

April 21, 2022

To  
BSE Limited  
P.J. Towers, Dalal Street  
Mumbai – 400 001

Dear Sir / Madam,

**Re: Scrip Code - 973384**

**Sub.: Report on Corporate Governance for the quarter ended March 2022, in terms of Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015**

Pursuant to Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, please find enclosed the report on Corporate Governance for the quarter and year ended March 31, 2022.

We request you to take the same on record.

Thanking You,

**For Nayara Energy Limited**

MAYANK BHARGA VA	Digitally signed by MAYANK BHARGAVA Date: 2022.04.21 15:32:47 +05'30'
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**Mayank Bhargava**

**Company Secretary**

Encl: as above

**CC:**

**Axis Trustee Services Limited**

The Ruby, 2<sup>nd</sup> Floor (SW)  
29, Senapati Bapat Marg  
Dadar (W), Mumbai – 400 028

**Nayara Energy Limited**

5<sup>th</sup> Floor, Jet Airways Godrej BKC, Plot No. C-68, G Block,  
Bandra Kurla Complex, Banda East, Mumbai 400051, India

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E [Companysec@nayaraenergy.com](mailto:Companysec@nayaraenergy.com)

**Registered Office**

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Gujarat 361305, India  
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CIN: U11100GJ1989PLC032116  
[www.nayaraenergy.com](http://www.nayaraenergy.com)

# COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Name of listed entity – Nayara Energy Limited  
Quarter ending - March 31, 2022

ISIN – INE011A07115  
Scrip Code - 973384

I. Composition of Board of Directors												
Title (Mr. / Ms.)	Name of the Director	PAN\$ & DIN	Category (Chairperson / Executive/ Nonexecutive/ independent / Nominee)	Initial date of appointment	Date of Re-appointment	Date of Cessation	Tenure (in months)	Date of Birth	Number of Directorship in listed entities including this listed entity (Refer Regulation 17A of Listing Regulations)	Number of Independent Directorship in listed entities including this listed entity (Refer Regulation 17A(1) of Listing Regulations)	Number of memberships in Audit/ Stakeholder Committee(s) including this listed entity (Refer Regulation 26(1) of Listing Regulations)	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity (Refer Regulation 26(1) of Listing Regulations)
Mr.	Charles Anthony Fountain	07719852	Executive - Nominee Director - Chairperson	19-08-2017	02-01-2021			23-09-1960	0	0	0	0
Ms.	NAINA LAL KIDWAI	00017806	Non-Executive - Independent Director	09-10-2017			54	16-04-1957	3	3	2	0
Mr.	DEEPAK KAPOOR	00162957	Non-Executive - Independent Director	18-12-2017			52	07-01-1959	2	2	5	2
Mr.	PRASAD PANICKER	06476857	Executive Director	17-02-2020				23-12-1959	0	0	0	0
Mr.	KRZYSZTOF ZIELICKI	07692730	Non-Executive - Nominee Director	19-08-2017				30-06-1958	0	0	0	0
Mr.	CHIN HWEE TAN	07703660	Non-Executive - Nominee Director	19-08-2017				05-08-1971	0	0	1	0
Mr.	JONATHAN KOLLEK	07710920	Non-Executive - Nominee Director	19-08-2017				30-09-1959	0	0	0	0
Mr.	ALEXANDER ROMANOV	07731508	Non-Executive - Nominee Director	19-08-2017				05-06-1971	0	0	0	0

Ms.	VICTORIA CUNNINGHAM	08595967	Non-Executive - Nominee Director	30-01-2020				01-06-1967	0	0	1	0
Mr.	ALEXEY LIZUNOV	08670188	Non-Executive - Nominee Director	30-01-2020				01-04-1981	0	0	1	1
Ms.	AVRIL CONROY	08740726	Non-Executive - Nominee Director	23-05-2020				30-03-1968	0	0	0	0

Whether regular Chairperson appointed – Yes

Whether Chairperson is related to managing director or CEO - No

**Notes:**

- \$PAN is not provided, being confidential data. However, the same will be included in the XML sheet of Corporate Governance Report filed for the quarter ended 31.03.2022.
- Company being a 'High Value Debt Listed Company' is not included in counting the 'number of directorship/number of independent directorship including this listed entity' as only company whose equity shares are listed on a Stock Exchanges are considered as per explanation to Regulation 17A of Listing Regulations.
- While considering the limit of committees on which a director may serve, includes Public Limited companies but excludes 'High Value Debt Listed entities'. Nayara Energy Limited is Public Limited Company and also a High Value Debt Listed company. As an abundant caution, we have considered the number of Membership/Chairmanship in Audit Committee and Stakeholders Relationship Committee of Company's Directors in above disclosure.
- Membership in Audit Committee and Stakeholders Relationship Committee of Directors includes Chairmanship in said Committees, wherever applicable.

