We also believe that technology and innovations can accelerate the pace of change and endeavour to support new and innovative models of development.

Our CSR initiatives had a significant impact in Gujarat (Jamnagar and Devbhumi Dwarka districts), Maharashtra (Wardha), and Rajasthan (Pali) with demand-driven projects covering the focus areas of health, sanitation, sustainable livelihoods, education, and skilling. We have taken significant strides in expanding the geographic reach of our projects in refinery and depot locations and adding new components to

flagship projects such as Tushti and Swachh Halar.

Transcending towards a Naya India

The energy ecosystem is evolving rapidly, and today there is a focus towards integrating sustainability with an aim to safeguard the energy security. Fuelling the growing aspirations of this new-age India needs a reliable energy partner that can be pivotal for nation's progress. As we move ahead in our journey, Nayara Energy strives to be a catalyst for fulfilling the dreams of a new-age India brimming with opportunities.

It is the expertise, knowledge, and commitment that together is integral for our Company's success.

I would like to conclude by thanking the Board, all members of Team One Nayara, and our shareholders, whose support and encouragement will continue to light our way with a new perspective towards strengthening Nayara in the new era of energy.

Warm regards,

Alessandro des Dorides

Chief Executive Officer



Board's Report

Dear Shareholders,

The Directors take immense pleasure in presenting the 34th Annual Report along with the Company's audited Financial Statements for the financial year ended March 31, 2024.

Financial Performance and State of the Company's affairs

Highlights of financial performance on standalone basis

(₹ in million)

Particulars	FY 2023-24	FY 2022-23
Revenue from Operations	1,546,293	1,378,213
Total Revenue including Other Income	1,555,609	1,385,715
Earnings before finance cost, depreciation/amortisation, Exceptional items, and Tax (EBITDA)	202,478	183,112
Profit before Exceptional Items and Tax	161,142	127,544
Exceptional items	-	-
Profit/(Loss) before Tax	161,142	127,544
Tax (reversal)	40,290	31,628
Net Profit after Tax	120,852	95,916



Industry Overview

3.2%

IMF estimates for CY 2024
global economy growth



Global Market

The global economy continued to grow in calendar year (CY) 2023, albeit at a slower pace, amid persistent geopolitical conflicts, even as the central banks combatted decades-high inflation with unprecedented tightening of monetary policy across major economies. As per the International Monetary Fund's (IMF) estimates, the global economic growth stood at 3.2% in CY 2023 vs 3.5% in CY 2022, with divergences witnessed across economies.

The United States economy displayed surprising resilience, with aggregate demand supported by stronger-than-expected private consumption and the additional budgetary support estimated at 2% of GDP, leading to a revision in CY 2023 GDP growth to 2.5%, the highest among all developed economies. Economic activity growth in the EU did not mirror the same, it was pegged at 0.4% for CY 2023. Economic growth in emerging markets, including India (7.8% as per IMF) surprised on the upside, except

for China which faced headwinds from its real estate crisis and weakening consumer confidence, resulting in growth being pegged at 5.2% for CY 2023.

As per the International Monetary Fund's (IMF) estimates, the global economic growth stood at 3.2% in CY 2023 vs 3.5% in CY 2022, with divergences witnessed across economies.

The global inflation rate decelerated faster than market expectations, from 8.7% in CY 2022, on a year-on-year basis, to 6.8% in CY 2023 as per IMF and is forecasted to fall further to 5.9% in CY 2024 and to 4.5% in CY 2025, with advanced economies returning to their inflation targets sooner than emerging markets and developing economies. The driver for lower inflation differed from country

to country but generally was a result of tight monetary conditions, a decline in energy prices and relatively softer labour markets. The central banks remained cautious as interest rates were held at multi-year highs to ensure price stability and maintain a path towards acceptable inflation levels. The decline in inflationary pressures was reflected in global treasury yields, especially for longer tenor maturities which fell significantly during the second half of CY 2023, from levels last seen during the 2008 Global Financial Crisis, as the market assessed future interest rate outlook. However, stickier inflation expectations in the first quarter of CY 2024 have raised expectations of interest rates remaining high for long across the US and European Union, stemming the decline in yields.

Benchmark crude oil prices remained volatile during the past year, impacted by macroeconomic factors, supply/demand and geopolitical risks. Crude oil prices remained subdued in the first half of CY 2023, as the deepening of voluntary supply cuts from OPEC+



countries were overshadowed by increasing crude oil production from other non-OPEC producers and persistently pessimistic economic data leading to recessionary concerns. Subsequent extension of voluntary production cuts by OPEC+ members and escalation of geopolitical risks due to the conflict in the Gaza strip, pushed Brent oil price to touch year high level of USD 97.69/bbl in September 2023. However, the demand sapping interest rate hike cycle coupled with concerns around economic growth continued to push oil prices lower, to close the year at nearly unchanged levels from a year ago.

Refinery margins fell from CY 2022 highs yet remained higher than pre-pandemic levels as the price of oil products stabilised amid re-adjusted trade flows and geopolitical upheavals. Continued recovery in the demand for transportation fuels ensured refinery margins remained strong with refiners having an incentive to postpone maintenance. Middle distillate margins remained strong on account of healthy

jet fuel demand as international travel continued to improve vis-à-vis the previous year, coupled with strong diesel margins as inventories remained near 5-year lows.

The uptick in seasonal Chinese oil demand despite concerns around its economic health alongside weather-related unplanned refinery outages and reduced runs pushed Singapore diesel cracks to touch USD 35/bbl during the year. Russia's restrictions on its diesel and gasoline exports due to strong seasonal domestic demand coinciding with higher freight rates in the Red Sea also resulted in a push for product margins. The refinery margins have currently moderated from the historic highs achieved over the past two years as the demand rebound from the post-COVID surge moderates and the refinery capacity additions coming online this year improve transportation fuel supplies.

Natural Gas prices came off from record highs witnessed during the previous year, correcting to pre-pandemic levels as the US gas

production and exports set new milestones during the year. The gas stockpile situation in Europe also improved significantly as it entered winter with relatively healthy storage volumes. A milder winter across the northern hemisphere coupled with self-rationing of consumption by European nations led to lower gas withdrawals from storage, resulting in a fall in prices. Lower prices of LNG spurred demand for spot cargoes among Asia's price sensitive buyers, helping them switch back from other fuels like oil and LPG.

The global economy is currently predicted to grow at 3.2% in CY 2024 basis IMF estimates as risks to global growth remain broadly balanced. The upside to global growth may emerge from expansionary fiscal policies to stimulate growth. Downside risks to the global economy, however, may emerge from commodity price spikes due to geopolitical shocks, persistent inflation leading to tighter monetary conditions and worsening economic conditions in China, which remains a key driver for global growth.





Domestic Market

FY 2023-24 was another year of economic growth for India. As per the advance estimates by the National Statistical Office (NSO) GDP growth in FY 2023-24 was estimated at 7.6%. FY 2023-24 also marks a milestone with 11.7% growth in total gross GST collection of ₹ 20.18 lakh crore. The National Sample Survey Office (NSSO) indicates a significant increase in monthly household consumer spending in India with consumption in rural areas growing faster than in urban areas, thereby narrowing the gap.

The allocation of 3.3% of GDP to the infrastructure sector by the Government of India in FY 2024-25 is a very critical indicator of overall growth and provides a boost to the Oil & Gas sector. The total budgetary outlay for infrastructure-related ministries increased from around ₹ 3.7 lakh crore in FY 2022-23 to ₹ 5 lakh crore in FY 2023-24.

Automobile sales, which is one of the prime growth indicators for the Oil & Gas Industry, is witnessing robust growth. FY 2023-24 registered sales of 23.9 million vehicles witnessing a year-on-year growth of 12.5%. The passenger segment recorded sales of 4.22 million vehicles in FY 2023-24, a jump of 8.45%. About 60% of these passenger vehicles are SUVs indicating their dominance over cars. Two-wheelers, which have a lion's share of sales in the country, registered a sale of 18 million units in FY 2023-24, a growth of 13.3%. A growth of 0.6% was recorded in commercial vehicles sales in FY 2023-24.

11.7%

Growth in total gross GST collection of ₹ 20.18 lakh crore in FY 2023-24

233.3 MMT

Highest-ever consumption of petroleum products in FY 2023-24

Another key indicator for growth in the Oil & Gas sector is road infrastructure and for this, the Government is focused on developing a national highway network of approximately 0.2 million kilometres by 2025.

This excellent growth is riding on strong public sector investment and is supported by the private sector in the country's infrastructure development along with a gradual improvement in consumer demand which also reflects in demand for petroleum products. India witnessed growth of 4.6% in the consumption of petroleum products during FY 2023-24 with a volume of 233.3 MMT compared to the volume of 223 MMT during FY 2022-23. This growth was led by 6.4% growth in Motor Spirit (MS)/Petrol, 4.4% in High-Speed Diesel (HSD) and 11.8% in Aviation Turbine Fuel (ATF) consumption besides Fuel Oil (FO)/ Low Sulphur Heavy Stock (LSHS), Petcoke, Liquefied Petroleum Gas (LPG) and others during the period.

This consumption of petroleum products of 233.3 MMT in FY 2023-24 has been the highest-ever. India's favourable demographic is helping drive domestic consumption. With this growth, demand has surpassed pre-pandemic levels of FY 2019-20 and acquired back its long-term CAGR trends with a decadal CAGR of 3.9%.

Allocation of 3.3% of GDP to the infrastructure sector by the Government of India in FY 2024-25 is a very critical indicator of overall growth and provides a boost to the Oil & Gas sector.



Refinery



99.74%

Overall operational availability for major process units during FY 2023-24

The Vadinar Refinery continued its journey of operational excellence during FY 2023-24, after a mega turnaround in the previous year.

The Refinery has processed 20.32 MMT of Crude Oil in FY 2023-24. Your Refinery had maximised the processing of alternate grades of crude oil in both of its Crude Distillation Units (CDUs) based on the availability of economically beneficial crude grades. It has achieved capacity utilisation of 101.6% with an overall operational availability of 99.74% for major process units during FY 2023-24. As a testimony of performance, the Refinery was one of the best in various parameters in a global benchmarking study by a reputed international agency (Solomon Associates) conducted for CY 2022 for which results were received in CY 2023.

Further expanding the crude basket, since commissioning, your Company processed 129 grades of crude oil at its Refinery during FY 2023-24.

Single Point Mooring (SPM) handled the highest-ever crude cargo volume during FY 2023-24. Further, your Refinery has processed 95% ultra-heavy and heavy crude oils and produced 88% of high-margin light and middle distillates while minimising the yield of low-value products like Naptha and Petcoke.

The production of LPG, Domestic MS/Petrol and Domestic Diesel (including Light Diesel Oil (LDO) & High Flash High Speed Diesel (HFHSD)) were at a record level of 1.2 MMT, 3.3 MMT and 6.6 MMT respectively, which is the highest-ever production for any financial year. ATF production was maximised by undertaking various in-house optimisation initiatives and was again the highest quantity produced in any financial year (1.9 MMT).

While maximising the primary and secondary unit capacities, energy intensity was minimised and was the lowest ever while achieving approximately 6% reduction in energy intensity compared to the previous financial year.

During FY 2023-24, your Company also introduced two new grades of MS-Ethanol Blended Motor Spirit (E12 & E20) and one new grade of Bio-Fuel blended Diesel on an experimental basis to test the market acceptance. This enhanced percentage of ethanol blending in MS/Petrol during FY 2023-24 has helped increase sustainability in our transportation fuels.

The Vadinar Refinery continued its journey of operational excellence during FY 2023-24, after a mega turnaround in the previous year.

~6%

Reduction in energy intensity compared to the previous financial year



Your Company will foray into Petrochemicals with the commissioning of its Polypropylene (PP) Unit in FY 2024-25. As a prerequisite, the Fluidised Catalytic Cracker (FCC) unit was revamped, and a new Propylene Recovery Unit was constructed. Performance trials of both these units were successfully conducted and technology has been absorbed during FY 2023-24. We have made significant progress on our Petrochemical entry by establishing the performance of propylene-producing units which is the raw material for our PP unit.

As part of our continuous efforts for facility augmentation and process improvements many initiatives were taken during FY 2023-24:

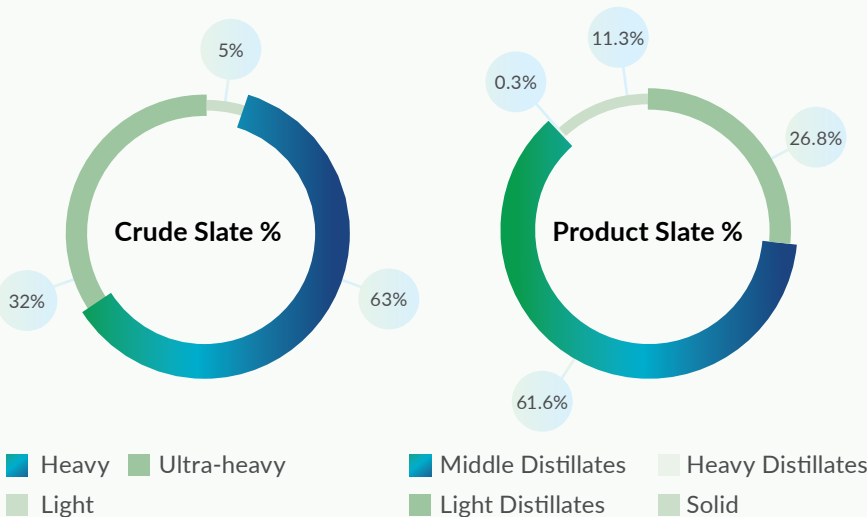
- Vapor Recovery Unit was successfully commissioned in the White Oil Loading Gantries.
- The storage facility of Ethanol and Ethanol Blending Motor Spirit (EBMS) were also augmented by carrying out in-house modifications in two storage tanks.

Your Refinery received its first-ever Indian Patent for developing a Novel method for separation of Oil from Water and Sediments in Effluent Treatment Plant as part of its Research & Development initiatives.

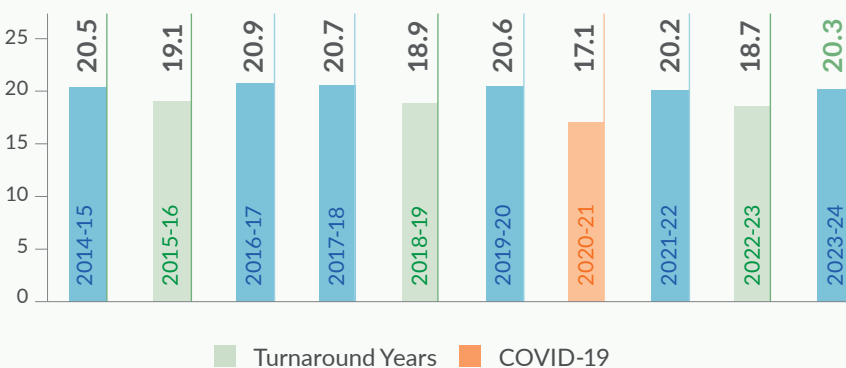
20.32 MMT

Crude oil processed in FY 2023-24 in Refinery

Your Refinery received its first-ever Indian Patent for developing a Novel method for separation of Oil from Water and Sediments in Effluent Treatment Plant as part of its Research & Development initiatives.

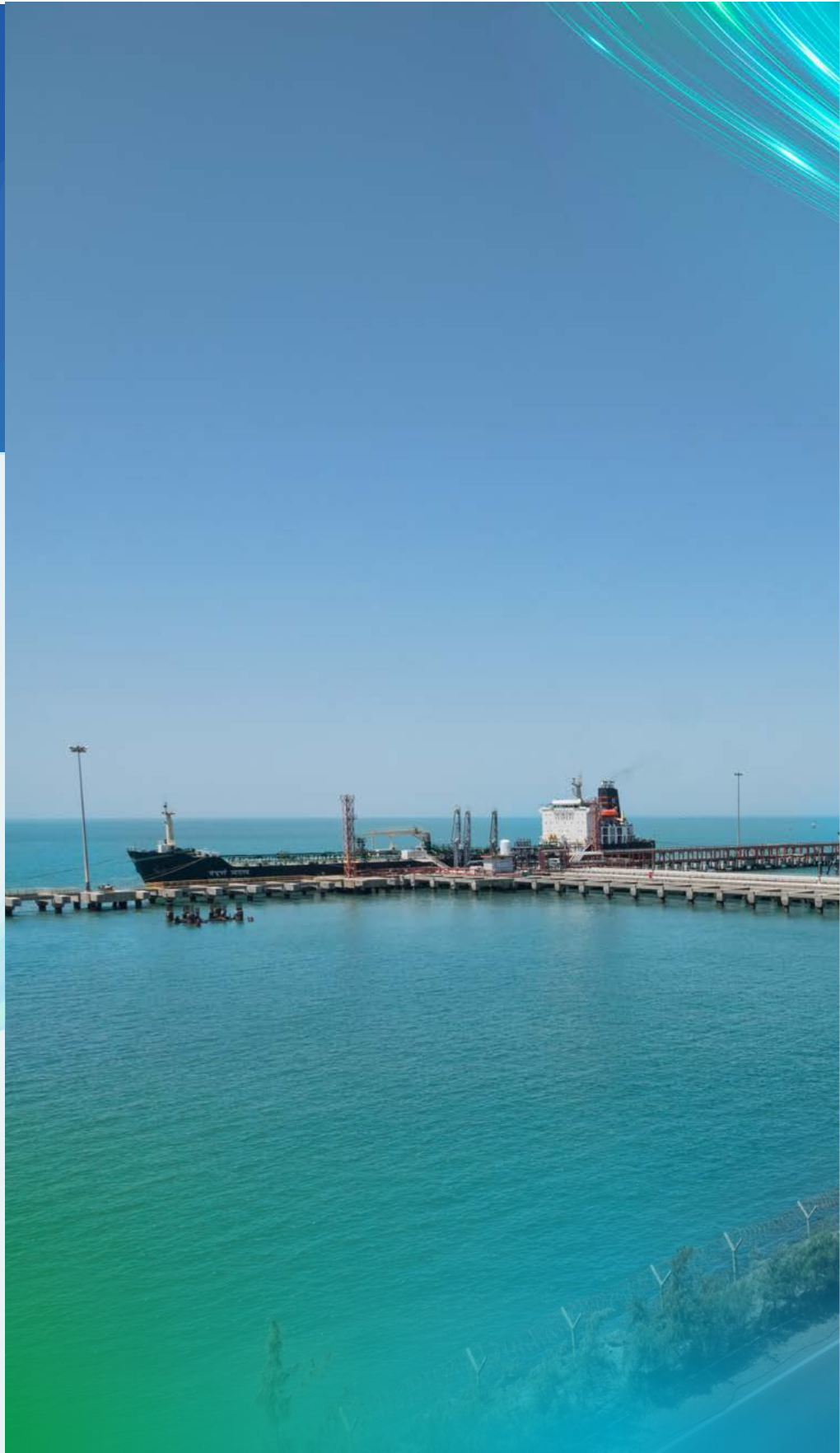


CRUDE PROCESSED, MMT





International Supply & Trade (IST) and Economic Planning & Scheduling (EPS)



129

Total distinct crude grades processed



Various geopolitical events drove volatility in crude and product prices for much of FY 2023-24. Nayara Energy was able to overcome numerous challenges on the back of robust internal frameworks, and well-planned strategies, which have evolved through excellent back-casting processes.

In the quest to bolster Nayara Energy's refining margins, your Company continued to manoeuvre through the intertwined realms of economics, strategic planning, and international commerce. FY 2023-24 stood out as a pivotal chapter, with achievements that included securing valuable crude oil supplies, maximisation of jet fuel sales to 3 Long Range Vessel (LRs) per month and optimising fuel costs by utilising Nayara Energy's flexibility in processing various feedstocks for Hydrogen production, while never losing sight of the mission 'In India, For India'. As a committed partner to India's energy needs, your Company's strategy was instrumental in refining its product lineup to cater to the domestic market's demands and maximise overall value across the organisation.

The concerted efforts of your Company have helped overcome dependence on specific crude grades, while ensuring safe and reliable operation of the two crude units at the Vadinar Refinery at the most optimal throughput levels. While your Company increases its presence in the domestic market, it continues to outperform by achieving strong premiums for your Company's export barrels and ensuring better realisation against relevant netbacks and benchmarks. Despite unforeseen global challenges, an uninterrupted supply of crude to the Refinery was ensured to sustain the desired throughputs. Timely hiring of crude and product time charters have further helped achieve significant savings against spot vessel hires. The hedging strategies applied have helped save costs significantly as well as lock gains.

The target of maximising refining margins was possible by your Company's constant endeavour to adopt newer technologies. A better trade capture system was introduced, which will improve the analysis of trading exposures and take margin enhancement measures. Your Company ensured decisions of deriving maximum economic value in sourcing of crudes and processing of products are up to date, by enhancing the latest Linear Programming tool as well as ensuring proper health of our LP model through a third-party audit.

As Nayara Energy looks to the future, its outlook remains positive. With increasing oil demand through the advancement of local refining capabilities, new trading channels and chances for arbitrage are emerging. This makes trading an increasingly attractive proposition. The subsidiary in Singapore is broadening its portfolio, and plans are underway to further expand its influence as a global trader. These strategic moves will allow your Company to further optimise the margins through a careful selection of feedstocks, and strategic placement of its products in international markets, thus strengthening Nayara Energy's role in the global Oil & Gas sector.

Nayara Energy was able to overcome numerous challenges on the back of robust internal frameworks, and well-planned strategies, which have evolved through excellent back-casting processes.

Milestones

- Procured crude from various geographies, which added significant value to Nayara Energy's EBITDA
- 129 total distinct crude grades processed



Marketing

Achieved historic milestone of

5,000

Nayara branded outlets through our outlets rebranding project



Retail

Your Company has undertaken multiple market interventions and successfully bounced back to its highest-ever volume in sales through retail outlets with 7.5 million KL sales in FY 2023-24 and stellar financial performance. In FY 2023-24, your Company achieved the highest-ever Market Effectiveness (ME) for MS.

Highest-ever Market Effectiveness (ME) for MS achieved in FY 2023-24

As a step closer to becoming a 'future-ready' organisation, we have completed automation for the entire Retail Outlet (RO) network and controls have been strengthened. The base layer of automation is now being leveraged to run consumer schemes on actual customer purchase bringing efficacy of spends. This enables the building of standard Customer Value Proposition (CVP) across our network and deliver benefits to customers directly. We plan to embark on the journey to utilise automation as an enabler to deliver better services and experiences to end-consumers during FY 2024-25.

In our commitment to providing excellent and satisfying experiences to our customers when they visit our ROs, we have undertaken comprehensive consumer research as a foundational step. In our drive to ensure operations excellence and superior customer experience, we have implemented an execution tracker, and observations are worked upon for improvement across the RO network. Our project of rebranding our outlets achieved the historic milestone of 5,000 Nayara branded outlets in December 2023, and we have progressed on re-branding the last leg of approximately 300 sites.



In our endeavour to high grade the network, sites with high volume potential are being selected for award of dealerships.

We are exploring various initiatives to make our network future-ready, which includes non-fuel retail opportunities, B2C loyalty programmes, mobility solutions, Artificial Intelligence (AI)-based video analytics, and alternate fuels, including CNG, battery swapping and EV Charging points. Multiple Non-Fuel Retail (NFR) opportunities are being identified under food, auto services and other services categories.

We are in the process of developing a strong business case and undertaking a pilot before introducing a mass rollout of NFR across the network.

At Nayara Energy, we are focused on sustainable livelihoods by creating grassroots employment opportunities and entrepreneurship. We are positively impacting close to approximately 50,000+ forecourt salesmen and communities around our retail network.

As the largest private fuel retail player, we cater to the need for reliable and safe mobility across the

length and breadth of the country. We believe in being a strong partner to India's energy needs and will continue to serve the Country's consumption demands.

In our endeavour to high grade the network, sites with high volume potential are being selected for award of dealerships.



Institutional Business

Institutional Business's dedication towards maximising both volume and earnings from its 'On Purpose' product portfolio consisting of HSD, High Flash High Speed Diesel (HFHSD), LDO & Mineral Turpentine Oil (MTO) products along with its swing product Bitumen and other evacuation products like Petcoke, Sulphur and Fly Ash has been unwavering. Through strategic initiatives and a relentless focus on market optimisation, we have continued to drive growth and profitability. Our overall 'On Purpose' product portfolio market share grew to 9% in FY 2023-24 from 6% in FY 2022-23.

In FY 2023-24, the bulk market witnessed growth in HSD consumption by approximately 80% over FY 2022-23. Nayara Energy continued to not only retain its existing customers but also add new customers thereby significantly growing its main driver of 'On Purpose' portfolio - HSD volume by 187% over FY 2022-23. This was largely possible due to expanding the existing customer base by venturing into new segments and new geographies beyond our traditional reach. Our revamped Go-To-Market Strategy has enabled us to break bulk even further, unlocking new opportunities for growth and market penetration.

During FY 2023-24, the market share of LDO increased from 9% to 12% and MTO grew from 11% to 12%.

We continued to optimise our bitumen earnings by leveraging production economics effectively. Additionally, we have ensured value maximisation of byproducts - Petcoke and Sulphur. Institutional business will continue its focus on growing market share by effectively seeding the market and introducing innovative products to meet our institutional customer needs.

Substantial progress has been made on biofuel sustainability. Along with ensuring blending compliance of



more than 10% ethanol in MS, value optimisation was done through best cost and best source procurement. As the next step for Ethanol self-sustainability, we have advanced on the development of two ethanol manufacturing plants.

Supply & Distribution and OMC Sales

With a focus on sales to Oil Marketing Companies (OMCs), the Company continued to thrust domestic offtake at higher realisation. In FY 2023-24, we achieved sales volume of 5.5 MMTPA of Petrol, Diesel and LPG to domestic oil companies.

We also achieved 1.2 MMT LPG sales volume in FY 2023-24, which is the highest-ever annual sales for your Company. Your Refinery's connectivity to the Jamnagar-Loni LPG Pipeline (JLPL) of Gas Authority of India Ltd. (GAIL) was completed in May 2023 and this has improved our daily LPG sales.

We maintain mutually beneficial arrangements for sales, purchases and infrastructure-sharing with OMCs.

FY 2023-24 saw the highest-ever retail sales integration to own molecule, which peaked to 80%. The focus on improving retail margin is reflected in the augmentation of tankages at Mangalore, which was done to cater to improved Retail and Institutional Business demand. New Mangalore Port Authority has also felicitated the Company with a recognition award for 'Patronising Port In POL Cargo Segment as Importer'.

We believe that our truckers not only fuel India's mobility but also play a pivotal role in the supply and distribution of fuel from our refinery to our depots and retail outlets. Continuing our focus on safe logistics, we launched Project 'Dronacharya' led by Mentor Drivers. The programme was the first of its kind in the industry and with 2,500 sessions attended by more than 25,000 driver-partners, it was a huge success.

We have also introduced Driver Status Monitor (DSM) Cameras/Voice Boxes in tank trucks (TTs) deployed for the transportation of fuel from supply locations to Retail Outlets (ROs). These AI-powered cameras, when fitted in the TT, are continuously evaluating the driver's state during the trip. In case of any distraction, the same is being alerted to the driver, helping to avert potential risk.

The ongoing Rewards and Recognition ('R&Rs') for the TT crew touched 1,000 awards. The TT crew is being acknowledged for their performances adhering to SOPs, driving behaviours, etc. This creates an environment of motivation which is principally driven by values.

Effective monitoring of TTs, using vehicle tracking systems (VTS) has helped in assessing road discipline, mainly speeding, night driving and continuous driving. The violation count has decreased significantly by approximately 46% on an annual basis, ensuring safe journeys on the road.

The TT crew forms an inseparable part of our supply chain. In September 2023, we introduced a dynamic Group Personal Accident Policy for all enrolled drivers and helpers, extending and emphasising our quotient of humanitarian in the business.

5.5 MMTPA

Sales volume achieved of Petrol, Diesel and LPG to domestic oil companies

9%

Market share growth of overall 'On Purpose' product portfolio in FY 2023-24

1.2 MMT

LPG sales volume in FY 2023-24; highest-ever annual sales for your Company

~46%

Significant decrease in violation count on an annual basis, ensuring safe journeys on the road



Asset Development



28 Mn

Safe man-hours of work at the project site by the end of March 2024

Nayara Energy adopted a phase-wise Asset Development Strategy in 2018 to enter into the petrochemicals sector and is well-positioned to become a strong petrochemical player due to its unique advantages in terms of opportunity of integration with the Refinery, proximity to the port and location of Refinery in western India which is the largest petrochemical consumption region of the Country.

Your Company's focus on petrochemical and refining capacity addition is well supported by the intensive growth demand for Petroleum and Petrochemical products.

The Indian Petrochemical industry has shown resilience in tough times and continues to show high consumption growth even during the current global economic slowdown.

India is the fastest-growing major market in the global Polyolefin industry. Polyolefin consumption in India grew by 12.3% (Polypropylene (PP) 6.6% and Polyethylene (PE) 17.5%) during FY 2023-24 to reach levels of 15.3 MMT, 7.0 MMT in PP and 8.3 MMT in PE. Despite India's present dependence on petrochemical feedstock import, the availability of a ready market coupled with skilled workforce and



lower manufacturing cost makes it an attractive manufacturing destination. Nayara Energy is uniquely placed to deliver India's growing demand through forward integration into petrochemicals.

Your Company's focus on petrochemical and refining capacity addition is well supported by the intensive growth demand for Petroleum and Petrochemical products.

Nayara Energy is currently implementing Phase 1 of its strategy aimed to maximise propylene recovery from existing refinery assets of the Fluidised Catalytic Cracker (FCC) Unit by increasing its severity and recovering this propylene in a Propylene Recovery Unit (PRU) and then converting it into polypropylene in a new Polypropylene Unit of 450,000 tonnes per annum capacity. Your Company had awarded Engineering, Procurement & Construction (EPC) contracts to various parties for the above projects.

Despite the two waves of the COVID-19 pandemic during the project execution period, the work at our project site has progressed well and we have achieved an overall project progress of more than 98.3% and completed 28 million safe man-hours of work at the project site by the end of March 2024.

Your Company is considering commencement of work on Front End Engineering for Phase 2 Petrochemicals Project comprising a World Scale Mixed Feed Cracker and Downstream Petrochemical Units as well as on Basic Design and Engineering for a second train of refinery.

The Polypropylene Unit is progressing towards completion and production is to commence in Q2 of FY 2024-25. The delay in project completion is being strictly monitored and measures are being taken to reduce the same to the minimum.

