

NAYARA ENERGY LIMITED

(formerly known as ESSAR OIL LIMITED)

Registered Office: Khambhalia, Post Box No. 24, Dist.: Devbhumi Dwarka - 361 305, Gujarat, India

Corporate Identity Number: U11100GJ1989PLC032116

Phone: +91 2833 661444, **Fax:** +91 2833 662929

Email: investors@nayaraenergy.com; **Website:** www.nayaraenergy.com



POSTAL BALLOT NOTICE

PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013 READ WITH RULE 22 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014

To

The Shareholder(s),

NOTICE is hereby given, pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the "**Companies Act**") read with Rule 22 and other provisions of the Companies (Management and Administration) Rules, 2014 (the "**Postal Ballot Rules**"), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, to the shareholders (the "**Shareholders**") of Nayara Energy Limited (the "**Company**"), that the resolutions appended below are proposed to be passed by way of Postal Ballot/remote e-voting.

The proposed resolutions along with the explanatory statements thereto setting out the material facts and reasons thereof along with a Postal Ballot form and a self-addressed postage pre-paid envelope (if posted in India) are enclosed for your consideration.

1. **Appointment of Mr. Alexander Bogdashin as Director of the Company**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force) ("**Act**") and Article 78 of the Articles of Association of the Company, Mr. Alexander Bogdashin (DIN: 08167807), who was appointed by the Board of Directors as an Additional Director of the Company with effect from October 9, 2018 pursuant to Section 161 of the Act and who holds office up to the date of the next Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

2. **Appointment of Mr. Alexey Karavaykin as Director of the Company**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force) ("**Act**") and Article 78 of the Articles of Association of the Company, Mr. Alexey Karavaykin (DIN: 08300501), who was appointed by the Board of Directors as an Additional Director of the Company with effect from December 28, 2018 pursuant to Section 161 of the Act and who holds office up to the date of the next Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

3. To confirm, ratify and approve transactions under Master Crude Supply and Products Offtake Agreement entered into with Trafigura Pte. Limited, Singapore

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 read with Section 110 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder, including the Companies (Meetings of Board and its Powers) Rules, 2014, and any amendments, statutory modifications and/or re-enactment thereof for the time being in force, and subject to the fulfilment of any consents and approvals as may be prescribed under applicable law or otherwise, the members of the Company do hereby confirm, ratify and approve all confirmations / transactions entered into and all confirmations / transactions proposed to be entered into by the Company with Trafigura Pte. Limited, Singapore pursuant to the Master Crude Supply and Products Offtake Agreement dated August 14, 2017 entered into between the Company and Trafigura Pte. Limited, Singapore.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution, as the Board may, in its absolute discretion, deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this resolution.”

4. To confirm, ratify and approve transactions under Master Crude Supply and Products Offtake Agreement entered into with Rosneft Trading SA, Switzerland

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 read with Section 110 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder, including the Companies (Meetings of Board and its Powers) Rules, 2014, and any amendments, statutory modifications and/or re-enactment thereof for the time being in force, and subject to the fulfilment of any consents and approvals as may be prescribed under applicable law or otherwise, the members of the Company do hereby confirm, ratify and approve all confirmations / transactions entered into and all confirmations / transactions proposed to be entered into by the Company with Rosneft Trading SA, Switzerland pursuant to the Master Crude Supply and Products Offtake Agreement dated August 14, 2017 entered into between the Company and Rosneft Trading SA, Switzerland.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution, as the Board may, in its absolute discretion, deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this resolution.”