II. Composition of Committees					
Name of Committee	Whether Regular chairperson appointed	Name of Committee members	Category (Chairperson / Executive/ Nonexecutive/ independent / Nominee)	Date of appointment	Date of Cessation
Audit Committee	Yes	DEEPAK KAPOOR	Chairperson - Non-Executive - Independent Director	18-12-2017	
		CHIN HWEE TAN	Member - Non-Executive - Nominee Director	19-08-2017	
		NAINA LAL KIDWAI	Member - Non-Executive - Independent Director	09-10-2017	
Nomination & Remuneration Committee	Yes	NAINA LAL KIDWAI	Chairperson - Non-Executive - Independent Director	09-10-2017	
		DEEPAK KAPOOR	Member - Non-Executive - Independent Director	18-12-2017	
		Charles Anthony Fountain	Member - Executive – Nominee Director	19-08-2017	
		KRZYSZTOF ZIELICKI	Member - Non-Executive - Nominee Director	19-08-2017	
Stakeholders Relationship Committee	Yes	ALEXEY LIZUNOV	Chairperson - Non-Executive - Nominee Director	30-01-2020	
		VICTORIA CUNNINGHAM	Member - Non-Executive - Nominee Director	30-01-2020	
		DEEPAK KAPOOR	Member - Non-Executive - Independent Director	18-12-2017	

<b>Risk and HSE Committee</b>	Yes	Charles Anthony Fountain	Chairperson - Executive – Nominee Director	22-10-2020	
		DEEPAK KAPOOR	Member - Non-Executive - Independent Director	22-10-2020	
		VICTORIA CUNNINGHAM	Member - Non-Executive - Nominee Director	22-10-2020	
		AVRIL CONROY	Member - Non-Executive - Nominee Director	22-10-2020	
<b>CSR and Sustainability Committee</b>	Yes	NAINA LAL KIDWAI	Chairperson - Non-Executive - Independent Director	09-10-2017	
		KRZYSZTOF ZIELICKI	Member - Non-Executive - Nominee Director	19-08-2017	
		VICTORIA CUNNINGHAM	Member - Non-Executive - Nominee Director	22-10-2020	

<b>III. Meeting of Board of Directors</b>					
<b>Date(s) of Meeting (if any) in the previous quarter</b>	<b>Date(s) of Meeting (if any) in the relevant quarter</b>	<b>Whether requirement of Quorum met*</b>	<b>Number of Directors present*</b>	<b>Number of independent directors present*</b>	<b>Maximum gap between any two consecutive (in number of days)</b>
20-10-2021					60
12-11-2021					22
	10-02-2022	Yes	10	2	89
	09-03-2022	Yes	8	2	26
<b>* to be filled in only for the current quarter meetings</b>					

<b>IV. Meeting of Committees</b>						
<b>Name of Committee</b>	<b>Date(s) of Meeting (if any) in the relevant quarter</b>	<b>Whether requirement of Quorum met*</b>	<b>Number of Directors present*</b>	<b>Number of independent directors present*</b>	<b>Date(s) of Meeting (if any) in the previous quarter</b>	<b>Maximum gap between any two consecutive (in number of days) *</b>
Audit Committee					20-10-2021	
					12-11-2021	
	10-02-2022	Yes	3	2		89
Nomination and Remuneration Committee					19-10-2021	
	09-02-2022	Yes	4	2		112
CSR and Sustainability Committee					12-11-2021	
	29-03-2022	Yes	3	1		136
Risk and HSE Limited					20-12-2021	
	29-03-2022	Yes	4	1		98

Stakeholders Relationship Committee	19-10-2021					
<b>* to be filled in only for the current quarter meetings</b>						

<b>V. Related Party Transactions</b>	
<b>Subject</b>	<b>Compliance Status (Yes/No/NA)</b>
Whether prior approval of audit committee obtained	Yes
Whether shareholder approval obtained for material RPT	NA
Whether details of RPT entered into pursuant to omnibus approval have been reviewed by the Audit Committee	NA