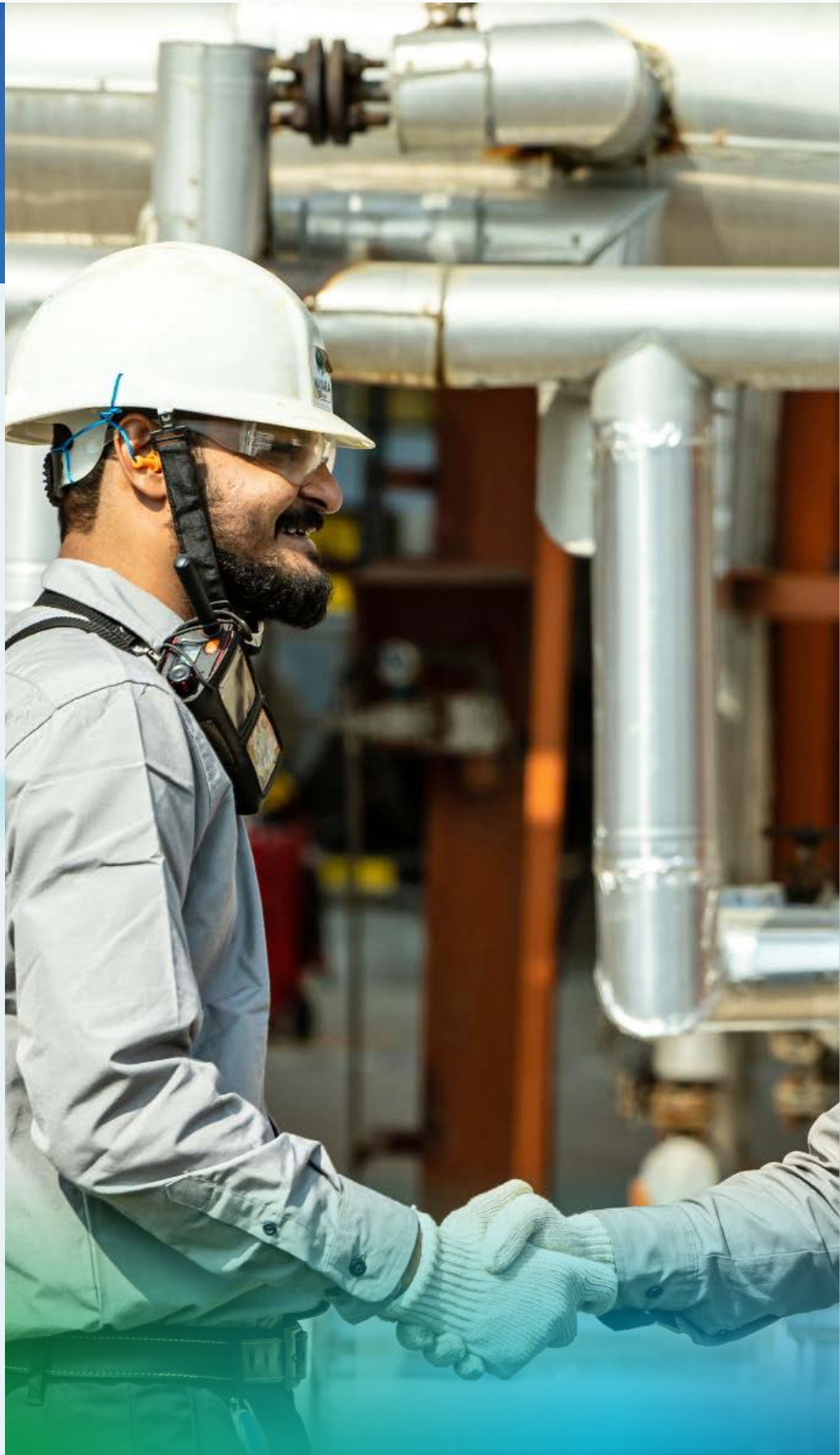
As Polypropylene is a new product for your Company, business readiness preparedness including marketing capability development to place Polypropylene Product in the Indian market is completed and major contracts i.e. for Del-Credere Agent (DCA) and transportation will be placed in Q1 of FY 2024-25 for product evacuation.

In FY 2023-24, your Company has approved the execution stage of two major Refinery projects i.e. VGO Mild Hydro Cracker Revamp (VGO MHC) and Coke Drum Replacement Project. The primary objective of the VGO MHC Project is to achieve the capability to increase the refinery turnaround cycle to 4 years from the current 3-year cycle. Coke Drum Replacement Project consists of replacing of 6 coke drums in the upcoming Refinery turnaround which will help in retaining the Refinery margin by improving reliability and reducing operational safety risk considerably by improving the design of new coke drums. Both these projects are planned for completion along with the next Refinery turnaround.

Your Company is considering commencement of work on Front End Engineering for Phase 2 Petrochemicals Project comprising a World Scale Mixed Feed Cracker and Downstream Petrochemical Units as well as on Basic Design and Engineering for a second train of refinery.



Safety and Occupational Health



0.171

Total Recordable Injury Rate (TRIR) as on March 31, 2024



Nayara Energy practices Health, Safety & Environment (HSE) as a fundamental and deeply ingrained habit, where each one is encouraged to imbibe beliefs, values, and systems that prioritise the well-being of our teams, the community and the organisation.

In FY 2023-24, Nayara Energy introduced a series of initiatives and proactively implemented several measures to enhance organisation-wide safety culture and practices.

The British Safety Council performed an assessment of Nayara's safety culture which enabled a thorough examination of various aspects and perspectives. A comprehensive review of critical Health & Safety information, including risk assessment, change management, contractor safety management, and incident reporting was conducted.

The outcome of this assessment was discussed in multiple workshops across the organisation and action plans were clearly articulated to attain high standards of safety. Your Company is conscious about HSE, its benchmark is best-in-class, which goes beyond common practice to identify and implement new tools and technology and take care of its workforce, communities and all stakeholders, and mitigate the impact on the environment.

One common set of Life Saving Rules was defined and will be implemented in CY 2024.

We also witnessed extensive organisation-wide engagement in activities on the National Safety Council theme, 'Focus on Safety Leadership for ESG Excellence'. Our teams across the Country participated in safety talks, drills, awareness sessions, quizzes, skits and competitions. Our customers at Retail Outlets became part of our Road Safety campaigns, free helmets were

distributed to two-wheeler drivers and fuel discounts and vouchers were given to customers wearing seatbelts. Your Company enhanced its systems for investigating and reporting of incidents to align with international best practices.

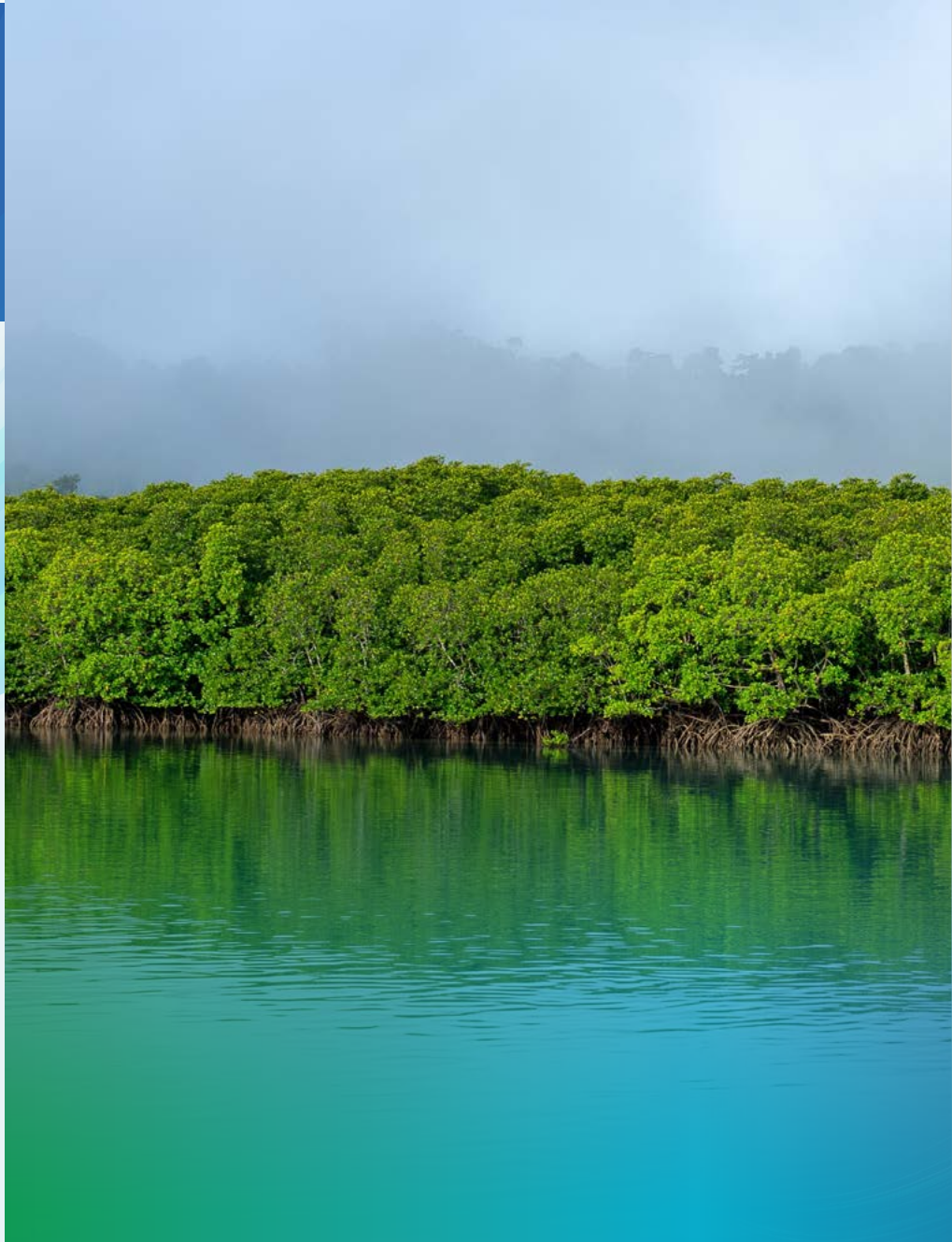
The Total Recordable Injury Rate (TRIR) of Nayara Energy is 0.171 as of March 31, 2024, compared to 0.09 in the previous reporting period.

Despite all the efforts taken to improve Road Transportation Safety, there were 11 third-party fatalities (improved reporting and monitoring of the status of injured people is contributing to the higher number of road incidents compared to the previous period). In order to further bring this down, we have intensified our efforts in training and building partnerships with drivers.

In FY 2023-24, Nayara Energy introduced a series of initiatives and proactively implemented several measures to enhance organisation-wide safety culture and practices.



Environment and Sustainability



250 hectares

Mangroves to be planted in coastal regions

The energy landscape is undergoing a profound transformation, driven by a combination of technological advancements, policy imperatives, and evolving consumer preferences. There will be a gradual shift towards greener, cleaner and more sustainable sources of energy, driven primarily by the imperative to mitigate climate change by way of reducing greenhouse gas emissions.

The world is in a race against time to cut its reliance on fossil fuels with an aim of capping the temperature rise to 1.5°C as compared to the pre-industrialisation level. With a majority of the developed countries having taken up net zero commitments by 2050, India too has announced its aim of reaching net zero emissions by 2070. Achieving net zero emissions requires a two-pronged strategy

of increasing low-carbon energy rapidly and decreasing fossil fuel use at the same time. The Conference of the Parties (COP28) to the UN Framework Convention on Climate Change (UNFCCC) at its conference included a call on governments to speed up the transition away from fossil fuels to renewables such as wind and solar power in their next round of climate commitments.



Even with strengthening global consensus on energy transition, along with an increased emphasis on the decarbonisation of the industry, the fossil fuel requirement is slated to grow steadily to meet the global baseload energy requirements. The major macro-economic events in the last few years coupled with the geopolitical developments have also caused nations to relook at their transition strategy considering the energy trilemma of affordability, availability and sustainability.

A cohesive energy transition plan, addressing key considerations such as energy security, technology advancement and ubiquitous knowledge flow, economic divide, availability of funding lines, and on-ground execution, to address the transition has become increasingly evident.

In view of India's commitments towards energy transition and net zero targets, the Government of India is introducing new regulations along with fiscal support to the industries. If we were to map the Indian regulations applicable to Oil & Gas (O&G) players, various regulations impact one or the other abatement measure.

Our ESG strategy is being evolved based on different abatement initiatives which are based on upcoming technologies and global best practices. Identified initiatives are at different stages of maturity, including mature ones and those in the nascent stage. Your Company has entered into an MoU with NTPC Green Energy Limited (NGEL), a wholly-owned subsidiary of NTPC Limited, to explore opportunities in the Green Hydrogen and Green Energy space.

Nayara Energy has been also actively engaged in environmental conservation efforts across various fronts, which included initiatives such as:

- Tree Plantation and other activities conducted at our Depots and the Refinery on World Environment Day.
- Signed a Memorandum of Understanding with the forest department to plant mangroves across 250 hectares in coastal regions. This initiative contributes to CO₂ absorption, promotes biodiversity conservation, and strengthens our blue carbon ecosystem. Mangrove afforestation also helps in mitigating soil erosion, acting as a preventative measure against cyclone damage in nearby villages, thereby ensuring a more secure future for all.

- The 'Swachhata Abhiyan' (Cleanliness Drive) is conducted annually across our Marketing locations, including Depots and Retail Outlets throughout India. This drive aligns with the government's initiative of Swachh Bharat Abhiyan, commemorated annually on the occasion of Gandhi Jayanti. This drive focuses on advocating and engaging people in promoting cleanliness and good hygiene practices.

In view of India's commitments towards energy transition and net zero targets, the Government of India is introducing new regulations along with fiscal support to the industries. If we were to map the Indian regulations applicable to Oil & Gas (O&G) players, various regulations impact one or the other abatement measure.



People



At Nayara Energy, our people are our greatest strength, and we are committed towards building a culture that empowers employees to reach their full potential and excel.

Your Company believes that investing in the development of people is a strategic requisite for ensuring enduring success and its continuous focus is on nurturing a dynamic, diverse and inclusive workforce.

Your Company has aimed at building a strong talent pipeline, enhancing capabilities and driving high-performance culture. The talent pool was strengthened by active recruitment from diverse backgrounds through the Campus Connect programme. Strategic hirings were done for leadership roles and Nayara Energy continues to be in the process of identifying and filling critical positions to support business expansion plans.

Internal Talent Mobility provided cross-functional opportunities to the employees. Structured career paths are developed for key talent to reach leadership positions, this will be extended to junior and middle management levels.

The foundation stone was laid for Nayara Learning Academy, a beacon of opportunity symbolising the commitment to growth of employees.



Your Company guided over 200+ managers who underwent transformative learning experiences by top institutions. These structured journeys from ISB and SP Jain laid the groundwork for leadership excellence, sparking inspiration and igniting passion in every participant.

Your Company introduced cutting-edge programmes to enhance workplace effectiveness. Senior leaders embraced their roles as

coaches, navigating the path to guiding and nurturing talent to new heights. Nayara Energy's focus on learning and development extended to adopting digital learning practices to deliver engaging and accessible training programmes from resilience-building to data mastery with Power BI.

Threads of care, engagement, and equity are woven with intentionality, creating a fabric that binds us together in unity and purpose. It all began with a simple yet powerful tool: the Pulse Survey. Through this initiative, we ensured that every voice is heard. Post this, your Company embarked on an extensive mission to identify and rectify disparities in compensation to ensure equity. Your Company also reworked on promotion policy, streamlining the processes to ensure objective assessment and faster decision-making. For Nayara Energy, culture-building also meant investing in the growth of our employees and driving high-performance culture.

Recognising the transformative potential of technology, your Company has embarked on a digitisation journey, to streamline processes, enhance efficiency, and unlock new opportunities across all facets of the employee value chain. Your Company recognises the need to foster a diverse and inclusive workplace, which is not only a moral imperative but also a strategic advantage for driving innovation, creativity, and organisational excellence. Nayara Energy is developing a culture of Diversity, Equity, and Inclusion (DEI) amongst its workforce.

At Nayara Energy, our people are our greatest strength, and we are committed towards building a culture that empowers employees to reach their full potential and excel.

Good health is your Company's fundamental commitment and every year it invests significant effort into wellness initiatives.

Your Company organised eye checkups, blood donation camps, and cardiovascular checkups.

Multiple occupational health campaigns such as Mental Health, First Aid/CPR trainings, and check-up of blood sugar on World Diabetes Day were conducted. In addition, Annual Health Checkups were arranged for individual team members of all ages and their spouses at all locations.

Your Company is committed to bringing best-in-class policies and practices with the overarching goal of making Nayara a truly exceptional place to work. By prioritising the well-being, growth, and satisfaction of the employees, your Company aims to position Nayara Energy as not only a leader in the industry but also a preferred employer of choice, where talent thrives and potential is realised.

The Company has zero tolerance for any form of harassment or discrimination. It has established a framework of policies and processes to ensure a safe, harassment-free and empowering work environment for all its employees. Following 'The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013' ['Prevention of Sexual Harassment (POSH) Act'], the Company has set up Internal Committees at its offices to promote a safe working environment across the organisation. Regular sensitisation sessions are conducted along with mandatory online modules implemented for all employees.

During FY 2023-24, your Company has not received any complaints under POSH guidelines.



CSR Program



Animal Husbandry
Gram Samruddhi

772 youth

Trained in employability skills comprising soft skills

Nayara Energy's CSR has its pronounced presence in the states of Gujarat (Jamnagar and Devbhumi Dwarka districts), Maharashtra (Wardha) and Rajasthan (Pali) with comprehensively designed CSR projects ranging across three broad thematic areas-

- Health and Sanitation
- Sustainable Livelihoods
- Education and Skilling

FY 2023-24 marked significant strides in geographic expansion of project outreach (in refinery and depot locations) as well as added components to flagship projects like Tushti and Swachh Halar, making it a year of augmentation of our development efforts. With advanced Nutrition Call Centre and Design Studio, collaborative initiatives like Project Tushti took a big leap forward in contribution to the State of Gujarat's mission against malnutrition.

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 adopted by the



Company and other particulars specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this report as Annexure – A.

During FY 2023-24, the Company was required to spend ₹ 227.6 million on CSR activities post setting off the voluntary CSR expenditure incurred during earlier years. However, taking into account the Company's continued commitment, the Board of Directors

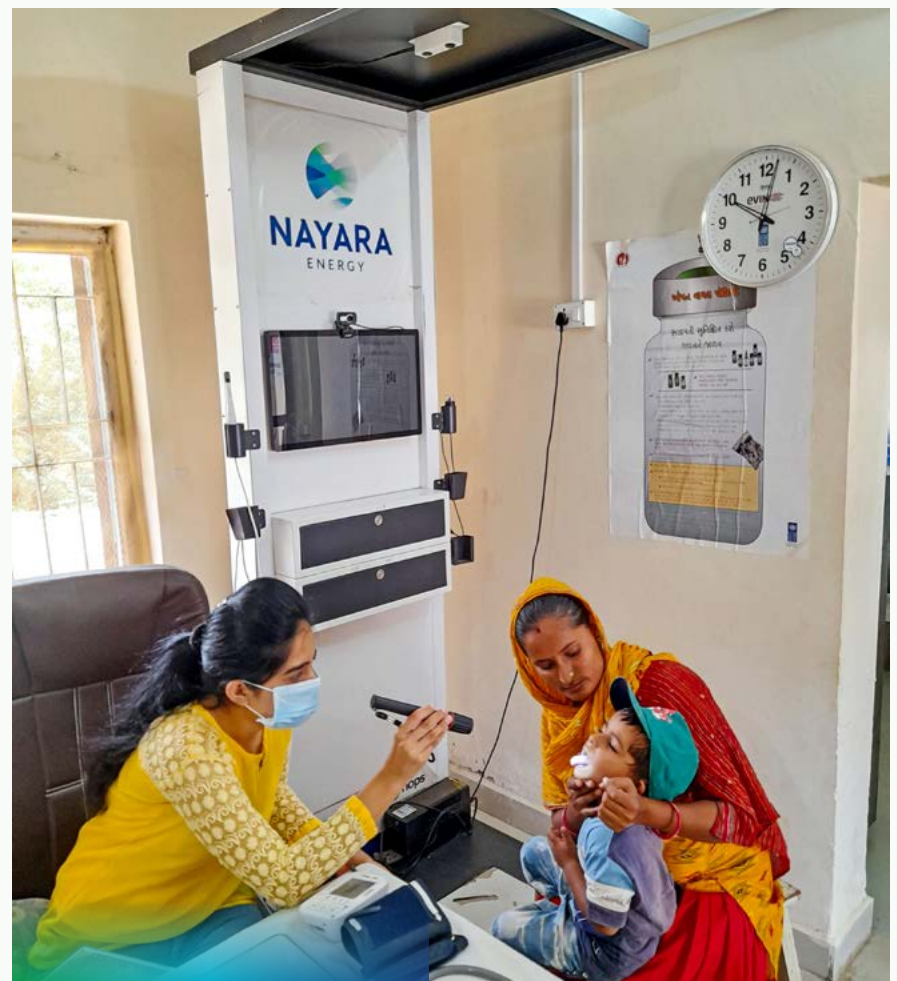
approved CSR expenditure of ₹ 284.6 million for FY 2023-24. Out of the approved budget, the Company was able to spend an amount of ₹ 148.76 million and the amount of ₹ 135.84 million remained unspent. Major reasons for the underspend included delays in statutory approvals of infrastructure projects. Likewise, some project got delayed due to a delay in selection of implementing agency and land allocation for convergence projects like 'Model Anganwadi' under Project Tushti with the Government of Gujarat.

Flagship CSR projects

The major highlights of the flagship CSR projects of the Company during FY 2023-24 are as follows:

Comprehensive Healthcare

- Comprehensive healthcare and preventive awareness helped people save health expenses worth over ₹ 80 lakh.
- Over 54,000 consultations conducted in 20 villages of Jamnagar and Devbhumi Dwarka districts.
- Specialised health camps on dental checkup, eye screening, Ayurveda, tuberculosis diagnosis, first-aid awareness were conducted in 29 villages. Further street plays on anti-tobacco awareness undertaken for preventive services and large-scale awareness. 15,300 was the footfall in these camps and awareness sessions.





Project Tushti

Tuberculosis Eradication

- 3,300 nutrition kits provided to 2,066 vulnerable TB patients in Jamnagar resulting in patient recovery with significant weight gain.
- Conducted thorough assessment of technological needs towards modernising the District TB Centre, Jamnagar, followed by financial support for procuring computerised radiography system with a mobile X-ray machine, Truenaat machines (for early diagnosis), Android tablets (for real-time patient data on Nikshay portal), and LED microscopes at Primary Health Care and Community Health Care levels.

Project Tushti

- Project Tushti broadened state-wide. Our efforts resulted in the declaration of five Gram Panchayats in the Bhanvad block 'malnutrition-free'.
- 40 High Concentration villages and 20 additional villages in Devbhumi Dwarka were monitored which resulted in 63% reduction in Moderately Underweight and 56% reduction in Severely Underweight cases.
- Foundation stone for setting up Centre for Excellence in Nutrition (CoEN) was laid at the Indian Institute of Public Health

Gandhinagar in collaboration with the Govt. of Gujarat. CoEN will support 53,029 Anganwadi centres across all 33 districts of Gujarat to improve nutritional outcomes and to strengthen the ecosystem.

Project Swachh Halar - Jamnagar

- A fully-equipped Material Recovery Facility (MRF) with a capacity of handling dry waste of 3-5 MT/day, expandable to 10 MT/day was launched in Khambhalia.
- Approximately 1 MT of textile waste turned into upcycled products by women at the Incubation Centre.



Agriculture Development
Gram Samruddhi

Project EXCEL

- 722 youth (including 70% girls) were trained in employability skills comprising of soft skills, beauty and wellness, and IT/ITES trades.
- Established a fully-equipped CNC Technical Training Centre in partnership with Jamnagar Factory Owners Association to abridge the trained personnel gap within the brass industry.
- Market linkage to institutional buyers for 15.3 MT of coriander and 101 MT of groundnut generating revenue of ₹ 77.69 lakh for 33 farmers.
- 3,962 households linked to government social security/entitlement schemes.
- 103 women were supported to initiate microenterprises and 26 were linked with microfinance to set up and scale up micro-enterprises.

Project Gram Samruddhi

- 2,406 conventional and 1,533 Sorted Semen Artificial Insemination services for Gir cows and Jhafrabadi buffaloes. 674 female calves birthed this year translating to an asset generation of approximately ₹ 13.4 million.
- Two mobile veterinary clinics treated over 2,417 cattle and vaccinated 6,277 cows and buffaloes.
- Three automated weather stations were set up, enabling 2,100 farmers to receive timely advisory services on crop and pest management.
- 17 identified villages have completed water security strategy.

CSR Initiatives at Marketing Depots

Wardha, Maharashtra

- More than 8,500 consultations were conducted by Mobile Health Clinic. 242 school children were provided comprehensive health checkups, and 216 TT drivers received eye checkups.
- 1,000 school students participated at District level Residential Scout Guide Rally, and 27 teams contested in the District Kabaddi Tournament supported by Nayara.
- Artificial Insemination services were provided to 300+ cattle, and 2,100 cattle received veterinary services. 249 farmers have been supported with 1,570 kg nutrient-rich mineral mixture for better feed for cattle.

Pali, Rajasthan

- 5,829 consultations were conducted by the Mobile Health Clinic since its launch in December 2023. 244 spectacles were distributed to TT drivers.
- Over 5,000 saplings were planted under Azaadi ka Amrit Mahotsav initiative.
- Approximately 4 km of rural road repairs were undertaken, thus providing better mobility for around 1,000 villagers.

Corporate and Pan-India Initiatives

- Group Personal Accident (GPA) Insurance coverage assured to over 9,000 Tanker Truck Drivers and Helpers across delivered and Ex Main Installation network pan-India. GPA Insurance coverage assured for over 46,900 Forecourt Sales Managers across 6,700 ROs pan-India.
- 2,893 kg waste collected in a 10-day pilot coastal cleaning initiative in Carter Road, Mumbai.

17

Identified villages have completed water security strategy



Information
Technology





In an increasingly digitised landscape and demand for digital services, your Company continues to be committed to leveraging cutting-edge technology as an integral part of its operations. In FY 2023-24, a Digital Transformation Strategy and Roadmap was defined for the enterprise, including Digital Refinery and Digital Retail. With a vision to enable digitalisation as an accelerant, our digital transformation strategy will aim to enhance organisational efficiency, productivity, effectiveness, and competitiveness. Implementing new and emerging technologies and analytics will act as a business enabler.

Nayara Energy has already embarked on a journey of implementing key projects, which include video analytics solutions at Retail Outlets, building an integrated 'One Customer Relationship Management' (CRM) platform for marketing function, developing a new 'Commodity Trading & Risk Management' (CTRM) solution for International Supply and Trading business activities, implementing 'Digital Operations Execution System' (DOES) for field operations to provide an integrated view of refinery operations processes and Customer Relationship Management (CRM) & Transportation Management (TM) module for Polypropylene Plant amongst others.

Nayara Energy continues to be committed to ensuring business resiliency by scaling up its investments in IT Infrastructure, such as Refinery Network Modernisation, which is a large-scale engagement, Data Centre (DC) Revamp, strengthening OT (Operational Technology) & IT Security, and setting up a Disaster Recovery (DR) Site. These engagements will add immense value to the business operations by updating IT assets with state-of-the-art technologies, cost savings through economies of scale, improving the uptime of our operations, ease of integration and enhanced IT support, thus leading to improved

efficiency and productivity. For OT, an assessment has been undertaken for standardisation and easy interchangeability of components. These initiatives will help in achieving significantly enhanced security, reliability, resilience and business continuity to ensure seamless business operations in the face of disruption.

To drive efficiency, productivity and growth across Nayara Energy, a Unified Office Collaboration Platform has been rolled out to facilitate superior communication, collaboration and greater teamwork. Your Company is also on the verge of finalising a Single Employee Engagement Portal (SEEP) to provide a channel-agnostic singular platform for service delivery and management. Nayara Energy is working on multiple key projects to move ahead on its transformation journeys like implementation of Oracle Human Capital Management (HCM) platform and implementing Enterprise Level HSEFS (Health, Safety, Environment, Fire and Sustainability) solution. Your Company is in the process of revamping SAP ECC 6.0 ERP by fixing process gaps and implementing IS OIL modules such as TSW (Traders and Schedulers Workbench), and Exchange Modules. These parallel initiatives will bring in immense agility and scalability required for moving rapidly towards becoming a Digital Enterprise of the future.

To drive efficiency, productivity and growth across Nayara Energy, a Unified Office Collaboration Platform has been rolled out to facilitate superior communication, collaboration and greater teamwork.



Financial Performance

10.58%

Higher EBITDA at ₹ 202,478 million





Revenue from operations was at ₹ 1,546,293 million for the financial year ended March 31, 2024, compared to ₹ 1,378,213 million for the financial year ended March 31, 2023. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) was higher by 10.58% at ₹ 202,478 million in FY 2023-24 from ₹ 183,112 million in the preceding financial year. The refinery maximised throughput to encash on positive margin environment, supported by better crude mix optimisation and evacuation/supply chain strategies, which helped boosting profitability. The benefits accruing out of the aforementioned factors, sustained product cracks and robust management actions supported an increase in profitability despite the growth rate tapering down from the highs seen in the previous years. The Company earned a Profit After Tax (PAT) of ₹ 120,852 million in FY 2023-24 against a PAT of ₹ 95,916 million in the preceding financial year.

Reserves increased by ₹ 129,335 million during financial year due to improved profitability. No amounts are proposed to be transferred to the General Reserve for FY 2023-24. The Board of Directors of the Company have not recommended dividend for the financial year ending March 31, 2024.

Standalone and Consolidated Financial Statements

The audited Standalone Financial Statements, prepared as per the Indian Accounting Standards (Ind AS) for the financial year ended March 31, 2024, form part of this Annual Report.

₹ 1,546,293 Mn

Revenue from Operations in FY 2023-24

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

Holding and Subsidiary Companies

Your Company does not have any holding company. Rosneft Singapore Pte Limited and Kesani Enterprises Company Limited continue to hold 49.13% shareholding each in Nayara Energy Limited.

There was no change in the position of subsidiary companies during FY 2023-24. The Company does not have any associates.

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

The financial statements of these subsidiaries for the financial year ended March 31, 2024 and other related information will be made available to any member of the Company or its subsidiaries seeking such information at any point in time. The same is also available for inspection by any member at the Company's Registered Office/ Corporate Office.

Share Capital

There was no change in the Company's authorised, issued, subscribed and paid-up share capital during FY 2023-24.

₹ 120,852 Mn

Profit After Tax in FY 2023-24



Governance



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

Directors

Mr. Jörg Tumat was appointed as Director of the Company w.e.f. July 21, 2023 in place of Mr. Alexander Romanov. The Board of Directors places on record appreciation of services rendered by Mr. Alexander Romanov during his association with the Company.

Effective April 19, 2024, Mr. Prasad K. Panicker has been appointed as 'Executive Chairman' of the Company for a period of 3 years.

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 2023-24, applicable accounting standards were followed along with proper explanation relating to 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 2023-24 and of the profit and loss for the same period.
- The Directors took proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Act, to safeguard the Company's assets, and prevent and detect fraud and other irregularities.
- The Directors prepared the accounts for the year ended March 31, 2024, on a 'going concern' basis.
- The Directors devised proper systems ensuring compliance with the provisions of all applicable laws, and that such systems were adequate and operating effectively.