By Order of the Board of Directors

Mumbai
January 22, 2019

Mayank Bhargava
Company Secretary

Registered Office:

Khambhalia, Post Box No. 24,
Dist. Devbhumi Dwarka – 361305, Gujarat.
Phone: +91 02833 661444, Fax: +91 02833 662929
e-mail: investors@nayaraenergy.com; website: www.nayaraenergy.com

Notes:

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business set out above is annexed herewith.
2. The Members are requested to exercise their voting rights by either using the attached Postal Ballot form or through remote e-voting.
3. In accordance with the provisions of Companies Act, 2013, read with Rules 18 and 22 of the Companies (Management and Administration) Rules, 2014, the Postal Ballot Notice is being sent by email to those members who have registered their email addresses with their Depository Participants (in case of shares held in demat form) or with the Company's Registrar and Share Transfer Agent (in case of shares held in physical form). Further, physical copies of the Postal Ballot Notice are being sent by permitted mode (i.e. through registered / speed post or courier), along with a postage-prepaid self-addressed Business Reply Envelope to all the members of the Company. Notice shall also be available on the website of the Company i.e. www.nayaraenergy.com
4. The Board of Directors of the Company (the "Board") has on January 22, 2019 appointed Mr. Hitesh Kothari or failing him Ms. Sonam Join of Kothari H. & Associates, Company Secretaries as the 'Scrutinizer' (the "Scrutinizer") for conducting the postal ballot voting process, including remote e-voting ("e-voting") process, in a fair and transparent manner and in accordance with the applicable laws.
5. Documents referred to in the Notice will be available for inspection by the shareholders at the Company's Registered Office and also at Corporate Office of the Company located at 5th floor, Jet Airways Godrej BKC, Plot No. C-68, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 ("Corporate Office") on any working day excluding Saturdays, Sundays and Bank holidays between 11:00 a.m. and 1:00 p.m. upto the date of declaration of the results of voting by Postal Ballot and e-voting.
6. The dispatch of the Postal Ballot Notice, along with the Explanatory Statement and the Postal Ballot Form will be announced through advertisement in at least one English newspaper having country wide circulation and one Gujarati newspaper with wide circulation in Devbhumi Dwarka District, where the registered office of the Company is situated, and published on the website of the Company.
7. For voting by Postal Ballot, the Members are requested to carefully read the instructions printed on the separately enclosed Postal Ballot form. The duly completed and signed Postal Ballot form, should be posted in the enclosed self-addressed postage pre-paid envelope directly to the Scrutinizer so as to reach the Scrutinizer not later than 5:00 p.m. on Friday, March 1, 2019. Postage will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered /speed post at the expense of the Members will also be accepted.
8. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to info@khacs.com along with the signed postal ballot form.
9. In accordance with Section 110 of the Companies Act, 2013 and Rules 20 and 22 of the Companies (Management and Administration) Rule, 2014, the Company is pleased to provide e-voting facility as an option to its Members to enable them to cast their votes electronically instead of dispatching the Postal Ballot form by post. The Company has engaged the services of NSDL to provide e-voting facilities. It may be noted that e-voting is optional. If a member has opted for e-voting, then he/she should not vote by physical Postal Ballot also and vice-versa. However, in case members cast their vote both via physical Postal Ballot and e-voting, then voting through e-voting shall prevail and voting done by Postal Ballot shall be treated as invalid. The e-voting facility will be available at the link <https://www.evoting.nsdl.com> during the following voting period:

Commencement of e-voting	from 8:00 a.m. on January 31, 2019
End of e-voting	at 5:00 p.m. on March 1, 2019

E-voting shall not be allowed beyond 5:00 p.m. on March 1, 2019. During the e-voting period, members of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date may cast their vote electronically. The cut-off date for determining entitlement of members for casting votes through e-voting is January 25, 2019. Any person who is not a member on the cut-off date should treat this notice for information purpose only .

10. The Scrutinizer’s decision on the validity of the Postal Ballot and e-voting shall be final.
11. Upon completion of the scrutiny of Postal Ballots and e-voting, the Scrutinizer will submit his report to the Chairman of the Company or to any other person authorized by him.
12. The result of voting by postal ballot and e-voting will be announced on Friday, March 1, 2019 by 7:30 p.m. through the Notice Board at the registered office of the Company and will be posted on the website of the Company, www.nayaraenergy.com

INSTRUCTIONS FOR REMOTE E-VOTING

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at www.evoting.nsdl.com.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "**EVEN** 110354 of "Nayara Energy Limited" for casting your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to info@khacs.com with a copy marked to evoting@nsdl.co.in
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

EXPLANATORY STATEMENT REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013 RELATING TO THE AFORESAID RESOLUTIONS

Item No. 1

Kesani Enterprises Company Limited, Cyprus ("**Kesani**"), a Shareholder holding 49.13% stake in the Share Capital of the Company had nominated Ms. Elena Sapozhnikova as its nominee on the Board of the Company. She was appointed as Non-Executive Director on August 19, 2017 by the Board of Directors. The Shareholders had, at the 27th Annual General Meeting held on September 28, 2017, approved her appointment as Director liable to retire by rotation.

