



**NAYARA**  
ENERGY



## New Era of Infinite Possibilities

Nayara Energy Limited  
Annual Report 2024-25

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To know more visit our website  
<https://www.nayaraenergy.com/>

The report is available at  
<https://www.nayaraenergy.com/investors/financial-performance>





**At a time when the world stands at the crossroads of policy shifts, India has emerged as an economic powerhouse. In recent years, the nation has made significant progress in strengthening its energy sector to support economic growth and sustainability goals. As one of the fastest-growing major economies, India now plays a pivotal role in the global energy transition.**

In this journey of national progress, Nayara Energy embodies the spirit of New India — aspirational, unstoppable potential and forward-thinking. We are unlocking opportunities to shape a better tomorrow with a strong focus on resilience and strategic foresight. We continue to strengthen our core capabilities, adapt to and meet the changing requirements of a dynamic operating landscape. We operate one of India's largest single-site refinery and private fuel station network, offering quality products to our customers across the country. By synergising enhanced efficiency with limitless workforce potential, we are unlocking a new era of infinite

possibilities. Guided by visionary leadership, we are challenging the status quo and emerging stronger with better processes, ideas and performance— striving each day to be better us.

We are ushering in a new era for the energy sector, driven by excellence, purpose and a deep sense of responsibility. As we provide the energy that fuels the dreams of our valued stakeholders, we remain steadfast in our commitment to giving back to society. We are dedicated to uplifting lives and contributing to building a better tomorrow for all.

## Key Performance Highlights



### Refinery

**20.49 MMT**  
Crude oil processed

**102.3%**  
Capacity utilisation achieved

**96.1%**  
Ultra heavy and heavy  
crude oils processed



### Trading

**129**  
Distinct crude grades

**146.4 MM BL**  
Crude procured



### Marketing

**338**  
New Fuel retail outlets added

**8.3 Mn KL**  
Highest-ever sales achieved  
through retail outlets





## CSR

**52,000**

Health Consultations conducted under the Comprehensive Health Initiative across 20 villages

**2.5 MCM**

Water storage added through water harvesting under Project Gram Samruddhi, raising total water storage capacity to over 20 MCM

**81.2%**

Reduction achieved in severely underweight children under Project Tushti



## In India For India

**~8%**

of the country's total refining capacity

**~7%**

of India's retail petrol pump network

Estimated

**8%**

of polypropylene capacity

**55000+**

direct and indirect employees across the country



## Workplace Safety

**25.12**

safe man-hours  
LTI Free MMH's

**0.058**

Total Recordable Injury  
Rate as on March 31, 2025

## About Nayara Energy

# Fueling India, Securing Tomorrow

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

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

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



### Mission

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



### Purpose

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







## Our Values

**E**

### Energetic

Constantly looking at better ways to shape tomorrow

**X**

### Xtraordinary

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

**C**

### Courageous

Succeed in the ever-changing market landscape

**E**

### Ethical

Honour commitments with integrity, consistency and transparency

**L**

### Lead

Taking ownership of our actions and lead by example



# Corporate Information

## Board of Directors

### Mr. Prasad K. Panicker

Executive Chairman

### Mr. Abhimanyu Bhandari

Non-Executive Director

### Mr. Alexander Sokolov

Non-Executive Director

### Mr. Alexander Zubchenko

Non-Executive Director

### Mr. Andrey Bogatenkov

Non-Executive Director

### Mr. Deepak Kapoor

Independent Director

### Ms. Naina Lal Kidwai

Independent Director

### Mr. P. N. Vijay

Non-Executive Director

### Mr. Timur Khaydapov

Non-Executive Director

### Mr. Vladislav Bromberg

Non-Executive Director

### Ms. Yulia Zhdanova

Non-Executive Director

## 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](mailto:investors@nayaraenergy.com)

Website: [www.nayaraenergy.com](http://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 MUFG Intime India Private Limited,  
(formerly Link Intime India Private Limited)

Unit: Nayara Energy Limited, C-101,  
247 Park, L.B.S. Marg, Vikhroli (West),

Mumbai - 400083,

T : +91-22-49186000,

F : +91-22-49186060,

Email: [rnt.helpdesk@in.mpms.mufg.com](mailto:rnt.helpdesk@in.mpms.mufg.com)

## Corporate Office

5th Floor, Godrej BKC,

Plot No. C-68, G-Block,

Bandra Kurla Complex,

Bandra East,

Mumbai - 400051,

Maharashtra, India

T : +91-22-66121800

F : +91-22-26530264

## Bankers

Axis Bank

Canara Bank

Central Bank of India

Emirates NBD

Exim Bank

Federal Bank

HDFC Bank

ICICI Bank

IDFC First Bank

IndusInd Bank

Industrial and Commercial

Bank of China

Mashreq Bank

Punjab National Bank

State Bank of India

UCO Bank


Union Bank of India

Yes Bank









## Awards & Recognition





CII Awards 2025-  
Significant Achievement  
in HR Excellence





AIMA 11th Business  
Responsibility Summit  
2024 - (Project EXCEL)





Economic Times Energy  
Leadership Award  
2024-(Project Gram  
Samruddhi)





National Award for  
Excellence & Leadership  
2024-(Project EXCEL)





CSR Health Impact  
Award 2024-  
(Project Tushti)





Global CSR & ESG  
Awards 2024-  
(Project Tushti)





UBS Forums Award -  
(Innovations in CSR  
Practices)





Social Impact Awards  
2024-(Project EXCEL)





Most Reliable Refinery  
Award 2024




TB Elimination Program  
(Nutrition support to  
TB patients)




Felicitated by HelpAge  
India on "International  
Day of Older Persons"



CII Water Awards -  
Beyond the Fence  
2024 - (Project Gram  
Samruddhi)



WOW Awards 2025-  
(Exceptional Workplace  
HR)



## Message from Executive Chairman



**Prasad K. Panicker**  
Executive Chairman



**We have always believed in delivering reliable energy today while investing in economical low-carbon infrastructure for tomorrow. We are prepared to navigate this shift with agility and long-term vision. We understand that our future competitiveness depends not solely on scale but on our ability to adapt, innovate and lead responsibly.**

### **Dear Valued Stakeholders,**

It is a privilege to present the Annual Report of Nayara Energy for the financial year 2024-25. This year has been pivotal not only for our organisation but also for the energy sector in India and globally.

As the world continues to grapple with the twin imperatives of energy security and climate action, the role of responsible energy companies has become more crucial than ever.

While change can often seem overwhelming, we believe in its transformative power. For us, change symbolises innovation, progress and limitless possibilities. We are committed to ushering in a new era in the energy sector, delivering value for our shareholders and society at large. Our performance this year stands as a testament to this vision, reflecting our contribution to the nation's growth story, global sustainability goals and the long-term wellbeing of the communities we serve.

### **Looking at the Bigger Picture**

India is the world's fastest-growing major economy, recording a GDP growth of 6.5% in FY 2024-25. It has also become the fourth largest global economy, driven by domestic reforms and its global positioning under the vision of Aatmanirbhar Bharat. With rising domestic consumption, robust infrastructure investments and rapid digital innovation, India is on track to become the world's third-largest economy by 2027.

The nation's burgeoning middle class, projected to reach 700 million by 2030, is driving shifts in demand across various sectors, especially in energy. The International Energy Agency (IEA) estimates that India will account for 25% of global energy demand growth over the next two decades. Despite our per capita energy consumption still being below the global average, it is expected to rise sharply. This presents favourable opportunities for Indian energy companies to scale up sustainably.

In response to these evolving dynamics, we are focusing on investing in the development of key assets, capabilities and infrastructure to position ourselves as catalysts for national progress. We are strategically growing from strength to strength to align with the country's priorities, spanning energy access, infrastructure growth, job creation and industrial development.

### **Thriving Amidst Challenges**

The global energy landscape is characterised by volatile oil markets, technological disruptions and an accelerating yet inconsistent climate agenda. Navigating these challenges Nayara Energy continued to process a wide variety of crude grades with the help of the complex refinery configuration.





At Nayara Energy, we have always believed in delivering reliable energy today while investing in economical low-carbon infrastructure for tomorrow. We are prepared to navigate this shift with agility and long-term vision. We understand that our future competitiveness depends not solely on scale but on our ability to adapt, innovate and lead responsibly. To that end, we are continuously evaluating opportunities across the energy spectrum, including biofuels, alternative feedstocks and digitised logistics.

### Growing in Tandem with the Nation

Nayara Energy is built to meet the evolving needs of new India. Our refinery in Vadinar, one of the most complex in the world with a Nelson Complexity Index of 11.8, operates with efficiency and upholds reliability. With an annual throughput of over 20 million metric tonnes, we fulfil a significant portion of India's domestic fuel requirements.

We are also expanding our downstream and retail presence, with over 6,600 fuel stations across the country, including a robust presence in high-growth regions in Tier II and III cities. These stations serve as critical touchpoints for mobility, commerce and livelihoods. Our goal is to further expand this network, with a strong focus on automation, digital payment convenience and better customer experience.

### Making an Impact

As we reach new heights, we ensure our commitment towards the planet and the society remains uncompromised. Through energy-efficient upgrades and process innovations, we have successfully optimized our carbon footprint. We have also undertaken robust initiatives to boost biodiversity and promote water conservation.

Our environmental goals are complemented by deep-rooted social impact efforts. This year, our CSR programmes-- spanning health, education, skilling and rural infrastructure-- impacted over 150,000 beneficiaries. It gives us immense joy to share that our initiatives in health and nutrition, livelihood training and education were not only limited to our core areas of Gujarat, Maharashtra and

Rajasthan but also expanded to other geographies as well.

With a forward-looking approach, we continue to strengthen our systems and controls, prioritising Board diversity, audit transparency and ethical compliance. As global investors increasingly evaluate companies not just by their financial performance but by their purpose, we strive to establish ourselves as a benchmark in ethical and transparent governance.

### Nurturing the Catalysts for a Better Tomorrow

Our people are the true enablers of change. In a year defined by global skills disruption and AI-driven transformation, we made substantial investments in talent development, leadership building and technical training. Over 10,249 man-hours of learning were delivered across functions this year.

We are shaping the next generation of energy leaders through strategic partnerships with academic institutions and upskilling programmes in areas such as data science, digital transformation and ESG compliance. The future belongs to those who can synergise domain expertise with digital agility, and we are equipping our workforce to lead with confidence and foresight.

### External Challenges

While we have made significant progress in our strategic priorities, the year also brought unprecedented external challenges -- most notably, the designation of Nayara Energy under the European Union's amended Regulation (EU) No. 833/2014, announced on 18 July 2025.

The unjustified sanctions, imposed in the backdrop of evolving global geopolitical dynamics, have impacted our ability to engage with certain counterparties, access specific financial and service channels in the EU, and conduct transactions with European suppliers and service providers. These measures, while targeted, have implications on operational flexibility, financing structures, and certain international partnerships. While the sanctions have necessitated adjustments in certain trade flows and financing arrangements, our core refining operations, domestic market servicing, and key growth projects remain on track.

From the moment the sanctions were announced, the Board and management acted decisively to safeguard business continuity. We immediately constituted a Sanctions Risk Mitigation Task Force to coordinate across all functions, assess operational exposures, and implement compliance protocols that fully adhere to applicable laws and regulations in all jurisdictions in which we operate.

We wish to reiterate that Nayara Energy conducts its business with the highest standards of integrity, governance, and transparency. We remain compliant with Indian laws and the regulations of all non-sanctioning jurisdictions, and we continue to meet our contractual obligations to

### In India, For India

As we look to the future, we are committed to securing India's energy future through strategic investments in enhancing scale, reliability and self-sufficiency. We strive to champion sustainability, actively developing plans to mitigate climate impact. At the same time, we remain focused on upholding robust governance and fostering inclusive growth to create long-term stakeholder value.

We recognise that the road ahead will come with challenges, but we stand at the cusp of a new era with infinite possibilities. We dare to reimagine, reinvest and reform, strategically expanding our core competencies to emerge even stronger.

In closing, I would like to express my deepest gratitude to all our stakeholders--shareholders, employees, customers, suppliers, partners and communities--for your continued trust and support. Your belief in our vision empowers us to step forward boldly and responsibly.

**Together, let us continue to power India's tomorrow and fuel the dreams of 1.4 billion individuals.**

Warm regards,

**Prasad K. Panicker**  
Executive Chairman

## Message from CEO



**Sergey Denisov**  
Chief Executive Officer



Our top priority remains ensuring reliable, consistent supply, recognising our role as India's energy partner. Through strategic sourcing, robust planning, and operational agility, Nayara Energy maintains product availability and strengthens the nation's energy infrastructure, instilling confidence in all who rely on us.







## Dear Valued Stakeholders,

The fiscal year 2024-25 was a significant year for Nayara Energy, defined by operational excellence, strategic innovation and driving sustainable growth. Energy security remains a vital pillar of India's economic development and sustainability objectives, and we play a crucial role in fulfilling the nation's evolving energy requirements. We ensure a consistent and affordable energy supply, powering the aspirations of modern India. With a clear vision to deliver value across the hydrocarbon value chain, we have further strengthened our position as a new-age downstream energy and petrochemicals company.

In the recent years, Nayara Energy has encountered a multitude of challenges across its operational landscape, including geopolitical uncertainties, supply chain disruptions, and pandemic upheaval that led to low margins during the same period in the energy sector.

Despite these formidable headwinds, Nayara Energy has consistently demonstrated robust risk management, strategic agility, and the capability to mitigate external shocks.

The dedication of our management and teams has enabled the Company to uphold its promise to its stakeholders including shareholders, franchise partners and customers by ensuring uninterrupted fuel supplies and always maintaining operational excellence.

Our top priority remains ensuring reliable, consistent supply, recognising our role as India's energy partner. Through strategic sourcing, robust planning, and operational agility, Nayara Energy maintains product availability and strengthens the nation's energy infrastructure, instilling confidence in all who rely on us. This steadfast commitment to reliability and service excellence underpins our

vision to power the aspirations of a modern, ambitious India.

Our performance throughout the year stands as a testament to our resilience and our dedication to driving India's progress as a trusted and responsible energy provider.

### A Tale of Two Trajectories, the Global Environment and India's Ascent

The fiscal year was defined by a landscape of contrasts. The global economy, as noted by the IMF, charted a course of stable but slower growth at 3.3%, shadowed by persistent geopolitical tensions and escalating trade disputes that moderated future outlooks. In the energy sector, this translated into significant volatility. Brent crude prices fluctuated between USD 69 and USD 92 per barrel, refinery margins globally remained subdued due to new capacity additions, and the shipping logistics were frequently disrupted by geopolitical flashpoints in critical sea lanes.

Against this challenging global backdrop, India stood out as a beacon of resilience and growth. With an estimated GDP growth of 6.5%, the nation continued its trajectory as one of the world's fastest-growing major economies. This dynamism is directly mirrored in its energy appetite. According to the International Energy Agency (IEA), India is set to become the single largest source of global oil demand growth between now and 2030, adding a staggering 1.2 million barrels per day to its consumption. This burgeoning demand, driven by a rising population, urbanisation, and

industrial expansion, underscores the critical importance of energy security. It is within this vibrant, high-growth environment that Nayara Energy plays a pivotal role, ensuring a reliable and secure supply of energy that powers the aspirations of a modern, ambitious India. Our unwavering vigilance, strategic crude swap initiatives, and robust relationship management, ensured a seamless and uninterrupted supply of crude oil. These concerted efforts empowered us to achieve a historic milestone—our highest-ever volumetric crude throughput in FY 2024-25, both crude units operated at a record combined throughput of 146.4 million barrels, a testament to our operational excellence and commitment to performance.

Our strategy is calibrated to this reality. While navigating global headwinds, our focus remains firmly on harnessing the immense opportunities within the domestic market, ensuring our growth is intrinsically linked with the nation's progress.

### Refining the Next

At the heart of our operations lies the Vadinar refinery, a national asset and India's second-largest single-site refinery with a capacity of 20 million metric tonnes per annum (MMTPA). In FY 2024-25, we achieved a record throughput of 20.49 MMT of crude oil, operating at an exceptional capacity utilisation rate of 102.3%. This milestone was underpinned by our ability to process 96.1% ultra-heavy and heavy crude oils, maximising the yield of high-margin light and middle distillates at 87%. By reducing the production of low-value products

such as Naphtha and Petcoke, we optimised our Gross Refinery Margins (GRM), delivering robust financial performance.

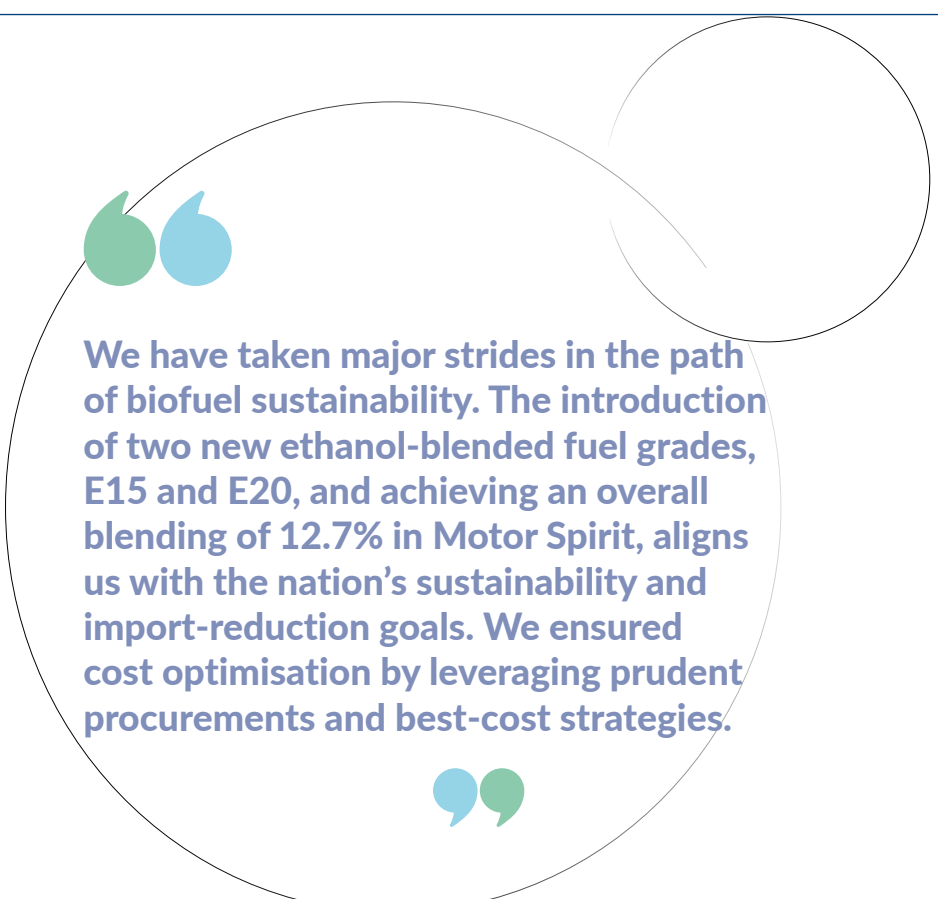
Our operational efficiency was further demonstrated by a remarkable 99.63% availability of major process units, which reflects our operational discipline, reliability and remarkable efforts.

### Growing with the Nation

Our commitment to India's energy security extends to the last mile. With one of the country's largest private retail networks, we are more than just a fuel provider, we are a partner in mobility for millions. This year, we celebrated our highest-ever retail sales volume of 8.3 million kilolitres, a growth of nearly 10% over the previous year. This was driven by a constant high-grading of our network, leading to our best-ever throughput per outlet.

We have steadily grown in India and as new age India prospers, we believe that bolstering our fuel retail network in upcoming towns is integral to the growth of this thriving economy. Our uniquely designed dealer program believes in creating more avenues for entrepreneurship and will enable in growing our network, by enabling mobility and enhancing connectivity within the underserved markets. We expanded our reach by adding 338 new retail outlets, bringing our total network strength to 6,683.