<b>Annexure II</b>		
<b>I. Disclosure on website in terms of Listing Regulations</b>		
<b>Item</b>	<b>Compliance Status (Yes/No/NA)</b>	<b>If Yes provide link to website. If No / NA provide reasons</b>
<b>As per regulation 62 of the LODR:</b>		
a) Details of business	Yes	<a href="https://www.nayaraenergy.com/about-us">https://www.nayaraenergy.com/about-us</a>
b) Terms and conditions of appointment of independent directors	Yes	<a href="https://www.nayaraenergy.com/investors/information">https://www.nayaraenergy.com/investors/information</a>
c) Composition of various committees of board of directors	Yes	<a href="https://www.nayaraenergy.com/board/board-committee">https://www.nayaraenergy.com/board/board-committee</a>
d) Code of conduct of board of directors and senior management personnel	No	The Company has in place an Ethics Code. All Directors and employees of the Company have to adhere to this Code which is placed on the website of the Company.  The Company needs to incorporate duties of Independent Directors in the Ethics Code. <b>The Company is in the process of seeking approval of the Board of Directors for this purpose.</b>
e) Details of establishment of vigil mechanism/ Whistle Blower policy	Yes	<a href="https://www.nayaraenergy.com/ethics">https://www.nayaraenergy.com/ethics</a>
f) Criteria of making payments to non-executive directors	Yes	<a href="https://www.nayaraenergy.com/investors/information">https://www.nayaraenergy.com/investors/information</a>
g) Policy on dealing with related party transactions	No	Draft Policy has been prepared. <b>The Company is in process of seeking Board of Director's approval.</b>
h) Policy for determining 'material' subsidiaries	No	Draft Policy has been prepared. <b>The Company is in process of seeking requisite approval.</b>
i) Details of familiarization programmes imparted to independent directors	Yes	<a href="https://www.nayaraenergy.com/investors/information">https://www.nayaraenergy.com/investors/information</a>
j) Email address for grievance redressal and other relevant details	Yes	<a href="https://www.nayaraenergy.com/investors/information">https://www.nayaraenergy.com/investors/information</a>

k) Contact information of the designated officials of the listed entity who responsible for assisting and handling investor grievances	Yes	<a href="https://www.nayaraenergy.com/investors/information">https://www.nayaraenergy.com/investors/information</a>
l) Financial results	Yes	<a href="https://www.nayaraenergy.com/investors/corporate-">https://www.nayaraenergy.com/investors/corporate-</a>
m) Shareholding pattern	NA	
n) Details of agreements entered into with the media companies and/or associates	NA	
o) Schedule of analyst or institutional investor meet and presentations by the listed entity to analysts or institutional investors submission to stock exchange	NA	
p) New name and the old name of the listed entity	NA	
q) Advertisements as per regulation 47 (1)	NA	
r) Credit rating or revision in credit rating obtained by the entity for all its outstanding instruments	Yes	<a href="https://www.nayaraenergy.com/investors/corporate-announcements">https://www.nayaraenergy.com/investors/corporate-announcements</a>
s) Separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year	NA	
<b>As per other regulations of the LODR:</b>		
a) Whether company has provided information under separate section on its website as per Regulation 46(2)	NA	
b) Materiality Policy as per Regulation 30	NA	
c) Dividend Distribution policy as per Regulation 43A (as applicable)	NA	
It is certified that these contents on the website of the listed entity are correct.		Yes