Kesani has withdrawn the nomination of Ms. Elena Sapozhnikova and in her place nominated Mr. Alexander Bogdashin as its nominee on the Board of the Company. Accordingly, the Board of Directors appointed Mr. Alexander Bogdashin as Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 ("**Act**") w.e.f. October 9, 2018 to hold office till the date of the next Annual General Meeting. In terms of the provisions of Section 152 of the Act, appointment of Mr. Alexander Bogdashin is subject to approval of the members by Ordinary Resolution. Kesani has also given a notice in writing under Section 160 of the Act proposing the candidature of Mr. Alexander Bogdashin for the office of Director. Accordingly it is proposed to seek approval of the shareholders for appointment of Mr. Alexander Bogdashin as director liable to retire by rotation.

The Company has received from Mr. Alexander Bogdashin consent to act as Director of the Company, other disclosures and declaration confirming that he is not disqualified from being appointed as Director in terms of Section 164 of the Act.

As required under Secretarial Standard 2 specified by the Institute of Company Secretaries of India, the qualification, experience and other details of Mr. Alexander Bogdashin are appended at the end of the Notice for information of the members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Alexander Bogdashin, are concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 1 of the Notice.

The Board recommends the resolution set forth in Item No. 1 of the Postal Ballot Notice for the approval of the members.

Item No. 2

Petrol Complex Pte. Ltd. (name changed to Rosneft Singapore Pte. Ltd) ("**Rosneft Singapore**"), a Shareholder holding 49.13% stake in the Share Capital of the Company had nominated Mr. Andrew Balgarnie as its nominee on the Board of the Company. He was appointed as Non-Executive Director on August 19, 2017 by the Board of Directors. The Shareholders had, at the 27th Annual General Meeting held on September 28, 2017, approved his appointment as Director liable to retire by rotation.

Rosneft Singapore has withdrawn the nomination of Mr. Andrew Balgarnie and in his place nominated Mr. Alexey Karavaykin as its nominee on the Board of the Company. Accordingly, the Board of Directors appointed Mr. Alexey Karavaykin as Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 ("**Act**") w.e.f. December 28, 2018 to hold office till the date of the next Annual General Meeting. In terms of the provisions of Section 152 of the Companies Act, 2013, appointment of Mr. Alexey Karavaykin is subject to approval of the members by Ordinary Resolution. Rosneft Singapore has also given a notice in writing under Section 160 of the Act proposing the candidature of Mr. Alexey Karavaykin for the office of Director. Accordingly it is proposed to seek approval of the shareholders for appointment of Mr. Alexey Karavaykin as director liable to retire by rotation.

The Company has received from Mr. Alexey Karavaykin consent to act as Director of the Company, other disclosures and declaration confirming that he is not disqualified from being appointed as Director in terms of Section 164 of the Act.

As required under Secretarial Standard 2 specified by the Institute of Company Secretaries of India, the qualification, experience and other details of Mr. Alexey Karavaykin are appended at the end of the Notice for information of the members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Alexey Karavaykin, are concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 2 of the Notice.

The Board recommends the resolution set forth in Item No. 2 of the Postal Ballot Notice for the approval of the members.

Item No. 3

The Company enters into spot and term contracts for purchase of crude oil and similar arrangements for supply of petroleum products. These are entered on an ongoing basis with multiple suppliers and offtakers. The Company will benefit from access to a stable supply of crude oil and offtake of the refined petroleum products produced by the Company as this will cushion/protect the Company from market volatility.