Policy on Appointment of Directors and Remuneration

The Board has adopted a policy for appointment, remuneration, training, and evaluation of Directors and employees. The policy, inter-alia, included the criteria and procedures for selection, identification and appointment of Directors, criteria for appointment of Senior Management Executives, remuneration to Executive and Non-Executive Directors, training and performance evaluation of the Board, among others, and other matters provided under Section 178(3) of the Act. The above policy is available on the Company's website



<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 2023-24 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 were designated as Key Managerial Personnel under the Act during FY 2023-24:

- Mr. Prasad K. Panicker
Chairman & Head of Refinery
- Dr. Alois Virag
Chief Executive Officer
(Up to March 31, 2024)
- Ms. Rajani Kesari
Chief Financial Officer
- Mr. Mayank Bhargava
Company Secretary

Mr. Alessandro des Dorides joined the Company as 'Chief Executive Officer' with effect from April 29, 2024. Dr. Alois Virag ceased to be a 'Chief Executive Officer' with effect from March 31, 2024.

Audit Committee

As of March 31, 2024, the Audit Committee comprised of Mr. Deepak Kapoor (Independent Director) as its Chairman along with Ms. Naina Lal Kidwai (Independent Director) and Ms. Victoria Cunningham as its members. During FY 2023-24, all the recommendations of the Audit Committee were accepted by the Board.



Risk Management



Determined to ensure that the strategic objectives of the Company are achieved all the same in today's VUCA world – volatile, uncertain, complex and ambiguous, Nayara Energy has established a robust enterprise-wide risk management ('ERM') framework guided by an overarching ERM Policy that is based on the principles underscored in COSO's 2017 ERM update. The Company's approach towards risk management is driven by a strong focus on fostering a culture of 'risk-aware' decision making within the organisation and setting the right 'tone at the top' by reinforcing the importance of risk assurance in strategic decisions as well as day-to-day business operations.

The Company has a well-articulated Risk Appetite Statement (RAS).

The RAS is further supported by Risk Assessment Criteria (RAC) which facilitates highly objective risk impact assessment. By assigning risk scores, identified risks are classified into 'intolerable', 'critical', 'moderate' or 'minor' categories to facilitate prioritisation. The management effectively addresses key risks by implementing appropriate and adequate risk response strategies and internal control measures that bring down the risks within acceptable levels. Monthly reporting protocols have been put in place to ensure continuous monitoring of top risks and performance metrics.

Together, the RAS-RAC documents, an extensive enterprise-wide risk repository and rigorous reporting of risk indicators have enabled a comprehensive risk overview and

uniform understanding of risk capacity, tolerance and appetite across the table. The Company has a Risk & HSE Committee which regularly reviews the organisation's risk profile and takes stock of existing and emerging risks.

In case of any major external event having any potential impact on business operations, a task force comprising of senior management executives is constituted to monitor such risks on regular basis and ensure that appropriate actions to pre-empt or mitigate are rolled out in a timely manner.

Overall, in the opinion of the Board, the Company has a well-defined framework, processes and reporting structure for identifying and managing all key risks that the Company is facing.



Internal Financial Controls

Nayara Energy has in place a robust system and framework of Internal Financial Controls. This framework provides a reasonable assurance regarding the adequacy of design and operating effectiveness of controls with regard to financial reporting, operational and compliance risks. The Company has devised appropriate systems and framework, including proper delegation of authority, effective IT systems aligned to business requirements, risk based internal audits, risk management framework and whistleblower mechanism.

The Company's Internal Financial Control framework, based on COSO 'Internal Control Integrated Framework' and COSO and IIA 'The Three Line of Defence Model' includes a procedure and risk and control

matrices covering entity level controls, process and operating level controls and IT general controls. This also encompasses a process of Quarterly self-certification of design of the operational and financial controls in their respective business areas by the Business Head/Finance Head.

As a periodic procedure, a project on updating of Internal Financial Control Framework was initiated during the year along with automation of process of self-certification of controls. Appropriate design improvements and automation opportunities are being identified to further strengthen the control environment and IT systems.

Annual Internal Financial Controls testing was carried out by management through an external consultant and no material weakness in design and effectiveness were

observed. Nonetheless, the Company recognises that any internal control framework, no matter how well designed, has inherent limitations and accordingly, regular audits and review processes ensure that such systems are reinforced on an ongoing basis.

Vigil Mechanism

Nayara Energy's vigil mechanism, which is an integral part of our holistic compliance framework, empowers Directors, employees, and all other stakeholders to confidentially raise concerns and seek resolution regarding violation of our Ethics Code. It plays a crucial role in upholding our ethical standards, transparency, fairness, and accountability within our operations. Additionally, by integrating stringent information security measures it also safeguards sensitive information and prevents cyber-attacks. Key elements of the framework, such as well-designed policies, provisions for confidentiality and protection of whistleblowers, security measures, effective reporting channels, independent investigation protocols, and ongoing Board oversight, provides further assurance to stakeholders regarding Nayara Energy's ethical values and integrity in the ever-evolving business environment.

In FY 2023-24, we embarked upon several educational and outreach initiatives to reaffirm the Company's Zero tolerance stance towards fraud, corruption, and abuse. We celebrated Integrity week and Cyber security month through several employee awareness and engagement campaigns to strengthen our collective voice against fraud, corruption, and security threat. In-person awareness sessions on ethics code, and information security were organised to cultivate a well-informed and vigilant team Nayara.

**Nayara Energy
has in place a
robust system and
framework of Internal
Financial Controls.**



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 2023-24, forms a part of this Annual Report. There were no qualifications, reservations, adverse remarks, or disclaimers given by the Auditors in their reports. The notes on financial statements referred to in the Auditors' Report, are self-explanatory and do not call for any further comments.

Cost Auditor

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

The Cost Audit Report for the financial year ended March 31, 2024, 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, 2024, is attached as Annexure - B to this Report. The Secretarial Audit Report does not contain any qualification, reservation, or adverse remark.



Disclosures

Compliance with Secretarial Standard

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

Number of Meetings of the Board

During FY 2023-24, the Board of Directors met 6 times on May 25, 2023; July 17, 2023; August 10, 2023; November 8, 2023; February 1, 2024 and March 27, 2024. All these meetings were well attended by the Directors.

Particulars of Contracts or Arrangements with Related Parties

All contracts/arrangements/ transactions entered by the Company during FY 2023-24 were at an arm's length and in the ordinary course of business. There were no material related party transactions undertaken by the Company during the year that required shareholders' approval under Section 188 of the Act. 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 AOC-2, the same is not provided.

Related party disclosures, as required by Ind AS 24, have been made in note no. 43 to the standalone and 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 note no. 7 of the standalone financial statements). Since Nayara Energy belongs to the petroleum sector and operates 'infrastructure facilities' as defined under Schedule VI of the Act, it is not required to comply with provisions relating to making of investments, loans, giving guarantees, or providing security as prescribed in Section 186 of the Act.

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

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

Annual Return

The Annual Return for the financial year ended March 31, 2023, filed with the Registrar of Companies, after the

conclusion of the 33rd Annual General Meeting, held on September 27, 2023, is placed on the Company website and can be accessed at

 <https://www.nayaraenergy.com/investors/information>

Further, the Annual Return of the Company as on March 31, 2024, is available on the Company's website and can be accessed at

 <https://www.nayaraenergy.com/investors/information>

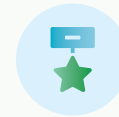
Fixed Deposits

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, 2024, no disclosure was required in respect of the following items and accordingly confirmed as under:

- The Executive Director did not receive any remuneration from the subsidiary companies.
- The Company neither revised 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.
- The Company did not buy back any shares during the year.
- No instance of fraud was reported by Statutory Auditors to either the Audit Committee or the Board of Directors.



Acknowledgement

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

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

For and on behalf of the Board of Directors

Prasad K. Panicker
Executive Chairman
(DIN - 06476857)

Place: Mumbai, Maharashtra
Date: May 23, 2024

Annexure A

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company

A Brief outline of the CSR Policy of the Company is as under:

CSR Vision

The Company's vision is to be among the most respected 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 programmes. 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, 2024, the CSR and Sustainability Committee comprised of Ms. Naina Lal Kidwai as Chairperson, and Mr. Alexey Lizunov, Mr. Anton Kabachinskiy, Ms. Avril Conroy and Mr. P. N. Vijay as its members.

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	2	2
2	Mr. Alexey Lizunov	Non-Executive Director, Member of the Committee	2	2
3	Mr. Anton Kabachinskiy	Non-Executive Director, Member of the Committee	2	2
4	Ms. Avril Conroy	Non-Executive Director, Member of the Committee	2	2
5	Mr. P. N. Vijay	Non-Executive Director, Member of the Committee	2	2

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/board/board-committee>

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_the_Board_for_FY_2023-24.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

5. (a) Average net profit of the company as per section 135(5) - ₹ 36,645 million
- (b) Two percent of average net profit of the company as per section 135(5) - ₹ 733 million
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - No
- (d) Amount required to be set off for the financial year, if any - ₹ 505.4 million
- (e) Total CSR obligation for the financial year (b+c-d) - ₹ 227.6 Million. However, the Board had approved an amount of ₹ 284.6 Million towards CSR activities for FY 23-24.
6. (a). Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 148.76 million
- (b) Amount spent in Administrative Overheads: NIL
- (c) Amount spent on Impact Assessment, if applicable: NIL
- (d) Total amount spent for the Financial Year (a+b+c): ₹ 148.76 million
- (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹): ₹ 13,58,41,029.55				
	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.
₹ 14,87,58,970.45	₹ 13,58,41,029.55	April 30, 2024	NA	NIL	NA

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

Sl. No.	Particulars	Amount (in ₹)
i.	Two percent of average net profit of the company as per section 135(5)	₹ 73,30,00,000.00
ii.	Total amount spent for the Financial Year	₹ 14,87,58,970.45
iii.	Excess amount spent for the financial year [(ii)-(i)]	NA
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
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 ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	2022-23	5,84,25,592.00	5,84,25,592.00	2,95,14,551.21	Nil	NA	2,89,11,040.79	
2	2021-22	7,66,68,795.91	1,00,00,281.91	8,80,697.00	Nil	NA	91,19,584.91	
3	2020-21	1,03,26,437.00	35.00	35.00	Nil	NA	0.00	

* 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 23-24.

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

Yes

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]	Pin code 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)

Significant reasons for underspent included delay in the commercial process related to multi utility centre, centre of excellence and scholarship program. There was also a delay in allotment of land for Model Anganwadi by Government of Gujarat.

For and on behalf of the CSR and Sustainability Committee

Date: May 23, 2024

Alessandro des Dorides
Chief Executive Officer
Mumbai, Maharashtra

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



Annexure B

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[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 authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2024** 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 on March 31, 2024 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, Overseas Direct Investment and External Commercial Borrowings. The Company did not raise any 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011[#];

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015[#];
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018[#];
- d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021[#];
- e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021[#];
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021[#]; and
- h. 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 other laws, as informed and identified by the Company which are specifically applicable to the Company based on their sector/industry are:

- vi. Petroleum Act, 1934 and rules made thereunder;
- vii. 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 following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015[#].

[#] Not applicable for the period under review.

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 further report that, with regard to 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 provision of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at a 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, there were no events/actions, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For **Bhandari & Associates**

Company Secretaries

Unique Identification No.: P1981MH043700

Peer Review Certificate No.: 611/2019

Manisha Maheshwari

Partner

ACS No.: 30224; C P No.: 11031

Mumbai, May 23, 2024

ICSI UDIN: A030224F000418997

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 on March 31, 2024 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.: 611/2019

Manisha Maheshwari

Partner

ACS No.: 30224; C P No.: 11031

ICSI UDIN: A030224F000418997

Mumbai, May 23, 2024

Annexure C

1) CONSERVATION OF ENERGY

Energy conservation, efficient operation with focus on energy optimisation to minimise operating expenses has always been a priority to increase profitability. The Company's refinery at Vadinar always keeps energy conservation as highest priority and continuously tries to implement various energy minimisation schemes and improve furnace efficiency.

Your Company is accredited with Energy Management system (ENMS) 50001:2018 certification which is intended to have a systematic approach in achieving continual improvement in energy performance.

Your Company has received "Excellence Energy Efficient Unit award" from CII (Confederation of Indian Industry) for FY 2022-23 in September 2023.

Energy saving campaigns for enhancing awareness on Energy Conservation were conducted and active participation of employees were encouraged in various activities like Energy Quiz, Slogan and Inter unit Energy Optimization Competition.

Energy conservation team continuously monitors the energy performance with focus on identifying opportunities and converting them into schemes to reduce energy consumption at the Refinery.

A. The steps taken or impact on Conservation of Energy

Few salient initiatives undertaken to minimise energy cost during this period are as follows:

- Low Pressure Flash vessel provision is made in Crude Distillation Unit-1 downstream of Medium Pressure steam reboiler and exchangers. [Potential Saving 0.8 TPH LPS (Tons per hour Low Pressure steam)]
- 10 Air fin coolers blades of Delayed Coker Unit were replaced with high efficiency FRP (Fibre Reinforced Plastic) blades resulting in savings of 6 KW/Fan and the concept is being replicated in other potential areas.
- Continuous monitoring and day to day optimisation and modifications made in Turnaround Activity-2022 resulted in significant improvement of energy performance indicators compared to previous financial years.

Energy conservation initiatives contributed to reducing significant total energy consumption of approximately 12 Gcal / hour for this year.

B. Steps taken for utilising the Alternate Sources of Energy

To utilise alternate sources of energy, your Company is considering to undertake following initiatives:

- Planning to install 10 MW Green Hydrogen plant in refinery premises along with 20 MW renewable power sourcing.
- Planning usage of biomass pellets in Boilers to reduce Green House Gas (GHG) Emission.
- Exploring the possibilities of Biogas generation from agriculture waste sourced in refinery.
- Exploring the Sustainable Aviation Fuel technology and availability of its feedstock to generate green aviation fuel.

The Company is also considering to work towards following Sustainability Initiatives:

- Prepare ESG strategy /road map for Nayara to reduce GHG emissions.
- Prepare ESG Action plan to meet regulations and value captured for Nayara.
- Conduct feasibility studies for pilot projects such as Green Hydrogen, various options of sourcing Green power.
- Conducting trials for Biomass co-firing to reduce GHG footprint.

C. The Capital Investment on energy conservation equipment

During the year, your Company made an investment of approximately ₹ 7.6 million on energy conservation equipment.

2) TECHNOLOGY ABSORPTION

A. The efforts made towards Technology Absorption

Performance Guarantee Test Run (PGTR) was conducted in FY 2023-24 for imported technology absorption for Fluid Catalytic Cracking Unit revamp and new Propylene Recovery Unit (PRU).

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

Besides routine analysis like True Boiling Point assays of crude, prediction of fouling potential 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:

- Indian patent granted for technology development of "The novel process for reclamation of oil in water emulsion collected from crude oil de-salter brine water". Efforts are being taken by R&D Team to commercialise this technology for which a process scheme has been prepared and Detailed Engineering has been completed.
- Two new patentable research works completed up to TRL-3 (Technology Readiness Level 3 out of 9 levels) and patent applications are being drafted for filing.
- Low-cost acid-based lubricity improver developed up to TRL-6 (Technology readiness Level 6 out of 9 levels) and it is accepted for implementation.
- Quality evaluation of Bio-diesel and Gasoline anti-oxidant chemicals.

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

- Patented technology for reclamation of oil in water emulsion will significantly reduce quantity as well as improve the quality of ETP (Effluent Treatment Plant) slop oil which subsequently resolves many operational issues in the crude distillation unit.
- Low-cost lubricity improver for High Speed Diesel will reduce the operating expenses and dependence on third party suppliers.
- Quality evaluation of Bio-diesel and Gasoline anti-oxidant chemical has helped to identify inferior quality of raw materials being used by suppliers and hence controlling the final product quality.

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:

Fluid Catalytic Cracking Units (licensed by M/s Technip FMC) was revamped to maximise propylene yield which is feed for Polypropylene (PP) unit. Propylene Recovery Unit (PRU) (license by M/s UOP) will separate Propylene, which is a raw material to produce Polypropylene (PP), from cracking Liquefied Petroleum Gas.

(b) The year of import:

- FCCU Revamp: FY 2022-23
- PRU: FY 2023-24

(c) Whether the technology been fully absorbed: Technologies for FCCU Revamp and PRU have been fully absorbed during FY 23-24 after conducting Performance Guarantee Test Runs.

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Polypropylene unit is under construction and commissioning is expected in FY 2024-25.

D. Expenditure on R & D

- Recurring: ₹ 34.24 million
- Capital: ₹ 0.88 million
- Total R & D expenditure as a percentage of total turnover - Negligible

3) FOREIGN EXCHANGE EARNING AND OUTGO

During FY 2023-24, the Company earned foreign exchange of ₹ 412,056 million while foreign exchange outgo was ₹ 943,225 million.

For and on behalf of the Board of Directors

Place: Mumbai, Maharashtra
Date: May 23, 2024

Prasad K. Panicker
Executive Chairman
(DIN - 06476857)

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 accompanying standalone financial statements of Nayara Energy Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, 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, 2024, 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.

Responsibility of 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 standalone 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 standalone 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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, 2024 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 and 26 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 49 to the financial statements). Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Naman Agarwal**

Partner

Membership Number: 502405

UDIN: 24502405BKEYXG4815

Place of Signature: Mumbai

Date: May 23, 2024

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) The Company has physically verified all Property, Plant and Equipment in the previous year in accordance with a planned programme of verifying them once in three years which 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, 2024.
- (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, 2024, 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 Rs. 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 ₹ million)
Aggregate amount granted/ provided during the year	
- Subsidiary	355
- Others	428
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiary	1,117
- Others	702

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 loans 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 44 to the financial statements, the Company has granted loans repayable 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	Related Parties
Aggregate amount of loans		
- Repayable on demand	1,117	1,117
Percentage of loans to the total loans	61%	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.

- (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 (₹ million)	Period to which the amount relates	Forum where the dispute is pending
Gujarat Value Added Tax Act, 2003		46,076	2008-09 to 2015-16	Jt. Commissioner (Appeal), Rajkot
		2	2007-08	Gujarat VAT Tribunal
Rajasthan Value Added Tax Act, 2003		104	2006-07, 2007-08, 2009-10, 2010-11	Rajasthan Commercial Tax Tribunal
Uttar Pradesh Value Added Tax Act, 2008	Sales tax & interest	37	2015-16, 2020-21	Commissioner (Appeal), Lucknow
The Kerala General Sales Tax Act, 1963		76	2004-05	Supreme Court
Jharkhand Value Added Tax Act, 2005		11	16-17	High Court, Jharkhand
		21	2017-18 to 2020-21	Commissioner (Appeals), Jharkhand

Name of the Statute	Nature of dues	Amount (₹ million)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax & interest	13,681	2008-09 to 2016-17	Jt. Commissioner (Appeal)
		5	2013-14	Commissioner (Appeal), Haryana
		45	2017-18	Gujarat Tribunal
		163	2010-11 & 2011-12	Guwahati High Court
		110	2019-20	Joint Commissioner, Vijaywada
		32	2018-19	Commissioner (Appeal), Vijaywada
Customs Act, 1962	Customs duty, interest, fine & penalty	5	2010-11	Commissioner of Customs
		2	2014-15, 2018-19	Commissioner (Appeal)
		146	2012-13	CESTAT
		1,057	2007-08, 2008-09	Deputy Commissioner
		1,173	2007-08, 2013-14	Supreme Court
		2	2006-07, 2010-11	Commissioner
Central Excise Act, 1944	Excise duty, interest, fine & penalty	90	2010-11 & 2011-12	CESTAT
		2,412	1999-00, 2006-07, 2010-11, 2011-12, 2014-15 to 2017-18	Gujarat High Court
		2	2017-18 to 2020-21	JC (Appeal)
		1,397	2017-18 to 2021-22	Commissioner (Appeals)
Integrated Goods and Services Tax Act, 2017 and Central Goods and Services Tax Act, 2017	Goods and Service Tax	1	2007-08	CESTAT
		1	2007-08	Commissioner (Appeals)
Service Tax Rules, 1994	Service Tax & penalty	1	2007-08 & 2008-09	M.P. High Court (Indore)
Madhya Pradesh Entry Tax Act, 1976	Entry Tax Matter penalty & interest	52	2017-18	Joint Commissioner (Appeal), Lucknow
The Uttar Pradesh Tax on Entry of Goods Act, 2000	Entry Tax Matter penalty & interest	1,752	2010-11, 2013-14, 2014-15, 2019-20	Commissioner of Income- tax (Appeals)
Income Tax Act, 1961	Income-tax and interest	358	2003-04	Bombay High Court

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

- (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, except for one term loan of ₹ 3,608 million was raised towards the end of the year March 31, 2024 and hence have not been utilised by the end of the year. This matter has been disclosed in note 14 to the standalone financial statements.
- (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) 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), (b), (c) and (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 45 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 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

per **Naman Agarwal**

Partner

Membership Number: 502405

UDIN: 24502405BKEYXG4815

Place of Signature: Mumbai

Date: May 23, 2024

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, 2024 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 Act.

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 standalone 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, 2024, 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

Membership Number: 502405

UDIN: 24502405BKEYXG4815

Place of Signature: Mumbai

Date: May 23, 2024

Standalone Balance Sheet

as at March 31, 2024

Particulars	Notes	(₹ in million)	
		As at March 31, 2024	As at March 31, 2023
ASSETS			
1) Non-current assets			
(a) Property, plant and equipment	6	409,585	424,407
(b) Capital work-in-progress	6	54,210	40,533
(c) Goodwill	6	108,184	108,184
(d) Other Intangible assets	6	271	229
(e) Intangible assets under development	6	-	15
(f) Right-of-use assets	6	12,759	11,843
(g) Financial assets			
(i) Investments	7	27	27
(ii) Loans	8	1,407	1,134
(iii) Other financial assets	9	552	534
(h) Non-current tax assets (net)		2,200	2,242
(i) Other non-current assets	10	7,667	4,875
Total non-current assets		596,862	594,023
2) Current assets			
(a) Inventories	11	103,933	95,953
(b) Financial assets			
(i) Investments	12	3,753	17,801
(ii) Trade receivables	13	73,197	52,238
(iii) Cash and cash equivalents	14	17,705	64,037
(iv) Bank balances other than (iii) above	15	42,332	5,122
(v) Loans	16	412	327
(vi) Other financial assets	17	34,078	2,157
(c) Other current assets	18	4,503	5,520
Total current assets		279,913	243,155
TOTAL ASSETS		876,775	837,178
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	19	15,072	15,072
(b) Other equity	20	420,598	291,263
Total Equity		435,670	306,335
LIABILITIES			
1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	81,900	66,710
(ii) Lease liabilities	38	14,470	13,041
(iii) Other financial liabilities	22	22,712	117,695
(b) Deferred tax liabilities (net)	23	74,880	74,632
Total non-current liabilities		193,962	272,078
2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	35,952	13,429
(ii) Lease liabilities	38	1,263	1,191
(iii) Trade payables	25		
- Total Outstanding dues of micro and small enterprises		269	434
- Total Outstanding dues of creditors other than micro and small enterprises		117,546	145,415
(iv) Other financial liabilities	26	72,865	78,407
(b) Other current liabilities	27	17,156	17,991
(c) Provisions	28	1,072	819
(d) Current tax liabilities (net)		1,020	1,079
Total current liabilities		247,143	258,765
TOTAL EQUITY AND LIABILITIES		876,775	837,178

See accompanying notes to the standalone financial statements

As per our report of even date

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

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

Firm Registration No. 301003E/E300005

Prasad K. Panicker

Executive Chairman

DIN : 06476857

Mumbai

Alessandro des Dorides

Chief Executive Officer

Mumbai

per **Naman Agarwal**

Partner

Membership No. 502405

Mumbai, May 23, 2024

Rajani Kesari

Chief Financial Officer

Mumbai

Mayank Bhargava

Company Secretary

Mumbai

May 23, 2024

Standalone Statement of Profit and Loss

for the year ended March 31, 2024

Particulars	Notes	(₹ in million)	
		For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	29	1,546,293	1,378,213
Other income	30	9,316	7,502
Total Income		1,555,609	1,385,715
Expenses			
Cost of raw materials consumed		937,939	796,676
Excise duty		219,777	207,257
Purchases of stock-in-trade		132,876	117,146
Changes in inventory of finished goods, stock-in-trade and work-in-progress	31	(3,177)	19,071
Employee benefits expense	32	10,402	8,318
Finance costs	33	21,423	21,619
Depreciation, amortisation and impairment expense	6	19,913	33,949
Other expenses	34	55,314	54,135
Total expenses		1,394,467	1,258,171
Profit before tax		161,142	127,544
Tax expense:	23		
(a) Current tax		41,121	10,238
(b) Deferred tax		(831)	21,390
Total tax expenses		40,290	31,628
Profit for the year		120,852	95,916
Other comprehensive income			
Items that will not be reclassified to profit and loss		(87)	(16)
Remeasurement (loss) on defined benefit plans		(117)	(21)
Income tax effect		30	5
		(87)	(16)
Items that will be reclassified to profit and loss		8,570	(7,047)
Effective portion of cash flow hedges (net)		11,419	(9,469)
Income tax effect		(2,874)	2,383
		8,545	(7,086)
Foreign currency monetary item translation difference account		34	52
Income tax effect		(9)	(13)
		25	39
Other comprehensive income / (loss) for the year, net of tax		8,483	(7,063)
Total comprehensive income for the year (comprising profit for the year and other comprehensive income / (loss) for the year)		129,335	88,853
Earnings per share (Face value ₹ 10 per share)	35		
Basic and Diluted (in ₹)		81.08	64.35

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 23, 2024

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

Prasad K. Panicker

Executive Chairman

DIN : 06476857

Mumbai

Rajani Kesari

Chief Financial Officer

Mumbai

Alessandro des Dorides

Chief Executive Officer

Mumbai

Mayank Bhargava

Company Secretary

Mumbai

May 23, 2024

Standalone Statement of Changes in Equity

for the year ended March 31, 2024

a. Equity Share Capital

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	15,072	15,072
Closing balance	15,072	15,072

b. Other Equity

Statement of Changes in equity for the year April 01, 2023 to March 31, 2024

Particulars	Reserves and Surplus				Items of Other Comprehensive Income (OCI)		Total
	Capital reserve	Securities premium	General reserve	Retained earnings	Effective portion of Cash Flow Hedges*	Foreign currency monetary item translation difference account	
Balance as at April 01, 2023	609	78,014	596	228,461	(16,384)	(33)	291,263
Profit for the year	-	-	-	120,852	-	-	120,852
Other Comprehensive Income for the year	-	-	-	(87)	8,545	25	8,483
Total Comprehensive Income for the year	-	-	-	120,765	8,545	25	129,335
Balance as at March 31, 2024	609	78,014	596	349,226	(7,839)	(8)	420,598

Statement of Changes in equity for the year April 01, 2022 to March 31, 2023

Particulars	Reserves and Surplus				Items of Other Comprehensive Income (OCI)		Total
	Capital reserve	Securities premium	General reserve	Retained earnings	Effective portion of Cash Flow Hedges*	Foreign currency monetary item translation difference account	
Balance as at April 01, 2022	609	78,014	596	132,561	(9,298)	(72)	202,410
Profit for the year	-	-	-	95,916	-	-	95,916
Other Comprehensive (Loss) for the year	-	-	-	(16)	(7,086)	39	(7,063)
Total Comprehensive Income for the year	-	-	-	95,900	(7,086)	39	88,853
Balance as at March 31, 2023	609	78,014	596	228,461	(16,384)	(33)	291,263

* net loss for the year of ₹ 12,406 million (Previous year ₹ 10,995 million) (net of tax) is recycled from cash flow hedge reserve to statement of profit and loss account.

There are no changes in the equity share capital and other equity due to prior period errors or changes in accounting policy
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 23, 2024

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

Prasad K. Panicker
Executive Chairman
DIN : 06476857
Mumbai

Rajani Kesari
Chief Financial Officer
Mumbai

Alessandro des Dorides
Chief Executive Officer
Mumbai

Mayank Bhargava
Company Secretary
Mumbai
May 23, 2024

Standalone Statement of Cash Flows

for the year ended March 31, 2024

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
A Cash flow from operating activities		
Profit before tax	161,142	127,544
Adjustments for:		
Interest income	(6,041)	(1,868)
Depreciation, amortisation and impairment expense	19,913	33,949
Loss on disposal / discard of property, plant and equipment (net)	14	187
Gain on investment / financial assets measured at FVTPL	(707)	(524)
Gain on remeasurement of leases	(12)	(31)
Export obligation deferred income	(61)	(286)
Unrealised foreign exchange differences (net)	576	2,116
Mark to market loss / (gain) on derivative contracts (net)	501	(660)
Expected credit loss (net)	633	1,281
Provision for doubtful debts / doubtful debt written off	23	1,429
Provision / liabilities written back	(737)	(115)
Finance costs	21,423	21,619
Operating profit before working capital changes	196,667	184,641
Adjustments for working capital changes:		
(Increase) / decrease in inventories	(7,980)	27,550
(Increase) in trade and other receivables	(22,161)	(2,121)
(Decrease) in trade and other payables	(121,342)	(31,368)
Cash generated from operating activities	45,184	178,702
Income tax payment (net) (including interest)	(42,761)	(8,414)
Net cash generated from operating activities	2,423	170,288
B Cash flow from investing activities		
Payments for property, plant and equipment (including capital work in progress, Intangible assets, Capital advances, Capital creditors and Intangible assets under development)	(18,614)	(37,879)
Proceed from sale of property, plant and equipment	16	137
Proceeds for sale / (payments for purchase) of short term investments / Mutual fund (net)	14,755	(17,277)
Placement of bank deposits	(28,785)	-
Encashment of bank deposits	1,997	-
(Placement) / encashment of short term bank deposits (net)	(39,171)	6,606
Placement of inter corporate deposits	(355)	(139)
Interest received	4,186	1,369
Net cash (used in) investing activities	(65,971)	(47,183)
C Cash flow from financing activities		
Proceeds from long-term borrowings	21,658	19,001
Repayment of long-term borrowings	(5,240)	(30,364)
Proceed from / (repayment of) short term borrowings of less than 3 months (net)	20,671	(9,526)
Payment of principal portion of lease liabilities	(1,173)	(28,033)
Payment of interest on lease liabilities	(1,332)	(2,341)
Finance cost paid	(17,829)	(18,854)
Net cash generated from / (used in) financing activities	16,755	(70,117)
Net (decrease) / increase in cash and cash equivalents	(46,793)	52,988
Net exchange differences on foreign currency bank balances	-	78
Cash and cash equivalents at the beginning of the year	63,977	10,989
Cash and cash equivalents at the end of the year	17,184	64,055

Standalone Statement of Cash Flows

for the year ended March 31, 2024

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
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)	17,705	64,037
Add: Earmarked bank balances (refer note 15)	231	195
Less: Bank overdraft (refer note 24)	(752)	(177)
Total	17,184	64,055

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

Particulars	As at April 01, 2023	Cash changes (net)	Non cash changes (net)	As at March 31, 2024
Long term borrowings (including current maturities classified in short term borrowing)	71,740	16,418	40	88,198
Short term borrowings* (excluding current maturities classified in short term borrowing)	8,222	20,671	9	28,902

Particulars	As at April 01, 2022	Cash changes (net)	Non cash changes (net)	As at March 31, 2023
Long term borrowings (including current maturities classified in short term borrowing)	82,445	(11,363)	658	71,740
Short term borrowings* (excluding current maturities classified in short term borrowing)	16,640	(9,526)	1,108	8,222

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

Notes:

- 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.
- Cash flow from operations include net inflow of Nil (₹ 5,393 million for the year ended March 31, 2023) arising from long term advances received from customers, net of goods supplied during the year. The goods will be supplied against these advances upto two years.
- Refer note (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 23, 2024

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

Prasad K. Panicker
Executive Chairman
DIN : 06476857
Mumbai

Rajani Kesari
Chief Financial Officer
Mumbai

Alessandro des Dorides
Chief Executive Officer
Mumbai

Mayank Bhargava
Company Secretary
Mumbai
May 23, 2024

Notes to Standalone Financial Statements

for the year ended March 31, 2024

1. Corporate information

Nayara Energy Limited (the Company) is a public limited company incorporated under the provisions of the Companies Act, 1956 (since replaced by the Companies Act, 2013, as amended). The registered office of the Company is located at Devbhumi Dwarka, Gujarat, India. The Company is primarily engaged in the business of refining of crude oil, marketing of petroleum products in domestic and overseas markets. The Company owns India's second largest single site refinery at Vadinar, Gujarat with a current capacity of 20MMTPA. The Company has around 6,600 operational outlets and around 1,600 outlets at various stages of completion.