Our growth is powered by innovation. The achievement of 100% network automation has been a game-changer, enabling stronger compliance and transparent, direct-to-customer digital reward programs. We created delightful experiences at our retail outlets and are at the forefront of innovation in customer-driven initiatives in the energy sector. To enhance the customer experience, we launched innovative programs and offerings via digital platforms, ensuring



**We have taken major strides in the path of biofuel sustainability. The introduction of two new ethanol-blended fuel grades, E15 and E20, and achieving an overall blending of 12.7% in Motor Spirit, aligns us with the nation's sustainability and import-reduction goals. We ensured cost optimisation by leveraging prudent procurements and best-cost strategies.**

a seamless, secure, and cashless experience that aligns with the country's growing trend of cashless transactions and digital transformation journey. Furthermore, we are future-proofing our network by embracing non-fuel retail, advanced mobility solutions, and strategic partnerships with industry leaders to offer a wider range of products and services.

Our Institutional Business segment has been equally robust, maintaining its overall market share of 9.4% in 'On Purpose' products and registering a 9% growth in bulk HSD sales, outperforming the industry. Critically, we achieved the highest-ever retail integration, with 80% of our retail sales sourced from our own molecules, significantly enhancing our margins and strengthening our supply chain resilience.

### Measuring Performance and Progress

Our prudent financial management has enabled us to deliver robust financial performance in FY 2024-25. For the financial year ended March 31, 2025, despite facing challenging circumstances, we delivered a strong financial performance. Through a

combination of optimized refinery production, enhanced refining process efficiency, and strategic product mix optimisation, along with robust risk management, Nayara achieved a revenue of ₹ 1,494,735 million. Our EBITDA for the year stood at an impressive ₹ 122,436 million, and we reported a profit after tax of ₹ 60,613 million. Our improved profitability significantly boosted our financial health, as evidenced by an increase in Reserves & Surplus by ₹ 65,092 million during the year. Despite dynamic market conditions, these results position us to drive continued growth for our stakeholders.

### Leading with Innovation

We lead by example, proactively embracing responsibility and harnessing innovation to stay ahead of the curve. In FY 2024-25, we secured two Indian patents, upholding our belief that innovation is a powerful catalyst for change.

The first patent improves the Saybolt colour of Mineral Turpentine Oil (MTO) and Aviation Turbine Fuel (ATF), enhancing product quality and market competitiveness. The second patent introduces a novel test method for





measuring asphaltenes in crude oil and petroleum products, reinforcing our position at the forefront of research and development.

Our foray into petrochemicals marked a significant milestone with the commissioning of a 450 KTPA Polypropylene (PP) plant in Vadinar in July 2024. In its first nine months of operation, the plant produced 0.21 MMT of high-quality polypropylene and successfully onboarded over 650 customers, receiving encouraging market feedback. This forward integration provides a natural hedge against the volatility of the refining industry and positions us to capture growth in a sector projected to see demand cross 8.2 MMT in FY 25-26.

We have taken major strides in the path of biofuel sustainability. The introduction of two new ethanol-blended fuel grades, E15 and E20, and achieving an overall blending of 12.7% in Motor Spirit, aligns us with the nation's sustainability and import-reduction goals. We ensured cost optimisation by leveraging prudent procurements and best-cost strategies.

### Serving our Communities

Our vision for growth is inextricably linked with our commitment to shared prosperity. At Nayara Energy, corporate social responsibility is a core tenet of our identity, mirroring the evolution of India's own CSR landscape, which has decisively shifted from passive philanthropy to strategic, outcome-driven nation-building.

Our initiatives are designed not merely to allocate funds but to act as powerful catalysts for sustainable change, aligning directly with national priorities and leveraging technology for maximum impact.

For instance, our health and nutrition programs are a direct contribution to the National Health Mission. Project Tushti has achieved a remarkable, data-verified reduction of over 80% in child malnutrition in our intervention areas, powered by innovations like an Advanced Nutrition Call Centre. Similarly, Project EXCEL embodies the spirit of Skill India and women's empowerment, having equipped nearly 1,500 youth annually with vital vocational skills and nurtured over 200 women entrepreneurs, fostering economic independence. Our commitment extends to fortifying India's environmental resilience. Project Gram Samruddhi has created over 20 MCM of water storage capacity, transforming agricultural prospects for rural communities, while our mangrove plantation across 200 hectares directly supports the government's MISHTI (Mangrove Initiative for Shoreline Habitats & Tangible Incomes) project.

These efforts, recognised with 13 prestigious national awards this year, are a testament to our deeply held belief that true business success is measured by the social capital we build and the lives we uplift. We are not just fuelling vehicles; we are empowering communities and building a more inclusive, sustainable, and prosperous India.

### Stronger, Better Nayara

Our people are our greatest asset, driving our Company onwards and upwards. While we power our growth, we ensure safety remains integral to our core operations. As a result of these concerted efforts, we achieved a Total Recordable Injury Rate (TRIR) of 0.058 as of March 31, 2025, a significant improvement from 0.171 in the previous reporting period.

We are building a high-performance culture where our employees can thrive. Our recognition with the prestigious CII HR Excellence award 2024 underscores this commitment. We invested in capability building, for leadership development, while fostering a diverse, equitable, and inclusive environment, ensuring Nayara Energy is not just a great place to work, but a great place to grow. Building on the positive momentum of FY 2024-25, we continue to stride ahead with excellence, innovation and a steadfast focus on customer-centricity. By embracing sustainability and facilitating digital transformation, we are shaping the future of refining, retail and petrochemicals businesses.

As we grow, we will ensure our promise to empowering communities remains uncompromised. With India steadily advancing towards emerging as an economic powerhouse, we continue to secure the nation's energy future.

I extend my heartfelt gratitude to our employees, customers, partners and stakeholders for their continued trust and support. Together, we will continue to deliver energy that powers progress and transforms lives.

Warm regards,

**Sergey Denisov**  
Chief Executive Officer







# Board's Report

Dear Shareholders,

The Directors take immense pleasure in presenting the 35<sup>th</sup> Annual Report along with the Company's audited Financial Statements for the financial year ended March 31, 2025.

## Financial Performance and State of the Company's affairs

### Highlights of financial performance on standalone basis

Particulars	(₹ in million)	
	FY 24-25	FY 23-24
Revenue from Operations	1,494,735	1,546,293
Total Income	1,505,806	1,555,609
Earnings before finance cost, depreciation / amortisation and tax (EBIDTA)	122,436	202,478
Profit before Tax	84,315	161,142
Tax expenses	23,702	40,290
Profit for the period	60,613	120,852

## Industry Overview



### Global market

The global economy maintained a stable growth trajectory during 2024 (CY 2024), though at a marginally slower pace, amid evolving macroeconomic challenges and persistent geopolitical tensions. According to the International Monetary Fund (IMF), global GDP growth reached 3.3% in CY 2024, remaining steady over the previous year. However, the ongoing tariff wars have led to the downgrade of future projections of global growth. Growth patterns remained uneven across economies, driven by varying policy responses, inflation trajectories, and external trade environments.

The United States economy grew by 2.8% in CY 2024 as per IMF, supported by robust consumer spending and moderate fiscal support, although higher-for-longer interest rates

moderated private investment. In contrast, the Eurozone expanded by just 0.9%, restrained by tight financial conditions, industrial sluggishness and weakening demand. China's growth slowed to 5.0% in CY 2024 from the 5.2% witnessed in CY 2023, owing to sluggish property markets and muted consumption. Meanwhile, India continued to be one of the fastest growing major economies, with a GDP growth rate of 6.5% in FY 24-25 as per IMF estimates, driven by resilient domestic consumption and investment momentum.

Global inflation decelerated to 5.8% in CY 2024, compared to 6.7% in CY 2023, with advanced economies approaching their inflation targets faster than emerging markets. A combination of tight monetary policies, easing commodity prices, and softer labour markets contributed to this trend. The United States Federal

Reserve System ('Fed') undertook three rate cuts totaling 100 basis points between September and December 2024, bringing the rate down to 4.25%-4.50% and paused further cuts as of March 2025. Credit markets remained resilient, with high-yield bonds outperforming and municipal issuance hitting records. The U.S. dollar was supported by trade tensions and safe haven demand, while emerging market currencies weakened.

Crude oil prices experienced heightened volatility throughout FY 24-25. Brent crude ranged between USD 69-92/bbl, averaging USD 78.26/bbl, influenced by multiple factors including OPEC+ output management, non-OPEC supply gains, weaker than expected Chinese demand and intensifying geopolitical flashpoints. Prices surged briefly in April 2024 due to supply disruptions and escalations in regional tensions





but were later moderated by weak global industrial demand and macroeconomic headwinds.

During the year, OPEC+ extended its output cuts of 2.2 million bpd through March 2025, delaying production hikes until April and full unwinding to December 2026 based on its assessment of the market. Global inventories stayed tight—OECD stocks were below the 5-year average, while non-OECD inventories, particularly China's, fell sharply in early 2025. The U.S. led the supply growth with 13.2 million bpd while Canada's output reached 6.0 million bpd, aided by Trans Mountain's expansion. Overall, the market remained finely balanced amid OPEC+ actions, strong non-OPEC+ supply growth and ongoing geopolitical risks.

Refinery margins remained subdued for most of the year, falling short of

both the previous year's level due to new refinery additions and weaker demand, despite refinery closures, like LyondellBasell's Houston plant and Phillips 66's Los Angeles unit in the US. Jet fuel demand, however, remained strong on the back of recovering international aviation and outpaced the demand growth in gasoil and gasoline market. Refiners increasingly focused on cost-cutting and petrochemical integration, especially in Asia, where China's teapot refiners struggled with just 46% utilization amid sanctions and tariffs.

The global trade landscape was increasingly dominated by tariff and sanctions disputes, particularly involving the U.S. on one side and major economies like China, EU, India, Japan etc. on the other side. Recent waves of aggressive tariff actions and swift retaliations have fueled market volatility and deepened economic

uncertainty. While temporary exemptions have been offered to some countries, the underlying tensions remain unresolved. Economists caution that the growing protectionist environment could weigh heavily on global growth and financial stability, as trust between key trading partners continues to erode.

Looking ahead, global economic growth is forecasted at 2.8% in CY 2025 by IMF despite escalating trade tensions and high policy uncertainty, as growth is expected to be supported by easing inflation, interest rate cuts, and resilient services trade. However, downside risks persist, with escalating trade tensions, geopolitical conflicts, and a sluggish recovery in China. The global energy market continues to navigate short-term volatility while aligning with longer-term transition and sustainability goals.



## Domestic Market

Robust economic growth continued in FY 24-25 for India, as per the advance estimates GDP growth in FY 24-25 is estimated at 6.5%. Gross GST collection registered a growth of 9.4% in FY 24-25. The industrial sector is projected to have grown by 6.2% in FY 24-25. In FY 24-25, mining output rose by 6.6%, and electricity consumption by 13.7%. Gross Foreign Direct Investment (FDI) inflows recorded a revival in FY 24-25, increasing 17.9% YoY. 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 consumption of Petroleum products in FY 24-25 with a volume of 239 Million Metric Tons (MMT) registered growth of 2.1% against the historical of 234 MMT in previous year. Over the decade CAGR for Petroleum products consumption is at 3.7%.

High Speed Diesel (HSD) accounts for largest share of 38.2% in total oil consumption and decides trends of POL consumption. HSD consumption during the year FY 24-25 with a volume of 91.41 MMT grew by 2.0% on the volume of 89.63 MMT in the previous year. HSD is sold through two modes - Retail and Direct. Retail, which is mainstay of HSD sales, constitutes 88%. The remaining portion, sold through Direct Sales mode, is

distributed directly to large consumers such as Railways, State Road Transport sector, and factories.

The consumption of HSD has been pivotal for economic activities growing at a CAGR of 2.8% over the past decade. The agriculture sector has been growing, however the demand from this sector is slowing down in view of electrification and solarization of pumping and other static energy needs. Growth in industrial and mining activities in various parts of India have led to an increase in HSD consumption. As per Society of Indian Automobile Manufacturers (SIAM) sales of commercial vehicle is over 1 million, which is same as previous year.





Motor Spirit (MS/Petrol) consumption for FY 24-25 reached 40.01 MMT (0.98 mbpd), reflecting a 7.5% growth over the previous year's volume of 37.22 MMT (0.91 mbpd). This marks a record-high annual consumption, with a monthly average exceeding 3.3 MMT. Driven by rising vehicle ownership, petrol consumption has nearly doubled over the past decade, registering a CAGR of 7.5%.

The MS consumption has also magnified, with a CAGR of 9.9%. Sustained sales in both four-wheelers (4W) and two-wheelers (2W) continue to significantly boost MS sales. A notable shift from HSD to MS and CNG, along with a rising preference

for SUVs, is further expanding MS's share in the transportation fuel basket. The MS:HSD consumption ratio, which stood at 1:7 at the beginning of century has reached to 1:2.3 in FY 24-25.

India's ethanol blending program remains one of the nation's most successful bioenergy initiatives. Currently, over 18% ethanol is being blended per supply year and the country is on track to achieve a 20% blending target in 2025.

Liquefied Petroleum Gas (LPG) continues to be the preferred cooking fuel with a 13.1% share in the oil basket. LPG consumption grew by 5.6% to 31.32 MMT from

29.66 MMT, consistently recording a ten-year CAGR of 5.7% even as LPG requirement of India is largely met through imports.

In FY 24-25, Oil Marketing Companies (OMCs) further strengthened their network by adding one terminal, one LPG plant (with an additional capacity of 240 TMT/PA) and 6,442 retail outlets, all critical to ensuring fuel accessibility to end users.

In FY 24-25, polyolefin consumption in India grew by 2.6% to reach 15.7 MMT, with polypropylene demand registering a strong growth of 7.1% and PE demand declining by 1.7%. The demand from consumer durables, packaging, construction and the automotive industry supported the strong growth in PP demand, while PE demand declined due to a high base effect from the previous year.

Downstream integration into the petrochemical industry provides a natural hedge for the refining industry. Although margins in the petrochemical industry are currently affected by slowdown in demand and high-capacity additions in China, they are expected to improve from 2027 onwards as incremental demand absorbs the capacity projections.

With growing domestic demand, rising at 8% Y-o-Y, the polypropylene requirement in the country is expected to cross 8.2 MMT in FY 25-26 as compared to 7.6 MMT in FY 24-25. Robust economic growth, infrastructure spending, rapid urbanisation and e-commerce advancements are poised to further drive the demand.

Despite India's current dependence on imported petrochemical feedstock, the combination of a ready market, skilled workforce and comparatively low manufacturing costs makes it an attractive destination for polypropylene.

## Refinery



The Vadinar Refinery continued its journey towards operational excellence. In the FY 24-25, the refinery processed 20.49 MMT crude oil. Your refinery also maximized the processing of economically advantageous crude grades, achieving a capacity utilization of 102.3%. The overall operational availability for major process units was 99.63%.

During FY 24-25, your Refinery processed 96.1% ultraheavy and heavy crude oils and produced 87% of high-margin light and middle distillates, reducing the yield of low-value products like Naphtha and Petcoke thereby maximizing the Gross Refinery Margins.

Your Company has introduced three new products- Polypropylene (Petrochemical product) and two new grades of MS-Ethanol Blended Motor Spirit (E15 & E20).

During FY 24-25, highest ever production of MS and HSD at 4.1

MMT and 6.7 MMT respectively was achieved. Commencing from July 2024, the Polypropylene production for FY 24-25 was 0.21 MMT.

Your Company achieved record high Ethanol blending in domestic MS during FY 24-25, aligning with India's vision to reduce energy import dependency and enhance the sustainability of transportation fuels.

One of the major activities undertaken during FY 24-25 was the planned short shutdown of the Vacuum Gas Oil Mild Hydrocracking (VGOMHC) Unit for partial catalyst replacement to ensure meeting product specifications until the next Refinery Turnaround planned in FY 25-26. Opportunity shutdown of one block of the Delayed Coker Unit was also aligned with VGOMHC shutdown to carry out repairs in the Coke drums.

Advance Process Control (APC) was implemented in all Process Units. Measures were taken for

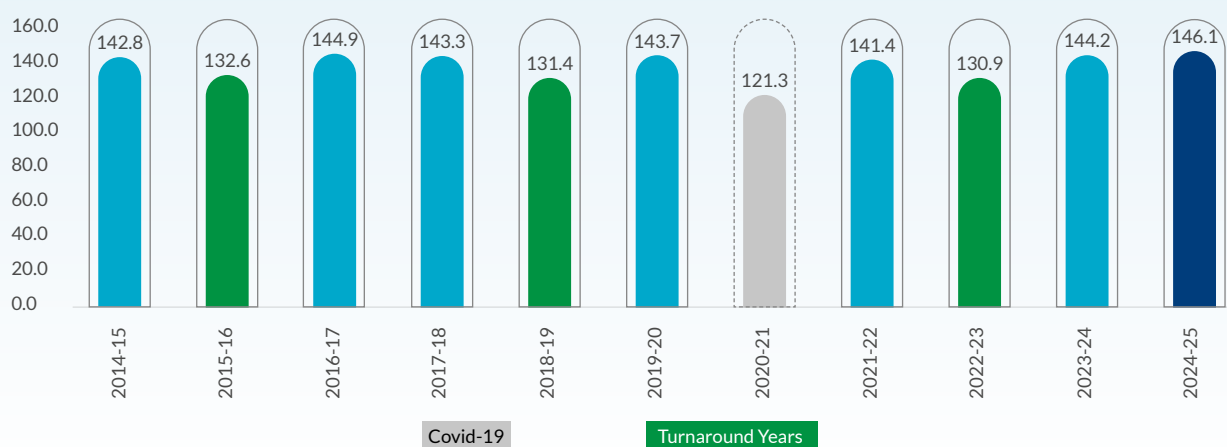
improving energy efficiency, enhancing reliability, and statutory maintenance of storage tanks to achieve overall operational excellence. To further enhance adoption of new age digital technologies on various aspects of Safety, Process Optimisation and Maintenance, your Refinery is working on a Digitalisation strategy to further enhance Automation and Process Optimisation. Energy Intensity is being minimised by maximising unit capacities and implementing energy reduction initiatives on a continuous basis.

As part of its focused Research and Development (R&D) activities, the Refinery received two Indian Patents during FY 24-25. One for developing technology to improve Saybolt colour of Mineral Turpentine Oil (MTO) / Aviation Turbine Fuel (ATF) and the other for developing a test method for Measurement of Asphaltenes in crude oil and petroleum products.

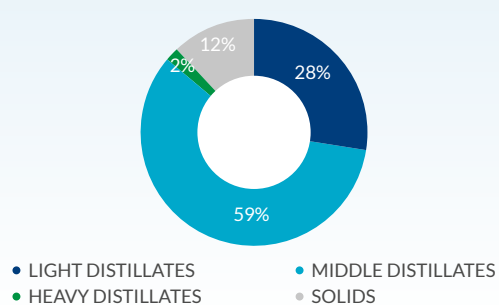




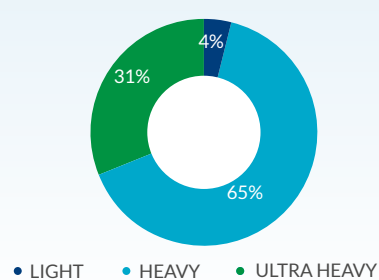
## CRUDE PROCESSED, MMT



## Product Slate %



## Crude Slate %





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







Various geopolitical events caused fluctuations in crude and product prices for much of FY 24-25. Nayara Energy navigated these challenges using its internal frameworks and strategies, developed through efficient back-casting processes.

As an effort to enhance refining margins, Nayara Energy diligently navigated the interconnected domains of economics, strategic planning, and international trade. The improvement from last year helped the Company to further its achievements in FY 24-25 within the highly volatile market. Moreover, despite softening of product demand and weaker cracks from Q1 FY 24-25 onwards, value addition was done by better negotiations of export product premiums, strategic placement of non-standard products and various optimizations around export product deals.

Amid global disruptions, particularly the rapidly evolving geo-political tensions in Red Sea and the Straits of Hormuz, playing havoc on shipping logistics, Nayara Energy ensured uninterrupted crude supply through constant vigilance, innovative crude swaps and effective relationship management. These efforts enabled the company to achieve its highest ever volumetric crude throughput, operating both crude units at a record combined throughput of 146.4 MMBBL for FY 24-25. Till date, Nayara Energy has diversified its crude basket to 129 distinct grades. The Company was able to save significant costs and lock gains through the robustly developed hedging strategies.