Trafigura Pte. Limited, Singapore ("**Trafigura**") is an international commodity trading company that (*inter alia*) sources, stores and transports crude oil and petroleum products, connecting supply with demand. Trafigura can provide the Company access to its substantial reservoir of knowledge and experience that can help the Company become aware and understand the demand / premium for the various petroleum products in the market. Moreover, dealing with Trafigura would help the Company have assurance in business volumes. Trafigura can also provide market intelligence regarding various grades of crude and distillates, information regarding market differentials, arbitrage opportunities, logistics involved in procurement and supply, etc.

Accordingly, the Company entered into a Master Crude Supply and Products Offtake Agreement with Trafigura on August 14, 2017 (the "**Supply Agreement**") for a period of 10 years to import crude from and supply petroleum products to Trafigura and provide services to the Company.

Under the Supply Agreement Trafigura can offer to supply/offtake the crude to/products from the Company at market price. If Trafigura's offer is accepted by the Company then, post negotiations, the parties will enter into a spot and/or term arrangement (each referred to as a "**Confirmation**"); failing which the Company can solicit proposals from third party suppliers/buyers and Trafigura then has the right of last refusal to match the terms offered.

Further, the Supply Agreement also requires Trafigura to provide certain services in lieu of a fee to the Company, including but not limited to provide assessments of market differentials and availability of crudes/products to assist the Company with a price-set, explore opportunities to accept/provide delivery/supply of new, blended and non-standard grades of crude/products at/from the refinery; and any other services as may be desired by the Company in line with the Supply Agreement.

The Supply Agreement acts as the framework agreement for governing each of these transactions. Each Confirmation is executed in the form set out in the Supply Agreement (which covers important provisions such as payment terms, title and risk and quality control etc.).

The Company will enter into an appropriate Confirmation with Trafigura, if either Trafigura (i) submits the best bid or (ii) matches the terms offered by any counter party. Therefore, the transactions entered into by the parties pursuant to the Supply Agreement can be construed to be on arm's length basis.

Based on business plan of the Company for the financial year 2018-19, current prevailing international market prices of crude and petroleum products, prevailing USD exchange rate, capex programmes etc., the Company anticipates to source crude and sell finished products estimated at upto INR 6,150 crores (approx. USD 0.877 billion) and INR 14,300 crores (approx. USD 2.04 billion) respectively for the financial year 2018-19. In addition, the fees for above specified services for the year is estimated at INR 53 crores (approx. USD 7.50 million). The monetary value in subsequent years during the tenure of the Supply Agreement is however subject to the throughput of the Company, the actual imports and exports to be undertaken by the Company, the business plan and the prevailing prices of crude and products in the international market apart from the extent to which Trafigura actually supplies or offtakes the barrels to / from the Company.

The Company and Trafigura did not qualify as 'related parties' as per the provisions of Section 2(76) of the Companies Act, 2013 prevailing at the time of execution of the Supply Agreement. Thereafter, on August 18, 2017, the shareholding of the Company underwent a change and Kesani Enterprises Company Limited, Cyprus ("**Kesani**") acquired 49.13% of the paid up equity share capital of the Company. Trafigura indirectly holds 49.5% of the total shareholding of Kesani.

After promulgation of the Companies Amendment Act, 2017, w.e.f May 7, 2018, it may be construed that Trafigura is a "related party". Notwithstanding this uncertainty, given the spirit of the statutory requirements and the ongoing nature of transactions to be entered into pursuant to the Supply Agreement, as a matter of good corporate governance, approval of the members of the Company is being sought for the ratification and approval of the transactions entered into / proposed to be entered into with Trafigura under the Supply Agreement.

Mr. Chin Hwee Tan a Director of the Company is also a Director of Trafigura. He is however not concerned or interested financially or otherwise in the resolution. None of the other directors, key managerial personnel and their respective relatives are in any way concerned or interested financially or otherwise in the resolution

The above may be treated as particulars under Rule 15 (3) of Companies (Meeting of Board and its Power) Rules.

Accordingly, the Board recommends the ordinary resolution set out in Item no. 3 of the Postal Ballot Notice for approval of members of the Company.