The financial statements of Nayara Energy Limited for the year ended March 31, 2024 were authorised for issue in accordance with a resolution of the directors on May 23, 2024.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind ASs), prescribed under Section 133 of the Companies Act 2013 (as amended) (herein after referred to as "the Act" read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended 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 National Rupee (₹) which is the functional currency of the Company, and all values are rounded to the nearest million, except where otherwise indicated. All amounts individually less than ₹ 0.5 million have been reported as "0". The Company has prepared the standalone financial statements on the basis that it will continue to operate as a going concern.

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 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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 41)
- Quantitative disclosures of fair value measurement hierarchy (refer note 41)
- Financial instruments (including those carried at amortised cost) (refer note 41)

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 long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection including turnaround and maintenance is performed, its cost is recognised in the carrying amount of the plant and equipment if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

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 for the period of 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)
Temporary Building	3
Building	15-60
Plant and machinery *	35-50
Catalysts (included within plant & machinery)	2-4
Furniture and fixtures	1-10
Office equipment	1-6
Vehicles	1-10

* Additionally, there are certain key components identified within plant and machinery having a useful life up to 35 years and are depreciated over such assessed useful life.

(refer note 38 for useful life of ROU asset)

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.

De-recognition

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

C. Intangible assets

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

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the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period, and treated as change in estimate, if any change is required.

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

De-recognition

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

D. Impairment of non-financial assets

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

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

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

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 liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee adjusted for accumulated depreciation, 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. Right to use of trademark assets are amortised over the usage period.

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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 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-financial assets'.

F. Inventories

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

Cost of inventories comprise of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of crude oil purchased 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

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

(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 45 days depending on the specific terms agreed with customers.

(v) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

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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 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

Transaction and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

K. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial

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instruments comprise of financial assets and financial liabilities. Financial assets primarily comprise of loans and advances, deposits, trade receivables and cash and cash equivalents. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments. Derivatives can be financial assets or financial liabilities depending on whether value is positive or negative respectively.

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

(i) Financial Assets

a) Initial Recognition and measurement

The Company initially recognises loans and advances, deposits and debt securities issued on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. A financial asset (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 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. 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.

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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.

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 full lifetime Expected Credit Loss is used.
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

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

f) Effective interest method

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

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

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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, plus directly attributable transaction costs.

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

c) Supplier's credit and Buyer's credit:

The Company enters into an arrangement whereby banks make direct payment to supplier on due date. The banks are subsequently paid by the Company at later date based on the extended credit terms agreed with the banks. Where this arrangement is agreed with supplier and the Company's legal liability remains towards the supplier only, in such cases the liability is classified as Trade Payable in the balance sheet and in other instances the same is classified as a borrowing.

If the classification of the liability under the above arrangement is a Trade Payable, the Company treats the payment of the supplier by the financial institution as a non-cash transaction and the other associated cash flows are presented as cash flows from operating activities. In other instances, the associated cash flows are presented as cash flows from financing activities.

Interest expense on these are recognised in the finance cost.

d) 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) Financial liabilities:

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.

f) Derecognition of financial liabilities:

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

L. Derivative financial instruments and hedge accounting

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

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

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

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

(ii) Hedge Accounting

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

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

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

(iii) Cash flow hedges

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

statement of profit and loss, in the same line as the hedged item.

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

M. Borrowing Costs

Borrowing costs consists of interest and 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 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.

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(ii) Deferred tax

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

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

- 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.
- 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.

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

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

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included

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

O. Provisions and Contingent liabilities

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

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

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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.

Q. Current and Non-Current Classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as Non Current.

Deferred tax assets and liabilities are classified as Non-current assets and liabilities.

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

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 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 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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 47 in Standalone financial statements.

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

A. Standards issued but not yet effective

There are no new standards that are notified, but not yet effective, up to the date of issuance of the Company's financial statements.

B. New and amended standards

- (i) The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2023.

- **Ind AS 1 – Presentation of Financial Statements:** This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

Other amendments to the Ind AS which do not have any significant impact on its standalone financial statements.

- **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:** This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

Ind AS 12 - Income Taxes: This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

- **Other amendments that are consequential or clarificatory in nature:** Amendments to Ind AS 101 – First-time Adoption of Indian Accounting Standards, Ind AS 102 – Share-based Payments, Ind AS 103 – Business Combinations, Ind AS 107 – Financial Instruments: Disclosures, Ind AS 109 – Financial Instruments and Ind AS 34 – Interim Financial Reporting.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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

Description of the assets	Gross block (I)				Depreciation / amortisation (II)			Net block (III) = (I - II)	
	As at April 01, 2023	Additions (refer note 1 below)	Deductions/ Remeasurement	As at March 31, 2024	As at April 01, 2023	During the year	Deductions	As at March 31, 2024	As at March 31, 2024
	(₹ in million)								
A) Property, plant and equipment									
Land (Freehold)	53,058	44	-	53,102	-	-	-	-	53,102
Buildings	20,670	196	-	20,866	6,676	877	-	7,553	13,313
Plant and machinery	464,741	2,708	111	467,338	108,394	16,785	80	125,099	342,239
Furniture and fixtures	344	10	-	354	208	20	-	228	126
Office equipments	2,827	271	0	3,098	2,002	379	0	2,381	717
Vehicles	153	57	30	180	106	14	28	92	88
Total Property, plant and equipment	541,793	3,286	141	544,938	117,386	18,075	108	135,353	409,585
B) Capital work-in-progress									
Capital work-in-progress (refer note 3 below)	40,533	17,097	3,420	54,210	-	-	-	-	54,210
C) Goodwill									
Goodwill (refer note 47)	108,184	-	-	108,184	-	-	-	-	108,184
D) Other intangible assets									
Softwares & licenses	1,544	142	-	1,686	1,315	100	-	1,415	271
E) Intangible assets under development									
Intangible assets under development	15	8	23	-	-	-	-	-	-
F) Right-of-Use assets (refer note 38)									
Tangible Assets									
Land	10,302	1,193	35	11,460	1,587	510	8	2,089	9,371
Building	1,657	447	0	2,104	866	238	0	1,104	1,000
Plant & machinery	3,727	1,041	-	4,768	2,098	675	-	2,773	1,995
Vehicles (including vessels)	1,218	-	-	1,218	940	106	-	1,046	172
Total Tangible Assets	16,904	2,681	35	19,550	5,491	1,529	8	7,012	12,538
Intangible Assets									
Trademark	18,282	-	-	18,282	17,852	209	-	18,061	221
Total Right-of-use assets	35,186	2,681	35	37,832	23,343	1,738	8	25,073	12,759
Total (A+B+C+D+E+F)	727,255	-	3,619	746,850	142,044	19,913	116	161,841	585,009

6 Capital Work-In-Progress

Capital Work-In-Progress Ageing schedule as at March 31, 2024 (pertaining to refinery related projects)

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	15,458	21,062	11,669	6,021	54,210
Total	15,458	21,062	11,669	6,021	54,210

Capital Work-In-Progress schedule over run as at March 31, 2024

Particulars	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	44,691	241	-	-	44,932
Total	44,691	241	-	-	44,932

There have been no cost overrun for the outstanding Capital Work-In-Progress.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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

Description of the assets	Gross block (I)				Depreciation / amortisation / impairment (II)				Net block (III) = (I - II)
	As at April 01, 2022	Additions (refer note 1 and 2 below)	Deductions/ Remeasurement	As at March 31, 2023	As at April 01, 2022	During the year (refer note 4 below)	Deductions	As at March 31, 2023	As at March 31, 2023
	(₹ in million)								
A) Property, plant and equipment									
Land (Freehold)	52,865	193	-	53,058	-	-	-	-	53,058
Buildings	17,335	3,351	16	20,670	5,915	772	11	6,676	13,994
Plant and machinery	454,532	19,553	9,344	464,741	101,520	15,922	9,048	108,394	356,347
Furniture and fixtures	308	37	1	344	189	20	1	208	136
Office equipments	2,629	251	53	2,827	1,536	516	50	2,002	825
Vehicles	150	4	1	153	97	10	1	106	47
Total Property, plant and equipment	527,819	23,389	9,415	541,793	109,257	17,240	9,111	117,386	424,407
B) Capital work-in-progress									
Capital work-in-progress (refer note 3 below)	22,711	41,063	23,241	40,533	-	-	-	-	40,533
C) Goodwill									
Goodwill (refer note 47)	108,184	-	-	108,184	-	-	-	-	108,184
D) Other intangible assets									
Softwares & licenses	1,447	97	-	1,544	1,209	106	-	1,315	229
E) Intangible assets under development									
Intangible assets under development	18	-	3	15	-	-	-	-	15
F) Right-of-Use assets (refer note 38)									
Tangible Assets									
Land	9,339	963	-	10,302	1,127	460	-	1,587	8,715
Building	1,668	61	72	1,657	684	217	35	866	791
Plant & machinery	3,308	424	5	3,727	1,418	680	-	2,098	1,629
Vehicles (including vessels)	1,067	151	-	1,218	853	87	-	940	278
Total Tangible Assets	15,382	1,599	77	16,904	4,082	1,444	35	5,491	11,413
Intangible Assets									
Trademark	26,726	-	8,444	18,282	4,377	15,159	1,684	17,852	430
Total Right-of-use assets	42,108	1,599	8,521	35,186	8,459	16,603	1,719	23,343	11,843
Total (A+B+C+D+E+F)	702,287	-	41,180	727,255	118,925	33,949	10,830	142,044	585,211

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

Capital Work-In-Progress Ageing schedule as at March 31, 2023 (pertaining to refinery related projects)

Particulars	Amount in Capital Work-In-Progress for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	22,505	11,968	1,782	4,277	40,533
Total	22,505	11,968	1,782	4,277	40,533

Capital Work-In-Progress schedule over run as at March 31, 2023

Particulars	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	1,099	454	63	-	1,616
Total	1,099	454	63	-	1,616

There have been no cost overrun for the outstanding Capital Work-In-Progress.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Intangible assets under development as at March 31, 2023

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	-	15	-	-	15
Total	-	15	-	-	15

(₹ in million)

Notes:

- Additions to plant and machinery include exchange loss on long-term foreign currency borrowing taken to finance property plant and equipment (refer note 3(J)) amounting to Nil (Previous year net off exchange loss of ₹ 248 million).
- In line with its refinery turnaround practices, the Company has completed turnaround activities of its refinery during the year ended March 31, 2023. The Company incurred total cost of ₹ 12,306 million which includes catalyst and materials consumption of ₹ 6,322 million, salary of ₹ 471 million and other expense of ₹ 5,513 million on the major maintenance activity which have been capitalised to the plant and machinery.
- The Company incurred total cost of ₹ 969 million as Expenditure During Construction (including salary of ₹ 631 million and other expense of ₹ 338 million) (Previous year ₹ 900 million as Expenditure During Construction (including salary of ₹ 756 million and other expense of ₹ 144 million)) for asset development projects and ₹ 2,613 million (Previous year ₹ 1,184 million) as borrowing cost which is included in Capital work-in-progress.
- During the year ended March 31, 2023 trademark ROU assets had an additional depreciation of ₹ 9,168 million and an impairment charge of ₹ 4,542 million (refer note 38 for details).
- For details of assets pledge as security, refer note 21 and 24.

7 Investments (Non Current) (Unquoted)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
(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 * @	-	-
Total	27	27

(₹ in million)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Investment at cost	27	27
Investment at fair value through profit and loss account	-	-
Total	27	27

(₹ in million)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Aggregate amount of unquoted investments	27	27
Total	27	27

* Investments are fair valued at Zero.

@ companies are under liquidation.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

8 Loans (Non Current)

(Unsecured and considered good, unless otherwise stated)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Inter corporate deposits to a related party (refer note 43)	1,117	762
Loan to retail outlet franchisee #	290	372
Total	1,407	1,134

Carry an interest rate of 13% p.a. and are repayable in equal instalments over a period of 3 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)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Security deposits (A)	414	341
Other receivables		
Export incentive receivables		
- Significant increase in credit risk	1,285	1,285
- Less: Expected credit loss	(1,285)	(1,285)
Contractual receivables		
- Considered good	6	12
- Significant increase in credit risk	1,428	1,379
- Less: Expected credit loss {refer note 41(B)(v)}	(1,428)	(1,379)
(B)	6	12
Bank Deposits with remaining maturity of more than twelve months (C)	132	180
Interest accrued on bank deposits (D)	0	1
Total ((A)+(B)+(C)+(D))	552	534

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)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	300	410
Capital advances	3,182	1,468
Claims receivables		
- Considered good	4,185	2,997
- Considered doubtful	63	63
Less: Provision for doubtful receivables	(63)	(63)
Total	7,667	4,875

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, 2024

11 Inventories

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Raw materials {including in transit Nil (Previous year ₹ 6,767 million)}	38,121	33,090
Work-in-progress	24,945	24,012
Finished goods {including in transit ₹ 11,324 million (Previous year ₹ 7,904 million)}	30,153	27,961
Stock-in-trade	52	-
Stores and spare parts {including in transit ₹ 10 million (Previous year ₹ 4 million)}*	7,178	6,307
Other consumables	3,484	4,583
Total	103,933	95,953

* Store and spare parts net off by ₹ 295 million (Previous year : ₹ 243 million) provisions towards non moving items.

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)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Investments in mutual funds - At FVTPL*	3,753	17,801
Total	3,753	17,801

*Aggregate amount of unquoted investments and market value thereof.

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

For the Company's exposure to credit risks refer note 41(B)(v)

13 Trade receivables

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Trade receivables		
Secured, considered good	6,140	17,173
Unsecured, considered good	67,057	35,065
Trade receivables - credit impaired	581	34
	73,778	52,272
- Less: Expected credit loss {refer note 41(B)(v)}	(581)	(34)
Total	73,197	52,238

For the Company's exposure to credit and currency risks, and loss allowances and terms & conditions related to trade receivables, refer note 41(B).

For amounts due from related parties, refer note 43.

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

The Company has discounted bill receivables amounting to ₹ 5,823 million (Previous year : Nil), 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, 2024

13A Ageing of Trade Receivables

As at March 31, 2024

(₹ 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	40,561	32,099	-	-	537	-	73,197
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	111	437	13	11	9	581
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Total	40,561	32,210	437	13	548	9	73,778

As at March 31, 2023

(₹ 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	46,632	5,068	-	538	-	-	52,238
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	4	9	12	4	5	34
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Total	46,632	5,072	9	550	4	5	52,272

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

14 Cash and cash equivalents

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks in:		
-Current accounts #	9,396	8,956
-Exchange earners' foreign currency (EEFC) accounts	83	42,803
-Deposits with original maturities less than 3 months*	8,226	12,278
Cash on hand	0	0
Total	17,705	64,037

includes unutilised amount of term loans of ₹ 3,608 million (Previous year ₹ 4,977 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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

15 Bank balances other than cash and cash equivalents

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Earmarked bank balances #	231	195
Margin deposit with original maturities more than 3 months but less than 12 months*	10,001	4,927
Bank deposit with original maturities more than 3 months but less than 12 months	32,100	-
Total	42,332	5,122

Earmarked bank balances mainly includes :

(a) ₹ 33 million (Previous year ₹ 32 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) ₹ 155 million (Previous year ₹ 105 million) payable as interest on debentures

(c) ₹ 43 million (Previous year : ₹ 58 million) represents unspent CSR amount.

* 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 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)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Loan to retail outlet franchisee #	412	327
Total	412	327

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

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

17 Other Financial Assets (Current)

(Unsecured and considered good, unless otherwise stated)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Security deposits (A)	38	26
Other receivables		
Export incentive receivables	416	528
Contractual receivables		
- Considered good	1,099	967
- significant increase in credit risk	336	299
- Less: Expected credit loss {refer note 41(B)(v)}	(336)	(299)
(B)	1,515	1,495
Interest accrued on bank deposits (C)	1,439	117
Margin Deposits with remaining maturity less than 12 months (D)	19,333	-
Bank Deposits with remaining maturity less than 12 months (E)	9,500	-
Derivative assets {refer note 41(A)} (F)	2,253	519
Total ((A)+(B)+(C)+(D)+(E)+(F))	34,078	2,157

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, 2024

18 Other Current assets

(Unsecured and considered good, unless otherwise stated)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Advances recoverable in cash or in kind or for value to be received	726	665
Prepaid expenses	3,674	4,277
Balances with government authorities	69	549
(A)	4,469	5,491
Claims / other receivables		
- Considered good	34	29
(B)	34	29
Total ((A)+(B))	4,503	5,520

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

19 Equity Share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	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	1,552,487,155	15,525	1,552,487,155	15,525
Paid up				
Equity shares of ₹ 10 each fully paid up	1,490,561,155	14,906	1,490,561,155	14,906
Add : Forfeited shares - Equity shares of ₹ 10 each	61,926,000	166	61,926,000	166
		15,072		15,072

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	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	-	-	-	-
Equity Shares outstanding at the end of the year	1,490,561,155	14,906	1,490,561,155	14,906

The above includes 475,731,927 (Previous year 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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, 2024		As at March 31, 2023	
	Number of shares	% of shares	Number of shares	% of shares
3,109,359 (3,109,359 as at March 31, 2023) GDS held by Kesani Enterprise Company Limited *	475,731,927	31.92%	475,731,927	31.92%
Equity shares held by Kesani Enterprise Company Limited *	256,594,520	17.21%	256,594,520	17.21%
Equity shares held by Rosneft Singapore Pte. Limited (Formerly known as Petrol Complex Pte. Limited)	732,326,446	49.13%	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.

20 Other equity

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
General reserve	596	596
Retained earnings	349,226	228,461
Other Comprehensive Income:		
Cash flow hedge reserve	(7,839)	(16,384)
Foreign currency monetary item translation difference account	(8)	(33)
Other Reserves:		
Capital reserve	609	609
Securities premium	78,014	78,014
Total	420,598	291,263

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.

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

Capital reserve: 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

21 Borrowings - Non Current

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Secured Borrowings - At amortised cost		
Debentures		
Non convertible debentures	2,568	2,568
Term loans*		
From banks	85,630	69,172
Current maturities of long term debt included under short term borrowings (refer note 24)	(6,298)	(5,030)
Total	81,900	66,710

* refer note 41(B)(ii) for borrowings outstanding in foreign currencies.

Interest accrued of ₹ 186 million (Previous year ₹ 65 million) forming part of the carrying value of the non-current borrowings are disclosed in note 26

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

Sr No	Particulars	(₹ in million)	
		As at March 31, 2024	As at March 31, 2023
i)	Rupee and USD loan availed from various banks are secured by first charge, ranking pari- passu with other term lenders on the fixed assets (movable and immovable) , both present and future of the Company except land parcels and fixed assets (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.	30,257	31,747
ii)	8% Non convertible debentures are secured by second ranking pari passu charge on movable fixed assets pertaining to the Port Facilities of the Company.	2,568	2,568
iii)	Rupee loan from banks/ financial institutions are secured by first charge ranking pari passu over all movable and immovable assets of the Company relating to Port, both present and future, Intangible assets of the Company both present and future, insurance contracts, title and interests under project documents and second ranking pari passu charge on movable fixed assets relating to power plant.	6,869	8,814
iv)	Rupee loan availed from various banks are secured by first charge, ranking pari- passu with other term lenders on the fixed assets (movable and immovable) , both present and future of the Refinery except land parcels and fixed assets (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.	17,429	5,481
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.	31,075	23,130
	Total	88,198	71,740

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(B) Repayment and other terms:

		(₹ in million)	
Sr No	Particulars	As at March 31, 2024	As at March 31, 2023
i)	Rupee loan and USD Loan from various lenders carry interest of respective lenders rate of 3/6 month MCLR; ON/ 6M SOFR + spread ranging from 15 bps to 390 bps and is repayable in unequal instalments starting from March 2018 and ending to September 2038.	30,257	31,747
ii)	Non-convertible debentures carry fixed interest of 8% p.a. is repayable in a single bullet in December 2025.	2,568	2,568
iii)	Term loan carries an interest rate of 6M T. Bills + spread of 215 bps and repayable in unequal quarterly instalments ending on September 2027 .	6,869	8,814
iv)	The rupee term loan facility from banks carry interest rate at bank's 3M/1Y MCLR/3M-6M T. Bills + spread ranging from 0.05% to 2.83% is repayable in structured quarterly instalments ending to March 2032.	17,429	5,481
v)	The rupee term loan facility from banks carry fixed interest rate till completion of the Polypropylene Project and repayable in structured quarterly instalments ending to December 2036.	31,075	23,130
Total		88,198	71,740

22 Other financial liabilities (Non-Current)

		(₹ in million)	
Particulars		As at March 31, 2024	As at March 31, 2023
Security deposits		466	422
Derivative liabilities {refer note 41(A)}		-	208
Advances received from customers (refer note 43)		22,246	117,065
Total		22,712	117,695

23 Taxation

		(₹ in million)	
Particulars		As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities (Net)		74,880	74,632
Total		74,880	74,632

(A) Income tax expense / (benefit)

		(₹ in million)	
Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax (includes reversal of tax relating to earlier period ₹ 159 million (previous year: Nil))	(A)	41,121	10,238
Deferred tax	(B)	(831)	21,390
Total tax charged in statement of profit and loss	(A)+(B)	40,290	31,628
Current tax	(A)	1,775	(1,166)
Deferred tax	(B)	1,078	(1,209)
Total tax charged / (reversed) in other comprehensive income	(A)+(B)	2,853	(2,375)

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax	161,142	127,544
Statutory tax rate	25.17%	25.17%
Expected income tax expense at statutory rate	40,559	32,103
Items giving rise to difference in tax		
Expenses disallowed / income not offered*	471	1
Effect of change in indexed cost of land	(514)	(420)
Utilisation of previously unrecognised tax (asset)/liabilities	(228)	(64)
Others	2	8
Total Income tax expense	40,290	31,628
Effective tax rate	25.00%	24.80%

* related to CSR, interest on Income tax and liabilities written back

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

Deferred tax balance in relation to	(₹ in million)			
	As at April 01, 2023	Recognised through profit and loss	Recognised in other comprehensive income	As at March 31, 2024
Difference in Property, plant and equipment and intangibles	80,207	(444)	-	79,763
Effect of mark to market accounting	(1,111)	167	1,070	126
Lease Accounting	(3,582)	(378)	-	(3,960)
Others	(882)	(176)	9	(1,049)
Total	74,632	(831)	1,079	74,880

Deferred tax balance in relation to	(₹ in million)			
	As at April 01, 2022	Recognised through profit and loss	Recognised in other comprehensive income	As at March 31, 2023
Difference in Property, plant and equipment and intangibles	82,524	(2,317)	-	80,207
Carried forward unabsorbed depreciation	(15,467)	15,467	-	-
Effect of mark to market accounting	(532)	643	(1,222)	(1,111)
Lease Accounting	(11,401)	7,819	-	(3,582)
Others	(673)	(222)	13	(882)
Total	54,451	21,390	(1,209)	74,632

(D) The Company has not recognized below mentioned deferred tax assets in the absence of reasonable certainty towards their utilisation:

Nature of loss	(₹ in million)		
	As at March 31, 2024	As at March 31, 2023	Last day till which loss can be set off
Long term capital loss	40	40	March 31, 2026
Long term capital loss	840	840	March 31, 2029
Short term capital loss	5,391	5,619	March 31, 2026

Notes to Standalone Financial Statements

for the year ended March 31, 2024

- (E) The income tax department has classified certain expenses amounting to ₹ 10,377 million (as at March 31, 2023: ₹ 6,100 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 ₹ 2,612 million (as at March 31, 2023: ₹ 1,535 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 ₹ 1,691 million (Previous year: ₹ 2,793 million) arising out of the matters settled under the said scheme, in its future tax assessments and continues to recognise deferred tax assets of ₹ 428 million on the same (Previous year: ₹ 703 million).

24 Short term borrowings

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Secured Borrowings		
Bank overdraft	752	177
Working capital demand loans from banks (including packing credits)	15,223	-
Buyers' credits and bills discounting @*	11,178	1,727
Current maturities of long term debt (refer note 21)	6,298	5,030
Unsecured Borrowings		
Buyer's credit	2,501	6,495
Total	35,952	13,429

Interest accrued of ₹ 50 million (Previous year ₹ 114 million) forming part of the carrying value of the short term borrowings are disclosed in note 26

Security for short term borrowing:

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
a) Bank overdraft / cash credit from bank is secured by fixed deposits maintained with a bank and carries interest rate of 1% over fixed deposits rate and is repayable on demand.	752	177
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 fixed assets both present and future (except land parcels and fixed assets of power, port and township divisions on pari passu with other lenders. Some of these loans carries fixed interest rate of 8.78% p.a. with 30 days tenor and other loans carries interest rate on Secured Overnight Financing Rate (SOFR) plus additional spread ranging from 75 bps to 125 bps payable within 30 to 70 days.	15,223	-
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 fixed assets both present and future (except land parcel and fixed assets 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 is presently at 5.73% - 5.84% p.a (previous year: 5.56%) and are repayable within 29 to 62 days of being drawn.	6,003	1,727
d) Current maturities of long term debt (refer note 21)	6,298	5,030
e) Unsecured buyer's credit carrying interest rate 7.93% p.a. (previous year: 7.63%) and are repayable within 90 days of being drawn.	2,501	6,495
*The Company has discounted trade receivable on full recourse basis. Accordingly, the monies received on this account are shown as borrowings as the trade receivable does not meet de-recognition criteria. The related trade receivables have been disclosed under note 13	5,175	-
Total	35,952	13,429

@ refer note 41(B)(ii) for borrowings outstanding in foreign currencies

Notes to Standalone Financial Statements

for the year ended March 31, 2024

25 Trade Payables

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of Micro and small enterprises (MSME) (refer note 39)	269	434
Total outstanding dues of creditors other than Micro and small enterprises (refer note 43)	117,546	145,415
Total	117,815	145,849

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

25A Trade Payable Ageing

As at March 31, 2024

(₹ in million)

Particulars	Unbilled amount	Not due Amount	Outstanding for following periods from due date of payment *				Total
			<1 year	01- 02 years	02- 03 years	More than 3 years	
(i) Undisputed dues - MSME	-	269	-	-	-	-	269
(ii) Undisputed dues - Others	7,355	81,909	492	163	8	27,554	117,482
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	8	56	64
Total	7,355	82,178	492	163	16	27,611	117,815

As at March 31, 2023

(₹ in million)

Particulars	Unbilled amount	Not due Amount	Outstanding for following periods from due date of payment *				Total
			<1 year	01- 02 years	02- 03 years	More than 3 years	
(i) Undisputed dues - MSME	-	380	54	-	-	-	434
(ii) Undisputed dues - Others	6,378	97,161	14,232	16	23,614	3,950	145,351
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	10	28	26	64
Total	6,378	97,541	14,286	26	23,642	3,976	145,849

* Undisputed payables outstanding for more than 1 year are mainly with respect to purchase made from parties supplying crude oil for which payment channels were not available. During the financial year ended March 31, 2024, the Company has supplied finished products to such parties, which are pending to be set-off against corresponding trade receivables, subject to regulatory approvals.

26 Other financial liabilities (Current)

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued	3,678	1,926
Capital creditors	5,284	5,150
Security deposits	442	449
Unclaimed debenture interest and principal (secured)#	150	98
Advances received from customers (refer note 43)	60,109	65,799
Derivative liabilities {refer note 41(A)}	734	2,783
Contractual liabilities	2,468	2,202
Total	72,865	78,407

Amount due and outstanding to be credited to Investor Education and Protection Fund as at balance sheet date is ₹ 0.7 million (Previous year ₹ 0.4 million).

Notes to Standalone Financial Statements

for the year ended March 31, 2024

27 Other Current liabilities

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Statutory dues	14,624	15,408
Advances received from customers	2,301	2,364
Export Obligation*	231	219
Total	17,156	17,991

* In respect of unfulfilled export obligation of ₹ 244,445 million (Previous year ₹ 306,813 million).

28 Provisions (Current)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Compensated absences	786	642
Gratuity (refer note 42)	286	177
Total	1,072	819

29 Revenue from operations

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Revenue from sale of products #		
Sale of manufactured products	1,403,200	1,259,909
Sale of traded goods	140,983	115,504
Other operating revenues *	2,110	2,800
Total	1,546,293	1,378,213

Comprises of revenue from contracts with customers of ₹ 1,564,429 million (Previous year : ₹ 1,548,911 million) recognised at a point in time and ₹ 20,246 million pertaining to hedging loss (Previous year : ₹ 173,498 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 ₹ 670 million (Previous year ₹ 683 million) and export obligation fulfilment income of ₹ 184 million (Previous year ₹ 528 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.

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Export sales	404,162	509,531
Domestic Oil marketing companies	455,341	531,660
Retail outlets	582,740	421,301
Others	122,186	86,419
Total revenue from contracts with customers	1,564,429	1,548,911

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(₹ in million)			
Contract balances	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Trade receivables * (refer note 13)	73,197	52,238	50,866
Contract liabilities (refer note 22, note 26 and note 27)	84,656	185,228	186,852

* Trade receivables are non-interest bearing and are generally on terms of 0 to 45 days. As on March 31, 2024, ₹ 581 million (Previous year ₹ 34 million) has been recognised towards provision for expected credit losses on trade receivables.

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

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

(₹ in million)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue recognised out of contract liabilities outstanding at the beginning of the year	91,931	68,449

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

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

(₹ in million)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per contracted price	1,570,966	1,555,397
Adjustments		
Discount and incentives	(6,537)	(6,486)
Revenue from contract with customers	1,564,429	1,548,911

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 45 days from delivery except in case of adjustment against export advances. Pricing of sales made under these export advances is based on market index at the time of supply. Hence it reflects fair value.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

30 Other income

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income		
- Bank deposits (carried at amortised cost)	5,331	1,017
- Other financial assets (carried at amortised cost)	258	493
- Interest on income tax refund	452	358
	6,041	1,868
Other gains (net)		
- Net gain on derivative instruments- carried at FVTPL	737	3,227
- Net gain on investments carried at FVTPL	707	524
Provision / liabilities written back	737	115
Other non-operating income	1,094	1,768
Total	9,316	7,502

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

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening inventories:		
- Finished goods	27,961	29,585
- Work-in-progress	24,012	41,274
- Stock-in-trade	-	185
(A)	51,973	71,044
Closing inventories:		
- Finished goods	30,153	27,961
- Work-in-progress	24,945	24,012
- Stock-in-trade	52	-
(B)	55,150	51,973
Net (increase) / decrease in inventories	Total ((A)-(B))	19,071

32 Employee benefits expense*

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	9,059	7,266
Contribution to provident and other funds (refer note 42)	709	613
Staff welfare expenses	634	439
Total	10,402	8,318

* net of ₹ 631 million (Previous year ₹ 756 million) asset development projects related expense capitalised (refer note 6).