The new trade capture system with robust checks and balances has placed Nayara Energy in a better position to analyze the price exposures and take measures to enhance Refining margins.

Despite the challenging and dynamic external environment, the Company remains upbeat and optimistic about the future. We are confident that Nayara Energy's robust internal frameworks, coupled with well-planned and forward-looking strategies, will continue to support sustainable growth and long-term value creation. Nayara Energy's disciplined approach, adaptability, and commitment to excellence position us well to navigate uncertainties and seize emerging opportunities.



## Marketing



FY 24-25 has been a transformative year for Domestic Marketing at Nayara Energy. We have not only demonstrated solid growth trends across domestic and institutional segments but have also advanced our supply chain innovations and launched a strategic entry into the petrochemicals sector. As we build on these strengths, our commitment to operational excellence, customer satisfaction, and sustainable growth remains stronger than ever.

### Retail

Your company has taken major initiatives to drive volume to higher levels in FY 24-25. We have achieved highest-ever volume in sales through our retail outlets network with 8.3 million KL and registering ~10% growth over previous year. Our

strategy of constantly high grading our network has helped us achieve highest ever throughput per outlet (TPO) as well. Our stellar same store performance and high graded network has guided our aggregate Market Effectiveness (ME) to all time high in FY 24-25.

Achieving 100% automation of our network has been pivotal in FY 24-25 to ensure stronger control from compliance point of view and to leverage the same to take the benefits directly to the customers. Our flagship direct-to-customer schemes, "Maha Bachat Utsav" & "Sab Ki Jeet Guaranteed" were driven making full use of network automation. This ensured smooth transfer of benefits to customers both digitally and with utmost transparency. We have also

relaunched our major volume driver Fleet Program with best in industry rewards structure which is 100% digital and transparent backed with our retail automation.

In our endeavour to ensure consistent customer experience across our network, we have taken tracking our RO execution standards to next level by introduction of mystery customer audits and third-party compliance audits. RO execution tracker has shown consistent improvement across all the parameters i.e. Visual, Safety and Quality & Quantity (Q&Q).

We have also conducted Franchisee Satisfaction Survey for the first time with an objective to understand the current satisfaction levels of our franchisee partners, their views on





various critical areas of business and explore various avenues to improve. This survey results will be crucial for taking necessary steps to further enable our channel partners with better Franchisee Value Propositions (FVPs) to take their business to greater heights and also improve their overall satisfaction.

The rebranding project that started in the year 2020 has finally seen the curtains fall in FY 24-25 with ~5500 Nayara branded ROs over the years. Our pursuit of consistently high grading our network, a more focused approach is being taken in our network expansion by identifying the sites with high volume potential along with the right channel partner. Our new RO launch programs had created significant buzz in trading areas and

giving the right volume traction from day one. In FY 24-25, we have added 338 new ROs with total network of 6683 ROs in March 2025.

Our Company is actively pursuing a range of initiatives to future-proof its network, including non-fuel retail opportunities, advanced mobility solutions, and alternative energy options such as CNG, battery swapping and EV charging infrastructure. In FY 24-25, the Company signed a strategic alliance with Dorf-Ketal in advanced fuel additive technology and products are made available for customers across the retail network. For automotive lubricants, we have entered into strategic partnership with HP Lubricants and Gulf Oil for wide range of lubricant products and additives including Diesel Exhaust

Fluid (DEF)/ AdBlue for retail customers. These partnerships will enable our network to expand their product offerings and thus improving the profitability.

At Nayara Energy, we are committed to impact lives positively at grassroot level by providing employment & livelihood to 55,000+ RO Staff and communities around. As India's largest private fuel retailer, we are dedicated in delivering safe, reliable, and efficient mobility solutions nationwide. We will continue to be a trusted partner in nation's energy sector meeting evolving consumption need and driving sustainable growth with operations.



## Institutional Business

The Institutional Business segment remains committed to maximizing both volume and profitability from its 'On Purpose' product portfolio, which includes HSD, High Flash High Speed Diesel (HFHSD), Light HSD Oil (LDO), Mineral Turpentine Oil (MTO) and Polymer Modified Bitumen (PMB) alongside swing products like Bitumen and by-products such as Petcoke, Sulphur, and Fly ash. With a sharp focus on market optimization and strategic initiatives, we have sustained growth and profitability. The overall 'On Purpose' product portfolio market share was maintained at 9.4% in FY 24-25.

During FY 24-25, while bulk HSD consumption for the Industry grew

by around 8% over FY 23-24, Nayara Energy registered growth of 9% over last year. This was driven by expansion into new markets and geographies. Our strategic planning and execution helped unlock new growth opportunities and deeper market penetration. For the financial year, the LDO market share was retained at 11% and MTO rose to 13%. We also enhanced our Bitumen earnings by optimizing production economics and ensuring timely evacuation of by-products such as Petcoke and Sulphur, thereby maximizing value. The Institutional Business continues to focus on market share growth by seeding the market and delivering innovative solutions tailored to institutional customer needs.

Significant progress has been made on biofuel sustainability. Ethanol blending compliance across all terminals was achieved, with overall ethanol blending in MS has been 12.7% in FY 24-25. Value optimization in Ethanol blending has been secured by leveraging best-cost and best-source procurement strategies.

## Supply and Distribution and OMC sales

We continued to achieve high sales performance in Oil Marketing companies domestic market. We successfully attained 4.7 MMTPA in MS, HSD, and LPG sales volumes in domestic market to other oil companies.

To further bolster our supply chain, we formed synergistic





partnerships through the signing of Memoranda of Understanding (MOUs) for Purchase/Sale agreements, Hospitality, and Space/ sub-chartering with other oil marketing companies.

FY 24-25 saw the highest ever retail integration. 80% of retail sales sourced from our own molecules, underscoring our better margins.

Infrastructure enhancements were made by augmenting tankage capacities for MS/HSD and Ethanol storage, aligned with evolving business needs and expanding operational requirements. At Wardha, we commissioned and energized a dedicated 11KW Express Feeder line and enhanced safe entry and exit of Tank Trucks (TTs) from Wardha depot by

development of separate Railway Under Bridge (RUB) facilitated by close collaboration with Indian Railways for ingress/egress of TTs which was earlier through manned level crossing.

Several technological innovations were undertaken for Supply and Distribution this year. The bulk sales indenting process was automated, thereby streamlining operations and driving operational efficiency. Driver Management Cell – POC was initiated at two depot locations, ensuring a seamless management framework for logistics aimed for enhancing safety across routes, offering key insights for route optimization and performance enhancement in route safety hazards. For strengthening compliance and operational

transparency, driver/helper credential authentication through a Government API at the Vadinar location has been successfully implemented. We leveraged the Vehicle Tracking System (VTS) for meticulous monitoring of tank trucks, resulting in a significant reduction in road violations, demonstrating our commitment to safety. The installation of Driver state monitoring camera and Voice Box Systems in TT cabin has led to a remarkable reduction in distracted driving. This reinforces our proactive approach towards operational excellence and safety.

In line with our commitment to driver and helper welfare, the Group Personal Accident Policy which covers entire TT crew engaged in Road Transportation of Petroleum products, has been significantly enhanced to ₹ 1 million per person.

### Polypropylene

The commissioning of our 450 KT Polypropylene (PP) plant in Vadinar in July 2024 marks a significant milestone in our forward integration into the petrochemicals space.

The facility which initially on commissioning focused on the production of Raffia grade, the state-of-the-art plant now also manufactures high-demand grades including Injection Molding PP, Tubular Quench PP (TQPP) Film, and Biaxially Oriented Polypropylene (BOPP) Film, catering to diverse domains such as household products, furniture, packaging, films, automotive components, and appliances.

In FY 24-25 we sold 196 KT of Poly Propylene and entire sales was channelised through the domestic market. In initial 9 months of operation, we have successfully onboarded over 650 customers and we are receiving encouraging feedback from market.

## Asset Development



Nayara Energy's petrochemical and refining capacity addition is well supported by intensive growth of Petroleum and Petrochemical products.

The emerging margins upcycle and increasing capacity deficit in India set an ideal ground for initiating new petrochemical projects at the refinery.

Nayara Energy has successfully implemented Phase-1 of its strategy

aimed at maximizing propylene recovery from existing refinery assets of the Fluidized Catalytic Cracking (FCC) Unit and recovering this propylene in a Propylene Recovery Unit. This propylene is then converted into polypropylene in a new Polypropylene Unit with a capacity of 450,000 tonnes per annum.

With commissioning of the new polypropylene unit and our foray into Petrochemicals, we remained

committed to meeting India's energy needs and ensured alignment with principle of being 'In India, for India'.

The Company has been undertaking various initiatives for capacity optimisation and downstream integration activities. These include:





### VGO MHC Revamp Project:

This project aims to enhance operational flexibility, enabling the production of 100% diesel with 10 ppm sulphur, while extending catalyst run lengths up to 48 months. The Company remains fully committed and is actively preparing for integration and hook-up of the new units during the planned refinery turnaround in 2026.

### Coke Drum Replacement Project:

As part of our long-term strategy to enhance asset reliability and operational safety, the Coke Drum Replacement Project for the Delayed

Coker Unit (DCU) continued to advance significantly during FY 24-25. This project is scheduled for execution during the Turnaround (TAR) in FY 25-26 and involves replacement of all six coke drums in phased manner with an improved design and upgraded instrumentation.

### SBM-2 Project:

To enhance the operability and availability of the crude lines, a new Single Buoy Mooring (SBM-2) is being installed at approximately 1.2 km from the existing SBM-1. As part of the scope, a new 48" crude pipeline will be laid to interconnect SBM-1 and SBM-2.

This critical interconnection will be executed during the scheduled refinery turnaround in 2026 reinforcing the Company's commitment to operational reliability and strategic infrastructure development. The project is progressing steadily.

### Ethanol Project:

Ethanol Project is our greenfield ethanol production facility, fully aligned with the Government of India's Ethanol Blending Programme (EBP). In line with the Government's thrust to reduce reliance on import of crude oil through higher ethanol blending mandates, your Company has prioritized compliance, sustainability, and commercial viability. Cross functional task forces are working on various aspects of the project and finalizing engineering, procurement plans for proposed ethanol plant.

Supported by policy initiatives of the Government of India as well as state governments, we are well positioned to deliver a sustainable, profitable ethanol business that contributes meaningfully to India's energy security and environmental goals.

### Oil Depot Expansion Project:

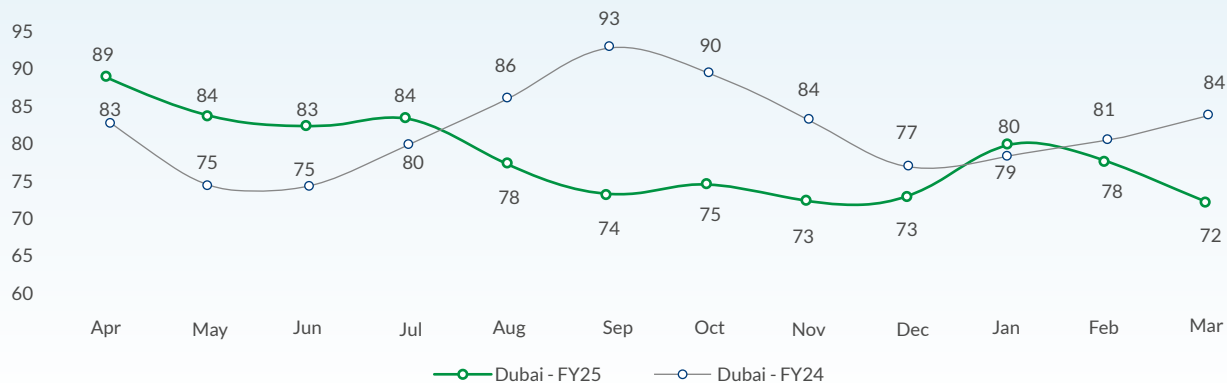
As part of the Company's commitment to enhancing customer reach and delivering consistent, economical fuel supply, Nayara Energy is strategically expanding its oil depot infrastructure across the country. With a focus on improving last-mile connectivity and service efficiency, potential locations have been identified and we are actively working on securing land and other approvals in key states.

Project execution strategies are currently being evaluated to minimize construction timelines, without compromising on safety and quality—our foremost priorities.

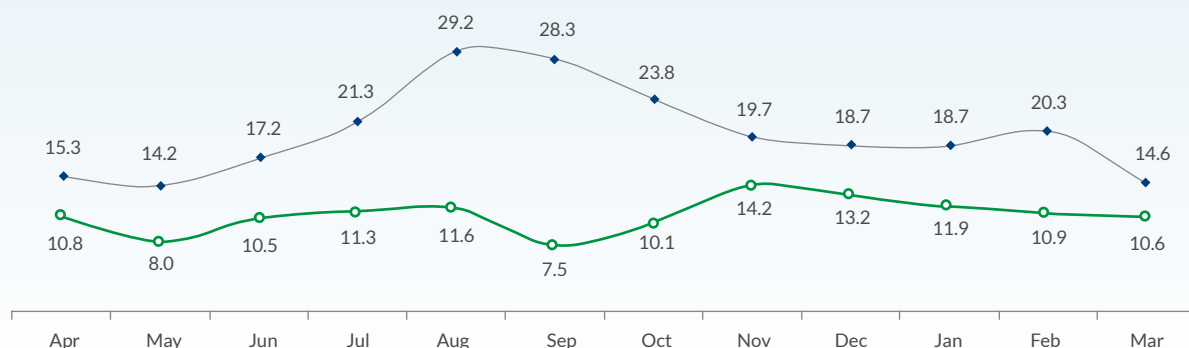
This initiative is a vital step in ensuring that Nayara Energy continues to meet growing energy demands with efficiency, consistency, and care for operational excellence. Through this expansion, we are reinforcing our commitment to serve every customer, everywhere, with the fuel they need—swiftly, reliably, and economically.

## Financial Performance

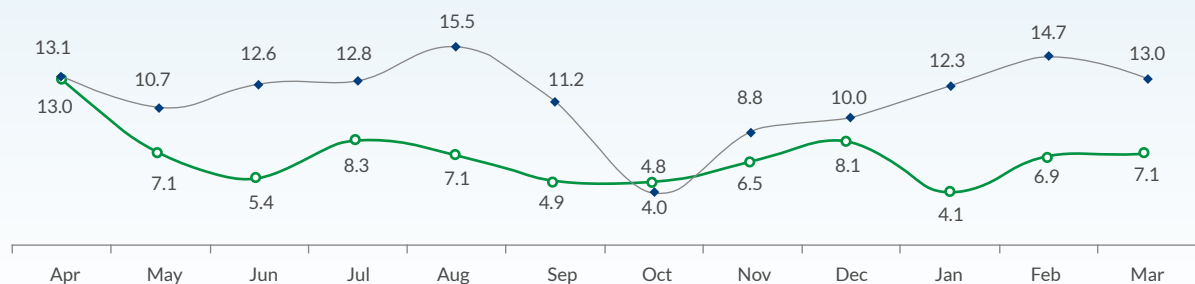
Movement in Dubai crude benchmark price \$/bbl FY25 vs FY24



Gasoil (HSD) Cracks (\$/bbl) - FY24      Gasoil (HSD) Cracks (\$/bbl) - FY25



Mogas 92 (MS) Cracks (\$/bbl) - FY24      Mogas 92 (MS) Cracks (\$/bbl) - FY25







The financial year was marked by falling crude prices and falling petroleum product crack spreads as presented in the graphs.

Despite adverse scenarios, through optimized refinery production, improvement in efficiency of refining process, product mix optimization and risk management strategies, the Company posted a revenue of ₹ 1,494,735 million, EBIDTA of ₹ 122,436 million and profits after tax of ₹ 60,613 million for the financial year ended March 31, 2025.

Reserves & Surplus increased by ₹ 65,092 million during financial year due to improved profitability. No amounts are proposed to be transferred to the General Reserve for FY 24-25. In accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder, the Company has created a Debenture Redemption Reserve (DRR) for ₹ 257 million to ensure redemption of debentures maturing in FY 25-26.

The Board of Directors of the Company have not recommended dividend for FY 24-25.

### 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, 2025, form part of this Annual Report. The audited Consolidated Financial Statements of the Company, as required under Section 129 of the Companies Act, 2013 (Act), also form a part of this Annual Report.

### Holding and Subsidiary Companies

Your Company does not have any holding company. The Company has two wholly owned subsidiaries. There was no change in the position of subsidiary companies during the FY 24-25.

1. **Nayara Energy Singapore Pte Ltd**  
Nayara Energy Singapore Pte Limited (NESPL) was incorporated in Singapore for undertaking trading, sourcing of crude oil, product offtake and financing activities. During FY 24-25, NESPL's organizational structure was further strengthened and its presence in a key location has helped broaden Nayara Energy Group's portfolio on placement of export product barrels, generating additional value for the Company. Initiatives of NESPL have been undertaken to further our influence as a global trader by signing delivered deals.
2. **Coviva Energy Terminals Limited**  
During FY 24-25, Coviva Energy Terminals Limited commenced activities for setting up a Single Buoy Mooring (SBM-2) in Deendayal Port Authority waters in close proximity to the existing SBM of Nayara Energy. SBM-2 on commissioning would supplement the existing SBM of Nayara Energy for intake of crude oil coming through oil vessels.

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 Company does not have any associates.

The financial statements of these subsidiaries for the financial year ended March 31, 2025 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.

### Buyback of Shares

Your Company made an offer to buy back up to 2,59,08,262 Equity Shares representing 1.74% of the total number of Equity Shares in the equity share capital of the Company from its public minority shareholders in the ratio of 1 Equity Share for every 1 Equity Share at a price of ₹ 731/- per Equity Share. Offer was open from April 11, 2025 to May 7, 2025. To support the Company to facilitate an exit opportunity for the existing public minority shareholders, shareholders with significant shareholding informed the Company about their intention to not participate in the Buyback Offer. Hence, entire shareholding held by public minority shareholders was eligible for participation in the buyback offer.

Post balance sheet date the Company bought back 21,70,347 Equity Shares representing ~8.38% of the Buyback Size for amount of ₹ 1,586 million from shareholders who tendered their shares for buyback. Shares bought back had been extinguished in compliance with section 68 and other applicable provisions of the Act.

Consequent to buyback, the paid-up share capital of the Company stands reduced to 148,83,90,808 Equity Shares of ₹10/- each amounting to ₹14,883 million.

## Safety and Occupational Health



The success of Nayara Energy is rooted in an unwavering commitment to the health, safety and well-being of its employees, business partners, communities and the environment. At Nayara Energy, HSE is embedded in every facet of its operations. From toolbox talks and safety briefings to the strategic decisions that shape the enterprise, HSE underpins the Company's daily activities.

The launch of Nayara Energy HSE Management System in December 2024 marks a significant milestone in the journey towards safety and operational excellence. This HSE Management System serves as foundation for a safer and sustainable workplace for all.

In FY 24-25, Nayara Energy continued organizing HSE initiatives on monthly basis, the subject matter related to the theme of the month. Proactive, highly engaged participation of employees and contractor workforce, involving communities and schools, across all businesses of Nayara Energy and at all sites Pan-India, ensured increasing awareness for HSE and guaranteed focus on Safety.

The Total Recordable Injury Rate (TRIR) of Nayara Energy is 0.058 as of March 31, 2025, compared to 0.171 in the previous reporting period. The decrease in TRIR shows the continuous downward trend since 2020 proving that Nayara Energy takes all the efforts and measures to improve safety.





As Contractors are the backbone of the Company's operations, the focus on Contractor Safety is of utmost importance. To enhance risk awareness related to their activities and to boost knowledge and competence, the induction training hours for the contractor staff were increased. Compared to the earlier training hours, these extended sessions ensured an in-depth familiarisation with work-related risks and their mitigation measures. The Company also provided fire-resistant coverall to all the workers.

Following the commissioning of the Polypropylene Plant, preparations for the upcoming revamp projects include assessments such as HAZOPs and Quantitative Risk Assessments

(QRAs). A dedicated rescue team is always available for high-elevation emergencies.

To address road risks, especially in the Indian traffic conditions, the Company is minimising tank truck transport, launching projects to coach the drivers and implementing Journey Risk Management with geofencing-based route assessments.