VI. Affirmations		
Sr. No.	Subject	Compliance Status (Yes/No/NA)
1.	The composition of Board of Directors is in terms of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.	No
2.	The composition of the following committees is in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Yes
3.	a. Audit Committee	Yes
4.	b. Nomination & Remuneration Committee	Yes
5.	c. Stakeholders Relationship Committee	Yes
6.	d. Risk management committee	Yes
7.	The committee members have been made aware of their powers, role and responsibilities as specified in SEBI (Listing obligations and disclosure requirements) Regulations, 2015.	No
8.	The meetings of the board of directors and the above committees have been conducted in the manner as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Yes
9.	This report and/or the report submitted in the previous quarter has been placed before Board of Directors. Any comments/observations/advice of the board of directors may be mentioned here.	Yes
<p><b>Notes:</b></p> <p><b>Explanation to Sr. No. 1 – Explanation for non-compliance with the requirement of appointing 50% Board members as Independent Directors</b></p> <p>The Company is a High Value Debt-listed Entity (“<b>HDVE</b>”) and its equity shares are not listed on any recognized stock exchange in India. 98.26% shareholding of the Company is held by two foreign shareholders (“<b>Investor Shareholders</b>”) in equal proportion, which was acquired by them in 2016. The remaining 1.74% shares are held by retail shareholders who did not participate in the reverse book building process as part of voluntary delisting of the Company undertaken in the year 2016.</p> <p>As is customary for unlisted companies with different shareholder groups, the Investor Shareholders have certain inter-se rights in relation to the governance of the Company, including rights to nominate directors on the board of directors of the Company (“<b>Board</b>”) and the committees thereof. The Board currently comprises of 11 directors. It has two Wholtime Directors one of whom is an executive chairman and the other has been appointed as ‘Occupier’ under the Factories Act, 1948 and Two directors are independent directors (in compliance with the Companies Act, 2013).</p> <p>The requirement pertaining to the board of directors comprising 50% of independent directors as provided under Regulation 17(1)(b) of the Listing Regulations, will be prejudicial to the interest of the Company and its shareholders. In this regard, please note certain specific considerations set out below:</p> <ul style="list-style-type: none"> <li>Compliance under Regulation 17(1)(b) of the Listing Regulations was not applicable to HDVEs at the time of investment in the Company by the Investor Shareholders and such investment did not envisage that such corporate governance norms would be made applicable to HDVEs. The Investor Shareholders have infused significant amount of capital into the Company and such investment was negotiated on the basis of governance and</li> </ul>		

investor protection related rights derived from the ability to nominate directors. Any dilution in such governance rights may severely impact the assessment of their investment in the Company and may require them to review their country and sector outlook.

- Appointing seven additional independent directors would expand the Board size to 18 directors, which would severely impact the operational flexibility of the Board and the Company.
- Other requirements of ensuring governance standards including constitution of the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee and the Stakeholders Relationship Committee are being adhered to by the Company.
- Through our letter dated January 4, 2022, we have requested SEBI to kindly reconsider making the corporate governance norms applicable to HDVEs as most of such debt transactions involve institutional investors, provide for sufficient security cover and the relevant documents have sufficient monitoring covenants, which are administered by the debenture trustees in compliance with the requirements stipulated under the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993.
- In the alternative, the “comply or explain” option which is currently available only up to March 31, 2023 for HVDEs should be permanently extended to them.

**Explanation to Sr. No. 7 – Making Committee members aware about their powers, roles and responsibilities**

The Board Committees were in existence prior to listing of the debt securities. Committee members were made aware about the terms of reference at the time of formation of the Committee or at the time of joining the Committees whichever was later. Post introduction of amendments in SEBI LODR to HVDEs, the roles and responsibilities of the Committees under SEBI LODR have been communicated to the members of the respective committees after March 31, 2022 in April 2022. The Company is now fully compliant with this requirement.

**Explanation to Sr. No. 9 – Placing of this report before the Board of Directors**

The corporate governance report for the quarter ended December 31, 2021 was placed before the Board of Directors at its meeting held on February 10, 2022. The current report for the quarter ended March 31, 2022 will be placed before the Board of Directors at its Meeting to be held after filing of the report with BSE Limited.

Annexure II		
II Annual Affirmations		
Particulars	Regulation Number	Compliance status (Yes/No/NA) refer note below
Independent director(s) have been appointed in terms of specified criteria of 'independence' and / or 'eligibility'	16(1)(b) & 25(6)	NA
Board composition	17(1), 17(1A) & 17(1B)	No (refer explanation given as Note No. I in clause VI Affirmations)
Meeting of board of directors	17(2)	Yes
Quorum of board meeting	17(2A)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for Appointments	17(4)	Yes
Code of Conduct	17(5)	No - The Company has in place an Ethics Code. All Directors and employees of the Company have to adhere to this Code. The Company needs to incorporate duties of Independent Directors in the Ethics Code. <b>The Company is in the process of seeking approval of the Board of Directors for this purpose.</b>
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	NA
Risk Assessment & Management	17(9)	No - Risk assessment and minimization is being reported to Risk and HSE Committee of the Directors. <b>Reporting to the Board will be initiated in FY 2022-23.</b>
Performance Evaluation of Independent Directors	17(10)	Yes
Recommendation of board	17(11)	Yes
Maximum number of directorship	17A	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Quorum of Nomination and Remuneration Committee	19(2A)	Yes
Meeting of Nomination & Remuneration	19(3A)	Yes