* net of Nil (Previous year : ₹ 471 million) capitalised during turnaround (refer note 6).

Notes to Standalone Financial Statements

for the year ended March 31, 2024

33 Finance costs*

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense	19,103	17,455
Interest on lease liabilities (refer note 38)	1,364	2,343
Exchange differences on foreign currency borrowings	110	711
Other finance charges	846	1,110
Total	21,423	21,619

* Net of ₹ 2,613 million (Previous year ₹ 1,184 million) asset development projects related expense capitalised (refer note 6).

34 Other expenses*

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of chemical, catalyst, stores and spare parts	4,100	4,215
Product handling charges	1,757	1,269
Consumption of power, fuel and electricity [excludes fuel consumed out of own production ₹ 27,085 million (Previous year ₹ 23,707 million)]	16,210	17,736
Freight and Forwarding Charges	15,765	11,260
Rent, rates and taxes	5,194	4,794
Insurance	1,742	1,404
Legal and professional fees {refer note (a) below}	1,366	1,792
Repairs and maintenance	3,057	2,472
Debit balance / doubtful debts / doubtful receivables written off (net of provision)	23	1,429
Director's commission and remuneration (refer note 43)	208	187
Loss on disposal / discard of property, plant and equipment (net)	14	187
Exchange differences (net)	568	3,348
Expected credit loss {refer note 41(B)(v)}	633	1,281
Sundry expenses {refer note (b) below}	4,677	2,761
Total	55,314	54,135

Notes:

* Net of ₹ 338 million (Previous year ₹ 144 million) asset development projects related expense capitalised (refer note 6).

* Net of Nil (Previous year : ₹ 11,835 million) capitalised during refinery turnaround (refer note 6).

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Notes:

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

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Statutory audit fee	25	25
Fee for review of interim financial information	11	16
Fee for tax audit and transfer pricing and other certifications	2	2
Fee for other services	2	2
Out of pocket expenses	2	3
Total	42	48

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

- i) The Company has incurred an amount of ₹ 179 million (Previous year ₹ 178 million) towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013.

Particulars		(₹ in million)	
		March 31, 2024	March 31, 2023
Gross amount required to be spent by the Company during the year (2% of average net profit as per section 135(5))	a	733	Nil
Set off available from previous years	b	505	327
Total CSR obligation for the year	c = (a-b)	228	-
Amount approved by the Board to be spent during the year	d	285	170
Amount spent during the year against current year budget	e	149	111
Amount spent during the year against previous years budget	f	30	67
Total amount spent during the year	g = (e+f)	179	178
Set off available for succeeding years	h	-	505
Shortfall at the end of the year	i = (c -g)	49	-
Balance amount unspent against approved budget for the year *	j = (d-e)	136	58

- ii) Detail of unspent amount

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
Opening balance of Unspent (against previous years budget)	68	77
Less: Amount spent during the year against previous years' budget	30	67
Add: Amount unspent against approved budget for the year *	136	58
Closing balance of Unspent	174	68

* In compliances with statutory provisions, the current year unspent amount ₹ 136 million pertaining to ongoing projects which are in various stages of completion, has been transferred to UCSRA (Unspent CSR Account) on April 30, 2024 and would be spent in succeeding years as per the provisions of the Companies Act, 2013.

- iii) Movement in CSR provision

Particulars	(₹ in million)				
	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, 2024	70	70	16	16
	March 31, 2023	13	13	70	70

Notes to Standalone Financial Statements

for the year ended March 31, 2024

iv) CSR spent amount during the year

Particulars	(₹ in million)			
	Year ended March 31, 2024		Year ended March 31, 2023	
	In - cash	Yet to be paid in - cash (including provision)	In - cash	Yet to be paid in - cash (including provision)
(A) Gross amount required to be spent by the Company during the year	228	-	Nil	-
(B) Amount spent on:				
(i) Construction / acquisition of assets *	-	-	-	-
(ii) On purposes other than (i) above (for CSR projects)	150	29	107	71
Total	150	29	107	71

* 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, 2024	Year ended March 31, 2023
Profit attributable to ordinary equity share holders for basic and diluted earnings (₹ in million)	(A)	120,852	95,916
Weighted average number of ordinary shares for basic and diluted EPS	(B)	1,490,561,155	1,490,561,155
Nominal value of ordinary shares (₹)		10/-	10/-
Basic and Diluted earnings per share (₹)	(A/B)	81.08	64.35

36 Contingent liabilities

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
(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.	592	547
(ii) Other claims against the Company	1,912	2,470
(B) Other money for which the company is contingently liable		
(i) In respect of income tax demands on various issues	1,530	733
(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 ₹ 46,097 million (as at March 31, 2023 ₹ 43,410 million)}	60,408	56,948
(iii) Other demands of Sales tax /VAT	1,132	891
(iv) In respect of custom duty / excise duty / service tax mainly relating to classification of products sold, allowability of cenvat credit	8,131	12,472
(v) The Reserve Bank of India (RBI) levied a penalty on the Company for delay in the allotment of equity against advances for Global Depository Shares (GDS). The Company contested the penalty and appealed to the RBI Governor which was rejected. The Company has challenged the same before the Bombay High Court through a writ petition. In the meanwhile, the Enforcement Directorate initiated and closed an investigation in the matter and the order is awaited. The management is of the opinion that it should get relief and at most be liable for a sum of ₹ 49 million only (Previous year ₹ 49 million) for which necessary provision has been made in these financial statements.	2,412	2,412

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

Notes to Standalone Financial Statements

for the year ended March 31, 2024

37 Capital and other commitments

(₹ in million)

Particulars	As at	
	March 31, 2024	March 31, 2023
(A) Capital commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	30,066	15,697
(B) Other commitments		

(i) The Company has an obligation arising out of the regulatory guidelines to operate retail fuel outlets in India to setup retail fuel outlets in remote service areas. The extent of the retail outlets to be setup in remote service areas is directly related to the total outlets the Company has in the network. Based on the total retail outlets in the Company's network, the Company has an obligation to setup 364 retail outlets, out of which 312 retail outlets have to be set up by March 31, 2024 and remaining 52 outlets have to be set up in a phased manner as per the commissioning schedule by March 31, 2029. As at March 31, 2024 the Company has already setup 360 retail outlets. The Management's discussion with the Ministry of Petroleum & Natural Gas is in progress on the Company's plan for fulfilling the remaining obligation and supply security of products in the remote service areas. In line with directions of the Ministry of Petroleum & Natural Gas, the Company has issued Bank Guarantee amounting to ₹ 1,590 million (₹ 1,590 million as on March 31, 2023) as on the reporting date. The Company assesses its obligation to setup retail fuel outlets in remote service areas on an annual basis.

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 5 and 10 years, leases of land generally have lease terms between 20 and 30 years, while building and vehicles generally have lease terms between 3 and 20 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios and some lease contracts include extension, termination options and variable lease payments.

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

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, 2024			
	Right of use assets	Lease liabilities	Charged to Profit & loss Account	Impact on statement of Cash flows
Long Term Leases				
As at April 01, 2023	11,843	14,232	-	-
Additions	2,681	2,681	-	-
Deletion/discarded/Retirement	(27)	(39)	(12)	-
Depreciation / amortisation expense	(1,738)	-	1,738	-
Interest accruals		1,364	1,364	-
Payments	-	(2,505)	-	-
As at March 31, 2024	12,759	15,733	3,090	-
Current lease liabilities	-	1,263	-	-
Non-current lease liabilities	-	14,470	-	-
Cash flow - Lease payments				
- Towards Principal	-	-	-	(1,173)
- Towards Interest	-	-	-	(1,332)
Total	-	-	-	(2,505)

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for the year ended March 31, 2024

(₹ in million)

Particulars	As at March 31, 2024			
	Right of use assets	Lease liabilities	Charged to Profit & loss Account	Impact on statement of Cash flows
Other Leases (included in other expenses)				
Short term leases	-	-	8,366	-
Low value leases	-	-	224	-
Variable leases	-	-	1,092	-
Total	-	-	9,682	-
As at March 31, 2024	12,759	15,733	12,772	(2,505)

(₹ in million)

Particulars	As at March 31, 2023			
	Right of use assets	Lease liabilities	Charged to Profit & loss Account	Impact on statement of Cash flows
Long Term Leases				
As at April 01,2022	33,649	45,297	-	-
Additions	1,599	1,599	-	-
Deletion/discarded/Retirement	(42)	(72)	(30)	-
Remeasurement on account of change in term of agreement	(6,760)	(6,760)	-	-
Depreciation, amortisation and impairment expense #	(16,603)	-	16,603	-
Interest accruals	-	2,343	2,343	-
Unrealised foreign exchange loss	-	2,199	-	-
Payments	-	(30,374)	-	-
As at March 31, 2023	11,843	14,232	18,916	-
Current lease liabilities	-	1,191	-	-
Non-current lease liabilities	-	13,041	-	-
Cash flow - Lease payments				
- Towards Principal	-	-	-	(28,033)
- Towards Interest	-	-	-	(2,341)
Total	-	-	-	(30,374)
Other Leases (included in other expenses)				
Short term leases	-	-	5,949	-
Low value leases	-	-	191	-
Variable leases	-	-	851	-
Total	-	-	6,991	-
As at March 31, 2023	11,843	14,232	25,907	(30,374)

'During the year ended March 31, 2023, on account of change in the expected payment terms of brand license fees, the lease liability and corresponding ROU assets was reduced by ₹ 6,760 million. Simultaneously the Company had reassessed its retail marketing strategy whereby useful life of the ROU assets of brand license fees was revised which had resulted into an additional amortisation expense of ₹ 9,168 million for the financial year ended March 31, 2023. Further, during the financial year ended March 31, 2023, the management had recorded an impairment charge of ₹ 4,542 million on the aforesaid ROU asset and its carrying value was reduced to ₹ 430 million as at March 31, 2023. In the current year ended March 31, 2024 an amortisation expense of ₹ 209 million has been recorded on the remaining carrying value.

For maturity analysis of lease liabilities, refer note (refer note 41(B)(iv))

Notes to Standalone Financial Statements

for the year ended March 31, 2024

39 Details of dues to micro and small enterprises

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

Sr. No.	Particulars	(₹ in million)	
		As at March 31, 2024	As at March 31, 2023
1	Principal amount remaining unpaid to any supplier as at the end of the accounting year	269	434
2	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	1
3	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
4	Payments made beyond the appointed day during the year	-	151
5	Interest due and payable for the period of delay	-	1
6	The amount of interest accrued and remaining unpaid at the end of the accounting year	1	1
7	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	1	1
8	Principal amount remaining unpaid to any supplier as at the end of the accounting year included in capital creditors	-	92

40 Capital Management

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

For the purpose of the Company's capital management, capital includes issued capital, securities premium and all other equity reserves attributable to the equity holders. The Net debt comprises all long term and short term borrowings less unrestricted cash and bank balances, deposits and current investments. Bank loans availed by the Company are subject to certain financial covenants and the Company is compliant with these financial covenants on the reporting date as per the terms of the loan agreements. There is no outstanding default on the repayment of loans (including interest thereon) as at March 31, 2024.

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:

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Long term borrowings (refer note 21)	81,900	66,710
Short term borrowings (refer note 24)	35,952	13,429
Upfront fees	685	572
Total debt	118,537	80,711
Less : Cash and cash equivalents (refer note 14)	(17,705)	(64,037)
Less : Bank balances (excluding earmarked bank balances) (refer note 15)	(42,101)	(4,927)
Less : Bank and margin deposits classified under other financial assets (current) (refer note 17)	(28,833)	-
Less : Bank and margin deposits classified under other financial assets (non-current) (refer note 9)	(132)	(180)
Less : Investments (current) (refer note 12)	(3,753)	(17,801)
Total cash and bank balances	(92,524)	(86,945)
Net debt (a)	26,013	(6,234)
Equity share capital (refer note 19)	15,072	15,072
Other equity (refer note 20)	420,598	291,263
Total equity	435,670	306,335
Equity and underlying net debt (b)	461,683	300,101
Gearing ratio (a/b)	5.63%	-

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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 Company's financial instruments (except for investments in subsidiaries which is carried at historical cost):

As at March 31, 2024:

(₹ 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	3,753	-	-	3,753	3,753
Loan*			-	-	1,819	1,819	1,819
Trade receivables*			-	-	73,197	73,197	73,197
Cash and cash equivalent*			-	-	17,705	17,705	17,705
Bank balances other than cash and cash equivalent*			-	-	42,332	42,332	42,332
Derivatives contracts - assets		Level II					
-Foreign currency forward exchange	2		3	-	-	3	3
-Commodity derivative	2		42	2,208	-	2,250	2,250
Other financial assets*			-	-	32,377	32,377	32,377
Total			3,798	2,208	167,430	173,436	173,436
Financial Liabilities							
Long-term borrowings#	3	Level II	-	4,969	83,229	88,198	89,314
Short-term borrowings*		Level II	-	8,504	21,150	29,654	29,654
Trade payables*	4	Level II	-	68,990	48,825	117,815	117,815
Derivatives contracts - liabilities		Level II					
-Foreign currency forward exchange	2		19	-	-	19	19
-Commodity derivative	2		80	438	-	518	518
-Currency swap	2		-	197	-	197	197
Other financial liabilities*@	5	Level II	-	58,683	36,160	94,843	94,843
Total			99	141,781	189,364	331,244	332,360

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As at March 31, 2023

(₹ 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	17,801	-	-	17,801	17,801
Loan*			-	-	1,461	1,461	1,461
Trade receivables*			-	-	52,238	52,238	52,238
Cash and cash equivalent*			-	-	64,037	64,037	64,037
Bank balances other than cash and cash equivalent*			-	-	5,122	5,122	5,122
Derivatives Contracts - Assets		Level II					
-Foreign currency forward exchange	2		67	-	-	67	67
-Commodity Derivative	2		354	12	-	366	366
-Currency swap	2		-	49	-	49	49
-Interest rate swap	2		-	37	-	37	37
Other financial assets*			-	-	2,172	2,172	2,172
Total			18,222	98	125,030	143,350	143,350
Financial Liabilities							
Long-term borrowings#	3	Level II	-	5,196	66,544	71,740	70,906
Short-term borrowings*		Level II	-	8,222	177	8,399	8,399
Trade payables*	4	Level II	-	83,989	61,860	145,849	145,849
Derivatives Contracts - Liabilities		Level II					
-Foreign currency forward exchange	2		12	-	-	12	12
-Commodity Derivative	2		192	2	-	194	194
-Currency swap	2		-	2,785	-	2,785	2,785
Other financial liabilities*@	5	Level II	-	182,864	10,247	193,111	193,111
Total			204	283,058	138,828	422,090	421,256

including current maturities of long-term borrowings

* For assets and liabilities valued 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 to Standalone Financial Statements

for the year ended March 31, 2024

Notes:

1. Net asset value declared by mutual fund.
2. Interest rate swaps, foreign exchange forward / option contracts and commodity forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity.
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. Further, payables balances, in case of few supplier agreements, include liability basis provisionally priced invoices. The related costs of such provisionally priced invoices are initially based on forward market prices for the quotation periods stipulated in the contracts with changes between the provisional price and the final price recorded thereafter. The purchase price can be measured reliably for the Company's raw materials, as it operates in active and freely traded commodity markets.
5. Other financial liabilities include 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.

(B) Financial risk management objectives

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

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

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

i) Commodity price risk

The prices of refined petroleum products and crude oil are linked to the international prices. The Company's revenues, cost and inventories are exposed to the risk of fluctuation in prices of crude oil and petroleum products in the international markets. From time to time, the Company uses commodity derivative instruments to hedge the price risk of forecasted transactions such as forecast crude oil purchases and refined product sales. These derivative instruments are considered economic hedges for which changes in their fair value are recorded in the statement of

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Profit and Loss. However, in cases where the Company designates these derivative instruments as cash flow hedge, the effective portion of gain / loss on derivative is recognised in other comprehensive income and accumulated in equity. The amount is reclassified to statement of profit and loss when the hedged items impacts the statement of profit and loss.

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

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

Particulars	Qty. in Barrels (000)		Fair value of assets/(liabilities) (₹ in million)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Designated as cash flow hedges				
Crude oil				
Buy Positions				
Less than 1 year	1,863	600	(85)	10
Petroleum products				
Buy Positions				
Less than 1 year	6,650	-	1,950	-
Sell Positions				
Less than 1 year	(306)	-	(94)	-
Total (A)	8,207	600	1,771	10
Not designated as cash flow hedges				
Petroleum products				
Buy Positions				
Less than 1 year	270	1,729	41	(9)
Sell Positions				
Less than 1 year	(274)	(729)	(80)	170
Total (B)	(4)	1,000	(39)	161
Total (A + B)	8,203	1,600	1,732	171

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 ₹ 1,771 million as at March 31, 2024 (credit balance of ₹ 10 million as at March 31, 2023) on commodity derivative (gross of tax) contracts have been recognised in other comprehensive income.

During the year ended March 31, 2024 and March 31, 2023, Nil amount has been classified to other income due to hedge ineffectiveness on commodity derivative contracts.

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.

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for the year ended March 31, 2024

(₹ in million)

Particulars	Impact on Equity (net of taxes)		Impact on Profit (net of taxes)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Crude oil				
Buy Positions				
Less than 1 year	3	1	-	-
Petroleum products				
Buy Positions				
Less than 1 year	1,151	-	73	297
Sell Positions				
Less than 1 year	(93)	-	(74)	(177)
Total	1,061	1	(1)	120

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, 2024

Currency	Gross exposure	Forward contracts @	Cash flow hedge #	Unhedged exposure	Unhedged exposure	Sensitivity to 5% change **	
	FC in million	FC in million	FC in million	FC in million	₹ in million	Impact on Profit (net of taxes) ₹ in million	Impact on Equity (net of taxes) ₹ in million
Assets							
USD	544	(208)	-	336	27,996	1,047	-
EURO	0	-	-	0	32	1	-
Other Currencies	0	-	-	0	2	0	-
Total					28,030	1,048	-
Liabilities*							
USD	2,653	(75)	(1,618)	960	80,053	(2,995)	(5,047)
EURO	9	-	-	9	833	(31)	-
Other Currencies	0	-	-	0	9	(0)	-
Total					80,895	(3,026)	(5,047)

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for the year ended March 31, 2024

As at March 31, 2023

Currency	Gross exposure FC in million	Forward contracts @ FC in million	Cash flow hedge # FC in million	Unhedged exposure FC in million	Unhedged exposure ₹ in million	Sensitivity to 5% change **	
						Impact on Profit (net of taxes)	Impact on Equity (net of taxes)
						₹ in million	₹ in million
Assets							
USD	785	(311)	-	474	38,945	1,457	-
EURO	0	-	-	0	26	1	-
Other Currencies	0	-	-	0	2	0	-
Total					38,973	1,458	-
Liabilities*							
USD	4,011	(174)	(3,410)	427	35,080	(1,313)	(10,489)
EURO	59	-	-	59	5,275	(197)	-
Other Currencies	0	-	-	0	11	(0)	-
Total					40,366	(1,510)	(10,489)

Notes:

* includes borrowings in foreign currency USD 402 million (₹ 33,492 million) {(Previous year USD 234 million (₹ 19,279 million))}.

@ The Company has entered into foreign exchange forward 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 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 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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	Forward Contracts:			
Buy US\$				
Less than 3 months	75	174	3	(12)
Sell US\$				
Less than 3 months	208	311	(19)	61
Buy US\$ Sell EUR				
Less than 3 months	-	26	-	6

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for the year ended March 31, 2024

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

Sell US\$	Notional amounts (in USD million)		Fair value of assets / (liabilities) (net) (₹ in million)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Less than 1 year	16	215	(197)	(2,529)
1 year to 2 years	-	16	-	(207)
Total	16	231	(197)	(2,736)

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 ₹ 208 million as at March 31, 2024 (debit balance of ₹ 2,848 million as at March 31, 2023) (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 ₹ 50 million (Previous year ₹ 709 million) (net of tax). A positive number indicates a decrease in equity and negative number would be an inverse impact on equity.

iii) Interest rate risk

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

The borrowings of the Company are denominated in rupees and US dollars with a mix of floating and fixed interest rate. The Company hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk. The Company has exposure to interest rate risk, arising principally on changes in base lending rates and 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.

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

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Fixed rate borrowings *	63,593	27,538
Floating rate borrowings	54,944	53,173
Lease liabilities (refer note 38)	15,733	14,232
Export advances having original maturities for more than 1 year (current and non-current portion) (refer note 22 and 26)	58,683	182,864
Total	192,953	277,807
Less: Upfront fee	(685)	(572)
Total	192,268	277,235

* Includes borrowings of ₹ 31,220 million (₹ 23,370 million as at March 31, 2023) raised for Petrochemical project, for which floating rate shall apply after commercial date of operation i.e. July 01, 2024.

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, 2024 would decrease / increase by ₹ 425 million (Previous year ₹ 883 million) (net of tax). This is mainly attributable to the Company's exposure to interest rates on its variable rate liabilities.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Interest rate swap contracts

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

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

Designated as cash flow hedges

Outstanding Contracts (Floating to Fixed)

Particulars	Notional amounts (in USD million)		Fair value of liabilities (₹ in million)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Less than 1 year	-	111	-	37
Total	-	111	-	37

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

Balance in cash flow hedge reserve of Nil as at March 31, 2024 (₹ 37 million as at March 31, 2023) on interest rate swap derivative contracts (gross of tax) has been recognised in other comprehensive income.

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

A 50 basis points increase (decrease) in interest rate and all other variables held constant would result in Nil (Previous year : ₹ 6 million) (net of tax) increase (decrease) in equity.

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.

As at March 31, 2024 :	(₹ in million)			
	< 1 Year	1 > 5 Years	> 5 Years	Total
Long term Borrowings #	14,457	56,353	69,081	139,891
Short term Borrowings #	29,770	-	-	29,770
Trade payables	117,815	-	-	117,815
Lease liabilities #	2,632	8,345	20,740	31,717
Other financial liabilities including export advance #	75,245	23,287	-	98,532
Derivatives	734	-	-	734
Total	240,653	87,985	89,821	418,459

Notes to Standalone Financial Statements

for the year ended March 31, 2024

	(₹ in million)			
As at March 31, 2023 :	< 1 Year	1 > 5 Years	> 5 Years	Total
Long term Borrowings #	11,440	45,480	58,271	115,191
Short term Borrowings #	8,422	-	-	8,422
Trade payables	145,849	-	-	145,849
Lease liabilities #	2,430	7,287	19,439	29,156
Other financial liabilities including export advance #	84,176	123,350	-	207,526
Derivatives	2,783	208	-	2,991
Total	255,100	176,325	77,710	509,135

including future interest

The Company has undrawn committed facilities as at March 31, 2024 of ₹ 86,121 million (₹ 103,790 million as at March 31, 2023) 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:

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

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

The credit period on sale of goods ranges from 0 to 45 days with or without security. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The history of trade receivables shows a negligible allowance for bad and doubtful debts. 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Movement in the expected credit loss allowance

Particulars	₹ in million	
	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	2,997	1,716
Expected credit loss recognised	633	1,281
Balance at the end of the year	3,630	2,997

The Company's maximum exposure to the credit risk for the components of the balance sheet as at March 31, 2024 and March 31, 2023 is the carrying amounts mentioned in note 9, note 13, and note 17.

42 Defined benefit plans

1 Defined benefit plans :

(i) Gratuity Plan

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

(ii) Provident Fund :

Based on actuarial valuation in accordance with Ind AS 19 Employee Benefits for interest rate guarantee of exempted provident fund liability of employees, there is no material shortfall in the funds managed by the trust and hence there is no further liability accrued as at March 31, 2024 and March 31, 2023.

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

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

The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The actuary has provided a valuation for provident fund liabilities using the deterministic approach guidance issued by Actuarial Society of India.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(₹ in million)

Sr. No.	Particulars	Provident fund (Funded)		Gratuity (Funded)	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
A	Net assets / liability				
i	Present value of defined benefit obligation (DBO)	6,488	6,002	1,330	1,109
ii	Fair value of plan assets	6,480	5,924	1,044	932
iii	Funded status - deficit (iii = ii-i)	(8)	(78)	(286)	(177)
iv	Net assets / (liability)	(8)	(78)	(286)	(177)
B	Expenses for the year				
i	Service Cost	398	311	87	85
ii	Net Interest cost	(73)	91	9	18
	Components of defined benefit costs for Profit and loss	325	402	96	103
i	Actuarial losses - experience	(8)	28	90	46
ii	Actuarial losses/(gains) - assumptions	9	(85)	21	(37)
iii	Return on plan assets greater than discount rate	(1)	57	7	13
	Components of defined benefit costs for Other Comprehensive Income	0	0	117	21
	Total expenses	325	402	213	124
C	Change in obligation and assets				
i	Change in defined benefit obligation				
a	Defined benefit obligation at beginning of the year	6,002	5,205	1,109	1,033
b	Current Service cost	398	311	87	85
c	Interest cost	434	370	78	68
d	Acquisitions (credit) / cost	167	132	-	-
e	Past service cost - plan amendments	-	-	-	(25)
f	Actuarial losses - experience	(8)	28	90	46
g	Actuarial losses/(gains) - financial assumptions	9	(85)	21	(37)
h	Benefit payments	(919)	(363)	(55)	(61)
i	Plan participants' contributions	405	404	-	-
j	Defined Benefit obligation at the end of the year	6,488	6,002	1,330	1,109
ii	Change in fair value of assets				
a	Fair value of plan assets at the beginning of the year	5,924	5,219	932	575
b	Acquisition adjustments	167	132	-	-
c	Interest income on plan assets	508	279	69	50
d	Employer's contribution	394	311	105	381
e	Plan participants' contributions	405	404	-	-
f	Return on plan assets lesser than discount rate	1	(57)	(7)	(13)
g	Benefits payments	(920)	(363)	(55)	(61)
h	Fair value of plan assets at the end of the year	6,480	5,924	1,044	932

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(₹ in million)

Sr. No.	Particulars	Provident fund (Funded)		Gratuity (Funded)	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
D	Actuarial assumptions				
1	Discount rate (per annum)	7.00%	7.20%	7.00%	7.20%
2	Rate of salary increase	N.A.	N.A.	9.00%	9.00%
3	Withdrawal Rate	N.A.	N.A.	6.00%	6.00%
4	Expected return on exempted fund	8.25%	8.70%	N.A.	N.A.
5	Expected EPFO return	8.25%	8.15%	N.A.	N.A.
6	Mortality	Indian Assured Lives Mortality (2006-08) Ult. Modified		Indian Assured Lives Mortality (2006-08) Ult. Modified	
E	Percentage of each category of plan assets to total fair value of plan assets				
	Administered by Life Insurance Corporation of India / State Bank Of India #	N.A.	N.A.	100%	100%
	Government of India Securities (Central and State)	57.70%	61.24%	N.A.	N.A.
	Debt Instruments & Related Investments	32.10%	30.85%	N.A.	N.A.
	Equities & Related Investment	3.71%	5.16%	N.A.	N.A.
	Cash (including Special Deposits)	6.49%	2.75%	N.A.	N.A.
F	Employer's best estimate of contributions expected to be paid to the plan during the annual period beginning after the balance sheet date	430	339	111	91

Plan assets comprises scheme of insurance - conventional products.

Notes:

Weighted average duration of the defined benefit obligation is 8 years as at March 31, 2024 (8 years as at March 31, 2023).

These plans typically expose the Company to actuarial risks such as: interest rate risk, salary risk and demographic risk.

- 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.
- Salary Inflation risk** : Higher than expected increases in salary will increase the defined benefit obligation.
- 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 after year ended March 31, 2024 as follows:

(₹ in million)

Particulars	Provident fund March 31, 2024	Gratuity(Funded) March 31, 2024
As at March 31		
2025	493	111
2026	611	123
2027	772	152
2028	591	135
2029	681	163
March 31, 2030 to March 31, 2034	3,326	845

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Particulars	(₹ in million)	
	Provident fund	Gratuity(Funded)
	March 31, 2023	March 31, 2023
As at March 31		
2024	548	91
2025	526	93
2026	544	111
2027	653	137
2028	535	120
March 31, 2029 to March 31, 2033	2,891	741

Sensitivity Analysis:

Method used for sensitivity analysis:

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

Sr. No.	Particulars	Provident fund		Gratuity(Funded)	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
		Increase/(decrease) in DBO		Increase/(decrease) in DBO	
A)	Discount Rate				
	Defined benefit obligation	6,488	6,002	1,330	1,109
	Discount rate	7.00%	7.20%	7.00%	7.20%
	1. Effect on DBO due to 0.5% increase in Discount Rate	(3)	(2)	(50)	(43)
	2. Effect on DBO due to 0.5% decrease in Discount Rate	3	2	54	46
B)	Salary Escalation Rate :				
	Salary Escalation rate	N.A.	N.A.	9.00%	9.00%
	1. Effect on DBO due to 0.5% increase in Salary Escalation Rate	N.A.	N.A.	27	26
	2. Effect on DBO due to 0.5% decrease in Salary Escalation Rate	N.A.	N.A.	(27)	(26)
C)	Withdrawal Rate :				
	Attrition rate	N.A.	N.A.	6.00%	6.00%
	1. Effect on DBO due to 5.00% increase in Withdrawal Rate	N.A.	N.A.	16	6
	2. Effect on DBO due to 5.00% decrease in Withdrawal Rate	N.A.	N.A.	(40)	(19)

2 Defined Contribution plans :

Company's contribution to superannuation fund and pension fund aggregating to ₹ 69 million and ₹ 161 million (Previous year ₹ 56 million and ₹ 134 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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
	Trafigura Group comprises Trafigura Group Pte. Limited and its controlled entities (till January 09, 2023)
	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 (from January 10, 2023)
Subsidiaries	Coviva Energy Terminals Limited
	Nayara Energy Singapore Pte. Limited
Other related party	Nayara Energy Limited Employees Provident Fund

A. Transaction with related parties

(₹ in million)

Nature of transactions	Enterprises having significant influence		Subsidiaries		Total	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Sale of products (refer note (i) below)						
Trafigura Group #	-	73,644	-	-	-	73,644
Nayara Energy Singapore Pte. Limited	-	-	128,674	113,711	128,674	113,711
Total	-	73,644	128,674	113,711	128,674	187,355
Purchase of capital items						
Rosneft Group	-	805	-	-	-	805
Purchase of raw material (refer note (i) below) / Other consumable						
Trafigura Group	-	6,586	-	-	-	6,586
Rosneft Group	-	588	-	-	-	588
Nayara Energy Singapore Pte. Limited	-	-	6,198	7,603	6,198	7,603
Total	-	7,174	6,198	7,603	6,198	14,777
Other consultancy services						
Trafigura Group	-	183	-	-	-	183
UCP Group	-	78	-	-	-	78
Total	-	261	-	-	-	261
Product and raw material consultancy service						
Trafigura Group	-	563	-	-	-	563
Interest income						
Nayara Energy Singapore Pte. Limited	-	-	-	1	-	1
Interest expenses						
Trafigura Group	-	731	-	-	-	731
Nayara Energy Singapore Pte. Limited	-	-	288	827	288	827
Total	-	731	288	827	288	1,558
Inter corporate deposits given @						
Coviva Energy Terminals Limited	-	-	355	139	355	139

including taxes wherever applicable

Includes sales of finished goods of Nil (Previous year ₹ 29,808 million) pursuant to long term arrangements entered between the Company and a third party and the said third party and Trafigura Pte. Ltd.