To ensure preparedness during emergencies, Nayara Energy conducts mock drill trainings at retail outlets as part of its Emergency Response and Disaster Management Plan. These trainings enhance team co-ordination, communication and readiness to handle crises effectively.

The Process Safety Gap Assessment was conducted at the refinery, depots and retail outlets by an external vendor to identify gaps and assess the overall safety systems.

### Health

The Company prioritises employee health by offering annual health check-ups for employees and their spouses, tailored to age-specific parameters.

On the international health day, Nayara Energy organised initiatives including mental health support and Step-Up Challenge, promoting fitness, healthy lifestyles and improved team spirit.



## Environment and Sustainability



### Transforming India's Energy Sector: Sustainability Goals and Policy Shifts

The shift towards sustainability gained momentum in the early 21st century, driven by international climate commitments like the Paris Agreement and domestic policies aimed at reducing emissions. The government's push for cleaner energy and rising

environmental awareness have set the stage for a green transformation. India's regulations are evolving to support sustainability goals.

- Carbon Credit Trading Scheme (CCTS): Expected to subsume Perform, Achieve and Trade (PAT) with yearly GHG emission intensity reduction targets replacing specific energy targets.
- Renewable Purchase/ consumption Obligations (RPO): necessitates refiners to ensure use of certain percentage of Renewable Energy
- Bio-fuel Usage Mandates: Currently, 5% of power generation for coal fired plants is required to be done by bio-mass co-firing





- Ethanol Blending: Targeting achieve 20% ethanol blending in Motor Spirit from November 2025..

### Strategic Decarbonization and ESG Roadmap

Nayara Energy has developed a comprehensive roadmap outlining key strategies and milestones to reduce its carbon intensity footprint. The

approach is multi-faceted, focusing on operational efficiency, renewable energy, bioethanol, digitalization, and stakeholder engagement. Broadly, there are seven different abatement strategies used for decarbonization: Operational Efficiency, Low Carbon Usage, Biofuels, Hydrogen, Electrification, CCUs, and Circularity. Nayara Energy has drafted and selected specific sustainability

strategies from these areas to help the organization grow sustainably. These initiatives are shortlisted and being prioritised based on their potential emission intensity reduction impact, technology maturity, and financial viability.

### Sustainability Projects:

We have implemented various initiatives to enhance energy efficiency, including advanced technologies and process optimization. Our Continuous Emission Monitoring System (CEMS) and energy-saving strategies, such as waste heat recovery systems, have contributed to meaningful energy savings and lower emissions.

Our franchisees have installed solar power in over 1,000 retail outlets. Further the Company has setup a 618 KW plant in Wardha and a 500 KW plant at the Pali depot. We are also exploring renewable energy imports through Electricity Exchanges. We are working on setting two ethanol plants in India. In FY 2025, we achieved 12.7% ethanol blending in MS.

### Water and Waste Management:

Our comprehensive water management practices include desalination, rainwater harvesting, and wastewater treatment. We have created significant water storage capacity for local communities and implemented effective waste management systems to minimize environmental impact.

These above ESG efforts align with India's clean energy goals while advancing our sustainability objectives. Our efforts to advance sustainability and positively impact society are closely aligned with various United Nations Sustainable Development Goals (SDGs). By aligning our actions with these goals, we strive to create a meaningful impact while contributing to global progress in sustainability.



## People



Our people are our biggest strength. At Nayara Energy, we recognize that our employees are the driving force behind our business transformation and strategic growth. During FY 24-25, we continued investing in our people, reinforcing a high-performance culture, and building capabilities for the future of energy.

As a testament to our unwavering dedication to excellence in human resource management, we were honoured to receive the prestigious CII HR Excellence award 2024. This accolade underscores our commitment to creating a supportive and dynamic work environment that empowers our employees to thrive and contribute to the Company's success.

In FY 24-25, the HR Strategy was re-aligned with evolving business needs, ensuring agility and coherence in our HR roadmap.

### Talent Development & Capability Building

We focused on continuous learning and leadership development to future-proof our workforce. Through structured learning programs, we enabled our employees at all levels to build critical competencies. Over 10249 learning days were delivered through our blended learning platforms, focusing on functional, technical, digital, and behavioural skills.

We partnered with the Indian Institute of Management Ahmedabad (IIMA) to offer best-in-class leadership programs, enabling impactful, business-critical projects that strengthened our leadership pipeline.

A structured, functional competency framework was introduced to drive role-specific capability development across functions.

### Talent Management

To strengthen our future-readiness, successors were identified for the Key Critical Positions. Potential Assessment was conducted for high-performing employees to build a robust leadership pipeline across the organization.

### Employee Engagement & Culture

Employee experience remained a core priority. Our annual Voice of Nayara survey recorded 0.05 points increase in Gallup employee engagement score and 1% increase in the participation rate since 2021, reflecting high levels of pride, purpose, and alignment with the company's values. We implemented focused action plans at the Organisation and business level to drive meaningful change and increase in employee engagement.





### Diversity, Equity & Inclusion (DEI)

Our DEI agenda gained strong momentum in FY 24-25. Key milestones included launching employee resource groups, awareness campaigns, and sensitization workshops that promoted a culture of respect and belonging. The launch of the Inclusive Manager Program, covering 293 people managers, helped reinforce inclusive leadership behaviors and fostered a culture where everyone feels valued and respected.

### Digital HR & Process Excellence

We made key progress in its digital transformation roadmap. Our HRMS platform streamlined people processes and enhanced employee self-service. Real-time dashboards are now empowering data-driven talent decisions across the organization.

We integrated digital transformation as a key pillar in all the leadership development journeys with focused modules on project management, data storytelling, and digital strategy. Additionally, employees across the organization were enabled on Generative AI tools like Microsoft Copilot, building future-ready digital skills.

### Compensation & Benefits

Nayara Energy's compensation approach is centered on providing a fair, equitable, and competitive rewards program. This approach aims to foster a high-performance culture and attract and retain top talent. As a forward-thinking organization, Nayara Energy is committed to continuous evolution and staying attuned to market trends that align with our business objectives.

The recent compensation benchmarking exercise confirmed that the Company's pay structure remains competitive and aligned within prevailing market standards. The Company consistently reviews and enhances its policies and benefits to provide optimal support to the employees. Notably, the Company has strengthened its group healthcare policy by enhancing the medical coverage and introducing OPD benefits. The Company also implemented policies to make its compensation structure more tax efficient.

### Health & Wellbeing

In line with our holistic employee wellbeing strategy, we scaled up physical and mental health initiatives. We conducted company-wide wellness weeks, provided 24x7 employee assistance programs, and continued periodic health screenings and awareness sessions.

As part of our unwavering commitment to creating a safe, inclusive, and respectful workplace, the Company has remained fully compliant with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"). An Internal Committee (IC) has been in place to address any complaints of sexual harassment. Regular awareness sessions and mandatory training programs were conducted during the year to sensitize employees and promote a culture of dignity and mutual respect. During the reporting period, the IC did not receive any complaint under the POSH Act.

### Looking Ahead

We will continue to drive capability, build leadership depth, and foster an environment where our people thrive and deliver excellence.

## CSR Program



The Board of Directors, on the recommendation of the CSR and Sustainability Committee, constituted under Section 135(1) of the Companies Act, 2013 ("Act"), has adopted a CSR policy identifying the activities to be undertaken by the Company. The policy can be accessed on the Company's website: <https://www.nayaraenergy.com/sustainability/csr-policy>. An annual report on CSR containing the details of the CSR policy and other particulars specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this report as Annexure – A.

In FY 24-25, the Company was required to spend an amount of ₹ 1,802.5 million on CSR activities. However, the Company was able to spend ₹ 345.16 million, leaving ₹ 1,457.34 million unspent, the reasons for this which were multifaceted. The Company faced delays in finalising implementation partners and project Key Performance Indicators (KPIs). Additionally, there were design capacity constraints due to the significant increase in the CSR

budget and unspent amounts from the previous financial year. This necessitated a realignment of the CSR strategy and processes to be future-ready for increased spending.

In a major drive to enhance the efficacy of CSR interventions, Nayara Energy integrated advanced technological solutions into its flagship projects. For instance, the Jamnagar District TB Centre was equipped with Computerized Radiography and a Truenat machine, significantly enhancing the screening effectiveness. Community Health Centres were upgraded with LED Fluorescent Microscopes for efficient diagnosis, and field staff in Jamnagar received advanced android tablets for real-time Tuberculosis patient data monitoring on the Ni-kshay portal.

Nayara Energy's Comprehensive Health Initiative made a significant impact, with nearly 52,000 consultations conducted in 20 villages of Jamnagar and Devbhumi Dwarka and another 6,000 and 20,000 in Wardha and Pali respectively.

Specialized health camps and awareness sessions benefited 15,300 people in 29 villages, offering services such as dental check-ups, eye screenings, Ayurveda, tuberculosis screening, first-aid awareness, and preventive services. 13 handheld x-ray devices were provided to the Health Department of Brihanmumbai Municipal Corporation, Mumbai, for rapid screening in high population density locations.

Project Tushti established a Nutrition Skill Lab under the Centre for Excellence in Nutrition for Gujarat, offering competency-based learning, simulation exercises, and a zone showcasing best practices. More than 650 key functionaries from the Health and Family Welfare Department and Integrated Child Development Scheme (ICDS) benefited from structured training sessions conducted by the lab this year. The Advanced Nutrition Call Centre under Project Tushti offered tele-counseling for personalized nutrition guidance to parents of children (0-5 years), adolescent girls, pregnant and lactating women, and frontline workers across Gujarat.





Over 1,19,000 calls were handled in this initiative. The project also saw nine Gram Panchayats declared SUPOSHIT (malnutrition-free) by the ICDS, Devbhum Dwarka. Project Tushti achieved a reduction of 80.9% in moderately underweight (MUW) and 81.2% in severely underweight (SUW) children, as per Poshan Tracker data of ICDS. Over 3,200 children were profiled and tracked for targeted interventions.

Project EXCEL promoted over 200 individual women entrepreneurs and imparted soft and vocational skills to youth of Jamnagar and Devbhum Dwarka districts. Over the years, Nayara Energy has established three youth and employability centres which address the skilling needs on Computer Concepts, Tally & Accounting, Beauty & Wellness, as well as common training on Life Skills, Personality Development, and English language skills of over 1,500 youth annually, complemented by outreach programs that provide employability opportunities to 1,000 youth across more than 10 government ITIs and private colleges. To bridge

the skills gap in the thriving brass industry of Jamnagar, a state-of-the-art CNC and VMC technical training centre was established, equipped with AutoCAD training facilities. This centre directly linked 300 trainees to employment opportunities in the brass industry, with nearly 200 successful enrolments this year.

Under the Gram Samruddhi project, water harvesting in seven villages helped achieve an additional 2.5 MCM water storage, taking the total water storage capacity to over 20 MCM. This year, the project added 3 check dams, 12 pond desilting, 72 community borewell recharge, and the installation of 30 sprinklers, among other initiatives. The project also saw the installation of 76 bio-gas units, helping save fuel costs and reduce carbon emissions. Over 4,000 cattle underwent artificial insemination, and over 3,100 health consultations were managed under veterinary services. Over 46,000 livestock were dewormed, and 90 dairy farming training sessions were completed. The partnership with the Veterinary Department under Project Gram Samruddhi led to the vaccination of nearly 20,000 cattle against Foot and Mouth Disease, and five calf rallies saw enthusiastic participation from about 750 farmers. A weather automation system using satellite technology combined with a smartphone app was also introduced to help farmers with agricultural decision-making.

In the realm of sanitation, Project Lighthouse Phase II aimed towards Open Defecation Free (ODF) status. The project undertook a Baseline Survey, followed by Village Development Plans and Block Level Training in all four blocks of Wardha, Lalpur, Jam Khambhalia, and Rohat. The project focused on efficient management of solid and liquid waste at the village level. Support was provided to the Public Works Department (PWD), Pali, for the repair of sewerage lines and renovation of toilets at Government Bangur Hospital, Pali.

Pan-India initiatives included Group Personal Accident (GPA) Insurance coverage for Tanker Truck (TT) crew (drivers and helpers) across the delivered and XMI network, covering over 11,000 lives for fatalities and disabilities arising from accidents. GPA Insurance coverage was also assured for Forecourt Sales Managers (FSMs) and Nayara Retail Outlet staff across 7,500 ROs Pan-India, covering over 46,900 lives for fatalities and disabilities arising from accidents. Over 400 TT drivers received comprehensive eye check-ups across three depots (Wardha, Mahul, and Paradeep). An Information and Communications Technology (ICT) lab was inaugurated in Government Senior Secondary School, Dharamdhar, benefiting over 150 students. A multipurpose community hall was constructed in Amboda for village development and cultural activities.

The Coastal Care Initiative in Mumbai focused on community awareness, intensive coast cleaning, and waste management at Chimbai coast, Mumbai. Solar Gazebo and Solar Tree installations, in collaboration with Brihanmumbai Municipal Corporation (BMC), provided solar lighting to three prominent public spaces in Mumbai. Under the MISHTI project (Mangrove Initiative for Shoreline Habitats & Tangible Incomes), raised bed mangrove plantation was carried out in 200 hectares along the coastal belt of Jamnagar and Devbhum Dwarka district in association with the Gujarat Forest Department.

Nayara Energy's CSR initiatives received recognition and accolades, winning 13 prestigious awards at national platforms. These included the Global CSR & ESG Awards 2024 for Project Tushti, FICCI CSR Awards for Project Gram Samruddhi, Economic Times Energy Leadership Award 2024 for Project Gram Samruddhi, 11<sup>th</sup> Edition CSR Summit & Awards 2024 for comprehensive health and TB eradication project, and AIMA 11<sup>th</sup> Business Responsibility Summit 2024 for Project EXCEL. These accolades validate Nayara Energy's commitment to continually catalyse social development.

## Information Technology



Nayara Energy remains committed to enabling business successes at a time when the demand for robust and responsive information services is growing rapidly. Building on our ongoing initiatives to enhance digital resilience and infrastructure, we made significant investments in information assets throughout CY2024. Our focus continues to be security, reliability and responsive, high-quality support to meet the evolving needs of our business.

Enterprise-wide initiatives included moving business-critical services (Email, virtual meetings, mobility) to Microsoft Cloud to enhance collaboration and communication across the organization. A comprehensive refresh and upgrade of IT devices ensured that all employees have access to up-to-date technology. We enabled management and utilization of geomatics data for our CSR initiatives through a Geomatics Information Management

System (GIMS). We also implemented Managed Printing Services (MPS) to optimize printing services and reduce costs.

We continued to modernize the Information Technology (IT) and Operational Technology (OT) networks at the refinery, enhancing operational efficiency and security. This included deploying Steam Trap Management Software to improve maintenance of steam traps and enhance our





energy efficiency and reduce our carbon footprint.

We have setup robust IT infrastructure for the polypropylene business and extended the Laboratory Information Management System (LIMS) to enhance quality control and data management. We upgraded our Commodity Trading and Risk Management (CTRM) solution to improve crude trading as well as planning and scheduling processes.

As part of our continued commitment to strengthening digital resilience and maintain a secure IT landscape, we upgraded end-of-life and end-of-support operating systems and enhanced overall IT security measures. We implemented endpoint backup solutions and enhanced backup services to ensure data protection and resilience. A secure secondary internet gateway was established at Vadinar, and we developed a private cloud infrastructure with adequate capacity

readiness. Our datacenter in Mumbai is now Tier 3 certified.

These efforts have collectively enhanced data security, improved operations, increased efficiencies and created new digital capabilities for Nayara Energy. As the Company looks ahead, it remains steadfast in its commitment to leveraging technology to drive innovation and meet the evolving needs of our organisation.

## 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

There is no change in the composition of the Board since the date of last Board's Report.

### 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 24-25, applicable accounting standards were followed without any material departures.
- The Directors selected accounting policies, applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the Company's state of affairs at the end of FY 24-25 and of the profit and loss for the same period.
- The Directors took proper and sufficient care for maintaining adequate accounting records in accordance with the provisions of the Act, to safeguard the Company's assets, and prevent and detect fraud and other irregularities.
- The Directors prepared the accounts for the year ended March 31, 2025, on a 'going concern' basis.
- The Directors devised proper systems ensuring compliance with the provisions of all applicable laws, and that such systems were adequate and operating effectively.

### Policy on Appointment of Directors and Remuneration

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

### Performance Evaluation of the Board, Chairman, Committees, and Individual Directors

A formal performance evaluation of the Board, its Committees, the Chairman, and Individual Directors, for FY 24-25 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 24-25:

- Mr. Prasad K. Panicker – Chairman & Head of Refinery up to April 18, 2024 and as Executive Chairman effective from April 19, 2024,

- Mr. Alessandro des Dorides – Chief Executive Officer effective from April 29, 2024,
- Mr. Deepesh Baxi – Chief Financial Officer effective March 14, 2025,
- Mr. Mayank Bhargava – Company Secretary,
- Mr. Srinivasan Parthasarathy – Interim Chief Financial Officer from February 4, 2025 to March 14, 2025,
- Ms. Rajani Kesari – Chief Financial Officer up to August 5, 2024.

### Audit Committee

As of March 31, 2025, 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 24-25, all the recommendations of the Audit Committee were accepted by the Board.



## Risk Management

Nayara Energy's overarching enterprise-wide risk management (ERM) framework based on Committee of Sponsoring Organizations of the Treadway Commission (COSO) principles has supported us to accomplish our business objectives despite operating in a volatile and uncertain environment. Our Board and management have been iteratively emphasizing the significance of timely identification, accurate assessment and effective mitigation of risks. Our operating framework and business procedures are undergoing periodic refreshment this year with re-evaluation of process risks to make sure that corresponding controls are adequately updated for the evolving business environment and our strategic priorities. The Company's approach has also been steadily evolving from a culture of 'risk awareness' towards 'risk adjusted decision-making'.

The Company has outlined a Risk Appetite Statement (RAS), which is further supported by Risk Assessment Criteria (RAC) for quantitative risk impact assessments. Key risks are addressed through suitable risk response strategies and internal control measures to maintain risks within acceptable levels. Monthly reporting protocols ensure ongoing monitoring of top risks and risk performance metrics.

Our extensive risk repository capturing more than 100 active risks along with a monthly dashboard of more than 15 key risk indicators provide a comprehensive risk overview and a consistent understanding of risk capacity, tolerance, and appetite across the organization. The Company's Risk & HSE Committee regularly reviews the organization's risk profile and monitors both existing and emerging risks.

The Board believes that the Company has a clearly defined framework, processes, and reporting structure for identifying and managing all key risks it faces.

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

Annual Internal Financial Controls testing was carried out by management through an external consultant and no material weakness in design and operating 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 has an established Vigil Mechanism, designed to promote ethical conduct, accountability, and transparency in all business operations. This mechanism serves as a platform for directors and employees to report genuine concerns, particularly those relating to unethical behaviour and/or violations of our Ethics code. Ensuring anonymity and confidentiality, the system encourages individuals to voice their concerns without fear of retaliation. The Vigil Mechanism is overseen by the Audit Committee and includes procedures for a thorough investigation of reported matters, followed by appropriate action. This initiative underscores our commitment to upholding the highest standards of integrity and accountability, fostering a culture of openness and ethical governance within the Company.

Demonstrating a commitment to integrity, we continued with our awareness drive throughout the year, with interactive training and awareness program on ethics and compliance, including Cyber security workshops, designed to strengthen the collective voice against fraud, corruption and security threats.

Moving forward, Nayara Energy will continue to enhance its efforts, safeguarding the trust and confidence placed in it by stakeholders.

## 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 24-25, 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, 2025, 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, 2025, 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 Act.

### Number of meetings of the Board

During the FY 24-25, the Board of Directors met 10 times on April 19, 2024; May 23, 2024; July 17, 2024; August 8, 2024; October 23, 2024; November 12, 2024; November 22, 2024; February 4, 2025; February

5, 2025 and March 3, 2025. 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 24-25 were at an arm's length and in the ordinary course of business. All related party transactions were in compliance with the applicable provisions of the Act. Given that the Company does not have related party transactions to report pursuant to Section 134(3)(h) and Section 188 of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2015 in AOC-2, the same is not provided.