Composition of Stakeholder Relationship	20(1), 20(2) and 20(2A)	Yes
Meeting of Stakeholder Relationship Committee	20 (3A)	Yes
Composition and role of risk management	21(1),(2),(3),(4)	Yes
Meeting of Risk Management Committee	21(3A)	Yes
Vigil Mechanism	22	Yes
Policy for related party Transaction	23(1),(1A),(5),(6),(7) & (8)	No - Draft Policy has been prepared. <b>The Company is in process of seeking Board of Director's approval.</b>
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	NA
Disclosure of related party transactions on consolidated basis	23(9)	Yes
Composition of Board of Directors of unlisted material Subsidiary	24(1)	NA
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Annual Secretarial Compliance Report	24(A)	NA
Alternate Director to Independent Director	25(1)	NA
Maximum Tenure	25(2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Declaration from Independent Director	25(8) & (9)	Yes
D & O Insurance for Independent Directors	25(10)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non-Executive Directors	26(4)	NA
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes

Annexure II		
III. Affirmations		
Sr. No.	Particulars	Compliance Status (Yes/No/NA)
1	The Listed entity has approved Material Subsidiary Policy and the Corporate Governance Requirements with respect to subsidiary of Listed Entity have been complied	No.  The Company has prepared the draft Policy. <b>The Company is in process of seeking requisite approval.</b>

**Date – 21-04-2022**  
**Place – Mumbai**

<b>MAYANK BHARGAVA</b>	Digitally signed by MAYANK BHARGAVA Date: 2022.04.21 15:33:47 +05'30'
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**Name – Mayank Bhargava**  
**Designation – Company Secretary and Compliance Officer**

**Additional Half Yearly disclosure**

Applicability of disclosure – <b>Applicable</b>			
Reasons for non-applicability			
I. Disclosure of Loans/ guarantees/comfort letters /securities etc. refer note below			
<b>(A)Any loan or any other form of debt advanced by the listed entity directly or indirectly to</b>			
<b>Entity</b>	<b>Aggregate amount advanced during six months</b>	<b>Balance outstanding at the end of six months</b>	
Promoter or any other entity controlled by them	Nil	Nil	
Promoter Group or any other entity controlled by them	Nil	Nil	
Directors (including relatives) or any other entity controlled by them	Nil	Nil	
KMPs or any other entity controlled by them	Nil	Nil	
<b>(B) Any guarantee / comfort letter (by whatever name called) provided by the listed entity directly or indirectly, in connection with any loan(s) or any other form of debt availed By</b>			
<b>Entity</b>	<b>Type (guarantee, comfort letter etc.)</b>	<b>Aggregate amount of issuance during six months</b>	<b>Balance outstanding at the end of six months (taking into account any invocation)</b>
Promoter or any other entity controlled by them	NA	Nil	Nil
Promoter Group or any other entity controlled by them	NA	Nil	Nil
Directors (including relatives) or any other entity controlled by them	NA	Nil	Nil
KMPs or any other entity controlled by them	NA	Nil	Nil
<b>(C) Any security provided by the listed entity directly or indirectly, in connection with any loan(s) or any other form of debt availed by</b>			
<b>Entity</b>	<b>Type of security (cash, shares etc.)</b>	<b>Aggregate value of security provided during six months</b>	<b>Balance outstanding at the end of six months</b>
Promoter or any other entity controlled by them	NA	Nil	Nil
Promoter Group or any other entity controlled by them	NA	Nil	Nil

Directors (including relatives) or any other entity controlled by them	NA	Nil	Nil
KMPs or any other entity controlled by them	NA	Nil	Nil
<b>(D) Additional Information</b>			
<b>II. Affirmations</b>			
<b>Affirmations</b>	<b>Compliance Status</b>	<b>Company Remarks</b>	
All loans (or other form of debt), guarantees, comfort letters (by whatever name called) or securities in connection with any loan(s) (or other form of debt) given directly or indirectly by the listed entity to promoter(s), promoter group, director(s) (including their relatives), key managerial personnel (including their relatives) or any entity controlled by them are in the economic interest of the company.	<b>NA</b>	No such loans were given or guarantees were issued or security was provided during the half year ended March 31, 2022.	

**Date – 21-04-2022**

**Place – Delhi**

<b>ANUP A VIKAL</b>	Digitally signed by ANUP A VIKAL Date: 2022.04.21 16:07:24 +05'30'
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**Name – Anup Vikal**

**Designation – Chief Financial Officer**