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

Notes to Standalone Financial Statements

for the year ended March 31, 2024

B. Transactions with other classes of related parties

(₹ in million)

Nature of transactions	FY 2023-24	FY 2022-23
i) Key management personnel (Short term employee benefits)@	292	514
@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)	17	13
iii) Key management personnel (Commission and Remuneration to Directors)	208	187
iv) Contribution during the period (includes Employees' share and contribution) to the controlled trust	800	715

C. Balances with related parties

(₹ in million)

Nature of balances	Enterprises having significant influence		Subsidiaries		Total	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Assets						
Financial assets						
Trade receivables (refer note (ii) A below)						
Nayara Energy Singapore Pte. Limited	-	-	-	8,087	-	8,087
Loans						
Inter corporate deposit						
Coviva Energy Terminals Limited	-	-	1,117	762	1,117	762
Liabilities						
Financial liabilities						
Trade payables (refer note (ii) B below)						
Rosneft Group	808	802	-	-	808	802
Nayara Energy Singapore Pte. Limited	-	-	47	38	47	38
Total	808	802	47	38	855	840
Other financial liabilities						
Advance received from customers (refer note (ii) C below)						
Nayara Energy Singapore Pte. Limited	-	-	-	30,420	-	30,420
Other financial liabilities						
Nayara Energy Singapore Pte. Limited	-	-	8	-	8	-
Interest accrued but not due						
Nayara Energy Singapore Pte. Limited	-	-	-	65	-	65

Notes to Standalone Financial Statements

for the year ended March 31, 2024

D. Balances with other classes of related parties

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
i) Commission and Remuneration payables to Key management personnel	208	187

Notes:

- (i) The Company had entered into amended agreements with Trafigura Group (related party till January 9, 2023) valid till August 14, 2023 and with one of the entity of Rosneft Group (related party till May 15, 2022) whereby the parties continues to have the right to make the first offer for both sale of raw material and purchase of finished products. Where the transactions with the above parties were executed without calling for comparative quotations, the same were done based on the Company's internal assessment. Where quotations were called for and the Company was able to get a better offer, these two parties reserve the right to match the offer, in which case the Company was obliged to transact with them. For supplies of finished products made against advance payments, premium / discounts to the market price index were pre-negotiated based on similar process. Where the Company participated in the tenders floated by these parties for purchasing raw material, price to be quoted were determined on a case to case basis based on Company's internal assessment and were approved by the management of the Company. There were no transactions executed under the above agreements during current year.
- (ii) Terms of receivables / payables:
- Trade receivables were unsecured, non-interest bearing collected within 30 days from the date of sale.
 - Generally, trade payables are non-interest bearing and are settled within 30 days of purchase. In case any credit is offered beyond 30 days, it carries interest as per prevailing market practice as mutually agreed between the parties.
 - Advance from customers also include interest bearing advances, which were settled through supply of goods over a period of 1 to 5 years at pre-determined mechanism of the consideration.

44 Loans and advances in the nature of loan

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

Type of borrower	(₹ in million)			
	As at March 31, 2024		As at March 31, 2023	
	Amount outstanding	% of Total loan	Amount outstanding	% of Total loan
Subsidiary Company	1,117	100%	762	100%

45 Ratios

Ratios	(₹ in million)	
	March 31, 2024	March 31, 2023
a) Current Ratio (number of times)	1.16	0.96
b) Debt Equity Ratio (number of times)	0.20	0.24
c) Debt Service Coverage Ratio (number of times) *	9.90	3.67
d) Return On Equity (%)	32.57%	36.62%
e) Inventory turnover (number of days)	25	32
f) Trade Receivable Turnover Ratio (number of days)	15	14
g) Trade Payable Turnover Ratio (number of days)*	45	63
h) Net Capital Turnover Ratio (number of times) *	40	NA
i) Net Profit margin (in %)	7.82%	6.96%
j) Return On Capital Employed (%)	37.18%	43.25%
k) Return On Investment (%)	6.66%	5.69%

* Variance as compared to previous year are greater than 25% which is on account of revenue growth along with higher profitability has resulted into improvement in the ratios.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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 = 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 = Revenue from Operation / Average Trade Receivable
- g) Trade Payable Turnover Ratio = 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)

46 The Company's current assets as at March 31, 2024, exceed its current liabilities by ₹ 32,770 million. The management has evaluated its cash flows for the next 24 months for which, the Company has considered the nature of its business, cyclical trends, gross refinery margins, retail margins, etc., ability to refinance its debt and credit lines. The Company is confident that the net cash inflows from operating and financing activities will provide sufficient liquidity to meet its financial obligation as and when they fall for payment in the following twenty-four months. The Company has also analysed the effect of the recent geopolitical developments and allied sanctions environment and, supported by external legal opinions, it believes that the same are unlikely to be extended onto the Company. Further, the current sanctions environment have not resulted in a material impact onto the Company's operations or its ability to raise fresh capital. The Company ensures that it continues to abide by all the applicable laws and regulations on trade compliance and sanctions. Accordingly, the Company continues the preparation and presentation of these financial statements as a going concern.

47 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 ₹ 576,943 million [March 31, 2023: ₹ 538,842 million].

The Company performed its annual impairment test for the financial year ended March 31, 2024, as on February 29, 2024. There has been no material change in any of the assumption since that date upto March 31, 2024.

The recoverable amount of the CGU has been determined at ₹ 804,700 (US\$ 9,704) million [March 31, 2023: ₹ 962,248 (US\$ 11,638) million] based on the value in use calculation using discounted cash flow model {refer note 4(B)(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 forecast consensus, industry reports, economic indicators, general business conditions etc. when reviewing the indicators of impairment. The Company has performed sensitivity analysis on the assumptions used basis the internal and external information / indicators of future economic conditions. Since the value in use is higher than the carrying amount of the refining business CGU, the Company has not determined the fair value less costs of disposal separately.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Key assumptions used for value in use calculations:

The calculation of value in use for the unit is most sensitive to the following assumptions:

Gross Refining Margin (GRM)

The GRM projections, which is a difference between total product revenue and total feedstock cost for the year, are broadly in line with the 5-year business plan of the CGU. The GRMs are estimated to be in the range from US\$ 9.8 per bbl to US\$ 8.7 per bbl during FY 2024-25 to FY 2028-29 and thereafter they increase at a nominal rate of 2% per annum post the 5-year period. A US\$ 0.5 per bbl decline in the projected GRM over the forecast period would lead to a decline in the recoverable value by ₹ 52,242 million (US\$ 630 million) [March 31, 2023: ₹ 47,707 (US\$ 577) million].

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 9.5% (previous year: 10.1%). An increase in the discount rate by 50 basis points leads to decline in the recoverable value by ₹ 53,155 million (US\$ 641 million) [March 31, 2023: ₹ 58,042 (US\$ 702) million].

Considering the above, the management has assessed that any reasonable possible change in assumptions will not trigger recognition of impairment.

48 Segment information

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

- 49 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.

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 23, 2024

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

Prasad K. Panicker

Executive Chairman

DIN : 06476857

Mumbai

Rajani Kesari

Chief Financial Officer

Mumbai

Alessandro des Dorides

Chief Executive Officer

Mumbai

Mayank Bhargava

Company Secretary

Mumbai

May 23, 2024

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 2024, the consolidated Statement of Profit and Loss, including the statement of Other Comprehensive Income and the consolidated Cash Flow Statement 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 and based on the consideration of reports of other auditor on separate financial statements and on the other financial information of the subsidiary, 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, 2024, 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 entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor 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 entity 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.

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of one subsidiary, whose financial statements include total assets of ₹ 467 million as at March 31, 2024, and total revenues of ₹ 1,36,408 million and net cash outflows of ₹ 8,052 million for the year ended on that date. The financial statement and other financial information have been audited by other auditor, whose financial statements, other financial information and auditor's reports has been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditor.

The above subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB)

which has been audited by other auditor in accordance International Standards on Auditing (ISAs). The Holding Company's management has converted the financial statements of such subsidiary located outside India from IFRS to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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

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 auditor on separate financial statements and the other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
 - (a) We/the other auditor whose report 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 and reports of the other auditor;
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including 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, 2024 taken on record by the Board of Directors of the Holding Company and subsidiary company, none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2024 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, incorporated in India, 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, 2024 has been paid / provided by the Holding 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 and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the subsidiary company, as noted in the 'Other matter' paragraph:
 - 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 (a) Note 22 and 26 to the consolidated



- financial statements in respect of such items as it relates to the Group,
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary, incorporated in India during the year ended March 31, 2024.
- 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 the 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 and 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.
- For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005
- per **Naman Agarwal**
Partner
Membership Number: 502405
UDIN: 24502405BKEYXH7481 Place of Signature: Mumbai
Date: May 23, 2024

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")

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	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: 24502405BKEYXH7481

Place of Signature: Mumbai

Date: May 23, 2024

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, 2024, 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 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 Group's 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, 2024, 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

Membership Number: 502405

UDIN: 24502405BKEYXH7481

Place of Signature: Mumbai

Date: May 23, 2024

Consolidated Balance Sheet

as at March 31, 2024

Particulars	Notes	(₹ in million)	
		As at March 31, 2024	As at March 31, 2023
ASSETS			
1) Non-current assets			
(a) Property, plant and equipment	6	409,601	424,411
(b) Capital work-in-progress	6	54,210	40,533
(c) Goodwill	6	108,184	108,184
(d) Other Intangible assets	6	271	229
(e) Intangible assets under development	6	-	15
(f) Right-of-use assets	6	13,919	12,997
(g) Financial assets			
(i) Investments	7	-	-
(ii) Loans	8	290	372
(iii) Other Financial assets	9	788	765
(h) Deferred tax assets (net)	23	-	36
(i) Non-current tax assets (net)		2,200	2,242
(j) Other non-current assets	10	7,774	4,960
Total non-current assets		597,237	594,744
2) Current assets			
(a) Inventories	11	103,932	95,952
(b) Financial assets			
(i) Investments	12	3,753	17,801
(ii) Trade receivables	13	73,197	52,648
(iii) Cash and cash equivalents	14	17,750	72,118
(iv) Bank balances other than (iii) above	15	42,599	7,124
(v) Loans	16	412	327
(vi) Other financial assets	17	34,106	2,179
(c) Other current assets	18	4,504	5,521
Total current assets		280,253	253,670
TOTAL ASSETS		877,490	848,414
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	19	15,072	15,072
(b) Other equity	20	419,838	290,259
Total equity		434,910	305,331
LIABILITIES			
1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	81,900	106,996
(iia) Lease liabilities	38	15,810	14,345
(ii) Other financial liabilities	22	22,712	87,275
(b) Deferred tax liabilities (net)	23	74,879	74,631
Total non-current liabilities		195,301	283,247
2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	35,952	13,429
(iia) Lease liabilities	38	1,294	1,201
(ii) Trade payables	25	117,859	145,873
(iii) Other financial liabilities	26	72,856	79,444
(b) Other current liabilities	27	17,178	17,991
(c) Provisions	28	1,075	819
(d) Current tax liabilities (net)		1,065	1,079
Total current liabilities		247,279	259,836
TOTAL EQUITY AND LIABILITIES		877,490	848,414

See accompanying notes to the consolidated financial statements

As per our report of even date

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

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

Prasad K. Panicker
Executive Chairman
DIN : 06476857
Mumbai

Alessandro des Dorides
Chief Executive Officer
Mumbai

per **Naman Agarwal**
Partner
Membership No. 502405
Mumbai, May 23, 2024

Rajani Kesari
Chief Financial Officer
Mumbai

Mayank Bhargava
Company Secretary
Mumbai
May 23, 2024

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

Particulars	Notes	(₹ in million)	
		For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	29	1,550,915	1,381,125
Other income	30	9,390	7,538
Total Income		1,560,305	1,388,663
Expenses			
Cost of raw materials consumed		937,970	796,728
Excise duty		219,777	207,257
Purchases of stock-in-trade		132,876	117,146
Changes in inventory of finished goods, stock-in-trade and work- in-progress	31	(3,177)	19,010
Employee benefits expense	32	10,435	8,349
Finance costs	33	22,419	23,767
Depreciation, amortisation and impairment expense	6	19,982	34,012
Other expenses	34	55,726	57,048
Total expenses		1,396,008	1,263,317
Profit before tax		164,297	125,346
Tax expense:	23		
(a) Current tax		41,881	9,660
(b) Deferred tax		(794)	21,424
Total tax expenses		41,087	31,084
Profit for the year		123,210	94,262
Other comprehensive income			
Items that will not be reclassified to profit and loss		(87)	(16)
Remeasurement (loss) on defined benefit plans		(117)	(21)
Income tax effect		30	5
		(87)	(16)
Items that will be reclassified to profit and loss		6,456	(5,332)
Effective portion of cash flow hedges (net)		8,594	(7,147)
Income tax effect		(2,163)	1,799
		6,431	(5,348)
Foreign currency monetary item translation difference account		34	52
Income tax effect		(9)	(13)
		25	39
Exchange difference arising on translation of foreign operation		(0)	(23)
		(0)	(23)
Other comprehensive income / (loss) for the year, net of tax		6,369	(5,348)
Total comprehensive income for the year (comprising profit for the year and other comprehensive income / (loss) for the year)		129,579	88,914
Earnings per share (Face value ₹ 10 per share)	35		
Basic and Diluted (in ₹)		82.66	63.24

See accompanying notes to the consolidated financial statements

As per our report of even date

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

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

Firm Registration No. 301003E/E300005

Prasad K. Panicker

Executive Chairman

DIN : 06476857

Mumbai

Alessandro des Dorides

Chief Executive Officer

Mumbai

per **Naman Agarwal**

Partner

Membership No. 502405

Mumbai, May 23, 2024

Rajani Kesari

Chief Financial Officer

Mumbai

Mayank Bhargava

Company Secretary

Mumbai

May 23, 2024

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

a. Equity Share Capital

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	15,072	15,072
Closing balance	15,072	15,072

b. Other Equity

Consolidated Statement of Changes in equity for the year April 01, 2023 to March 31, 2024

Particulars	Reserves and Surplus				Items of Other Comprehensive Income (OCI)			Total
	Capital reserve	Securities premium	General reserve	Retained earnings	Foreign currency translation reserve	Effective portion of Cash Flow Hedges*	Foreign currency monetary item translation difference account	
Balance as at April 01, 2023	609	78,014	596	225,445	(102)	(14,270)	(33)	290,259
Profit for the year	-	-	-	123,210	-	-	-	123,210
Other Comprehensive Income for the year	-	-	-	(87)	(0)	6,431	25	6,369
Total Comprehensive Income for the year	-	-	-	123,123	(0)	6,431	25	129,579
Balance as at March 31, 2024	609	78,014	596	348,568	(102)	(7,839)	(8)	419,838

Consolidated Statement of Changes in Equity for the year April 01, 2022 to March 31, 2023

Particulars	Reserves and Surplus				Items of Other Comprehensive Income (OCI)			Total
	Capital reserve	Securities premium	General reserve	Retained earnings	Foreign currency translation reserve	Effective portion of Cash Flow Hedges*	Foreign currency monetary item translation difference account	
Balance as at April 01, 2022	609	78,014	596	131,199	(79)	(8,922)	(72)	201,345
Profit for the year	-	-	-	94,262	-	-	-	94,262
Other Comprehensive (Loss) for the year	-	-	-	(16)	(23)	(5,348)	39	(5,348)
Total Comprehensive Income for the year	-	-	-	94,246	(23)	(5,348)	39	88,914
Balance as at March 31, 2023	609	78,014	596	225,445	(102)	(14,270)	(33)	290,259

* net loss for the year of ₹ 10,099 million (Previous year ₹ 10,462 million) (net of tax) is recycled from cash flow hedge reserve to statement of profit and loss account.

There are no changes in the equity share capital and other equity due to prior period errors or changes in accounting policy

As per our report of even date

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

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

Prasad K. Panicker
Executive Chairman
DIN : 06476857
Mumbai

Alessandro des Dorides
Chief Executive Officer
Mumbai

per **Naman Agarwal**
Partner
Membership No. 502405
Mumbai, May 23, 2024

Rajani Kesari
Chief Financial Officer
Mumbai

Mayank Bhargava
Company Secretary
Mumbai
May 23, 2024

Consolidated Statement of Cash Flows

for the year ended March 31, 2024

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
A Cash flow from operating activities		
Profit before tax	164,297	125,346
Adjustments for:		
Interest income	(6,115)	(1,902)
Depreciation, amortisation and impairment expense	19,982	34,012
Loss on disposal / discard of property, plant and equipment (net)	14	187
Gain on investment / financial assets measured at FVTPL	(707)	(524)
Gain on remeasurement of leases	(12)	(31)
Export obligation deferred income	(61)	(286)
Unrealised foreign exchange differences (net)	576	4,488
Mark to market loss / (gain) on derivative contracts (net)	501	(660)
Expected credit loss (net)	633	1,281
Provision for doubtful debts/ doubtful debt written off	23	1,429
Provision / liabilities written back	(737)	(115)
Finance costs	22,419	23,767
Operating profit before working capital changes	200,813	186,992
Adjustments for working capital changes:		
(Increase) / decrease in inventories	(7,981)	27,489
(Increase) in trade and other receivables	(21,778)	(2,554)
(Decrease) in trade and other payables	(93,735)	(23,323)
Cash generated from operating activities	77,319	188,604
Income tax payment (net) (including interest)	(42,765)	(8,417)
Net cash generated from operating activities	34,554	180,187
B Cash flow from investing activities		
Payments for property, plant and equipment (including capital work in progress, Intangible assets, Capital advances, Capital creditors and Intangible assets under development)	(18,630)	(37,885)
Proceed from sale of property, plant and equipment	16	137
Proceeds for sale / (payments for purchase) of short term investments / Mutual fund (net)	14,755	(17,277)
Placement of bank deposits	(28,785)	-
Encashment of bank deposits	1,997	-
(Placement) / encashment of short term bank deposits (net)	(37,457)	4,604
Interest received	4,277	1,382
Net cash (used in) investing activities	(63,827)	(49,039)
C Cash flow from financing activities		
Proceeds from long-term borrowings	21,658	19,001
Repayment of long-term borrowings	(45,899)	(30,364)
Proceed from / (repayment of) short term borrowings of less than 3 months (net)	20,671	(9,526)
Payment of principal portion of lease liabilities	(1,186)	(28,039)
Payment of interest on lease liabilities	(1,450)	(2,458)
Finance cost paid	(19,350)	(20,695)
Net cash (used in) financing activities	(25,556)	(72,081)
Net (decrease) / increase in cash and cash equivalents	(54,829)	59,067
Net exchange differences on foreign currency bank balances	-	78
Cash and cash equivalents at the beginning of the year	72,058	12,991
Cash and cash equivalents at the end of the year	17,229	72,136

Consolidated Statement of Cash Flows

for the year ended March 31, 2024

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
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)	17,750	72,118
Add: Earmarked bank balances (refer note 15)	231	195
Less: Bank overdraft (refer note 24)	(752)	(177)
Total	17,229	72,136

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

Particulars	As at April 01, 2023	Cash changes (net)	Non cash changes (net)	As at March 31, 2024
Long term borrowings (including current maturities classified in short term borrowing)	112,026	(24,241)	413	88,198
Short term borrowings* (excluding current maturities classified in short term borrowing)	8,222	20,671	9	28,902

Particulars	As at April 01, 2022	Cash changes (net)	Non cash changes (net)	As at March 31, 2023
Long term borrowings (including current maturities classified in short term borrowing)	119,590	(11,363)	3,799	112,026
Short term borrowings* (excluding current maturities classified in short term borrowing)	16,640	(9,526)	1,108	8,222

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

Notes:

- 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.
- Cash flow from operations include net inflow of Nil (₹ 3,021 million for the year ended March 31, 2023) arising from long term advances received from customers, net of goods supplied during the year. The goods will be supplied against these advances upto two years.
- Refer note (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 23, 2024

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

Prasad K. Panicker
Executive Chairman
DIN : 06476857
Mumbai

Rajani Kesari
Chief Financial Officer
Mumbai

Alessandro des Dorides
Chief Executive Officer
Mumbai

Mayank Bhargava
Company Secretary
Mumbai
May 23, 2024

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

1. Corporate information

Nayara Energy Limited ("the Company" or "the parent Company") is a public limited company incorporated under the provisions of the Companies Act, 1956 (since replaced by the Companies Act, 2013, as amended). The registered office of the Company is located at Devbhumi Dwarka, Gujarat, India. The Company and its subsidiaries (collectively referred to as the Group) are primarily engaged in the business of refining of crude oil, marketing of petroleum products in domestic and overseas markets, providing port and terminal services for the Company's refinery. The Company owns India's

second largest single site refinery at Vadinar, Gujarat with a current capacity of 20MMTPA. The Company has around 6,600 operational outlets and around 1,600 outlets at various stages of completion.

The consolidated financial statements of Nayara Energy Limited and its subsidiaries (collectively, the Group) for the year ended March 31, 2024 were authorised for issue in accordance with a resolution of the directors on May 23, 2024. 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	Proportion of ownership Interest (%)	
					As at March 31, 2024	As at March 31, 2023
1	Nayara Energy Singapore Pte. Limited (refer note a)	Engaged in trading and allied activities in the oil and commodities sector	Subsidiary	Singapore	100%	100%
2	Coviva Energy Terminals Limited (CETL) (refer note a)	Engaged in development of marine liquid terminal facilities	Subsidiary	India	100%	100%

Notes:

a) Audited financial statements have been considered for consolidation.

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 National Rupee (₹) which is the functional currency of the Company, and all values are rounded to the nearest million, except where otherwise indicated. All amounts individually less than ₹ 0.5 million have been reported as "0". The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

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 Consolidated Financial Statements

for the year ended March 31, 2024

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. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.
- (d) Deferred tax assets and liabilities are recognised for temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group.

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 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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)

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 long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection including turnaround and maintenance is performed, its cost is recognised in the carrying amount of the plant and equipment if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

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 for the period of 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)
Temporary Building	3
Building	15-60
Plant and machinery *	35-50
Catalysts (included within plant & machinery)	2-4
Furniture and fixtures	1-10
Office equipment	1-6
Vehicles	1-10

* Additionally, there are certain key components identified within plant and machinery having a useful life up to 35 years and are depreciated over such assessed useful life.

(refer note 38 for useful life of ROU asset)

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.

De-recognition

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

C. 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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

De-recognition

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

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 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 liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee adjusted for accumulated depreciation, 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. Right to use of trademark assets are amortised over the usage period.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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-financial assets'

F. Inventories

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

Cost of inventories comprise of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of crude oil purchased 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 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

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

(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 45 days depending on the specific terms agreed with customers.

(v) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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

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) Transaction and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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 fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period/ upto the date of settlement of such monetary item, whichever is earlier and charged to the Statement of Profit and Loss. The un-amortised exchange difference is carried under other equity as "Foreign currency monetary item translation difference account" net of tax effect

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

thereon, where applicable. Exchange difference arising on settlement / restatement of other items are charged to statement of profit and loss.

(ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified in the consolidated statement of profit or loss.

Any goodwill arising on the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date. The restated gain / loss is recognised in OCI.

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, deposits and debt securities issued on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions

of the instrument. A financial asset (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. Amortised cost

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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.

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 full lifetime Expected Credit Loss is used.
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables, the 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

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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, plus directly attributable transaction costs.

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

c) Supplier's credit and Buyer's credit:

The Group enters into an arrangement whereby banks make direct payment to supplier on due date. The banks are subsequently paid by the Group at later date based on the extended credit terms agreed with the banks. Where this arrangement is agreed with supplier and the Group's legal liability remains towards the supplier only, in such cases the liability is classified as Trade Payable in the balance sheet and in other instances the same is classified as a borrowing.

If the classification of the liability under the above arrangement is a Trade Payable, the Group treats the payment of the supplier by the financial institution as a non-cash transaction and the other associated cash flows are presented as cash flows from operating activities. In other instances, the associated cash flows are presented as cash flows from financing activities.

Interest expense on these are recognised in the finance cost.

d) Financial liabilities:

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.

e) 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.

L. Derivative financial instruments and hedge accounting

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

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

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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.

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

(ii) Hedge Accounting

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

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

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

(iii) Cash flow hedges

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

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

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.

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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 regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

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

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

- 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.
- 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.

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

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

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

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

O. Provisions and Contingent liabilities

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

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for the year ended March 31, 2024

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classify all other liabilities as Non Current.

Deferred tax assets and liabilities are classified as Non – current assets and liabilities

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

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.

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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

There are no new standards that are notified, but not yet effective, up to the date of issuance of the Group's financial statements.

B. New and amended standards

(i) The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2023. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective:

- **Ind AS 1 – Presentation of Financial Statements:** This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

Other amendments to the Ind AS which do not have any significant impact on its consolidated financial statements.

- **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:** This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.
- **Ind AS 12 - Income Taxes:** This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.
- **Other amendments that are consequential or clarificatory in nature:** Amendments to Ind AS 101 – First-time Adoption of Indian Accounting Standards, Ind AS 102 – Share-based Payments, Ind AS 103 – Business Combinations, Ind AS 107 – Financial Instruments: Disclosures, Ind AS 109 – Financial Instruments and Ind AS 34 – Interim Financial Reporting.

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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

Description of the assets	Gross block (I)				Depreciation / amortisation (II)			Net block (III) = (I - II)	
	As at April 01, 2023	Additions (refer note 1 below)	Deductions/ Remeas-urement	As at March 31, 2024	As at April 01, 2023	During the year	Deductions	As at March 31, 2024	As at March 31, 2024
	(₹ in million)								
A) Property, plant and equipment									
Land (Freehold)	53,057	44	-	53,101	-	-	-	-	53,101
Buildings	20,677	209	6	20,880	6,678	881	6	7,553	13,327
Plant and machinery	464,741	2,709	111	467,339	108,394	16,784	80	125,098	342,241
Furniture and fixtures	344	10	-	354	208	20	-	228	126
Office equipments	2,827	273	0	3,100	2,002	380	0	2,382	718
Vehicles	153	57	30	180	106	14	28	92	88
Total Property, plant and equipment	541,799	3,302	147	544,954	117,388	18,079	114	135,353	409,601
B) Capital Work In Progress									
Capital work-in-progress (refer note 3 below)	40,533	17,097	3,420	54,210	-	-	-	-	54,210
C) Goodwill									
Goodwill (refer note 45)	108,184	-	-	108,184	-	-	-	-	108,184
D) Other intangible assets									
Softwares & licenses	1,544	142	-	1,686	1,315	100	-	1,415	271
E) Intangible assets under development									
Intangible assets under development	15	8	23	-	-	-	-	-	-
F) Right-of-Use assets (refer note 38)									
Tangible Assets									
Land	11,670	1,193	35	12,828	1,809	564	8	2,365	10,463
Building	1,676	519	12	2,183	877	249	11	1,115	1,068
Plant & machinery	3,727	1,041	-	4,768	2,098	675	-	2,773	1,995
Vehicles (including vessels)	1,218	-	-	1,218	940	106	-	1,046	172
Total Tangible Assets	18,291	2,753	47	20,997	5,724	1,594	19	7,299	13,698
Intangible Assets									
Trademark	18,282	-	-	18,282	17,852	209	-	18,061	221
Total Right-of-use assets	36,573	2,753	47	39,279	23,576	1,803	19	25,360	13,919
Total (A+B+C+D+E+F)	728,648	-	3,637	748,313	142,279	19,982	133	162,128	586,185

6 Capital Work-In-Progress

Capital Work-In-Progress Ageing schedule as at March 31, 2024 (pertaining to refinery related projects)

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	15,458	21,062	11,669	6,021	54,210
Total	15,458	21,062	11,669	6,021	54,210

Capital Work-In-Progress schedule over run as at March 31, 2024

Particulars	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	44,691	241	-	-	44,932
Total	44,691	241	-	-	44,932

There have been no cost overrun for the outstanding Capital Work-In-Progress.

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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

Description of the assets	Gross block (I)				Depreciation / amortisation / impairment (II)				Net block (III) = (I - II)
	As at April 01, 2022	Additions (refer note 1 and 2 below)	Deductions/ Remeas- urement	As at March 31,2023	As at April 01, 2022	During the year (refer note 4 below)	Deductions	As at March 31,2023	As at March 31,2023
	(₹ in million)								
A) Property, plant and equipment									
Land (Freehold)	52,865	192	-	53,057	-	-	-	-	53,057
Buildings	17,335	3,358	16	20,677	5,915	774	11	6,678	13,999
Plant and machinery	454,532	19,553	9,344	464,741	101,520	15,922	9,048	108,394	356,347
Furniture and fixtures	308	37	1	344	189	20	1	208	136
Office equipments	2,629	251	53	2,827	1,536	516	50	2,002	825
Vehicles	150	4	1	153	97	10	1	106	47
Total Property, plant and equipment	527,819	23,395	9,415	541,799	109,257	17,242	9,111	117,388	424,411
B) Capital Work In Progress									
Capital work-in-progress (refer note 3 below)	22,711	41,063	23,241	40,533	-	-	-	-	40,533
C) Goodwill									
Goodwill (refer note 45)	108,184	-	-	108,184	-	-	-	-	108,184
D) Other intangible assets									
Softwares & licenses	1,447	97	-	1,544	1,209	106	-	1,315	229
E) Intangible assets under development									
Intangible assets under development	18	-	3	15	-	-	-	-	15
F) Right-of-Use assets (refer note 38)									
Tangible Assets									
Land	10,699	971	-	11,670	1,294	515	-	1,809	9,861
Building	1,680	68	72	1,676	689	223	35	877	799
Plant & machinery	3,308	424	5	3,727	1,418	680	-	2,098	1,629
Vehicles (including vessels)	1,067	151	-	1,218	853	87	-	940	278
Total Tangible Assets	16,754	1,614	77	18,291	4,254	1,505	35	5,724	12,567
Intangible Assets									
Trademark	26,726	-	8,444	18,282	4,377	15,159	1,684	17,852	430
Total Right-of-use assets	43,480	1,614	8,521	36,573	8,631	16,664	1,719	23,576	12,997
Total (A+B+C+D+E+F)	703,659	-	41,180	728,648	119,097	34,012	10,830	142,279	586,369

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

Capital Work-In-Progress Ageing schedule as at March 31, 2023 (pertaining to refinery related projects)

Particulars	Amount in Capital Work-In-Progress for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	22,505	11,968	1,782	4,277	40,533
Total	22,505	11,968	1,782	4,277	40,533

Capital Work-In-Progress schedule over run as at March 31, 2023

Particulars	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	1,099	454	63	-	1,616
Total	1,099	454	63	-	1,616

There have been no cost overrun for the outstanding Capital Work-In-Progress.