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

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

Particulars of investments made are provided in the standalone financial statements (please refer 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, 2024, filed with the Registrar of Companies, after the conclusion of the 34<sup>th</sup> Annual General Meeting, held on September

26, 2024, is placed on the Company's website and can be accessed at <https://www.nayaraenergy.com/investors/information>.

Further, the Annual Return of the Company as on March 31, 2025, 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, 2025, 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. However, post balance sheet date a buyback offer was made to shareholders details of which have been provided elsewhere in this report.
- No instance of fraud was reported by Statutory Auditors to either the Audit Committee or the Board of Directors.



## Acknowledgement

The Board recognizes 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: June 5, 2025

Post Board's Report date, with effect from July 12, 2025, Mr. Timur Khaydapov and Mr. Vladislav Bromberg were appointed as Additional Directors in place of Mr. Alexey Lizunov and Mr. Anton Kabachinskiy respectively. Further, Ms. Avril Conroy, Ms. Victoria Cunningham and Mr. Jörg Tumat resigned from the Board and these resignations became effective from July 20, 2025. Subsequently, Ms. Yulia Zhdanova, was appointed as an Additional Director with effect from August 11, 2025. Also Mr. Alexander Zubchenko and Mr. Alexander Sokolov, have been appointed as Additional Directors with effect from August 26, 2025. These Directors shall hold office up to the date of ensuing Annual General Meeting. They are proposed to be appointed as Directors liable to retire by rotation at the forthcoming Annual General Meeting.

Further, Mr. Alessandro des Dorides resigned from the position of Chief Executive Officer of the Company with effect from July 19, 2025. Subsequently, Mr. Sergey Denisov was appointed as Chief Executive Officer of the Company for a period of three months with effect from July 23, 2025 up to October 22, 2025 or an earlier date as may be decided by the Board. The Board of Directors, subsequently, on August 11, 2025 decided to appoint Mr. Teymur Abasgulyev as Chief Executive Officer for a period of three years effective from September 1, 2025 or the date of receipt of employment visa whichever is later, taking over the responsibilities from Mr. Denisov.

# Annexure A

## Annual Report on CSR Activities

### 1. Brief outline on CSR Policy of the Company –

#### CSR Vision

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

#### CSR Mission

Aspires to build a symbiotic relationship with our stakeholders and to make them equal partners in the process of nation building. We firmly believe that our role is to lay the path that is collaborative, progressive, inclusive, and sustainable through our CSR 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, 2025, 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. The details of attendance of the Committee members at the meetings held during FY 24-25 are as under:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Naina Lal Kidwai	Independent Director & Chairperson of the Committee	4	4
2	Mr. Alexey Lizunov	Non-Executive Director, Member of the Committee	4	4
3	Mr. Anton Kabachinskiy	Non-Executive Director, Member of the Committee	4	4
4	Ms. Avril Conroy	Non-Executive Director, Member of the Committee	4	4
5	Mr. P. N. Vijay	Non-Executive Director, Member of the Committee	4	4

### 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/investors/information>

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/pages/May2019/CSR Projects approved by Board for FY 2024-25.pdf>

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

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

5. (a). Average net profit of the company as per section 135(5) – ₹ 90,120 million
- (b). Two percent of average net profit of the company as per section 135(5) – ₹ 1,803 million
- (c). Surplus arising out of the CSR projects or programmes or activities of the previous financial years - NA



- (d) Amount required to be set off for the financial year, if any - NA  
 (e) Total CSR obligation for the financial year (b+c-d) - ₹ 1,803 million

6. (a). Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 344.5 million  
 (b). Amount spent in Administrative Overheads: NIL  
 (c). Amount spent on Impact Assessment, if applicable: ₹ 0.658 million  
 (d). Total amount spent for the Financial Year (a+b+c): ₹ 345.16 million  
 (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year.	Amount Unspent : ₹ 1,45,73,41,107.20				
	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
₹ 34,51,58,892.80	₹ 1,45,73,41,107.20	April 30, 2025	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)	1,80,25,00,000.00
ii.	Total amount spent for the Financial Year	34,51,58,892.80
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	NA
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under Section 135(6) (in ₹)*	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per second proviso to Section 135(5), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Name of the Fund	Amount (in ₹)	Date of transfer		
1	2023-24	13,58,41,029.55	13,58,41,029.55	6,32,72,611.20	NA	Nil	NA	7,25,68,418.35	NA
2	2022-23	5,84,25,591.60	2,89,11,040.79	1,69,22,998.76	NA	Nil	NA	1,19,88,042.03	NA
3	2021-22	7,66,68,795.91	91,19,584.91	91,19,584.91	NA	Nil	NA	0.00	NA

\*The balance amount in unspent CSR account under Section 135(6) represents the amount of unspent CSR amount of the respective financial year at the beginning of the FY 24-25.

## 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]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR registration No., if applicable	Name	Registered Address
				Nil			

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

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

The reasons for underspent included time taken in finalization of implementation partners and project KPIs. Further there were design capacity constraints given the significant increase in CSR budget in FY 24-25, and unspent amounts from previous financial year. Further there was a need to realign the CSR strategy and processes in order to be future ready for increased spends.

**For and on behalf of the CSR and Sustainability Committee**

Date: June 5, 2025

**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, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and  
Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Nayara Energy Limited**  
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, 2025** 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, 2025 according to the provisions of:

- i. The Companies Act, 2013 ('The Act') and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder#;
- iii. The Depositories Act, 1996 And the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. The Company did not raise funds through External Commercial Borrowings during the financial year under review.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - a) The Securities and Exchange Board of India (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) 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 and dealing with client;
- g) 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 for the period under review.*

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

- vi. The Petroleum Act, 1934 and rules made thereunder;
- vii. The Explosives Act, 1884 and rules made thereunder;
- viii. The Petroleum and Natural Gas Regulatory Board Act, 2006.

We have also examined compliance with the applicable clauses of the 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 provisions 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 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**, the Board of Directors of the Company at their meeting held on March 03, 2025, approved making an offer to Buy-back up to 2,59,08,262 fully paid-up equity shares of face value of Rs. 10/- each representing 1.74% of the total number of equity shares in the total paid-up equity share capital of the Company from all Eligible Shareholders of the Company, in the ratio of 1 equity share for every 1 equity share held by Eligible Shareholders, at a price of Rs. 731/- per equity share, payable in cash, for an aggregate amount not exceeding Rs. 1893,89,39,522/-, permitted through the board approval route, as per the applicable provisions of the Act and Rule 17 of the Companies (Share Capital and Debentures) Rules, 2014. The Company had fixed Friday, March 28, 2025 as the Record Date for the purpose of ascertaining the eligibility of equity shareholders entitled to receive the Letter of Offer.

For **Bhandari & Associates**

Company Secretaries

Unique Identification No.: P1981MH043700

Peer Review Certificate No.: 6157/2024

**Manisha Maheshwari**

Partner

FCS No.: 13272; C P No.: 11031

Mumbai | June 5, 2025

ICSI UDIN: F013272G000547740

*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, 2025 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Bhandari & Associates**

Company Secretaries

Unique Identification No.: P1981MH043700

Peer Review Certificate No.: 6157/2024

**Manisha Maheshwari**

Partner

FCS No.: 13272; C P No.: 11031

Mumbai | June 5, 2025

ICSI UDIN: F013272G000547740

## Annexure C

### 1) CONSERVATION OF ENERGY

Efficient operation with a focus on energy optimization to minimize operating expenses has always been a priority to increase profitability and reduce carbon footprint. The refinery always keeps energy conservation as its highest priority and continuously tries to implement various energy minimization schemes, improve furnace efficiency and optimize captive steam and power consumption.

Your Company has Energy Management System (ENMS) 50001:2018 certification which is valid up to September-2025. 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.

The energy conservation team continuously monitors energy performance with focus on identifying opportunities and converting them into schemes to reduce energy consumption at the Refinery. During the year, energy conservation initiatives contributed to reducing significant total energy consumption of ~11 Gcal / hr.

#### A. The steps taken or impact on Conservation of Energy

Initiatives taken to minimize energy cost during this period include:

- Replacement of blades in 5 air fin coolers of CDU 1 unit with high efficiency FRP blades which resulted in 5.4 KW/Fan power saving and the concept is being replicated in other potential areas.
- Utility CT fans replaced with high efficiency FRP blades resulted in 38 KW power saving.
- Low Pressure steam and condensate recovery from Captive Power Plant's (CPP) Fuel Oil area HP/MP/LP condensate by flash vessel system.
- Conversion of Process Cooling Tower (PCT) Pump from Turbo Driven to Motor Driven resulted in 955 KW power saving.

Day to Day real time opportunities also help in improving energy efficiency, some of the notable optimizations were as below:

- In DHDS unit, one wash-water pump stopped by directly routing BFW to pump discharge contributed to 90 KW power saving.
- In DCU, velocity steam optimized and reduced in DCU heaters. Approx. 5.4 TPH HP steam saving observed.

- Motor driven DCU feed heater charge pump stopped.
- Bypassing of reduction drier cum chloride guard in CCR unit saved 55 kg/hr H<sub>2</sub> flaring.

#### B. Steps taken for utilizing Alternate Sources of Energy

##### Import and use of Green Power.

Renewable Energy (RE) sourcing has been initiated by the refinery through the Indian Energy Exchange (IEX), with technical validation for operations up to 20 MW having been achieved as of January 2025. Starting April 2025, RE imports ranging from 4 to 20 MW during solar hours were implemented.

Along with IEX-based RE sourcing solution, the Company is also looking from a long-term perspective & as part of the Decarbonization Strategy Roadmap, a 20 MW RE sourcing project through the group captive model has been proposed. Furthermore, RE consumption is targeted to be increased to meet mandates viz RCO and CCTS.

#### C. The Capital Investment on energy conservation equipment

During the year, your Company made an investment of approximately ₹ 53.07 million.

### 2) TECHNOLOGY ABSORPTION

#### A. The efforts made towards technology absorption

Performance Guarantee Test Run (PGTR) was conducted in FY 24-25 for imported technology absorption for new Polypropylene Unit (PPU).

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

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

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

1. Indian patent granted for developing technology to improve the Saybolt colour of MTO, ATF etc. The patent title is "Process for improving quality of kerosene type petroleum distillates by adsorbent technique".
2. Indian patent granted for developing measurement test method for asphaltenes



- in crude oil and petroleum products. The patent title is 'Novel method for measurement of asphaltenes in crude oils and petroleum products'.
- Indian patent application filed for developing a process to improve the JFTOT and MSEP of ATF. The patent title is 'Process for improving thermal stability and water separation characteristic of ATF type petroleum distillate'.
  - Indian patent application filed for developing Lubricity Improver for diesel. The patent title is "Composition for improving lubricity of diesel fuels and method for improving lubricity of fuels therefrom".
  - Low-cost ester-based Lubricity Improver developed up to TRL-6 (Technology readiness Level 6 out of 9 levels) and it is accepted for implementation.
  - Commercialization of patented Slop oil treatment technology is being pursued. As of today, three industries have shown interest to adopt our technology, two are Indian PSUs and one is an MNC.
  - Troubleshooting projects: study on quality of gasoline antioxidant and diesel product haziness problem.

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

- Patented technology to improve Saybolt colour will be highly useful for MTO and ATF production and it is accepted for implementation at Nayara Refinery. There is a scope of external commercialization of technology for Oil & Gas as well as paint industries.
- Patented test method for measurement of asphaltenes in crude oils and petroleum products has many benefits over existing gravimetric methods. The method has been implemented at Nayara Refinery QC laboratory since 2021, and test results were found satisfactory.
- The technology to improve JFTOT and MSEP of ATF will be highly useful for ATF production and it may replace the clay treatment.
- Newly developed lubricity improver molecules will be useful to develop low-cost formulations for diesel lubricity improver.
- The internal commercialization of slop oil technology will resolve the refinery problems associated with reprocessing of slop oil generated from desalter brine thereby improving crude throughput. The external commercialization of technology will help to earn profits from invented technology.

### 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) separates Propylene, which is a raw material to produce PP, from cracking Liquefied Petroleum Gas. PP unit (licensed by M/s GRACE) for producing different grades of polypropylene products from propylene coming from PRU. Propylene (raw material) is converted to polypropylene (final product) by polymerization reaction with the help of Catalyst.

#### (b) The year of import:

- FCCU Revamp: FY 22-23
- PRU: FY 23-24
- PP: FY 24-25

#### (c) Whether the technology has been fully absorbed:

Technologies for FCCU Revamp and PRU have been fully absorbed during FY 23-24 after conducting Performance Guarantee Test Run. Technology for PPU has been fully absorbed after conducting Polypropylene Unit Performance Guarantee Test Run in FY 24-25

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

Nil

### D. Expenditure on R & D

- Recurring: ₹39.75 million
- Capital: ₹ 0.66 million
- Total R & D expenditure as a percentage of total turnover – Negligible

### 3) FOREIGN EXCHANGE EARNING AND OUTGO

During FY 24-25, the Company earned foreign exchange of ₹ 391,485 million while foreign exchange outgo was ₹ 971,159 million.

For and on behalf of the Board of Directors

**Prasad K. Panicker**  
Executive Chairman  
(DIN:06476857)

Place: Mumbai, Maharashtra  
Date: June 5, 2025

# Independent Auditor's Report

To the Members of  
**Nayara Energy Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of **Nayara Energy Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2025, 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, 2025, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Other Information

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

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

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

## Responsibilities of the Management for the standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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, 2025 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 48 to the standalone financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

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**per Naman Agarwal**

Partner

Place of Signature: Mumbai      Membership Number: 502405

Date: June 05, 2025      UDIN: 25502405BMLBUO8766



## 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) Property Plant and Equipment was physically verified by the management during the year in accordance with a planned programme whereby the physical verification is carried out in a phased manner over three years. The planned programme in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2025.
- (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, 2025, which are confirmed by such third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate were not noticed for each class of inventory on such physical verification.
- (b) The Company has been sanctioned working capital limits in excess of INR five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of

the Company. Based on the records examined by us in the normal course of audit of the financial statement, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the unaudited books of accounts of the Company.

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

Particulars	Loans (in INR million)
Aggregate amount granted / provided during the year	
- Subsidiary	188
- Others	619
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiary	1,305
- Others	838

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

- (b) During the year the terms and conditions of the grant of all loans to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.
- (c) In respect of an interest free loan granted to a wholly owned subsidiary, the schedule of repayment of principal has not been stipulated in the agreement. Hence, we are unable to make a specific comment on the regularity of repayment of principal in respect of such loans. In respect of loans granted to companies, firms, Limited Liability Partnerships or any other parties where the schedule of repayment of principal and payment of interest has been stipulated, the repayment or receipts are regular.
- (d) There are no amounts of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e) There were no loans granted to companies, firms, Limited Liability Partnerships or any other parties which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

- (f) As disclosed in note 43 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 (In INR Million)	Related Parties (In INR Million)
Aggregate amount of loans/ advances in nature of loans		
- Repayable on demand	1,305	1,305
Percentage of loans/ advances in nature 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 Payable (In INR Million)	Period to which the amount relates	Forum where the dispute is pending
Gujarat Value Added Tax Act, 2003	Value Added Tax & interest	48,911	2008-09 to 2015-16	Jt. Commissioner (Appeal), Rajkot
		2	2007-08	Gujarat VAT Tribunal
Rajasthan Value Added Tax Act, 2003		87	2006-07, 2007-08, 2009-10, 2010-11	High Court, Rajasthan
		697	2022-23	Assessing Authority
Tamil Nadu Value Added Tax Act 2006		379	2016-17 to 2021-22	Assistant Commissioner (ST)
Uttar Pradesh Value Added Tax Act, 2008		86	2015-16, 2019-20 & 2020-21	Additional Commissioner (Appeals), Lucknow
		716	2020-21 & 2021-22	Joint Commissioner, Lucknow
The Kerala General Sales Tax Act, 1963		238	2004-05, 2008-09 to 2015-16	Supreme Court
Jharkhand Value Added Tax Act, 2005		15	2016-17	High Court, Jharkhand
		41	2017-18 to 2020-21	JC (Appeals), Jharkhand



Name of the Statute	Nature of dues	Amount Payable (In INR Million)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax Act, 1956	14,504	2008-09 to 2016-17	Jt. Commissioner (Appeal)
		15	2013-14	Haryana Tribunal
		45	2017-18	Gujarat Tribunal
		243	2010-11 & 2011-12	Guwahati High Court
		110	2019-20	Commercial Tax Officer, Andhra Pradesh
		40	2017-18	Uttarakhand CST office
		0	2020-21	Assessing Authority, Andhra Pradesh
		423	2022-23	Assessing Authority, Rajasthan
		32	2018-19	Additional Commissioner (Appeals), Vijayawada
Customs Act, 1962	Customs, duty, Penalty, Fine & interest	0	2024-25	Additional Commissioner of Customs
		5	2006-07	Commissioner of Customs
		1	2018-19	Commissioner (Appeals)
		153	2012-13 & 2013-24	CESTAT
		1,126	2007-08, 2008-09	Assistant Commissioner of Customs
		1,222	2007-08, 2013-14	Supreme Court
Central Excise Act, 1944	Excise duty, Penalty, Fine & interest	2	2006-07, 2009-10 & 2012-13	Commissioner
		109	2009-10, 2010-11 & 2011-12	CESTAT
		4,267	2006-07 to 2017-18	Gujarat High Court
Integrated Goods and Services Tax Act, 2017 and Central Goods and Services Tax Act, 2017	Goods and Service Tax	3,341	2017-18 to 2020-21	Addl. Commissioner, Rajkot
		1,203	2017-18 to 2022-23	JC (Appeal)
		266	2017-18 to 2021-22	Commissioner (Appeals)
		14	2020-21	Assistant Commissioner (ST), Chennai
		0	2019-20	DC / JC Appeal State GST, Tamil Nadu
		0	2017-18 & 2018-19	Superintendent
Service Tax Rules, 1994	Service Tax Penalty & interest	0	2019-20	Dy. Commissioner (Appeal)
		1	2007-08	CESTAT
Madhya Pradesh Entry Tax Act, 1976	Entry Tax Matter Penalty & interest	1	2008-09	Commissioner (Appeals)
		1	2007-08 & 2008-09	M.P. High Court (Indore)
Income Tax Act, 1961	Income-tax and interest	1,891	2010-11, 2013-14, 2014-15, 2019-20	Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Income-tax and interest	372	2003-04	Bombay High Court

\*Net of INR 3,003 million paid under protest / adjusted against refunds withheld.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans of INR 300 million was raised towards the end of the year March 2025 and hence have not been utilised by the end of the year. This matter has been disclosed in note 14 to the 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) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 44 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities





falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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

account in compliance of with provisions of sub section (6) of section 135 of the Act. This matter has been disclosed in note 34(b) to the standalone financial statements.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

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**per Naman Agarwal**

Partner

Place of Signature: Mumbai    Membership Number: 502405

Date: June 05, 2025    UDIN: 25502405BMLBUO8766

## **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, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial

controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

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

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls With Reference to standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to



standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, 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

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**per Naman Agarwal**

Partner

Place of Signature: Mumbai      Membership Number: 502405

Date: June 05, 2025      UDIN: 25502405BMLBUO8766

# Standalone Balance Sheet

as at March 31, 2025

(₹ in million)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
<b>ASSETS</b>			
<b>1) Non-current assets</b>			
(a) Property, plant and equipment	6	448,502	409,585
(b) Capital work-in-progress	6	17,817	54,210
(c) Goodwill	6	108,184	108,184
(d) Other Intangible assets	6	348	271
(e) Intangible assets under development	6	143	-
(f) Right-of-use assets	6	12,538	12,759
(g) Financial assets			
(i) Investments	7	27	27
(ii) Loans	8	1,788	1,407
(iii) Other financial assets	9	604	552
(h) Non-current tax assets (net)		2,140	2,200
(i) Other non-current assets	10	10,543	7,667
<b>Total non-current assets</b>		<b>602,634</b>	<b>596,862</b>
<b>2) Current assets</b>			
(a) Inventories	11	101,147	103,933
(b) Financial assets			
(i) Investments	12	9,579	3,753
(ii) Trade receivables	13	47,590	73,197
(iii) Cash and cash equivalents	14	15,856	17,705
(iv) Bank balances other than (iii) above	15	42,637	42,332
(v) Loans	16	355	412
(vi) Other financial assets	17	27,158	34,078
(c) Other current assets	18	3,124	4,503
<b>Total current assets</b>		<b>247,446</b>	<b>279,913</b>
<b>TOTAL ASSETS</b>		<b>850,080</b>	<b>876,775</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	19	15,072	15,072
(b) Other equity	20	485,690	420,598
<b>Total Equity</b>		<b>500,762</b>	<b>435,670</b>
<b>LIABILITIES</b>			
<b>1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	80,717	81,900
(ia) Lease liabilities	38	14,476	14,470
(ii) Other financial liabilities	22	850	22,712
(b) Deferred tax liabilities (net)	23	77,205	74,880
<b>Total non-current liabilities</b>		<b>173,248</b>	<b>193,962</b>
<b>2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	24	45,304	35,952
(ia) Lease liabilities	38	1,337	1,263
(ii) Trade payables	25		
- Total Outstanding dues of micro and small enterprises		378	269
- Total Outstanding dues of creditors other than micro and small enterprises		67,170	114,430
(iii) Other financial liabilities	26	39,514	75,981
(b) Other current liabilities	27	19,797	17,156
(c) Provisions	28	1,212	1,072
(d) Current tax liabilities (net)		1,358	1,020
<b>Total current liabilities</b>		<b>176,070</b>	<b>247,143</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>850,080</b>	<b>876,775</b>