Item No. 4

The Company enters into spot and term contracts for purchase of crude oil and similar arrangements for supply of petroleum products. These are entered on an ongoing basis with multiple suppliers and offtakers. The Company will benefit from access to a stable supply of crude oil and offtake of the refined petroleum products produced by the Company as this will cushion/protect the Company from market volatility.

Rosneft Trading SA, Switzerland ("**RTSA**") is an international commodity trading company that (*inter alia*) sources, stores and transports crude oil and petroleum products, connecting supply with demand. RTSA can provide the Company access to its substantial reservoir of knowledge and experience that can help the Company become aware and understand the demand / premium for the various petroleum products in the market. Moreover, dealing with RTSA would help the Company have assurance in business volumes. RTSA can also provide market intelligence regarding various grades of crude and distillates, information regarding market differentials, arbitrage opportunities, logistics involved in procurement and supply, etc.

Accordingly, the Company entered into a Master Crude Supply and Products Offtake Agreement with RTSA on August 14, 2017 (the "**Supply Agreement**") for a period of 10 years to import crude from and supply petroleum products to RTSA and provide services to the Company.

Under the Supply Agreement RTSA can offer to supply/offtake the crude to/products from the Company at market price. If RTSA's offer is accepted by the Company then, post negotiations, the parties will enter into a spot and/or term arrangement (each referred to as a "**Confirmation**"); failing which the Company can solicit proposals from third party suppliers/buyers and RTSA then has the right of last refusal to match the terms offered.

Further, the Supply Agreement also requires RTSA to provide certain services in lieu of a fee to the Company, including but not limited to provide assessments of market differentials and availability of crudes/products to assist the Company with a price-set, explore opportunities to accept/provide delivery/supply of new, blended and non-standard grades of crude/products at/from the refinery; and any other services as may be desired by the Company in line with the Supply Agreement.

The Supply Agreement acts as the framework agreement for governing each of these transactions. Each Confirmation is executed in the form set out in the Supply Agreement (which covers important provisions such as payment terms, title and risk and quality control etc.).

The Company will enter into an appropriate Confirmation with RTSA, if either RTSA (i) submits the best bid or (ii) matches the terms offered by any counter party. Therefore, the transactions entered into by the parties pursuant to the Supply Agreement can be construed to be on arm's length basis.

Based on business plan of the Company for the financial year 2018-19, current prevailing international market prices of crude and petroleum products, prevailing USD exchange rate, capex programmes etc., the Company anticipates to source crude and sell finished products estimated at upto INR 5,500 crores (approx. USD 0.787 billion) and INR 7,900 crores (approx. USD 1.13 billion) respectively for the financial year 2018-19. In addition, the fees for above specified services for the year is estimated at INR 53 crores (approx. USD 7.50 million). The monetary value in subsequent years during the tenure of the Supply Agreement is however subject to the throughput of the Company, the actual imports and exports to be undertaken by the Company, the business plan and the prevailing prices of crude and products in the international market apart from the extent to which RTSA actually supplies or offtakes the barrels to / from the Company.

The Company and RTSA did not qualify as 'related parties' as per the provisions of Section 2(76) of the Companies Act, 2013 prevailing at the time of execution of the Supply Agreement. Thereafter, on August 18, 2017, the shareholding of the Company underwent a change and Rosneft Singapore Pte. Limited ("Rosneft Singapore") (formerly known as Petrol Complex Pte. Limited) acquired 49.13% of the paid up equity share capital of the Company. RTSA is a fellow subsidiary of Rosneft Singapore.

After promulgation of the Companies Amendment Act, 2017, w.e.f May 7, 2018, it may be construed that RTSA is a "related party". Notwithstanding this uncertainty, given the spirit of the statutory requirements and the ongoing nature of transactions to be entered into pursuant to the Supply Agreement, as a matter of good corporate governance, approval of the members of the Company is being sought for the ratification and approval of the transactions entered into / proposed to be entered into with RTSA under the Supply Agreement.

None of the directors, key managerial personnel and their respective relatives are in any way concerned or interested financially or otherwise in the resolution.

The above may be treated as particulars under Rule 15 (3) of Companies (Meeting of Board and its Power) Rules.