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Intangible assets under development as at March 31, 2023

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	-	15	-	-	15
Total	-	15	-	-	15

(₹ in million)

Notes:

- Additions to plant and machinery include exchange loss on long-term foreign currency borrowing taken to finance property plant and equipment (refer note 3(J)) amounting to Nil (Previous year net off loss of ₹ 248 million).
- In line with its refinery turnaround practices, the Group has completed turnaround activities of its refinery during the year ended March 31, 2023. The Group incurred total cost of ₹ 12,306 million which includes catalyst and materials consumption of ₹ 6,322 million, salary of ₹ 471 million and other expense of ₹ 5,513 million on the major maintenance activity which have been capitalised to the plant and machinery.
- The Group incurred total cost of ₹ 969 million as Expenditure During Construction (including salary of ₹ 631 million and other expense of ₹ 338 million) (Previous year ₹ 900 million as Expenditure During Construction (including salary of ₹ 756 million and other expense of ₹ 144 million)) for asset development projects and ₹ 2,613 million (Previous year ₹ 1,184 million) as borrowing cost which is included in Capital work-in-progress.
- During the year ended March 31, 2023 trademark ROU assets had an additional depreciation of ₹ 9,168 million and an impairment charge of ₹ 4,542 million (refer note 38 for details).
- For details of assets pledge as security, refer note 21 and 24.

7 Investments (Non Current) (Unquoted)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
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	-	-

(₹ in million)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
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)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Loan to retail outlet franchisee #	290	372
Total	290	372

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

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

Notes to Consolidated Financial Statements

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9 Other Financial Assets (Non Current)

(Unsecured and considered good, unless otherwise stated)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Security deposits (A)	421	342
Other receivables		
Export incentive receivables		
- significant increase in credit risk	1,285	1,285
- Less: Expected credit loss	(1,285)	(1,285)
Contractual receivables		
- Considered good	6	12
- significant increase in credit risk	1,428	1,379
- Less: Expected credit loss [refer note 41(B)(v)]	(1,428)	(1,379)
(B)	6	12
Bank Deposits with remaining maturity of more than twelve months # (C)	356	404
Interest accrued on bank deposits (D)	5	7
Total ((A)+(B)+(C)+(D))	788	765

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)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	300	410
Balances with government authorities	107	85
Capital advances	3,182	1,468
Claims Receivables		
- Considered good	4,185	2,997
- Considered doubtful	63	63
Less: Provision for doubtful receivables	(63)	(63)
Total	7,774	4,960

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

Notes to Consolidated Financial Statements

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11 Inventories

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Raw materials {including in transit Nil (Previous year ₹ 6,767 million)}	38,121	33,090
Work-in-progress	24,944	24,012
Finished goods {including in transit ₹ 11,324 million (Previous year ₹ 7,904 million)}	30,153	27,960
Stock-in-trade	52	-
Stores and spare parts {including in transit ₹ 10 million (Previous year ₹ 4 million)}*	7,178	6,307
Other consumables	3,484	4,583
Total	103,932	95,952

* Store and spare parts net off by ₹ 295 million (Previous year : ₹ 243 million) provisions towards non moving items.

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)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Investments in mutual funds - At FVTPL*	3,753	17,801
Total	3,753	17,801

*Aggregate amount of unquoted investments and market value thereof.

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

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Trade receivables		
Secured, considered good	6,140	9,086
Unsecured, considered good	67,057	43,562
Trade receivables - credit impaired	581	34
	73,778	52,682
- Less: Expected credit loss {refer note 41(B)(v)}	(581)	(34)
Total	73,197	52,648

For the Group's exposure to credit and currency risks, and loss allowances and terms & conditions 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 ₹ 5,823 million (Previous year : Nil), on non-recourse basis. The management has assessed that the Group does not have any continuing involvement with the said bills discounted, except in an unlikely scenario of dispute arising with regard to the existence of the receivable discounted. Accordingly, the discounting meets derecognition criteria and the money received has been netted off from the trade receivables discounted.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

13A Ageing of Trade Receivables

As at March 31, 2024

(₹ 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	40,561	32,099	-	-	537	-	73,197
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	111	437	13	11	9	581
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	40,561	32,210	437	13	548	9	73,778

As at March 31, 2023

(₹ 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	47,042	5,068	-	538	-	-	52,648
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	4	9	12	4	5	34
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	47,042	5,072	9	550	4	5	52,682

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

14 Cash and cash equivalents

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks in:		
-Current accounts #	9,441	17,037
-Exchange earners' foreign currency (EEFC) accounts	83	42,803
-Deposits with original maturities less than 3 months*	8,226	12,278
Cash on hand	0	0
Total	17,750	72,118

includes unutilised amount of term loans of ₹ 3,608 million (Previous year ₹ 4,977 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.

Notes to Consolidated Financial Statements

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15 Bank balances other than cash and cash equivalents

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Earmarked bank balances #	231	195
Margin deposit with original maturities more than 3 months but less than 12 months*	10,001	4,927
Bank deposit with original maturities more than 3 months but less than 12 months	32,367	2,002
Total	42,599	7,124

Earmarked bank balances mainly includes :

- (a) ₹ 33 million (Previous year ₹ 32 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) ₹ 155 million (Previous year ₹ 105 million) payable as interest on debentures
- (c) ₹ 43 million (Previous year : ₹ 58 million) represents unspent CSR amount.

* 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 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)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Loan to retail outlet franchisee #	412	327
Total	412	327

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

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

17 Other Financial Assets (Current)

(Unsecured and considered good, unless otherwise stated)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Security deposits (A)	40	28
Other receivables		
Export incentive receivables	416	528
Contractual receivables		
- Considered good	1,099	967
- significant increase in credit risk	336	299
- Less: Expected credit loss {refer note 41(B)(v)}	(336)	(299)
(B)	1,515	1,495
Interest accrued on bank deposits (C)	1,444	137
Margin Deposits with remaining maturity less than 12 months (D)	19,333	-
Bank Deposits with remaining maturity less than 12 months (E)	9,521	-
Derivative assets {refer note 41(A)} (F)	2,253	519
Total ((A)+(B)+(C)+(D)+(E)+(F))	34,106	2,179

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

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18 Other Current assets

(Unsecured and considered good, unless otherwise stated)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Advances recoverable in cash or in kind or for value to be received	726	665
Prepaid expenses	3,675	4,278
Balances with government authorities	69	549
(A)	4,470	5,492
Claims / other receivables		
- Considered good	34	29
(B)	34	29
Total ((A)+(B))	4,504	5,521

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

19 Equity Share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	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	1,552,487,155	15,525	1,552,487,155	15,525
Paid up				
Equity shares of ₹ 10 each fully paid up	1,490,561,155	14,906	1,490,561,155	14,906
Add : Forfeited shares - Equity shares of ₹ 10 each	61,926,000	166	61,926,000	166
		15,072		15,072

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	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	-	-	-	-
Equity Shares outstanding at the end of the year	1,490,561,155	14,906	1,490,561,155	14,906

The above includes 475,731,927 (Previous year 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.

Notes to Consolidated Financial Statements

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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, 2024		As at March 31, 2023	
	Number of shares	% of shares	Number of shares	% of shares
3,109,359 (3,109,359 as at March 31, 2023) GDS held by Kesani Enterprise Company Limited *	475,731,927	31.92%	475,731,927	31.92%
Equity shares held by Kesani Enterprise Company Limited*	256,594,520	17.21%	256,594,520	17.21%
Equity shares held by Rosneft Singapore Pte. Limited (Formerly known as Petrol Complex Pte. Limited)	732,326,446	49.13%	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.

20 Other equity

Particulars	As at	
	March 31, 2024	March 31, 2023
	(₹ in million)	
General reserve	596	596
Retained Earnings	348,568	225,445
Other Comprehensive Income:		
Cash flow hedge reserve	(7,839)	(14,270)
Foreign currency monetary item translation difference account	(8)	(33)
Foreign currency translation Reserve	(102)	(102)
Other Reserves:		
Capital reserve	609	609
Securities premium	78,014	78,014
Total	419,838	290,259

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

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.

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

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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.

21 Borrowings - Non Current

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Secured Borrowings - At amortised cost		
Debentures		
Non convertible debentures	2,568	2,568
Term loans*		
From banks	85,630	69,172
Current maturities of long term debt included under short term borrowings (refer note 24)	(6,298)	(5,030)
(A)	81,900	66,710
(B) Unsecured Borrowings* - At amortised cost		
Long term borrowings (refer note 43)	-	40,286
(B)	-	40,286
Total (A) + (B)	81,900	106,996

* refer note 41(B)(ii) for borrowings outstanding in foreign currencies.

Interest accrued of ₹ 186 million (Previous year ₹ 773 million) forming part of the carrying value of the non-current borrowings are disclosed in note 26

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

Sr No	Particulars	(₹ in million)	
		As at March 31, 2024	As at March 31, 2023
i)	Rupee and USD loan availed from various banks are secured by first charge, ranking pari- passu with other term lenders on the fixed assets (movable and immovable), both present and future of the Company except land parcels and fixed assets (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.	30,257	31,747
ii)	8% Non convertible debentures are secured by second ranking pari passu charge on movable fixed assets pertaining to the Port Facilities of the Company.	2,568	2,568
iii)	Rupee loan from banks/ financial institutions are secured by first charge ranking pari passu over all movable and immovable assets of the Company relating to Port, both present and future, Intangible assets of the Company both present and future, insurance contracts, title and interests under project documents and second ranking pari passu charge on movable fixed assets relating to power plant.	6,869	8,814
iv)	Rupee loan availed from various banks are secured by first charge, ranking pari- passu with other term lenders on the fixed assets (movable and immovable), both present and future of the Refinery except land parcels and fixed assets (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.	17,429	5,481
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.	31,075	23,130
	Total	88,198	71,740

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(B) Repayment and other terms:

		(₹ in million)	
Sr No	Particulars	As at March 31, 2024	As at March 31, 2023
i)	Rupee loan and USD Loan from various lenders carry interest of respective lenders rate of 3/6 month MCLR; ON/ 6M SOFR + spread ranging from 15 bps to 390 bps and is repayable in unequal instalments starting from March 2018 and ending to September 2038.	30,257	31,747
ii)	Non-convertible debentures carry fixed interest of 8% p.a. is repayable in a single bullet in December 2025.	2,568	2,568
iii)	Term loan carries an interest rate of 6M T. Bills + spread of 215 bps and repayable in unequal quarterly instalments ending on September 2027 .	6,869	8,814
iv)	The rupee term loan facility from banks carry interest rate at bank's 3M/1Y MCLR/3M-6M T. Bills + spread ranging from 0.05% to 2.83% is repayable in structured quarterly instalments ending to March 2032.	17,429	5,481
v)	The rupee term loan facility from banks carry fixed interest rate till completion of the Polypropylene Project and repayable in structured quarterly instalments ending to December 2036.	31,075	23,130
vi)	Unsecured long term borrowing carrying interest rate 6.80% p.a. is repayable in single bullet payment in December 2026.	-	40,286
Total		88,198	112,026

22 Other financial liabilities (Non-Current)

		(₹ in million)	
Particulars		As at March 31, 2024	As at March 31, 2023
Security deposits		466	422
Derivative liabilities {refer note 41(A)}		-	208
Advances received from customers		22,246	86,645
Total		22,712	87,275

23 Taxation

		(₹ in million)	
Particulars		As at March 31, 2024	As at March 31, 2023
Deferred tax assets		-	36
Total		-	36
Deferred tax liabilities (Net)		74,879	74,631
Total		74,879	74,631

(A) Income tax expense / (benefit)

		(₹ in million)	
Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax (includes reversal of tax relating to earlier period ₹ 159 million (previous year: Nil))	(A)	41,881	9,660
Deferred tax	(B)	(794)	21,424
Total tax charged in statement of profit and loss	((A)+(B))	41,087	31,084
Current tax	(A)	1,064	(582)
Deferred tax	(B)	1,078	(1,209)
Total tax charged / (reversed) in other comprehensive income	((A)+(B))	2,142	(1,791)

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

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax	164,297	125,346
Statutory tax rate	25.17%	25.17%
Expected income tax expense at statutory rates	41,354	31,550
Items giving rise to difference in tax		
Expenses disallowed / income not offered*	515	45
Effect of change in indexed cost of land	(514)	(420)
Different tax rates in different jurisdiction	(40)	(19)
Utilisation of previously unrecognised tax (asset)/liabilities	(228)	(80)
Others	0	9
Total Income tax charged	41,087	31,084
Effective tax rate	25.01%	24.80%

* related to CSR, interest on Income tax and liabilities written back

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

Deferred tax balance in relation to	(₹ in million)			
	As at April 01, 2023	Recognised through profit and loss	Recognised in other comprehensive income	As at March 31, 2024
Difference in Property, plant and equipment and intangibles	80,207	(444)	-	79,763
Effect of mark to market accounting	(1,111)	168	1,069	126
Lease Accounting	(3,582)	(378)	-	(3,960)
Others	(883)	(176)	9	(1,050)
Total	74,631	(830)	1,078	74,879

Composition of deferred tax (asset):

Deferred tax balance in relation to	(₹ in million)			
	As at April 01, 2023	Recognised through profit and loss	Recognised in other comprehensive income	As at March 31, 2024
Carried forward Business Loss	(36)	36	-	-

Deferred tax balance in relation to	(₹ in million)			
	As at April 01, 2022	Recognised through profit and loss	Recognised in other comprehensive income	As at March 31, 2023
Difference in Property, plant and equipment and intangibles	82,524	(2,317)	-	80,207
Carried forward unabsorbed depreciation	(15,467)	15,467	-	-
Effect of mark to market accounting	(532)	643	(1,222)	(1,111)
Lease Accounting	(11,401)	7,819	-	(3,582)
Foreign currency conversion impact	-	4	-	-
Others	(671)	(225)	13	(883)
Total	54,453	21,391	(1,209)	74,631

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Composition of deferred tax (asset):

				(₹ in million)
Deferred tax balance in relation to	As at April 01, 2022	Recognised through profit and loss	Recognised in other comprehensive income	As at March 31, 2023
Carried forward Business Loss	(69)	33	-	(36)

(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	As at March 31, 2024	As at March 31, 2023	Last day till which loss can be set off	
Long term capital loss	40	40	March 31, 2026	
Long term capital loss	840	840	March 31, 2029	
Short term capital loss	5,391	5,619	March 31, 2026	

(E) The income tax department has classified certain expenses amounting to ₹ 10,377 million (as at March 31, 2023: ₹ 6,100 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 ₹ 2,612 million (as at March 31, 2023: ₹ 1,535 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 ₹ 1,691 million (Previous year: ₹ 2,793 million) arising out of the matters settled under the said scheme, in its future tax assessments and continues to recognise deferred tax assets of ₹ 428 million on the same (Previous year: ₹ 703 million).

24 Short term borrowings

			(₹ in million)
Particulars	As at March 31, 2024	As at March 31, 2023	
Secured Borrowings			
Bank overdraft	752	177	
Working capital demand loans from banks (including packing credits)	15,223	-	
Buyers' credits and bills discounting @ *	11,178	1,727	
Current maturities of long term debt (refer note 21)	6,298	5,030	
Unsecured Borrowings			
Buyer's credit	2,501	6,495	
Total	35,952	13,429	

Interest accrued of ₹ 50 million (Previous year ₹ 114 million) forming part of the carrying value of the short term borrowings are disclosed in note 26

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Security for short term borrowing:

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Bank overdraft / cash credit from bank is secured by fixed deposits maintained with a bank and carries interest rate of 1% over fixed deposits rate and is repayable on demand.	752	177
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 fixed assets both present and future (except land parcels and fixed assets of power, port and township divisions on pari passu with other lenders. Some of these loans carries fixed interest rate of 8.78% p.a. with 30 days tenor and other loans carries interest rate on Secured Overnight Financing Rate (SOFR) plus additional spread ranging from 75 bps to 125 bps payable within 30 to 70 days.	15,223	-
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 fixed assets both present and future (except land parcel and fixed assets 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 is presently at 5.73% - 5.84% p.a (previous year: 5.56%) and are repayable within 29 to 62 days of being drawn.	6,003	1,727
d) Current maturities of long term debt (refer note 21)	6,298	5,030
e) Unsecured buyer's credit carrying interest rate 7.93% p.a. (previous year: 7.63%) and are repayable within 90 days of being drawn.	2,501	6,495
* 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	5,175	-
Total	35,952	13,429

@ refer note 41(B)(ii) for borrowings outstanding in foreign currencies.

25 Trade Payables

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Payables (refer note 43)	117,859	145,873
Total	117,859	145,873

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

25A Trade Payable Ageing

As at March 31, 2024

(₹ in million)

Particulars	Unbilled amount	Not due Amount	Outstanding for following periods from due date of payment *				Total
			<1 year	01- 02 years	02- 03 years	More than 3 years	
(i) Undisputed dues - Others	7,389	82,183	493	163	8	27,554	117,790
(ii) Disputed dues - Others	-	-	-	-	13	56	69
Total	7,389	82,183	493	163	21	27,611	117,859

As at March 31, 2023

(₹ in million)

Particulars	Unbilled amount	Not due Amount	Outstanding for following periods from due date of payment *				Total
			<1 year	01- 02 years	02- 03 years	More than 3 years	
(i) Undisputed dues - Others	6,397	97,541	14,286	16	23,614	3,950	145,804
(ii) Disputed dues - Others	-	-	-	10	33	26	69
Total	6,397	97,541	14,286	26	23,647	3,976	145,873

* Undisputed payables outstanding for more than 1 year are mainly with respect to purchase made from parties supplying crude oil for which payment channels were not available. During the financial year ended March 31, 2024, the Group has supplied finished products to such parties, which are pending to be set-off against corresponding trade receivables, subject to regulatory approvals.

Notes to Consolidated Financial Statements

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26 Other financial liabilities (Current)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Interest accrued	3,678	2,568
Capital creditors	5,284	5,150
Security deposits	442	449
Unclaimed debenture interest and principal (secured) #	150	98
Advances received from customers	60,109	65,799
Derivative liabilities {refer note 41(A)}	734	2,783
Contractual liabilities	2,459	2,597
Total	72,856	79,444

Amount due and outstanding to be credited to Investor Education and Protection Fund as at balance sheet date is ₹ 0.7 million (Previous year ₹ 0.4 million).

27 Other Current liabilities

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Statutory dues	14,646	15,408
Advances received from customers	2,301	2,364
Export Obligation*	231	219
Total	17,178	17,991

* In respect of unfulfilled export obligation of ₹ 244,445 million (Previous year ₹ 306,813 million).

28 Provisions (Current)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Compensated absences	789	642
Gratuity (refer note 42)	286	177
Total	1,075	819

29 Revenue from operations

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Revenue from sale of products #		
Sale of manufactured products	1,407,822	1,262,821
Sale of traded goods	140,983	115,504
Other operating revenues *	2,110	2,800
Total	1,550,915	1,381,125

Comprises of revenue from contracts with customers of ₹ 1,565,968 million (Previous year : ₹ 1,551,107 million) recognised at a point in time and ₹ 17,163 million pertaining to hedging loss (Previous year : ₹ 172,782 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 ₹ 670 million (Previous year ₹ 683 million) and export obligation fulfilment income of ₹ 184 million (Previous year ₹ 528 million), which are in the nature of government grant .

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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.

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Export sales	405,701	511,727
Domestic Oil marketing companies	455,341	531,660
Retail Outlets	582,740	421,301
Others	122,186	86,419
Total revenue from contracts with customers	1,565,968	1,551,107

Contract balances	(₹ in million)		
	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Trade receivables * (refer note 13)	73,197	52,648	50,866
Contract liabilities (refer note 22, note 26 and note 27)	84,656	154,808	158,803

* Trade receivables are non-interest bearing and are generally on terms of 0 to 45 days. As on March 31, 2024, ₹ 581 million (Previous year ₹ 34 million) has been recognised towards provision for expected credit losses on trade receivables.

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

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

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue recognised out of contract liabilities outstanding at the beginning of the year	61,252	68,449

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

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

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per contracted price	1,572,505	1,557,593
Adjustments		
Discount and incentives	(6,537)	(6,486)
Revenue from contract with customers	1,565,968	1,551,107

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 45 days from delivery except in case of adjustment against export advances. Pricing of sales made under these export advances is based on market index at the time of supply. Hence it reflects fair value.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

30 Other income

(₹ in million)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income		
- Bank deposits (carried at amortised cost)	5,404	1,052
- Other financial assets (carried at amortised cost)	259	492
- Interest on income tax refund	452	358
	6,115	1,902
Other gains (net)		
- Net gain on derivative instruments- carried at FVTPL	737	3,227
- Net gain on investments carried at FVTPL	707	524
Provision / liabilities written back	737	115
Other non-operating income	1,094	1,770
Total	9,390	7,538

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

(₹ in million)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening inventories:		
- Finished goods	27,960	29,564
- Work-in-progress	24,012	41,233
- Stock-in-trade	-	185
(A)	51,972	70,982
Closing inventories:		
- Finished goods	30,153	27,960
- Work-in-progress	24,944	24,012
- Stock-in-trade	52	-
(B)	55,149	51,972
Net (increase) / decrease in inventories	Total ((A) - (B))	19,010
	(3,177)	

32 Employee benefits expense*

(₹ in million)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	9,090	7,296
Contribution to provident and other funds (refer note 42)	711	614
Staff welfare expenses	634	439
Total	10,435	8,349

* net of ₹ 631 million (Previous year ₹ 756 million) asset development projects related expense capitalised (refer note 6).

* net of Nil (Previous year : ₹ 471 million) capitalised during turnaround (refer note 6).

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

33 Finance costs*

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense	19,949	19,467
Interest on lease liabilities (refer note 38)	1,481	2,460
Exchange differences on foreign currency borrowings	110	711
Other finance charges	879	1,129
Total	22,419	23,767

* Net of ₹ 2,613 million (Previous year ₹ 1,184 million) asset development projects related expense capitalised (refer note 6).

34 Other expenses*

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of chemical, catalyst, stores and spare parts	4,100	4,215
Product handling charges	1,757	1,269
Consumption of power, fuel and electricity [excludes fuel consumed out of own production ₹ 27,085 million (Previous year ₹ 23,707 million)]	16,210	17,736
Freight and Forwarding Charges	15,765	11,260
Rent, rates and taxes	5,196	4,795
Insurance	1,742	1,404
Legal and professional fees	1,377	1,802
Repairs and maintenance	3,058	2,472
Debit balance / doubtful debts / doubtful receivables written off (net of provision)	23	1,429
Director's commission and remuneration (refer note 43)	208	187
Loss on disposal / discard of property, plant and equipment (net)	14	187
Exchange differences (net)	959	6,247
Expected credit loss (net) [refer note 41(B)(v)]	633	1,281
Sundry expenses	4,684	2,764
Total	55,726	57,048

Notes:

* Net of ₹ 338 million (Previous year ₹ 144 million) asset development projects related expense capitalised (refer note 6).

* Net of Nil (Previous year : ₹ 11,835 million) capitalised during refinery turnaround (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		Year ended March 31, 2024	Year ended March 31, 2023
Profit attributable to ordinary equity holders of the parent for basic & diluted earnings (₹ in million)	(A)	123,210	94,262
Weighted average number of ordinary shares for basic and diluted EPS	(B)	1,490,561,155	1,490,561,155
Nominal value of ordinary shares (₹)		10/-	10/-
Basic and Diluted earnings per share (₹)	(A/B)	82.66	63.24

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

36 Contingent liabilities

(₹ in million)		
Particulars	As at March 31, 2024	As at March 31, 2023
(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.	592	547
(ii) Other claims against the Group	3,033	3,509
(B) Other money for which the Group is contingently liable		
(i) In respect of income tax demands on various issues	1,530	733
(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 ₹ 46,097 million (as at March 31, 2023 ₹ 43,410 million)}	60,408	56,948
(iii) Other demands of Sales tax /VAT	1,132	891
(iv) In respect of custom duty / excise duty / service tax mainly relating to classification of products sold, allowability of cenvat credit	8,131	12,472
(v) The Reserve Bank of India (RBI) levied a penalty on the Company for delay in the allotment of equity against advances for Global Depository Shares (GDS). The Company contested the penalty and appealed to the RBI Governor which was rejected. The Company has challenged the same before the Bombay High Court through a writ petition. In the meanwhile, the Enforcement Directorate initiated and closed an investigation in the matter and the order is awaited. The management is of the opinion that it should get relief and at most be liable for a sum of ₹ 49 million only (Previous year ₹ 49 million) for which necessary provision has been made in these financial statements.	2,412	2,412

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

37 Capital and other commitments

(₹ in million)		
Particulars	As at March 31, 2024	As at March 31, 2023
(A) Capital commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	30,066	15,697
(B) Other commitments		
(i) The Group has an obligation arising out of the regulatory guidelines to operate retail fuel outlets in India to setup retail fuel outlets in remote service areas. The extent of the retail outlets to be setup in remote service areas is directly related to the total outlets the Group has in the network. Based on the total retail outlets in the Group's network, the Group has an obligation to setup 364 retail outlets, out of which 312 retail outlets have to be set up by March 31, 2024 and remaining 52 outlets have to be set up in a phased manner as per the commissioning schedule by March 31, 2029. As at March 31, 2024 the Group has already setup 360 retail outlets. The Management's discussion with the Ministry of Petroleum & Natural Gas is in progress on the Group's plan for fulfilling the remaining obligation and supply security of products in the remote service areas. In line with directions of the Ministry of Petroleum & Natural Gas, the Group has issued Bank Guarantee amounting to ₹ 1,590 million (₹ 1,590 million as on March 31, 2023) as on the reporting date. The Group assesses its obligation to setup retail fuel outlets in remote service areas on an annual basis.		
(ii) Coviva Energy Terminals Limited (CETL), a subsidiary of Nayara Energy Limited and part of the Group, had entered into a concession agreement with Deendayal Port Authority (DPA) in 2015 to develop a marine liquid terminal facilities consisting of SPM & two product jetties in DPA waters at Vadinar, Deendayal Port on captive use basis. Extension Application filed by the Group for construction of the said facilities up to August 2026 and payment of a minimum guarantee commitment amounting to ₹ 620 million for the period November 14, 2025 to August 31, 2026 in five equal annual instalments once CETL starts commercial operations and is under review with DPA.		

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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 5 and 10 years, leases of land generally have lease terms between 20 and 30 years, while building and vehicles generally have lease terms between 3 and 20 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios and some lease contracts include extension, termination options and variable lease payments.

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

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, 2024			
	Right of use assets	Lease liabilities	Charged to Profit & loss Account	Impact on statement of Cash flows
Long Term Leases				
As at April 01, 2023	12,997	15,546	-	-
Additions	2,753	2,753	-	-
Deletion/discarded/Retirement	(28)	(40)	(12)	-
Depreciation / amortisation expense	(1,803)	-	1,803	-
Interest accruals	-	1,481	1,481	-
Payments	-	(2,636)	-	-
As at March 31, 2024	13,919	17,104	3,272	-
Current lease liabilities	-	1,294	-	-
Non-current lease liabilities	-	15,810	-	-
Cash flow - Lease payments				
- Towards Principal	-	-	-	(1,186)
- Towards Interest	-	-	-	(1,450)
Total	-	-	-	(2,636)
Other Leases (included in other expenses)				
Short term leases	-	-	8,366	-
Low value leases	-	-	224	-
Variable leases	-	-	1,092	-
Total	-	-	9,682	-
As at March 31, 2024	13,919	17,104	12,954	(2,636)

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for the year ended March 31, 2024

(₹ in million)

Particulars	As at March 31, 2023			
	Right of use assets	Lease liabilities	Charged to Profit & loss Account	Impact on statement of Cash flows
Long Term Leases				
As at April 01,2022	34,849	46,602	-	-
Additions	1,607	1,607	-	-
Deletion/discarded/Retirement	(42)	(72)	(30)	-
Remeasurement on account of change in term of agreement	(6,753)	(6,753)	-	-
Depreciation, amortisation and impairment expense #	(16,664)	-	16,664	-
Interest accruals	-	2,460	2,460	-
Unrealised foreign exchange loss	-	2,199	-	-
Payments	-	(30,497)	-	-
As at March 31, 2023	12,997	15,546	19,094	-
Current lease liabilities	-	1,201	-	-
Non-current lease liabilities	-	14,345	-	-
Cash flow - Lease payments				
- Towards Principal	-	-	-	(28,039)
- Towards Interest	-	-	-	(2,458)
Total	-	-	-	(30,497)
Other Leases (included in other expenses)				
Short term leases	-	-	5,949	-
Low value leases	-	-	191	-
Variable leases	-	-	851	-
Total	-	-	6,991	-
As at March 31, 2023	12,997	15,546	26,085	(30,497)

'During the year ended March 31, 2023, on account of change in the expected payment terms of brand license fees, the lease liability and corresponding ROU assets was reduced by ₹ 6,760 million. Simultaneously the Group had reassessed its retail marketing strategy whereby useful life of the ROU assets of brand license fees was revised which had resulted into an additional amortisation expense of ₹ 9,168 million for the financial year ended March 31, 2023. Further, during the financial year ended March 31, 2023, the management had recorded an impairment charge of ₹ 4,542 million on the aforesaid ROU asset and its carrying value was reduced to ₹ 430 million as at March 31, 2023. In the current year ended March 31, 2024 an amortisation expense of ₹ 209 million has been recorded on the remaining carrying value.

For maturity analysis of lease liabilities, refer note (refer note 41(B)(iv))

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Information about major customers:

One customer in the Refining and Marketing segment contributed revenues (including excise duty) aggregating to ₹ 287,470 million, (for the year ended March 31, 2023 : One customer in the Refining and Marketing segment contributed revenues aggregating to ₹ 291,252 million).

No other customer contributed 10% or more, to the total revenue for both the year ended March 31, 2024 and March 31, 2023.

Information about product and services

The Group sells only petroleum products hence product wise disclosure is not applicable.

Geographical Information:

	(₹ in million)	
	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations		
Within India (i)	1,145,213	869,398
Outside India:		
South Africa	77,888	59,789
UAE	67,054	82,436
Malaysia	42,251	16,950
Saudi Arabia	9,809	59,253
Mozambique	7,925	60,440
Other Countries	200,775	232,859
Total (ii)	405,702	511,727
Grand Total (i) + (ii)	1,550,915	1,381,125

The revenue information above is based on the delivery locations of the customers.

	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Non current assets (excluding financial assets, deferred tax assets and non current tax assets)		
Within India	593,875	591,317
Outside India	84	12

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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.