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, June 05, 2025

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

**Prasad K. Panicker**  
Executive Chairman  
DIN : 06476857  
Mumbai

**Deepesh Baxi**  
Chief Financial Officer  
Mumbai

**Alessandro des Dorides**  
Chief Executive Officer  
Mumbai

**Mayank Bhargava**  
Company Secretary  
Mumbai  
June 05, 2025

# Standalone Statement of Profit and Loss

for the year ended March 31, 2025

(₹ in million)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Income</b>			
Revenue from operations	29	1,494,735	1,546,293
Other income	30	11,071	9,316
<b>Total Income</b>		<b>1,505,806</b>	<b>1,555,609</b>
<b>Expenses</b>			
Cost of raw materials consumed		980,599	937,939
Excise duty		205,973	219,777
Purchases of stock-in-trade		128,174	132,876
Changes in inventory of finished goods, work-in-progress and stock-in-trade	31	(2,565)	(3,177)
Employee benefits expense	32	10,144	10,402
Finance costs	33	16,908	21,423
Depreciation and amortisation expense	6	21,213	19,913
Other expenses	34	61,045	55,314
<b>Total expenses</b>		<b>1,421,491</b>	<b>1,394,467</b>
<b>Profit before tax</b>		<b>84,315</b>	<b>161,142</b>
<b>Tax expense:</b>	23		
(a) Current tax		20,815	41,121
(b) Deferred tax		2,887	(831)
<b>Total tax expenses</b>		<b>23,702</b>	<b>40,290</b>
<b>Profit for the year</b>		<b>60,613</b>	<b>120,852</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit and loss</b>		<b>(70)</b>	<b>(87)</b>
Remeasurement (loss) on defined benefit plans		(94)	(117)
Income tax effect		24	30
		(70)	(87)
<b>Items that will be reclassified to profit and loss</b>		<b>4,549</b>	<b>8,570</b>
Effective portion of cash flow hedges (net)		6,068	11,419
Income tax effect		(1,527)	(2,874)
		<b>4,541</b>	<b>8,545</b>
Foreign currency monetary item translation difference account		11	34
Income tax effect		(3)	(9)
		8	25
<b>Other comprehensive income for the year, net of tax</b>		<b>4,479</b>	<b>8,483</b>
<b>Total comprehensive income for the year (comprising profit for the year and other comprehensive income for the year)</b>		<b>65,092</b>	<b>129,335</b>
<b>Earnings per share (Face value ₹ 10 per share)</b>	35		
Basic and Diluted (in ₹)		<b>40.66</b>	<b>81.08</b>

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, June 05, 2025

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

**Prasad K. Panicker**

Executive Chairman

DIN : 06476857

Mumbai

**Deepesh Baxi**

Chief Financial Officer

Mumbai

**Alessandro des Dorides**

Chief Executive Officer

Mumbai

**Mayank Bhargava**

Company Secretary

Mumbai

June 05, 2025



# Standalone Statement of Changes in Equity

for the year ended March 31, 2025

## a. Equity Share Capital

Particulars	(₹ in million)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
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, 2024 to March 31, 2025

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

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	Debenture redemption reserve	General reserve	Retained earnings	Effective portion of Cash Flow Hedges*	Foreign currency monetary item translation difference account	
Balance as at April 01, 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
Balance as at March 31, 2024	609	78,014	-	596	349,226	(7,839)	(8)	420,598

\* net loss for the year of ₹ 7,883 million (Previous year ₹ 12,406 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, June 05, 2025

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

**Prasad K. Panicker**  
Executive Chairman  
DIN : 06476857  
Mumbai

**Deepesh Baxi**  
Chief Financial Officer  
Mumbai

**Alessandro des Dorides**  
Chief Executive Officer  
Mumbai

**Mayank Bhargava**  
Company Secretary  
Mumbai  
June 05, 2025

# Standalone Statement Of Cash Flows

for the year ended March 31, 2025

(₹ in million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>A Cash flow from operating activities</b>		
Profit before tax	84,315	161,142
Adjustments for:		
Interest income	(6,569)	(6,041)
Depreciation and amortisation expense	21,213	19,913
Loss on disposal / discard of property, plant and equipment (net)	751	14
Gain on investment / financial assets measured at FVTPL	(726)	(707)
Gain on remeasurement of leases	(144)	(12)
Export obligation deferred income	(137)	(61)
Unrealised foreign exchange differences (net)	302	576
Derivative loss and hedge reserve adjustments (net)	915	501
Expected credit loss / (reversal of loss) (net)	(1,338)	633
Provision for doubtful debts / doubtful debt written off	12	23
Provision / liabilities written back	(12)	(737)
Finance costs	16,908	21,423
<b>Operating profit before working capital changes</b>	<b>115,490</b>	<b>196,667</b>
Adjustments for working capital changes:		
Decrease / (increase) in inventories	2,785	(7,980)
Decrease / (increase) in trade and other receivables	26,082	(22,161)
(Decrease) in trade and other payables	(97,651)	(121,342)
<b>Cash generated from operating activities</b>	<b>46,706</b>	<b>45,184</b>
Income tax payment (net of refund) (including interest)	(22,103)	(42,761)
<b>Net cash generated from operating activities</b>	<b>24,603</b>	<b>2,423</b>
<b>B Cash flow from investing activities</b>		
Payments for property, plant and equipment (including capital work in progress, Intangible assets, Capital advances, Capital creditors and Intangible assets under development)	(22,807)	(18,614)
Proceed from sale of property, plant and equipment	43	16
(Payments for purchase) / proceeds for sale of short term investments / mutual fund (net)	(5,100)	14,755
Placement of bank deposits	(21,048)	(28,785)
Encashment of bank deposits	34,334	1,997
Placement of short term bank deposits (net)	(5,693)	(39,171)
Placement of inter corporate deposits	(188)	(355)
Interest received	5,772	4,186
<b>Net cash (used in) investing activities</b>	<b>(14,687)</b>	<b>(65,971)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from borrowings	26,738	42,329
Repayment of borrowings	(19,140)	(5,240)
Payment of principal portion of lease liabilities	(1,384)	(1,173)
Payment of interest on lease liabilities	(1,463)	(1,332)
Finance cost paid	(16,154)	(17,829)
<b>Net cash (used in) / generated from financing activities</b>	<b>(11,403)</b>	<b>16,755</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(1,487)</b>	<b>(46,793)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>17,184</b>	<b>63,977</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>15,697</b>	<b>17,184</b>
<b>Composition of Cash and cash equivalents included in the statement of cash flows comprise of the following balance sheet amounts:</b>		
Cash and cash equivalents as per the balance sheet (refer note 14)	15,856	17,705
Add: Earmarked bank balances (refer note 15)	337	231
Less: Bank overdraft (refer note 24)	(496)	(752)
<b>Total</b>	<b>15,697</b>	<b>17,184</b>

# Standalone Statement Of Cash Flows

for the year ended March 31, 2025

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

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

(₹ in million)				
Particulars	As at April 01, 2023	Cash changes (net)	Non cash changes (net)	As at March 31, 2024
Borrowings (long term and short term borrowing)*	79,962	37,089	49	117,100

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

# for lease, refer note 38

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

As per our report of even date

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

per **Naman Agarwal**  
Partner  
Membership No. 502405  
Mumbai, June 05, 2025

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

**Prasad K. Panicker**  
Executive Chairman  
DIN : 06476857  
Mumbai

**Deepesh Baxi**  
Chief Financial Officer  
Mumbai

**Alessandro des Dorides**  
Chief Executive Officer  
Mumbai

**Mayank Bhargava**  
Company Secretary  
Mumbai  
June 05, 2025



# Notes to Standalone Financial Statements

for the year ended March 31, 2025

## 1. Corporate information

Nayara Energy Limited (the Company) (CIN: U11100GJ1989PLC032116) is a public limited company incorporated under the provisions of the Companies Act, 1956 (since replaced by the Companies Act, 2013, as amended). The registered office of the Company is located at Devbhumi Dwarka, Gujarat, India. The Company is primarily engaged in the business of refining of crude oil, marketing of petroleum products in domestic and overseas markets. The Company owns India's second largest single site refinery at Vadinar, Gujarat with a current capacity of 20MMTPA. The Company has around 6,700 operational retail outlets and around 1,900 retail outlets at various stages of completion.

The financial statements of Nayara Energy Limited for the year ended March 31, 2025 were authorised for issue in accordance with a resolution of the directors on June 05, 2025.

## 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".

## 3. Summary of material accounting policies

### A. Fair value measurement

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

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

that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

For assets and liabilities that are recognised in the financial statements at a fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

or liability and the level of the fair value hierarchy as explained above.

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

- Disclosures for valuation methods, significant estimates and assumptions (refer note 40)
- Quantitative disclosures of fair value measurement hierarchy (refer note 40)
- Financial instruments (including those carried at amortised cost) (refer note 40)

## B. Property, Plant and Equipment

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

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

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

### Depreciation

Depreciation on PPE is provided, on pro-rata basis 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 *	25-50
Catalysts (included within plant and machinery)	2-5
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 25 years and are depreciated over such assessed useful life.

(refer note 38 for useful life of Right-of-use 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 the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

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 liabilities, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee adjusted for accumulated depreciation, accumulated impairment losses and any remeasurement of lease liabilities. The depreciation on right-of-use assets is recognised as expense unless capitalised when the right-of-use asset is used to construct another asset. Right of use assets are depreciated on a straight line basis over the lesser of the assessed useful lives of the asset (refer 'B' above) or the lease period. Right to use of trademark assets are amortised over the usage period.



# Notes to Standalone Financial Statements

for the year ended March 31, 2025

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 30 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.

## 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

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

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

### i) Monetary Items

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at exchange rate prevailing on the reporting date. Foreign exchange difference arising on settlement or translation of monetary items are recognised in the statement of profit and loss except for monetary items that are designated and effective as hedge instrument.

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

### ii) Non-monetary Items

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

## K. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments comprise of financial assets and financial liabilities. Financial assets primarily comprise of loans and advances, deposits, trade receivables and cash and cash equivalents.

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

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

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

## (i) Financial Assets

### a) Initial Recognition and measurement

The Company initially recognises loans and advances and deposits issued on the date on which they originate. All other financial instruments (including purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. A financial asset (except trade receivables at amortised cost) is initially measured at fair value plus / minus, for an item not at fair value through profit or loss (FVTPL), 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.

#### *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').



# Notes to Standalone Financial Statements

for the year ended March 31, 2025

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 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

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

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**

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate, commodity price and foreign exchange rate risks. These derivatives include foreign exchange forward contracts, foreign exchange options, commodity forward contracts, interest rate swaps and cross / full currency swaps. For risk management objectives refer note 40(B).

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

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

**(ii) Hedge Accounting**

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

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

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions.

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

## (iii) Cash flow hedges

Changes in the fair value of derivatives/ hedging instruments that are designated and qualify as cash flow hedges are carried in the "Cash Flow Hedge Reserve". The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss. Amounts carried 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 carried in the Cash Flow Hedge Reserve Account at that time is retained and is recognised when the forecast transaction is ultimately recognised and affects the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was carried in Cash Flow Hedge Reserves, is recognised immediately in the statement of profit and loss.

## M. Borrowing Costs

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

Borrowing cost also includes exchange differences on foreign currency borrowings.

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

## N. Taxes

### (i) Current Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax

rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

### (ii) Deferred tax

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

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

- 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.



# Notes to Standalone Financial Statements

for the year ended March 31, 2025

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

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

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

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

## O. Provisions and Contingent liabilities

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

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

## P. Cash and Cash Equivalent

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

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

## Q. Current and Non-Current Classification

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

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

## R. Earning per share

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

## 4. Critical accounting judgments and key sources of estimation uncertainty

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared.

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

## i) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalizing or cannot be quantified reliably are treated as contingent liabilities. Among other matters, such determination require involvement of legal and other subject matter experts. Depending on materiality, the Company may involve internal and/ or external experts to make such assessment. Contingent liabilities are disclosed in the notes but are not recognized, refer note 36.

## ii) Impairment of non-financial assets

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

The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in note 46 in Standalone financial statements.

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

### A. Standards issued but not yet effective

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, 2024.

During the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

### C. Changes in presentation and disclosure

The Company has revised the presentation of employee related liabilities, primarily comprising of accrued salaries, wages and bonuses to other financial liabilities instead of the hitherto followed practice of including the same under trade payables as it believes that the same would lead to a better presentation of financial statements. Accordingly, a sum of H 3,116 million as at March 31, 2024 has been reclassified to other financial liabilities from trade payables. Since this change relates to only presentation and disclosure under the same sub heading, hence there is no impact either on the total equity and/or profit and loss for the current year or any earlier period or on the statement of cash flows. The management does not believe that this change has any material impact on the balance sheet at the beginning of the comparative period and hence there is no need for a separate presentation of an additional balance sheet.

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

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

(₹ in million)

Description of the assets	Gross block (I)				Depreciation / amortisation (II)			Net block (III) = (I - II)	
	As at April 01, 2024	Additions	Deductions/ Remeasurement	As at March 31, 2025	As at April 01, 2024	During the year	Deductions	As at March 31, 2025	As at March 31, 2025
<b>A) Property, plant and equipment</b>									
Land (Freehold)	53,102	1,201	-	54,303	-	-	-	-	54,303
Buildings	20,866	2,744	-	23,610	7,553	988	-	8,541	15,069
Plant and machinery	467,338	54,050	1,500	519,888	125,099	17,912	1,355	141,656	378,232
Furniture and fixtures	354	26	-	380	228	21	-	249	131
Office equipments	3,098	223	0	3,321	2,381	331	0	2,712	609
Vehicles	180	93	9	264	92	22	8	106	158
<b>Total Property, plant and equipment</b>	<b>544,938</b>	<b>58,337</b>	<b>1,509</b>	<b>601,766</b>	<b>135,353</b>	<b>19,274</b>	<b>1,363</b>	<b>153,264</b>	<b>448,502</b>
<b>B) Capital work-in-progress</b>									
Capital work-in-progress (refer note 1 below)	54,210	22,130	58,523	17,817	-	-	-	-	17,817
<b>C) Goodwill</b>									
Goodwill (refer note 46)	108,184	-	-	108,184	-	-	-	-	108,184
<b>D) Other intangible assets</b>									
Softwares & licenses	1,686	191	-	1,877	1,415	114	-	1,529	348
<b>E) Intangible assets under development</b>									
Softwares	-	143	-	143	-	-	-	-	143
<b>F) Right-of-Use assets (refer note 38)</b>									
<b>Tangible Assets</b>									
Land	11,460	917	520	11,857	2,089	534	160	2,463	9,394
Building	2,104	354	124	2,334	1,104	346	124	1,326	1,008
Plant & machinery	4,768	49	1,381	3,436	2,773	709	1,381	2,101	1,335
Vehicles (including vessels)	1,218	640	980	878	1,046	176	984	238	640
<b>Total Tangible Assets</b>	<b>19,550</b>	<b>1,960</b>	<b>3,005</b>	<b>18,505</b>	<b>7,012</b>	<b>1,765</b>	<b>2,649</b>	<b>6,128</b>	<b>12,377</b>
<b>Intangible Assets</b>									
Trademark	18,282	-	-	18,282	18,061	60	-	18,121	161
<b>Total Right-of-use assets</b>	<b>37,832</b>	<b>1,960</b>	<b>3,005</b>	<b>36,787</b>	<b>25,073</b>	<b>1,825</b>	<b>2,649</b>	<b>24,249</b>	<b>12,538</b>
<b>Total (A+B+C+D+E+F)</b>	<b>746,850</b>	<b>-</b>	<b>63,037</b>	<b>766,574</b>	<b>161,841</b>	<b>21,213</b>	<b>4,012</b>	<b>179,042</b>	<b>587,532</b>

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

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

(₹ in million)

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

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

(₹ in million)

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

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

\*Mainly pertaining to refinery related projects



# Notes to Standalone Financial Statements

for the year ended March 31, 2025

## Intangible assets under development as at March 31, 2025

(₹ in million)

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

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

(₹ in million)

Description of the assets	Gross block (I)				Depreciation / amortisation (II)				Net block (III) = (I - II)
	As at April 01, 2023	Additions	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
<b>A) Property, plant and equipment</b>									
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	1,25,099	3,42,239
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
<b>Total Property, plant and equipment</b>	<b>541,793</b>	<b>3,286</b>	<b>141</b>	<b>544,938</b>	<b>117,386</b>	<b>18,075</b>	<b>108</b>	<b>135,353</b>	<b>409,585</b>
<b>B) Capital work-in-progress</b>									
Capital work-in-progress (refer note 1 below)	40,533	17,097	3,420	54,210	-	-	-	-	54,210
<b>C) Goodwill</b>									
Goodwill (refer note 46)	108,184	-	-	108,184	-	-	-	-	108,184
<b>D) Other intangible assets</b>									
Softwares & licenses	1,544	142	-	1,686	1,315	100	-	1,415	271
<b>E) Intangible assets under development</b>									
Intangible assets under development	15	8	23	-	-	-	-	-	-
<b>F) Right-of-Use assets (refer note 38)</b>									
<b>Tangible Assets</b>									
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
<b>Total Tangible Assets</b>	<b>16,904</b>	<b>2,681</b>	<b>35</b>	<b>19,550</b>	<b>5,491</b>	<b>1,529</b>	<b>8</b>	<b>7,012</b>	<b>12,538</b>
<b>Intangible Assets</b>									
Trademark	18,282	-	-	18,282	17,852	209	-	18,061	221
<b>Total Right-of-use assets</b>	<b>35,186</b>	<b>2,681</b>	<b>35</b>	<b>37,832</b>	<b>23,343</b>	<b>1,738</b>	<b>8</b>	<b>25,073</b>	<b>12,759</b>
<b>Total (A+B+C+D+E+F)</b>	<b>727,255</b>	<b>-</b>	<b>3,619</b>	<b>746,850</b>	<b>142,044</b>	<b>19,913</b>	<b>116</b>	<b>161,841</b>	<b>585,009</b>

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

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

### Capital Work-In-Progress Ageing schedule as at March 31, 2024

(₹ in million)

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	15,458	21,062	11,669	6,021	54,210
<b>Total</b>	<b>15,458</b>	<b>21,062</b>	<b>11,669</b>	<b>6,021</b>	<b>54,210</b>

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

(₹ in million)

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

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

\*Mainly pertaining to refinery related projects

#### Notes:

- The Company incurred total cost of ₹ 1,078 million as Expenditure During Construction [including salary of ₹ 729 million and other expense of ₹ 349 million] (Previous year ₹ 969 million as Expenditure During Construction [including salary of ₹ 631 million and other expense of ₹ 338 million]) for asset development projects and ₹ 926 million (Previous year ₹ 2,613 million) as borrowing cost which is included/capitalised from Capital work-in-progress.
- For details of assets pledge as security, refer note 21 and 24.