Accordingly, the Board recommends the ordinary resolution set out in Item no. 4 of the Postal Ballot Notice for approval of members of the Company.

By Order of the Board of Directors

Mumbai
January 22, 2019

Mayank Bhargava
Company Secretary

Registered Office:

Khambhalia, Post Box No. 24,
Dist. Devbhumi Dwarka – 361305, Gujarat.
Phone: +91 02833 661444, Fax: +91 02833 662929
e-mail: investors@nayaraenergy.com; website: www.nayaraenergy.com

Details of Directors pursuant to Secretarial Standard 2

Particulars	Details	
Director	Mr. Alexander Bogdashin	Mr. Alexey Karavaykin
Age	34 Years	47 Years
Qualification	Degree in Economics in 2006 from Novosibirsk State University	Masters of Science (Diploma) from Moscow and Masters in Business Administration from Harvard Business School, USA
Experience	Around 14 years out of which around 12 years are in the field of corporate finance and asset management (private equity, venture capital and liquid tradable securities). His key areas of expertise include business valuation and strategic management, capital markets, M&A and LBO. He is presently designated as Investment Director in UCP	Around 24 years experience. Having worked in CJSC 'Link', Bain & Company, UK and, TNK-BP, he is presently working as Advisor to President-Director of Investment analysis at Rosneft Oil Company. In his career he has served as Adviser to CEO in charge of capital planning, investment committees, investment project assurance, investment efficiency tracking & analysis and monitoring of major projects. Previously at TNK-BP he served as Senior VP in charge of planning and performance management and investment governance. Prior to that he worked as a Strategy and Management consultant at Bain & Company.
Terms and conditions of appointment	Subject to retirement by rotation	Subject to retirement by rotation
Remuneration sought to be paid	Sitting fees and Commission on profits as may be approved by the Board from time to time	Sitting fees and Commission on profits as may be approved by the Board from time to time
Remuneration last drawn	N.A.	N.A.
Date of first appointment on the Board	October 9, 2018	December 28, 2018
Shareholding in the Company	Nil	Nil
Relationship with other directors, manager and KMPs	Not related	Not Related
Number of meetings of Board attended during the year	3 out of 3 held after appointment on October 9, 2018	1 out of 1 held after appointment on December 28, 2018

Other Directorships	Nil	Nil
Chairmanship of committee if other Boards	Nil	Nil
Membership of Committees of other Boards	Nil	Nil

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NAYARA ENERGY LIMITED

(formerly known as ESSAR OIL LIMITED)

Registered Office: Khambhalia, Post Box No. 24, Dist.: Devbhumi Dwarka - 361 305, Gujarat, India

Corporate Identity Number: U11100GJ1989PLC032116

Phone: +91 2833 661444, **Fax:** +91 2833 662929

Email: investors@nayaraenergy.com; **Website:** www.nayaraenergy.com



POSTAL BALLOT FORM

(To be returned to the Scrutinizer appointed by the Company)

Sr. No.	Particulars	Details
1.	Name of the First Named Member (In block letters)	
2.	Name of joint members, if any (in block letters)	
3.	Postal Address	
4.	Registered folio No./ DP ID No. & Client ID No.	
5.	Number of Shares held	

I/ We hereby exercise my/ our vote in respect of the following Ordinary Resolutions to be passed through Postal Ballot for the business stated in the Postal Ballot Notice dated January 22, 2019 ("**Notice**") of Nayara Energy Limited ("**the Company**") by conveying/ recording my/ our assent or dissent to the said Ordinary Resolutions by placing the tick (✓) mark in the appropriate box below:

Resolution No.	Description	No. of shares	I/we assent to the resolution (FOR)	I/we dissent to the resolution (AGAINST)
1.	Appointment of Mr. Alexander Bogdashin as Director of the Company			
2.	Appointment of Mr. Alexey Karavaykin as Director of the Company			
3.	To confirm, ratify and approve transactions under Master Crude Supply and Products Offtake Agreement with Trafigura Pte. Limited			
4.	To confirm, ratify and approve transactions under Master Crude Supply and Products Offtake Agreement with Rosneft Trading SA, Switzerland			