For the purpose of the Group's capital management, capital includes issued capital, securities premium and all other equity reserves attributable to the equity holders of the parent and non-controlling interests. The Net Debt comprises all long term and short term borrowings less unrestricted cash and bank balances, deposits and current investments. Bank loans availed by the Group are subject to certain financial covenants based on information presented in standalone financial statements of the Company and the Company is compliant with these financial covenants on the reporting date as per the terms of the loan agreements. There is no outstanding default on the repayment of loans (including interest thereon) as at March 31, 2024. 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:

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Long term borrowings (refer note 21)	81,900	106,996
Short term borrowings (refer note 24)	35,952	13,429
Upfront fees	685	572
Total debt	118,537	120,997
Less : Cash and cash equivalents (refer note 14)	(17,750)	(72,118)
Less : Bank balances (excluding earmarked bank balances) (refer note 15)	(42,599)	(7,124)
Less : Bank and margin deposits classified under other financial assets (current) (refer note 17)	(28,854)	-
Less : Bank and margin deposits classified under other financial assets (non-current) (refer note 9)	(356)	(404)
Less : Investments (current) (refer note 12)	(3,753)	(17,801)
Total cash and bank balances	(93,312)	(97,447)
Net debt (a)	25,225	23,550
Equity share capital (refer note 19)	15,072	15,072
Other equity (refer note 20)	419,838	290,259
Total equity	434,910	305,331
Equity and underlying net debt (b)	460,135	328,881
Gearing ratio (a/b)	5.48%	7.16%

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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, 2024:

							(₹ 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	3,753	-	-	3,753	3,753
Loans*			-	-	702	702	702
Trade receivables*			-	-	73,197	73,197	73,197
Cash and cash equivalent*			-	-	17,750	17,750	17,750
Bank balances other than cash and cash equivalent*			-	-	42,599	42,599	42,599
Derivatives contracts - assets		Level II					
-Foreign currency forward exchange	2		3	-	-	3	3
-Commodity derivative	2		42	2,208	-	2,250	2,250
Other financial assets*			-	-	32,641	32,641	32,641
Total			3,798	2,208	166,889	172,895	172,895
Financial Liabilities							
Long-term borrowings#	3	Level II	-	4,969	83,229	88,198	89,314
Short-term borrowings*		Level II	-	8,504	21,150	29,654	29,654
Trade payables*	4	Level II	-	68,990	48,869	117,859	117,859
Derivatives contracts - liabilities		Level II					
-Foreign currency forward exchange	2		19	-	-	19	19
-Commodity derivative	2		80	438	-	518	518
-Currency swap	2		-	197	-	197	197
Other financial liabilities*@	5	Level II	-	58,683	36,151	94,834	94,834
Total			99	141,781	189,399	331,279	332,395

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As at March 31, 2023

(₹ 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		Level II	17,801	-	-	17,801	17,801
Loans*			-	-	699	699	699
Trade receivables*			-	-	52,648	52,648	52,648
Cash and cash equivalent*			-	-	72,118	72,118	72,118
Bank balances other than cash and cash equivalent*			-	-	7,124	7,124	7,124
Derivatives contracts - assets		Level II					
-Foreign currency forward exchange	2		67	-	-	67	67
-Commodity derivative	2		354	12	-	366	366
-Currency swap	2		-	49	-	49	49
-Interest rate swap	2		-	37	-	37	37
Other financial assets*			-	-	2,425	2,425	2,425
Total			18,222	98	135,014	153,334	153,334
Financial Liabilities							
Long-term borrowings#	3	Level II	-	5,196	106,830	112,026	111,192
Short-term borrowings*		Level II	-	8,222	177	8,399	8,399
Trade payables*	4	Level II	-	83,989	61,884	145,873	145,873
Derivatives contracts - liabilities		Level II					
-Foreign currency forward exchange	2		12	-	-	12	12
-Commodity derivative	2		192	2	-	194	194
-Currency swap	2		-	2,785	-	2,785	2,785
Other financial liabilities*@	5	Level II	-	152,444	11,284	163,728	163,728
Total			204	252,638	180,175	433,017	432,183

including current maturities of long-term borrowings.

* For assets and liabilities valued 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 to Consolidated Financial Statements

for the year ended March 31, 2024

Notes:

1. Net asset value declared by mutual fund.
2. Interest rate swaps, foreign exchange forward / option contracts and commodity forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity.
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.
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. Further, payables balances, in case of few supplier agreements, include liability basis provisionally priced invoices. The related costs of such provisionally priced invoices are initially based on forward market prices for the quotation periods stipulated in the contracts with changes between the provisional price and the final price recorded thereafter. The purchase price can be measured reliably for the Company's raw materials, as it operates in active and freely traded commodity markets.
5. Other financial liabilities include 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.

(B) Financial risk management objectives

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

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

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

i) Commodity price risk

The prices of refined petroleum products and crude oil are linked to the international prices. The Group's revenues, cost and inventories are exposed to the risk of fluctuation in prices of crude oil and petroleum products in the international markets. From time to time, the Group uses commodity derivative instruments to hedge the price risk of forecasted transactions such as forecast crude oil purchases and refined product sales. These derivative instruments are considered economic hedges for which changes in their fair value are recorded in the statement of Profit and Loss. However, in cases where the Group designates these derivative instruments as cash flow hedge, the effective

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

portion of gain / loss on derivative is recognised in other comprehensive income and accumulated in equity. The amount is reclassified to statement of profit and loss when the hedged items impacts the statement of profit and loss.

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

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

Particulars	Qty. in Barrels (000)		Fair value of assets/(liabilities) (₹ in million)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Designated as cash flow hedges				
Crude oil				
Buy Positions				
Less than 1 year	1,863	600	(85)	10
Petroleum products				
Buy Positions				
Less than 1 year	6,650	-	1,950	-
Sell Positions				
Less than 1 year	(306)	-	(94)	-
Total (A)	8,207	600	1,771	10
Not designated as cash flow hedges				
Petroleum products				
Buy Positions				
Less than 1 year	270	1,729	41	(9)
Sell Positions				
Less than 1 year	(274)	(729)	(80)	170
Total (B)	(4)	1,000	(39)	161
Total (A + B)	8,203	1,600	1,732	171

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 ₹ 1,771 million as at March 31, 2024 (credit balance of ₹ 10 million as at March 31, 2023) on commodity derivative (gross of tax) contracts have been recognised in other comprehensive income. During the year ended March 31, 2024 and March 31, 2023, Nil amount has been classified to other income due to hedge ineffectiveness on commodity derivative contracts.

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(₹ in million)

Particulars	Impact on Equity (net of taxes)		Impact on Profit (net of taxes)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Crude oil				
Buy Positions				
Less than 1 year	3	1	-	-
Petroleum products				
Buy Positions				
Less than 1 year	1,151	-	73	297
Sell Positions				
Less than 1 year	(93)	-	(74)	(177)
Total	1,061	1	(1)	120

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, 2024

Currency	Carrying Value	Forward contracts @	Cash flow hedge #	Unhedged exposure	Unhedged exposure	Sensitivity to 5% change **	Sensitivity to 5% change **
	FC in million	FC in million	FC in million	FC in million	₹ in million	Impact on Profit (net of taxes) ₹ in million	Impact on Equity (net of taxes) ₹ in million
Assets							
USD	548	(208)	-	340	28,376	1,062	-
EURO	0	-	-	0	32	1	-
Other Currencies	0	-	-	0	2	0	-
Total					28,410	1,063	-
Liabilities*							
USD	2,651	(75)	(1,618)	958	79,860	(2,988)	(5,047)
EURO	9	-	-	9	833	(31)	-
Other Currencies	0	-	-	0	9	(0)	-
Total					80,702	(3,019)	(5,047)

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

As at March 31, 2023

Currency	Carrying Value	Forward 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
Assets							
USD	913	(311)	-	602	49,493	1,852	-
EURO	0	-	-	0	26	1	-
Other Currencies	0	-	-	0	2	0	-
Total					49,521	1,853	-
Liabilities*							
USD	4,141	(174)	(3,039)	928	76,272	(2,854)	(9,348)
EURO	59	-	-	59	5,275	(197)	-
Other Currencies	0	-	-	0	11	(0)	-
Total					81,558	(3,051)	(9,348)

Notes:

* includes borrowings in foreign currency USD 402 million (₹ 33,492 million) {(Previous year USD 724 million (₹ 59,565 million))}.

@ The Group has entered into foreign exchange forward 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.

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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	Forward Contracts:			
Buy US\$				
Less than 3 months	75	174	3	(12)
Sell US\$				
Less than 3 months	208	311	(19)	61
Buy US\$ Sell EUR				
Less than 3 months	-	26	-	6

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:

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Designated as cash flow hedges

Sell US\$	Notional amounts (in USD million)		Fair value of assets / (liabilities) (net) (₹ in million)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Less than 1 year	16	215	(197)	(2,529)
1 year to 2 years	-	16	-	(207)
Total	16	231	(197)	(2,736)

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 ₹ 208 million as at March 31, 2024 (debit balance of ₹ 2,848 million as at March 31, 2023) (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 ₹ 50 million (Previous year ₹ 709 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 hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk. The Group has exposure to interest rate risk, arising principally on changes in base lending rates and 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.

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

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Fixed rate borrowings *	63,593	67,824
Floating rate borrowings	54,944	53,173
Lease liabilities (refer note 38)	17,104	15,546
Export advances having original maturities for more than 1 year (current and non-current portion) (refer note 22 and 26)	58,683	152,444
Total	194,324	288,987
Less: Upfront fee	(685)	(572)
Total	193,639	288,415

* Includes borrowings of ₹ 31,220 million (₹ 23,370 million as at March 31, 2023) raised for Petrochemical project, for which floating rate shall apply after commercial date of operation i.e. July 01, 2024.

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, 2024 would decrease / increase by ₹ 425 million (Previous year ₹ 769 million) (net of tax). This is mainly attributable to the Company's exposure to interest rates on its variable rate liabilities.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Interest rate swap contracts

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

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

Designated as cash flow hedges

Outstanding Contracts (Floating to Fixed)

Particulars	Notional amounts (in USD million)		Fair value of liabilities (₹ in million)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Less than 1 year	-	111	-	37
Total	-	111	-	37

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

Balance in cash flow hedge reserve of Nil as at March 31, 2024 (₹ 37 million as at March 31, 2023) on interest rate swap derivative contracts (gross of tax) has been recognised in other comprehensive income.

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

A 50 basis points increase (decrease) in interest rate and all other variables held constant would result in Nil (Previous year : ₹ 6 million) (net of tax) increase (decrease) in equity.

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, 2024 :	< 1 Year	1 > 5 Years	> 5 Years	Total
Long term Borrowings #	14,457	56,353	69,081	139,891
Short term Borrowings #	29,770	-	-	29,770
Trade payables	117,859	-	-	117,859
Lease Liabilities #	2,781	8,901	23,054	34,736
Other financial liabilities including export advance #	75,236	23,287	-	98,523
Derivatives	734	-	-	734
Total	240,837	88,541	92,135	421,513

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

	(₹ in million)			
As at March 31, 2023 :	< 1 Year	1 > 5 Years	> 5 Years	Total
Long term Borrowings #	14,179	93,300	58,271	165,750
Short term Borrowings #	8,422	-	-	8,422
Trade payables	145,873	-	-	145,873
Lease Liabilities #	2,557	7,788	21,884	32,229
Other financial liabilities including export advance #	84,650	91,444	-	176,094
Derivatives	2,783	208	-	2,991
Total	258,464	192,740	80,155	531,359

including future interest

The Group has undrawn committed facilities as at March 31, 2024 of ₹ 86,121 million (₹ 103,790 million as at March 31, 2023) with maturities ranging from one to two years.

v) Credit risk

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

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

Trade receivables:

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

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

The credit period on sale of goods ranges from 0 to 45 days with or without security. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The history of trade receivables shows a negligible allowance for bad and doubtful debts. 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Movement in the expected credit loss allowance

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	2,997	1,716
Expected credit loss recognised	633	1,281
Balance at the end of the year	3,630	2,997

The Group's maximum exposure to the credit risk for the components of the balance sheet as at March 31, 2024 and March 31, 2023 is the carrying amounts mentioned in note 9, note 13 and note 17.

42 Defined benefit plans

1 Defined benefit plans :

(i) Gratuity Plan

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

(ii) Provident Fund :

Based on actuarial valuation in accordance with Ind AS 19 Employee Benefits for interest rate guarantee of exempted provident fund liability of employees, there is no material shortfall in the funds managed by the trust and hence there is no further liability accrued as at March 31, 2024 and March 31, 2023.

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

Eligible employees of the Group receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Group contributes a portion to the Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law.

The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The actuary has provided a valuation for provident fund liabilities using the deterministic approach guidance issued by Actuarial Society of India.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(₹ in million)

Sr. No.	Particulars	Provident fund (Funded)		Gratuity (Funded)	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
A	Net assets / liability				
i	Present value of defined benefit obligation (DBO)	6,488	6,002	1,330	1,109
ii	Fair value of plan assets	6,480	5,924	1,044	932
iii	Funded status - deficit (iii = ii-i)	(8)	(78)	(286)	(177)
iv	Net assets / (liability)	(8)	(78)	(286)	(177)
B	Expenses for the year				
i	Service Cost	398	311	87	85
ii	Net Interest cost	(73)	91	9	18
	Components of defined benefit costs for Profit and loss	325	402	96	103
i	Actuarial losses - experience	(8)	28	90	46
ii	Actuarial losses/(gains) - assumptions	9	(85)	21	(37)
iii	Return on plan assets greater than discount rate	(1)	57	7	13
	Components of defined benefit costs for Other Comprehensive Income	0	0	117	21
	Total expenses	325	402	213	124
C	Change in obligation and assets				
i	Change in defined benefit obligation				
a	Defined benefit obligation at beginning of the year	6,002	5,205	1,109	1,033
b	Current Service cost	398	311	87	85
c	Interest cost	434	370	78	68
d	Acquisitions (credit) / cost	167	132	-	-
e	Past service cost - plan amendments	-	-	-	(25)
f	Actuarial losses - experience	(8)	28	90	46
g	Actuarial losses/(gains) - financial assumptions	9	(85)	21	(37)
h	Benefit payments	(919)	(363)	(55)	(61)
i	Plan participants' contributions	405	404	-	-
j	Defined Benefit obligation at the end of the year	6,488	6,002	1,330	1,109
ii	Change in fair value of assets				
a	Fair value of plan assets at the beginning of the year	5,924	5,219	932	575
b	Acquisition adjustments	167	132	-	-
c	Interest income on plan assets	508	279	69	50
d	Employer's contribution	394	311	105	381
e	Plan participants' contributions	405	404	-	-
f	Return on plan assets lesser than discount rate	1	(57)	(7)	(13)
g	Benefits payments	(920)	(363)	(55)	(61)
h	Fair value of plan assets at the end of the year	6,480	5,924	1,044	932

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(₹ in million)

Sr. No.	Particulars	Provident fund (Funded)		Gratuity (Funded)	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
D	Actuarial assumptions				
1	Discount rate (per annum)	7.00%	7.20%	7.00%	7.20%
2	Rate of salary increase	N.A.	N.A.	9.00%	9.00%
3	Withdrawal Rate	N.A.	N.A.	6.00%	6.00%
4	Expected return on exempted fund	8.25%	8.70%	N.A.	N.A.
5	Expected EPFO return	8.25%	8.15%	N.A.	N.A.
6	Mortality	Indian Assured Lives Mortality (2006-08) Ult. Modified		Indian Assured Lives Mortality (2006-08) Ult. Modified	
E	Percentage of each category of plan assets to total fair value of plan assets				
	Administered by Life Insurance Corporation of India / State Bank Of India #	N.A.	N.A.	100.00%	100%
	Government of India Securities (Central and State)	57.70%	61.24%	N.A.	N.A.
	Debt Instruments & Related Investments	32.10%	30.85%	N.A.	N.A.
	Equities & Related Investment	3.71%	5.16%	N.A.	N.A.
	Cash (including Special Deposits)	6.49%	2.75%	N.A.	N.A.
F	Employer's best estimate of contributions expected to be paid to the plan during the annual period beginning after the balance sheet date	430	339	111	91

Plan assets comprises scheme of insurance - conventional products.

Notes:

Weighted average duration of the defined benefit obligation is 8 years as at March 31, 2024 (8 years as at March 31, 2023).

These plans typically expose the Company to actuarial risks such as: interest rate risk, salary risk and demographic risk.

- 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.
- Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.
- 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 after year ended March 31, 2024 as follows:

(₹ in million)

Particulars	Provident fund	Gratuity(Funded)
	March 31, 2024	March 31, 2024
As at March 31		
2025	493	111
2026	611	123
2027	772	152
2028	591	135
2029	681	163
March 31, 2030 to March 31, 2034	3,326	845

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Particulars	(₹ in million)	
	Provident fund	Gratuity(Funded)
	March 31, 2023	March 31, 2023
As at March 31		
2024	548	91
2025	526	93
2026	544	111
2027	653	137
2028	535	120
March 31, 2029 to March 31, 2033	2,891	741

Sensitivity Analysis:

Method used for sensitivity analysis:

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

Sr. No.	Particulars	Provident fund		Gratuity(Funded)	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
		Increase/(decrease) in DBO		Increase/(decrease) in DBO	
A)	Discount Rate				
	Defined benefit obligation	6,488	6,002	1,330	1,109
	Discount rate	7.00%	7.20%	7.00%	7.20%
	1. Effect on DBO due to 0.5% increase in Discount Rate	(3)	(2)	(50)	(43)
	2. Effect on DBO due to 0.5% decrease in Discount Rate	3	2	54	46
B)	Salary Escalation Rate :				
	Salary Escalation rate	N.A.	N.A.	9.00%	9.00%
	1. Effect on DBO due to 0.5% increase in Salary Escalation Rate	N.A.	N.A.	27	26
	2. Effect on DBO due to 0.5% decrease in Salary Escalation Rate	N.A.	N.A.	(27)	(26)
C)	Withdrawal Rate :				
	Attrition rate	N.A.	N.A.	6.00%	6.00%
	1. Effect on DBO due to 5.00% increase in Withdrawal Rate	N.A.	N.A.	16	6
	2. Effect on DBO due to 5.00% decrease in Withdrawal Rate	N.A.	N.A.	(40)	(19)

2 Defined Contribution plans :

Group's contribution to superannuation fund and pension fund aggregating to ₹ 69 million and ₹ 161 million (Previous year ₹ 56 million and ₹ 134 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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
	Trafigura Group comprises Trafigura Group Pte. Limited and its controlled entities (till January 09, 2023)
	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 (from January 10, 2023)
Other related party	Nayara Energy Limited Employees Provident Fund

A. Transaction with related parties

Nature of transactions	(₹ in million)	
	Enterprises having significant influence	
	FY 2023-24	FY 2022-23
Sale of products (refer note (i) below)		
Trafigura Group #	-	78,044
Purchase of raw material (refer note (i) below) / Other consumable		
Trafigura Group	-	6,586
Rosneft Group	-	588
Total	-	7,174
Purchase of capital items		
Rosneft Group	-	805
Other consultancy services		
Trafigura Group	-	183
UCP Group	-	78
Total	-	261
Product and raw material consultancy service		
Trafigura Group	-	563
Interest expenses		
Trafigura Group	-	731
Rosneft Group	1,092	2,715
Total	1,092	3,446
Repayment of long term borrowing		
Rosneft Group	40,659	-
Lease rent paid		
Rosneft Group	4	5

including taxes wherever applicable

Includes sales of finished goods of Nil (Previous year ₹ 29,808 million) pursuant to long term arrangements entered between the Company and a third party and the said third party and Trafigura Pte. Ltd.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

B. Transactions with other classes of related parties

Nature of transactions	(₹ in million)	
	FY 2023-24	FY 2022-23
i) Key management personnel (Short term employee benefits)@	292	514
@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)	17	13
iii) Key management personnel (Commission and Remuneration to Directors)	208	187
iv) Contribution during the period (includes Employees' share and contribution) to the controlled trust	800	715

C. Balances with related parties

Nature of balances	(₹ in million)	
	Enterprises having significant influence	
	As at March 31, 2024	As at March 31, 2023
Liabilities		
Financial liabilities		
Long term borrowings		
Rosneft Group	-	40,286
Trade payables (refer note (ii) below)		
Rosneft Group	808	802
Lease liabilities		
Rosneft Group	-	4
Interest accrued but not due on long term borrowings		
Rosneft Group	-	708

D. Balances with other classes of related parties

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
i) Commission and Remuneration payables to Key management personnel	208	187

Notes:

- (i) The Group had entered into amended agreements with Trafigura Group (related party till January 9, 2023) valid till August 14, 2023 and with one of the entity of Rosneft Group (related party till May 15, 2022) whereby the parties continues to have the right to make the first offer for both sale of raw material and purchase of finished products. Where the transactions with the above parties were executed without calling for comparative quotations, the same were done based on the Group's internal assessment. Where quotations were called for and the Group was able to get a better offer, these two parties reserve the right to match the offer, in which case the Group was obliged to transact with them. For supplies of finished products made against advance payments, premium / discounts to the market price index were pre-negotiated based on similar process. Where the Group participated in the tenders floated by these parties for purchasing raw material, price to be quoted were determined on a case to case basis based on Group's internal assessment and were approved by the management of the Group. There were no transactions executed under the above agreements during current year.
- (ii) Terms of trade payables:
Trade payables are to be settled as per mutually agreed terms between the parties.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

44 The Group's current assets as at March 31, 2024, exceed its current liabilities by ₹ 32,974 million. The management has evaluated its cash flows for the next 24 months for which, the Group has considered the nature of its business, cyclical trends, gross refinery margins, retail margins, etc., ability to refinance its debt and credit lines. The Group is confident that the net cash inflows from operating and financing activities will provide sufficient liquidity to meet its financial obligation as and when they fall for payment in the following twenty-four months. The Group has also analysed the effect of the recent geopolitical developments and allied sanctions environment and, supported by external legal opinions, it believes that the same are unlikely to be extended onto the Group. Further, the current sanctions environment have not resulted in a material impact onto the Group's operations or its ability to raise fresh capital. The Group ensures that it continues to abide by all the applicable laws and regulations on trade compliance and sanctions. Accordingly, the Group continues the preparation and presentation of these financial statements as a going concern.

45 Impairment testing of Goodwill

The Group recognised goodwill of ₹ 108,184 million arising on the acquisition of Vadinar Power Company Limited (VPCL), Nayara Energy Properties Limited (NEPL), and Vadinar Oil Terminal Limited (VOTL). The Group 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 ₹ 576,855 million [March 31, 2023: ₹ 538,846 million].

The Group performed its annual impairment test for the financial year ended March 31, 2024, as on February 29, 2024. There has been no material change in any of the assumption since that date upto March 31, 2024.

The recoverable amount of the CGU has been determined at ₹ 804,700 (US\$ 9,704) million [March 31, 2023: ₹ 962,248 (US\$ 11,638) million] based on the value in use calculation using discounted cash flow model {refer note 4(B)(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 Group has considered forecast consensus, industry reports, economic indicators, general business conditions etc. when reviewing the indicators of impairment. The Group has performed sensitivity analysis on the assumptions used basis the internal and external information / indicators of future economic conditions. Since the value in use is higher than the carrying amount of the refining business CGU, the Group has not determined the fair value less costs of disposal separately.

Key assumptions used for value in use calculations:

The calculation of value in use for the unit is most sensitive to the following assumptions:

Gross Refining Margin (GRM)

The GRM projections, which is a difference between total product revenue and total feedstock cost for the year, are broadly in line with the 5-year business plan of the CGU. The GRMs are estimated to be in the range from US\$ 9.8 per bbl to US\$ 8.7 per bbl during FY 2024-25 to FY 2028-29 and thereafter they increase at a nominal rate of 2% per annum post the 5-year period. A US\$ 0.5 per bbl decline in the projected GRM over the forecast period would lead to a decline in the recoverable value by ₹ 52,242 million (US\$ 630 million) [March 31, 2023: ₹ 47,707 (US\$ 577) million].

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 9.5% (previous year : 10.1%). An increase in the discount rate by 50 basis points leads to decline in the recoverable value by ₹ 53,155 million (US\$ 641 million) [March 31, 2023: ₹ 58,042 (US\$ 702) million].

Considering the above, the management has assessed that any reasonable possible change in assumptions will not trigger recognition of impairment.



Notes to Consolidated Financial Statements

for the year ended March 31, 2024

46 Additional information as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiaries

Name of Entity	FY 2023-24							
	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	100.17%	435,670	98.09%	120,852	133.19%	8,483	99.81%	129,335
Subsidiaries:-								
Coviva Energy Terminals Limited	-0.23%	(996)	-0.14%	(167)	0.00%	-	-0.13%	(167)
Nayara Energy Singapore Pte. Limited	0.06%	269	0.34%	414	0.01%	0	0.32%	414
Inter Group Elimination and Consolidation Adjustments								
	-0.01%	(33)	1.71%	2,111	-33.20%	(2,114)	0.00%	(3)
Grand Total	100.00%	434,910	100.00%	123,210	100.00%	6,369	100.00%	129,579

Name of Entity	FY 2022-23							
	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	100.33%	306,335	101.75%	95,916	132.07%	(7,063)	99.93%	88,853
Subsidiaries:-								
Coviva Energy Terminals Limited	-0.27%	(829)	-0.18%	(165)	0.00%	-	-0.19%	(165)
Nayara Energy Singapore Pte. Limited	-0.05%	(146)	0.20%	188	0.42%	(23)	0.19%	165
Intergroup Elimination and Consolidation Adjustments								
	-0.01%	(29)	-1.78%	(1,677)	-32.49%	1,738	0.07%	61
Grand Total	100.00%	305,331	100.00%	94,262	100.00%	(5,348)	100.00%	88,914

Note:

0.00%" represents % less than 0.005%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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.

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 23, 2024

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

Prasad K. Panicker
Executive Chairman
DIN : 06476857
Mumbai

Rajani Kesari
Chief Financial Officer
Mumbai

Alessandro des Dorides
Chief Executive Officer
Mumbai

Mayank Bhargava
Company Secretary
Mumbai
May 23, 2024

**FORM AOC - 1**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries / associates companies**Part "A" - Subsidiaries**

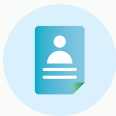
Name of the subsidiary	(₹ in million)	Amt in USD	(₹ in million)
	Coviva Energy Terminals Limited (CETL)	Nayara Energy Singapore Pte. Limited	
Reporting period	31-3-2024	31-3-2024	
The date since when subsidiary was Incorporated / acquired	29-6-2017	15-09-2020	
Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR	USD	INR
			USD/INR Exchange Rate
			Closing: ₹ 83.3739
			Average: ₹ 82.7887
Share capital	1	360,000	27
Reserves & surplus	(996)	2,867,347	242
Total assets	1,452	5,605,432	467
Total liabilities	2,448	2,378,086	198
Investments	-	-	-
Turnover	-	1,647,669,886	136,408
Profit before taxation	(163)	5,972,245	495
Provision for taxation	4	978,334	81
Profit after taxation	(167)	4,993,911	414
Proposed dividend	-	-	-
% of shareholding	100%	100%	
Names of subsidiaries which are yet to commence operations	Coviva Energy Terminals Limited		
Names of subsidiaries which have been liquidated or sold during the year	Nil		

Prasad K. PanickerExecutive Chairman
DIN : 06476857
Mumbai**Rajani Kesari**Chief Financial Officer

Mumbai**Alessandro des Dorides**Chief Executive Officer

Mumbai**Mayank Bhargava**Company Secretary

Mumbai
May 23, 2024



Corporate Information

Registered Office

Khambhalia, Post Box No. 24,
District Devbhumi Dwarka,
Gujarat 361305, India
T +91 2833 661444 | F +91 2833 662929
Email: investors@nayaraenergy.com
Website: www.nayaraenergy.com

Corporate Identity Number

U11100GJ1989PLC032116

Equity ISIN

INE011A01019

Non-Convertible Debenture ISIN

INE011A07107

Statutory Auditors

M/s S. R. Batliboi & Co. LLP

Share Transfer Agents

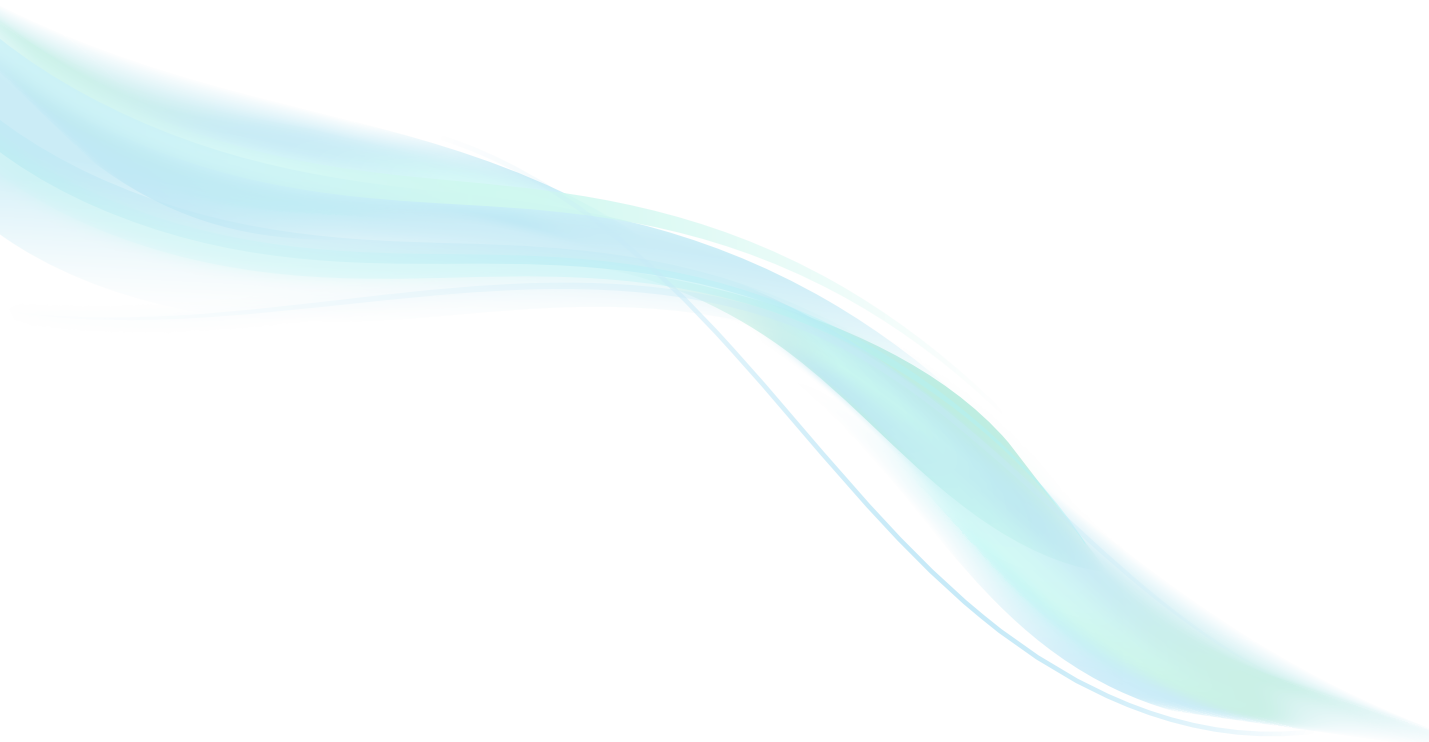
M/s Link Intime India Private Limited,
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L.B.S. Marg, Vikhroli (West), Mumbai - 400083,
Tel: +91-22-49186000, Fax: +91-22-49186060,
Email: rnt.helpdesk@linkintime.co.in

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Bankers

State Bank of India
ICICI Bank
Axis Bank
Union Bank of India
Yes Bank
IndusInd Bank
IDFC First Bank
Canara Bank
Mashreq Bank
Exim Bank
Punjab National Bank
Central Bank of India
Emirates NBD
Federal Bank
Karnataka Bank
UCO Bank
SBM Bank
Industrial and Commercial Bank of China



NAYARA
ENERGY