## 7 Investments (Non Current) (Unquoted)

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(1) Investment in equity shares of wholly owned subsidiaries - At cost</b>		
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
<b>(2) Other Investments - At FVTPL</b>		
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 * @	-	-
<b>Total</b>	<b>27</b>	<b>27</b>

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Investment at cost	27	27
Investment at fair value through profit and loss account	-	-
<b>Total</b>	<b>27</b>	<b>27</b>

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Aggregate amount of unquoted investments	27	27
<b>Total</b>	<b>27</b>	<b>27</b>

\* Investments are fair valued at Zero.

@ companies are under liquidation.

## 8 Loans (Non Current)

(Unsecured and considered good, unless otherwise stated)

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Inter corporate deposits to a related party (refer note 42)	1,305	1,117
Loan to retail outlet franchisee #	483	290
<b>Total</b>	<b>1,788</b>	<b>1,407</b>

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

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

## 9 Other Financial Assets (Non Current)

(Unsecured and considered good, unless otherwise stated)

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Security deposits (A)	429	414
<b>Other receivables</b>		
Export incentive receivables		
- Significant increase in credit risk	-	1,285
- Less: Expected credit loss	-	(1,285)
Contractual receivables		
- Considered good	17	6
- Significant increase in credit risk	1,428	1,428
- Less: Expected credit loss {refer note 40(B)(v)}	(1,428)	(1,428)
(B)	17	6
Margin Deposits with remaining maturity of more than twelve months (C)	157	132
Interest accrued on bank deposits (D)	1	0
<b>Total (A)+(B)+(C)+(D)</b>	<b>604</b>	<b>552</b>

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, 2025

## 10 Other non-current assets

(Unsecured and considered good, unless otherwise stated)

(₹ in million)		
Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	118	300
Capital advances	6,209	3,182
Claims receivables		
- Considered good	4,216	4,185
- Considered doubtful	51	63
Less: Provision for doubtful receivables	(51)	(63)
<b>Total</b>	<b>10,543</b>	<b>7,667</b>

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

## 11 Inventories

(₹ in million)		
Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials	30,823	38,121
Work-in-progress	29,194	24,945
Finished goods {including in transit ₹ 7,828 million (Previous year ₹ 11,324 million)}	28,300	30,153
Stock-in-trade {including in transit ₹ 220 million (Previous year ₹ 50 million)}	221	52
Stores and spare parts {including in transit ₹ 7 million (Previous year ₹ 10 million)}*	9,035	7,178
Other consumables	3,574	3,484
<b>Total</b>	<b>101,147</b>	<b>103,933</b>

\* Store and spare parts net off by ₹ 327 million (Previous year : ₹ 295 million) provisions towards non moving inventories.

Refer note 3(F) for basis of valuation.

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

## 12 Investments (Current)

(₹ in million)		
Particulars	As at March 31, 2025	As at March 31, 2024
Investments in mutual funds - At FVTPL*	9,579	3,753
<b>Total</b>	<b>9,579</b>	<b>3,753</b>

\*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 40(B)(v)

## 13 Trade receivables

(₹ in million)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Trade receivables</b>		
Secured, considered good	6,748	6,140
Unsecured, considered good	40,842	67,057
Trade receivables - credit impaired	452	581
	48,042	73,778
- Less: Expected credit loss {refer note 40(B)(v)}	(452)	(581)
<b>Total</b>	<b>47,590</b>	<b>73,197</b>

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

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

For amounts due from related parties, refer note 42.

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

The Company has discounted bill receivables amounting to ₹ 5,901 million (Previous year : ₹ 5,823 million), on non-recourse basis. The management has assessed that the Company does not have any continuing involvement with the said bills discounted, except in an unlikely scenario of dispute arising with regard to the existence of the receivable discounted. Accordingly, the discounting meets derecognition criteria and the money received has been netted off from the trade receivables discounted.

## 13A Ageing of Trade Receivables

As at March 31, 2025

(₹ in million)

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

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	-	-	-	-	-	-	-
<b>Total</b>	<b>40,561</b>	<b>32,210</b>	<b>437</b>	<b>13</b>	<b>548</b>	<b>9</b>	<b>73,778</b>

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

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

## 14 Cash and cash equivalents

Particulars	(₹ in million)	
	As at March 31, 2025	As at March 31, 2024
<b>Balances with banks in:</b>		
- Current accounts #	6,090	9,396
- Exchange earners' foreign currency (EEFC) accounts	-	83
- Deposits with original maturities less than 3 months*	9,766	8,226
<b>Cash on hand</b>	0	0
<b>Total</b>	<b>15,856</b>	<b>17,705</b>

# includes unutilised amount of term loans of ₹ 300 million (Previous year ₹ 3,608 million) raised for ongoing capital projects.

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

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

## 15 Bank balances other than cash and cash equivalents

Particulars	(₹ in million)	
	As at March 31, 2025	As at March 31, 2024
Earmarked bank balances #	337	231
Margin deposit with original maturities more than 3 months but less than 12 months*	26,790	10,001
Bank deposit with original maturities more than 3 months but less than 12 months	15,510	32,100
<b>Total</b>	<b>42,637</b>	<b>42,332</b>

# Earmarked bank balances mainly includes :

- (a) ₹ 33 million (Previous year: ₹ 33 million) payable as purchase consideration to NRI shareholders of Vadinar Oil Terminal Limited (VOTL) (formerly a subsidiary of the Company) pursuant to its merger.
- (b) ₹ 204 million (Previous year: ₹ 155 million) payable as interest on debentures
- (c) ₹ 100 million (Previous year: ₹ 43 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, 2025	As at March 31, 2024
Loan to retail outlet franchisee #	355	412
<b>Total</b>	<b>355</b>	<b>412</b>

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

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



# Notes to Standalone Financial Statements

for the year ended March 31, 2025

## 17 Other Financial Assets (Current)

(Unsecured and considered good, unless otherwise stated)

(₹ in million)

Particulars		As at March 31, 2025	As at March 31, 2024
Security deposits	(A)	48	38
<b>Other receivables</b>			
Export incentive receivables			
- Considered good		646	416
- significant increase in credit risk		73	-
- Less: Expected credit loss {refer note 40(B)(v)}		(73)	-
Contractual receivables			
- Considered good		2,010	1,099
- significant increase in credit risk		339	336
- Less: Expected credit loss {refer note 40(B)(v)}		(339)	(336)
	(B)	<b>2,656</b>	<b>1,515</b>
Interest accrued on bank deposits	(C)	2,224	1,439
Margin Deposits with remaining maturity less than 12 months	(D)	7,196	19,333
Bank Deposits with remaining maturity less than 12 months	(E)	13,820	9,500
Derivative assets {refer note 40(A)}	(F)	1,214	2,253
<b>Total ((A)+(B)+(C)+(D)+(E)+(F))</b>		<b>27,158</b>	<b>34,078</b>

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

## 18 Other Current assets

(Unsecured and considered good, unless otherwise stated)

(₹ in million)

Particulars		As at March 31, 2025	As at March 31, 2024
Advances recoverable in cash or in kind or for value to be received		873	726
Prepaid expenses		2,165	3,674
Balances with government authorities		86	69
	(A)	<b>3,124</b>	<b>4,469</b>
<b>Claims / other receivables</b>			
- Considered good		-	34
	(B)	-	34
<b>Total ((A)+(B))</b>		<b>3,124</b>	<b>4,503</b>

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

## 19 Equity Share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	₹ in million	Number of shares	₹ in million
<b>Authorised</b>				
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
<b>Issued and subscribed</b>				
Equity shares of ₹ 10 each	1,552,487,155	15,525	1,552,487,155	15,525
<b>Paid up</b>				
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
		<b>15,072</b>		<b>15,072</b>

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	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.

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, 2025		As at March 31, 2024	
	Number of shares	% of shares	Number of shares	% of shares
3,109,359 (3,109,359 as at March 31, 2024) 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	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.

## d) Buyback of shares

At its meeting held on March 03, 2025, the Board of Directors approved making an offer to minority public shareholders for buyback of up to 25,908,262 fully paid equity shares (representing approximately 1.74% of the total issued and paid-up equity share capital), at a price of ₹ 731 per equity share, payable in cash for an aggregating amount not exceeding ₹ 18,939 million, excluding transaction costs, by way of Tender Offer on a proportionate basis.

The buyback offer opened on April 11, 2025 and closed on May 07, 2025. The Company bought back 2,170,347 equity shares on May 29, 2025.

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

## 20 Other equity

Particulars	(₹ in million)	
	As at March 31, 2025	As at March 31, 2024
General reserve	596	596
Retained earnings	409,512	349,226
<b>Other Comprehensive Income:</b>		
Cash flow hedge reserve	(3,298)	(7,839)
Foreign currency monetary item translation difference account	-	(8)
<b>Other Reserves:</b>		
Capital reserve	609	609
Securities premium	78,014	78,014
Debenture redemption reserve	257	-
<b>Total</b>	<b>485,690</b>	<b>420,598</b>

### Nature and purpose of reserves

**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 paid by shareholders for their issued shares that was in excess of the par value of those shares. The same can be utilised for the items specified under section 52 of the Companies Act, 2013.

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

## 21 Borrowings - Non Current

Particulars	(₹ in million)	
	As at March 31, 2025	As at March 31, 2024
<b>Secured Borrowings - At amortised cost</b>		
<b>Debentures</b>		
Non convertible debentures	2,568	2,568



# Notes to Standalone Financial Statements

for the year ended March 31, 2025

Particulars	(₹ in million)	
	As at March 31, 2025	As at March 31, 2024
<b>Term loans*</b>		
From banks	81,056	85,630
From financial institutions	5,319	-
Current maturities of long term debt included under short term borrowings (refer note 24)	(8,226)	(6,298)
<b>Total</b>	<b>80,717</b>	<b>81,900</b>

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

Interest accrued of ₹ 72 million (Previous year ₹ 186 million ) forming part of the carrying value of the non-current borrowings are disclosed in note 26

## Security, repayment and other terms for term loans from banks and debentures

Sr No	Particulars	(₹ in million)	
		As at March 31, 2025	As at March 31, 2024
i)	Rupee and USD loan availed from various banks are secured by first charge, ranking pari- passu with other term lenders on the property, plant and equipment (movable and immovable), both present and future of the Company except land parcels and property, plant and equipment (movable and immovable) earmarked for port, power plant & Polypropylene Project. Second charge, pari- passu with other term lenders on the current assets of the Company, first charge by way of assignment or security interest over all rights, titles, insurance and interest in all project documents to which the Company is a party, first charge on DSRA/margin as and when created.  The said Loans carry interest of respective lenders rate of 3M T-Bills; 6M MCLR; ON/ 6M SOFR; Repo Rate + spread ranging from 50 bps to 390 bps and is repayable in unequal instalments starting from March 2018 and ending to September 2038.	28,664	30,257
ii)	8% Non convertible debentures are secured by second ranking pari passu charge on movable property, plant and equipment pertaining to the Port Facilities of the Company carry fixed interest of 8% p.a. is repayable in a single bullet in December 2025.	2,568	2,568
iii)	Rupee loan from financial institution / banks are secured by first charge ranking pari passu over all movable and immovable assets of the Company relating to Port, both present and future, insurance contracts, title and interests under project documents.  The said loans carry an interest rate of internal benchmark of lender + spread of 55 bps and repayable in unequal quarterly instalments ending on December 2044.	5,318	6,869
iv)	Rupee loan availed from various banks are secured by first charge, ranking pari-passu with other term lenders on the property, plant and equipment (movable and immovable) , both present and future of the Refinery except land parcels and property, plant and equipment (movable and immovable) earmarked for port, power, township & Polypropylene Project. Second charge, pari- passu with other term lenders on the current assets of the Company  The said loans carry interest rate at bank's 1Y MCLR/3M-6M T. Bills + spread ranging from 0.70% to 2.83% is repayable in structured quarterly instalments ending to December 2032.	19,293	17,429
v)	First charge, ranking pari passu on all present and future immovable & movable assets related to Polypropylene Project, DSRA & security interest on the rights, title and interest under Project documents & insurance policies. The said loans from banks carry fixed interest rate till perfection of security for Project Lenders and repayable in structured quarterly instalments ending to December 2036.	33,100	31,075
	<b>Total</b>	<b>88,943</b>	<b>88,198</b>

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

## 22 Other financial liabilities (Non-Current)

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Security deposits	849	466
Derivative liabilities {refer note 40(A)}	1	-
Advances received from customers	-	22,246
<b>Total</b>	<b>850</b>	<b>22,712</b>

## 23 Taxation

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities (Net)	77,205	74,880
<b>Total</b>	<b>77,205</b>	<b>74,880</b>

### (A) Income tax expense / (benefit)

(₹ in million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax (includes reversal of tax relating to earlier period Nil (previous year: ₹ 159 million)) (A)	20,815	41,121
Deferred tax (B)	2,887	(831)
<b>Total tax charged in statement of profit and loss (A)+(B)</b>	<b>23,702</b>	<b>40,290</b>
Current tax (A)	2,069	1,775
Deferred tax (B)	(563)	1,078
<b>Total tax charged in other comprehensive income (A)+(B)</b>	<b>1,506</b>	<b>2,853</b>

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

(₹ in million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Profit before tax</b>	<b>84,315</b>	<b>1,61,142</b>
Statutory tax rate	25.17%	25.17%
<b>Expected income tax expense at statutory rate</b>	<b>21,222</b>	<b>40,559</b>
<b>Items giving rise to difference in tax</b>		
Expenses disallowed / income not offered*	849	471
Effect of change in tax law on long term capital assets	1,806	-
Effect of change in indexed cost of land	-	(514)
Utilisation of previously unrecognised tax asset	(178)	(228)
Others	3	2
<b>Total Income tax expense</b>	<b>23,702</b>	<b>40,290</b>
<b>Effective tax rate</b>	<b>28.11%</b>	<b>25.00%</b>

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

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

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

(₹ in million)

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

(₹ in million)

Deferred tax balance in relation to	As at April 01, 2023	Recognised through profit and loss	Recognised in other comprehensive income	As at March 31, 2024
Property, plant and equipment, intangibles, right of use assets and goodwill	80,207	(444)	-	79,763
Effect of mark to market accounting	(1,111)	167	1,070	126
Lease liabilities	(3,582)	(378)	-	(3,960)
Expected credit loss	(447)	(159)	-	(606)
Others	(435)	(17)	9	(443)
<b>Total</b>	<b>74,632</b>	<b>(831)</b>	<b>1,079</b>	<b>74,880</b>

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

(₹ in million)

Nature of loss	Gross Amount		Last day till which loss can be set off
	As at March 31, 2025	As at March 31, 2024	
Long term capital loss	176	176	March 31, 2026
Long term capital loss	3,668	3,668	March 31, 2029
Short term capital loss	20,882	21,590	March 31, 2026

(E) The Income tax department has classified certain expenses amounting to ₹ 11,161 million (as at March 31, 2024: ₹ 10,377 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 ₹ 2,809 million (as at March 31, 2024: ₹ 2,612 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 ₹ 1,546 million (Previous year: ₹ 1,691 million) arising out of the matters settled under the said scheme, in its future tax assessments and continues to recognize deferred tax assets of ₹ 389 million on the same (as at March 31, 2024: ₹ 428 million).



# Notes to Standalone Financial Statements

for the year ended March 31, 2025

## 24 Short term borrowings

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Secured Borrowings</b>		
Bank overdraft	496	752
Working capital demand loans from banks (including packing credits)	18,357	15,223
Buyers' credits and bills discounting @*	15,658	11,178
Current maturities of long term debt (refer note 21)	8,226	6,298
<b>Unsecured Borrowings</b>		
Buyer's credit	2,567	2,501
<b>Total</b>	<b>45,304</b>	<b>35,952</b>

Interest accrued of ₹ 66 million (Previous year ₹ 50 million ) forming part of the carrying value of the short term borrowings are disclosed in note 26

### Security for short term borrowing:

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
a) Bank overdraft / cash credit from bank is secured by fixed deposits maintained with a bank and carries interest rate of 8.2% and is repayable on demand.	496	752
b) Working Capital Demand loan and packing credits from bank are secured by first charge on all current assets both present and future including all receivables ranking pari passu basis among lenders, second charge on property, plant and equipment both present and future (except land parcels and property, plant and equipment of power, port and township divisions) on pari passu with other lenders. Some of these loans carries interest rate of MCLR plus spread of 140 bps with 20-30 days tenor and other loans carries interest rate on Secured Overnight Financing Rate (SOFR) plus additional spread ranging from 75 bps to 100 bps payable within 30 to 180 days.	18,357	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 property, plant and equipment both present and future (except land parcel and property, plant and equipment of power, port and township divisions) on a pari passu with other lenders. The loan carries an interest rate which is determined and fixed on date of availing of the loan which is presently at 5.48% - 5.57% p.a (previous year: 5.73%-5.84% p.a) and are repayable within 29 to 62 days of being drawn.	12,580	6,003
d) Current maturities of long term debt (refer note 21)	8,226	6,298
e) Unsecured buyer's credit carrying interest rate 6.23% p.a. (previous year: 7.63%) and are repayable within 10 -35 days of being drawn.	2,567	2,501
*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	3,078	5,175
<b>Total</b>	<b>45,304</b>	<b>35,952</b>

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

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

## 25 Trade Payables

Particulars	(₹ in million)	
	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of Micro and small enterprises (MSME)	378	269
Total outstanding dues of creditors other than Micro and small enterprises (refer note 42 and note 5(C))	67,170	114,430
<b>Total</b>	<b>67,548</b>	<b>114,699</b>

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

### 25A Trade Payable Ageing

As at March 31, 2025

as at March 31, 2025

(₹ 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	-	378	-	-	-	-	378
(ii) Undisputed dues - Others	4,658	61,204	334	22	140	748	67,106
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	64	64
<b>Total</b>	<b>4,658</b>	<b>61,582</b>	<b>334</b>	<b>22</b>	<b>140</b>	<b>812</b>	<b>67,548</b>

As at March 31, 2024

As at March 31, 2021

							(₹ 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	4,240	81,909	492	163	8	27,554	114,366
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	8	56	64
<b>Total</b>	<b>4,240</b>	<b>82,178</b>	<b>492</b>	<b>163</b>	<b>16</b>	<b>27,611</b>	<b>114,699</b>

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

## 26 Other financial liabilities (Current)

Particulars	(₹ in million)	
	As at March 31, 2025	As at March 31, 2024
Interest accrued	2,479	3,678
Capital creditors	8,154	5,284
Security deposits	879	442
Unclaimed debenture interest and principal (secured)#	200	150
Advances received from customers	21,226	60,109
Derivative liabilities {refer note 40(A)}	1,645	734
Accrued compensation to employees (refer note 5(C))	2,813	3,116
Contractual liabilities	2,118	2,468
<b>Total</b>	<b>39,514</b>	<b>75,981</b>

# ₹ 0.8 million (Previous year ₹ 0.7 million) has been transferred to Investor Education and Protection Fund on or before due date.

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

## 27 Other Current liabilities

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues	15,817	14,624
Advances received from customers	2,161	2,301
Export Obligation*	112	231
Other liabilities (non contractual)**	1,707	-
<b>Total</b>	<b>19,797</b>	<b>17,156</b>

\* In respect of unfulfilled export obligation of ₹ 147,113 million (Previous year ₹ 244,445 million).

\*\* includes CSR obligation of ₹ 1,457 million.

## 28 Provisions (Current)

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Provision for employee benefits</b>		
Compensated absences	905	786
Gratuity (refer note 41)	307	286
<b>Total</b>	<b>1,212</b>	<b>1,072</b>

## 29 Revenue from operations

(₹ in million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Revenue from sale of products #</b>		
Sale of manufactured products	1,355,174	1,403,200
Sale of traded goods	137,469	140,983
<b>Other operating revenues *</b>	2,092	2,110
<b>Total</b>	<b>1,494,735</b>	<b>1,546,293</b>

# Comprises of revenue from contracts with customers of ₹ 1,505,731 million (Previous year : ₹ 1,564,429 million) recognised at a point in time and ₹ 13,088 million pertaining to hedging loss (Previous year : ₹ 20,246 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 ₹ 668 million (Previous year ₹ 670 million) and export obligation fulfilment income of ₹ 243 million (Previous year ₹ 184 million), which are in the nature of government grant .