Place:

Date:

(Signature of the Member/Authorised representative)

Email:

Contact No.:

Note:

1. For e-voting, please refer the instructions for remote e-voting in the Postal Ballot Notice.
2. If the voting rights are exercised electronically, there is no need to use this Postal Ballot Form.
3. If a Member votes through the e-voting facility and also sends his vote through the Postal Ballot Form, then voting done through the e-voting shall prevail and voting done by the Postal Ballot Form will be treated as invalid by the Scrutinizer.
4. Last date for receipt of Postal Ballot Form by the Scrutinizer is Friday, March 1, 2019 by 5:00 p.m. (IST)

Please read the instructions overleaf before completing the form.

INSTRUCTIONS

1. A Member entitled to vote and desirous of exercising his/ her/its vote by postal ballot may complete this postal ballot form and send it to the Scrutinizer appointed by the Board of Directors of the Company, in the postage pre-paid self-addressed envelope sent along with this Form. Envelopes containing the Postal Ballot Form, if deposited in person or sent by courier or any other mode at the expense of such Member, will also be accepted. However, it is clarified that Members desiring to exercise their vote from outside India will have to arrange for postage from the country where the postal ballot form is being dispatched to the Scrutinizer.
2. A Member may convey his/ her/ its assent/ dissent in the postal ballot form. The consent of the Member must be accorded by recording the assent in the column 'FOR' and dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate column. Assent or dissent received in any other manner will not be considered valid.
3. The postage perpaid envelope bears the address of the Scrutinizer appointed by the Board of Directors of the Company.
4. The postal ballot form must be completed and signed by the Member as per the specimen signature registered with the Company / Depository Participant. In case of joint-holding, the postal ballot form must be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his absence, by the next named Member.
5. The vote(s) of a Member will be considered invalid, inter alia, on any of the following grounds:
 - if the Member's signature does not tally;
 - if the Member has marked his/ her/ its vote both 'FOR' and also 'AGAINST' the 'Resolution(s)' in such a manner that the aggregate Shares voted 'FOR' and 'AGAINST' exceeds total number of Shares held under Serial No. 5 of the Postal Ballot Form;
 - if the Postal Ballot Form is unsigned, incomplete or incorrectly filled;
 - if the Postal Ballot Form is received torn or defaced or mutilated such that it is difficult for the Scrutinizer to identify either, the Member, or the number of votes, or as to whether the votes are 'FOR' or 'AGAINST', or if the signature could not be verified or one or more of the above grounds;
 - if the Postal Ballot Form signed by authorised representative of Member is not accompanied by a certified true copy of the document granting authority.
6. The Scrutinizer's decision on the validity of the Postal Ballot Form shall be final.
7. Duly completed Postal Ballot Forms should reach the Scrutinizer not later than the close of working hours (5:00 p.m.) on Friday, March 1, 2019. All Postal Ballot Forms received after this date and time will be strictly treated as if the reply from such Member has not been received.
8. The voting rights shall be reckoned in proportion to the paid-up value of the equity shares registered in the name of the Members as on January 25, 2019.
9. Where the postal ballot form has been signed by an authorized representative of a body corporate, a certified true copy of the resolution of its board of directors / governing body authorizing such representative to vote on the resolution on behalf of the body corporate, should accompany the Postal Ballot Form. If the Postal Ballot Form is signed by a 'Power of Attorney' holder for and on behalf of the Member, it must be accompanied by an attested true copy of such 'Power of Attorney'.
10. Members are requested not to send any extraneous/additional papers along with the postal ballot form in the enclosed postage pre-paid envelope.
11. There will be one postal ballot form for every 'Registered Folio'/'Client ID', irrespective of the number of joint holders.
12. A Member need not cast all his/ her votes in the same manner.
13. A Member may request a duplicate postal ballot form, if so required. However, the duly filled in duplicate postal ballot form should reach the Scrutinizer, not later than the date specified at item 7 above.
14. Members are requested to fill the postal ballot form with indelible ink and not by any erasable writing mode.