### Disaggregated revenue information

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

(₹ in million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Export sales	372,506	404,162
Domestic Oil marketing companies	367,500	455,341
Retail outlets	626,223	582,740
Institutional business and petrochemicals	139,502	122,186
<b>Total revenue from contracts with customers</b>	<b>1,505,731</b>	<b>1,564,429</b>



# Notes to Standalone Financial Statements

for the year ended March 31, 2025

	(₹ in million)		
Contract balances	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Trade receivables * (refer note 13)	47,590	73,197	52,238
Contract liabilities (refer note 22, note 26 and note 27)	23,387	84,656	185,228

\* Trade receivables are non-interest bearing and are generally on terms of 0 to 30 days. As on March 31, 2025, ₹ 452 million (Previous year ₹ 581 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, 2025	For the year ended March 31, 2024
Revenue recognised out of contract liabilities outstanding at the beginning of the year	64,612	91,931

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

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

	(₹ in million)	
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue as per contracted price	1,515,033	1,570,966
<b>Adjustments</b>		
Discount and incentives	(9,302)	(6,537)
<b>Revenue from contract with customers</b>	<b>1,505,731</b>	<b>1,564,429</b>

## Performance obligation

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

## 30 Other income

	(₹ in million)	
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Interest income</b>		
- Bank deposits (carried at amortised cost)	6,459	5,331
- Other financial assets (carried at amortised cost)	99	258
- Interest on income tax refund	11	452
	<b>6,569</b>	<b>6,041</b>
<b>Other gains (net)</b>		
- Net gain on derivative instruments- carried at FVTPL	763	737
- Net gain on investments carried at FVTPL	726	707
- Gain on reversal of Expected credit loss (net) {refer note 40(B)(v)}	1,338	-
Provision / liabilities written back	12	737
Other non-operating income	1,663	1,094
<b>Total</b>	<b>11,071</b>	<b>9,316</b>

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

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

(₹ in million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Opening inventories:</b>		
- Finished goods	30,153	27,961
- Work-in-progress	24,945	24,012
- Stock-in-trade	52	-
(A)	<b>55,150</b>	<b>51,973</b>
<b>Closing inventories:</b>		
- Finished goods	28,300	30,153
- Work-in-progress	29,194	24,945
- Stock-in-trade	221	52
(B)	<b>57,715</b>	<b>55,150</b>
<b>Net (increase) in inventories</b>	<b>Total ((A)-(B))</b>	<b>(3,177)</b>

## 32 Employee benefits expense\*

(₹ in million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	8,766	9,059
Contribution to provident and other funds (refer note 41)	711	709
Staff welfare expenses	667	634
<b>Total</b>	<b>10,144</b>	<b>10,402</b>

\* net of ₹ 729 million (Previous year ₹ 631 million) asset development projects related expense capitalised (refer note 6).

## 33 Finance costs\*

(₹ in million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense	14,192	19,103
Interest on lease liabilities (refer note 38)	1,465	1,364
Exchange differences on foreign currency borrowings	584	110
Other finance charges	667	846
<b>Total</b>	<b>16,908</b>	<b>21,423</b>

\* Net of ₹ 926 million (Previous year ₹ 2,613 million) asset development projects related expense capitalised (refer note 6).

## 34 Other expenses\*

(₹ in million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Consumption of chemical, catalyst, stores and spare parts	4,394	4,100
Product handling charges	2,003	1,757
Consumption of power, fuel and electricity [excludes fuel consumed out of own production ₹ 32,571 million (Previous year ₹ 27,085 million)]	15,563	16,210
Freight and Forwarding Charges	17,463	15,765
Rent, rates and taxes	5,151	5,194
Insurance	1,868	1,742
Legal and professional fees {refer note (a) below}	1,583	1,366
Repairs and maintenance	3,797	3,057
Debit balance / doubtful debts / doubtful receivables written off (net of provision)	12	23
Director's commission and remuneration (refer note 42)	214	208
Loss on disposal / discard of property, plant and equipment (net)	751	14

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

Particulars	(₹ in million)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Corporate and social responsibility expense {refer note (b) below}	1,892	684
Exchange differences (net)	2,035	568
Expected credit loss [refer note 40(B)(v)]	-	633
Sundry expenses	4,319	3,993
<b>Total</b>	<b>61,045</b>	<b>55,314</b>

\* Net of ₹ 349 million (Previous year ₹ 338 million) asset development projects related expense capitalised (refer note 6).

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

Particulars	(₹ in million)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Statutory audit fee	27	25
Fee for review of interim financial information	12	11
Fee for tax audit and transfer pricing and other certifications	2	2
Fee for the audit of special purpose financial statement	1	-
Fee for other services	2	2
Out of pocket expenses	3	2
<b>Total</b>	<b>47</b>	<b>42</b>

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

- i) The Company has spent an amount of ₹ 435 million (Previous year ₹ 179 million) towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013.

Particulars		(₹ in million)	
		March 31, 2025	March 31, 2024
Gross amount required to be spent by the Company during the year (2% of average net profit as per section 135(5))	a	1,803	733
Set off available from previous years	b	-	505
<b>Total CSR obligation for the year</b>	c = (a-b)	<b>1,803</b>	<b>228</b>
Amount approved by the Board to be spent during the year	d	1,803	285
Amount spent during the year against current year budget	e	346	149
Amount spent during the year against previous years budget	f	89	30
<b>Total amount spent during the year</b>	g = (e+f)	<b>435</b>	<b>179</b>
Balance amount unspent against approved budget for the year *	h = (d-e)	1,457	136

- ii) Detail of unspent amount

Particulars	(₹ in million)	
	March 31, 2025	March 31, 2024
Opening balance of Unspent (against previous years budget)	174	68
Less: Amount spent during the year against previous years' budget	89	30
Add: Amount unspent against approved budget for the year *	1,457	136
<b>Closing balance of Unspent</b>	<b>1,542</b>	<b>174</b>

\* In compliances with statutory provisions, the current year unspent amount ₹ 1,457 million pertaining to ongoing projects which are in various stages of completion, has been transferred to UCSRA (Unspent CSR Account) on April 30, 2025 and would be spent in succeeding years as per the provisions of the Companies Act, 2013.



# Notes to Standalone Financial Statements

for the year ended March 31, 2025

## iii) Movement in CSR provision

Particulars	For the year ended	Opening provision	Invoice booked during the year	(₹ in million)	
				New Provision (net) made	Closing provision
Movement in provision (with respect to a liability incurred by entering into a contractual obligation)	March 31, 2025	16	16	61	61
	March 31, 2024	70	70	16	16

## iv) CSR spent / unspent amount during the year

Particulars	Year ended March 31, 2025			Year ended March 31, 2024		
	In - cash	Yet to be paid in - cash (including provision)	Total	In - cash	Yet to be paid in - cash (including provision)	Total
(A) Amount spent on:						
(i) Construction / acquisition of assets	-	-	-	-	-	-
(ii) On purposes other than (i) above (for CSR projects)*	361	74	435	150	29	178
(B) Provision towards unspent amount	-	-	1,457	-	-	-
<b>Total CSR Expenses (A + B)</b>	<b>361</b>	<b>74</b>	<b>1,892</b>	<b>150</b>	<b>29</b>	<b>178</b>

\* 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, 2025	Year ended March 31, 2024
Profit attributable to ordinary equity share holders for basic and diluted earnings (₹ in million)	(A)	60,613	1,20,852
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/-
<b>Basic and Diluted earnings per share (₹)</b>	<b>(A/B)</b>	<b>40.66</b>	<b>81.08</b>

## 36 Contingent liabilities

Particulars	(₹ in million)	
	As at March 31, 2025	As at March 31, 2024
<b>(A) Claims against the Company not acknowledged as debts</b>		
(i) Claims filed by creditors of an erstwhile subsidiary (Essar Oil & Gas Exploration & Production Limited). The Company reserves its right to claim the entire amount back from the said entity.	645	592
(ii) Claims raised by third parties	8,356	1,912
<b>(B) Claims for which the Company is contingently liable</b>		
(i) In respect of income tax demands on various issues	2,197	1,530

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

Particulars	(₹ in million)	
	As at March 31, 2025	As at March 31, 2024
(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 ₹ 48,944 million (as at March 31, 2024: ₹ 46,097 million)}.	64,024	60,408
(iii) Other demands of Sales tax /VAT	3,642	1,132
(iv) In respect of custom duty / excise duty / goods and service tax/ service tax mainly relating to classification of products sold, allowability of cenvat credit and input tax credit.	13,634	8,131
(v) The Reserve Bank of India (RBI) levied a penalty on the Company for delay in the allotment of equity against advances for Global Depositary Shares (GDS). The Company contested the penalty and appealed to the RBI Governor which was rejected. The Company has challenged the same before the Bombay High Court through a writ petition. In the meanwhile, the Enforcement Directorate initiated and closed an investigation in the matter and the order is awaited. The management is of the opinion that it should get relief and at most be liable for a sum of ₹ 49 million only (Previous year ₹49 million) for which necessary provision has been made in these financial statements.	2,412	2,412

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

(Note: Including interest and penalty wherever applicable)

## 37 Capital and other commitments

Particulars	(₹ in million)	
	As at March 31, 2025	As at March 31, 2024
<b>(A) Capital commitments :</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	37,780	30,066

### (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 368 retail outlets, out of which 327 retail outlets have to be set up by March 31, 2025 and remaining 41 outlets have to be set up in a phased manner as per the commissioning schedule by March 31, 2030. As at March 31, 2025 the Company has already setup 370 retail outlets. The Management discussion with the Ministry of Petroleum & Natural Gas is in progress on the Company's plan 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 ₹1,350 million as on the reporting date (₹ 1,590 million as on March 31, 2024). 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 10 and 30 years, while building and vehicles generally have lease terms between 1 and 10 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some lease contracts include extension, termination options and variable lease payments.

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

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

(₹ 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
<b>Long Term Leases</b>				
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)	-	-
<b>As at March 31, 2024</b>	<b>12,759</b>	<b>15,733</b>	<b>3,090</b>	<b>-</b>
<b>Current lease liabilities</b>	-	1,263	-	-
<b>Non-current lease liabilities</b>	-	14,470	-	-
<b>Cash flow - Lease payments</b>				
- Towards Principal	-	-	-	(1,173)
- Towards Interest	-	-	-	(1,332)
<b>Total</b>	-	-	-	<b>(2,505)</b>
<b>Other Leases (included in other expenses)</b>				
Short term leases	-	-	1,295	-
Low value leases	-	-	224	-
Variable leases	-	-	8,163	-
<b>Total</b>	-	-	<b>9,682</b>	<b>-</b>
<b>As at March 31, 2024</b>	<b>12,759</b>	<b>15,733</b>	<b>12,772</b>	<b>(2,505)</b>

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



# Notes to Standalone Financial Statements

for the year ended March 31, 2025

## 39 Capital Management

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

The Company monitors its capital using gearing ratio, which is net debt divided to equity and underlying net debt. 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, 2025.

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, 2025	As at March 31, 2024
Long term borrowings (refer note 21)	80,717	81,900
Short term borrowings (refer note 24)	45,304	35,952
Upfront fees	680	685
<b>Total debt</b>	<b>126,701</b>	<b>118,537</b>
Less : Cash and cash equivalents (refer note 14)	(15,856)	(17,705)
Less : Bank balances (excluding earmarked bank balances) (refer note 15)	(42,300)	(42,101)
Less : Bank and margin deposits classified under other financial assets (current) (refer note 17)	(21,016)	(28,833)
Less : Bank and margin deposits classified under other financial assets (non-current) (refer note 9)	(157)	(132)
Less : Investments (current) (refer note 12)	(9,579)	(3,753)
<b>Total cash and bank balances</b>	<b>(88,908)</b>	<b>(92,524)</b>
<b>Net debt (a)</b>	<b>37,793</b>	<b>26,013</b>
Equity share capital (refer note 19)	15,072	15,072
Other equity (refer note 20)	485,690	420,598
<b>Total equity</b>	<b>500,762</b>	<b>435,670</b>
<b>Equity and underlying net debt (b)</b>	<b>538,555</b>	<b>461,683</b>
<b>Gearing ratio (a/b)</b>	<b>7.02%</b>	<b>5.63%</b>

## 40 Financial Instruments

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

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

As at March 31, 2025:

							(₹ in million)
Particulars	Note	Fair value measurement Hierarchy level	Fair value through profit or loss	Fair value through OCI - designated as cash flow hedge	Amortised Cost	Total Carrying value	Total fair value
Financial Assets							
Current investment	1	Level II	9,579	-	-	9,579	9,579
Loan*			-	-	2,143	2,143	2,143
Trade receivables*			-	-	47,590	47,590	47,590
Cash and cash equivalent*			-	-	15,856	15,856	15,856
Bank balances other than cash and cash equivalent*			-	-	42,637	42,637	42,637

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

(₹ in million)

Particulars	Note	Fair value measurement Hierarchy level	Fair value through profit or loss	Fair value through OCI - designated as cash flow hedge	Amortised Cost	Total Carrying value	Total fair value
Derivatives contracts - assets		Level II					
- Foreign currency forward exchange	2		154	-	-	154	154
- Commodity derivative	2		-	998	-	998	998
- Currency swap	2		15	36	-	51	51
- Option	2		11	-	-	11	11
Other financial assets*			-	-	26,548	26,548	26,548
<b>Total</b>			<b>9,759</b>	<b>1,034</b>	<b>134,774</b>	<b>145,567</b>	<b>145,567</b>
<b>Financial Liabilities</b>							
Long-term borrowings#	3	Level II	-	4,587	84,356	88,943	90,006
Short-term borrowings*		Level II	-	15,147	21,931	37,078	37,078
Trade payables*	4	Level II	-	49,063	18,485	67,548	67,548
Derivatives contracts - liabilities		Level II					
- Foreign currency forward exchange	2		13	-	-	13	13
- Commodity derivative	2		-	1,632	-	1,632	1,632
Other financial liabilities*®	5	Level II	-	21,226	17,493	38,719	38,719
<b>Total</b>			<b>13</b>	<b>91,655</b>	<b>142,265</b>	<b>233,933</b>	<b>234,996</b>

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
<b>Financial Assets</b>							
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
<b>Total</b>			<b>3,798</b>	<b>2,208</b>	<b>167,430</b>	<b>173,436</b>	<b>173,436</b>
<b>Financial Liabilities</b>							
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	45,709	114,699	114,699
Derivatives Contracts - Liabilities		Level II					

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

(₹ in million)

Particulars	Note	Fair value measurement Hierarchy level	Fair value through profit or loss	Fair value through OCI - designated as cash flow hedge	Amortised Cost	Total Carrying value	Total fair value
- Foreign currency forward exchange	2		19	-	-	19	19
- Commodity Derivative	2		80	438	-	518	518
- Currency swap	2		-	197	-	197	197
Other financial liabilities* <sup>@</sup>	5	Level II	-	58,683	39,276	97,959	97,959
<b>Total</b>			<b>99</b>	<b>141,781</b>	<b>189,364</b>	<b>331,244</b>	<b>332,360</b>

# including current maturities of long-term borrowings

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

<sup>@</sup>Physical commodity contracts, readily convertible into cash and designated as at FVTPL for mitigating accounting mismatch, are treated as financial instrument. Unless designated as hedging instruments, such contracts are measured at fair value and associated gains and losses are recognised in statement of profit and loss.

## Notes:

1. Net asset value declared by mutual fund.
2. Foreign exchange forward / option contracts and commodity forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity.
3. Long-term fixed-rate and variable-rate borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and the risk characteristics of the financed project. The fair value is determined using the discounted cash flow method. The future cash flows are based on terms of the borrowing. These cash flows are discounted at a rate that reflects current market rate and the current market risk.
4. Trade payable includes payables designated as cash flow hedge against the highly probable future forecast sales, at the spot rate as on the date of designation and are revalued at exchange rate prevailing as at reporting date. 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 activities expose it to variety of financial risks, market risk, credit risk, interest rate risk and liquidity risk. Within the boundaries of approved Risk Management Policy framework, the Company uses derivative instruments to manage the volatility of financial markets and minimise the adverse impact on its financial performance.

### i) Commodity price risk

The 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



# Notes to Standalone Financial Statements

for the year ended March 31, 2025

transactions such as forecast crude oil purchases and refined product sales. These derivative instruments are considered economic hedges for which changes in their fair value are recorded in the statement of Profit and Loss. However, in cases where the Company designates these derivative instruments as cash flow hedge, the effective portion of gain / loss on derivative is recognised in other comprehensive income and accumulated in equity. The amount is reclassified to statement of profit and loss when the hedged items impacts the statement of profit and loss.

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

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

Particulars	Qty. in Barrels ('000)		Fair value of assets/(liabilities) (₹ in million)	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
<b>Designated as cash flow hedges</b>				
<b>Crude oil</b>				
<b>Buy Positions</b>				
Less than 1 year	-	1,863	-	(85)
<b>Petroleum products</b>				
<b>Buy Positions</b>				
Less than 1 year	8,400	6,650	724	1,950
<b>Sell Positions</b>				
Less than 1 year	(5,720)	(306)	(1,358)	(94)
<b>Total (A)</b>	<b>2,680</b>	<b>8,207</b>	<b>(634)</b>	<b>1,771</b>
<b>Not designated as cash flow hedges</b>				
<b>Petroleum products</b>				
<b>Buy Positions</b>				
Less than 1 year	-	270	-	41
<b>Sell Positions</b>				
Less than 1 year	-	(274)	-	(80)
<b>Total (B)</b>	<b>-</b>	<b>(4)</b>	<b>-</b>	<b>(39)</b>
<b>Total (A + B)</b>	<b>2,680</b>	<b>8,203</b>	<b>(634)</b>	<b>1,732</b>

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 ₹ 634 million as at March 31, 2025 (credit balance of ₹ 1,771 million as at March 31, 2024) on commodity derivative (gross of tax) contracts have been recognised in other comprehensive income.

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

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

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

(₹ in million)

Particulars	Impact on Equity (net of taxes)		Impact on Profit (net of taxes)	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
<b>Crude oil</b>				
<b>Buy Positions</b>				
Less than 1 year	-	3	-	-
<b>Petroleum products</b>				
<b>Buy Positions</b>				
Less than 1 year	727	1,151	-	73
<b>Sell Positions</b>				
Less than 1 year	(1,282)	(93)	-	(74)
<b>Total</b>	<b>(555)</b>	<b>1,061</b>	<b>-</b>	<b>(1)</b>

## 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, 2025

Currency	Gross exposure	Forward and option 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
<b>Assets</b>							
USD	314	(176)	-	138	11,835	443	-
EURO	0	-	-	0	35	1	-
Other Currencies	1	-	-	1	2	0	-
<b>Total</b>					<b>11,872</b>	<b>444</b>	<b>-</b>
<b>Liabilities*</b>							
USD	1,415	(32)	(1,020)	363	31,104	(1,164)	(3,267)
EURO	10	-	-	10	933	(35)	-
Other Currencies	2	-	-	2	3	(0)	-
<b>Total</b>					<b>32,040</b>	<b>(1,199)</b>	<b>(3,267)</b>

### As at March 31, 2024

Currency	Gross exposure	Forward and option 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
<b>Assets</b>							
USD	544	(208)	-	336	27,996	1,047	-

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

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

## Notes:

\* includes borrowings in foreign currency USD 501 million (₹ 42,879 million) [(Previous year USD 402 million (₹ 33,492 million))].

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

# The management has designated certain financial liabilities in foreign currency as cash flow hedges against highly probable future forecast sales. Such designation help the Company to reduce/ mitigate foreign exchange risk of related liabilities and highly probable sales as gain/ loss on restatement of liabilities is recognised in other comprehensive income. There are no significant hedge ineffectiveness on the these designated liabilities during the reporting periods.

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

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

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

### Not designated in hedging relationship

Particulars	Notional amounts (in Foreign Currency million)		Fair value of assets/(liabilities) (₹ in million)	
	As at	As at	As at	As at
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
<b>Forward Contracts:</b>				
<b>Buy US\$</b>				
Less than 3 months	32	75	(13)	3
<b>Sell US\$</b>				
Less than 3 months	144	208	154	(19)
<b>Options:</b>				
<b>Buy Put / Sell Call US\$</b>				
Less than 3 months	32	-	11	-

## c) Currency swap contracts

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



# Notes to Standalone Financial Statements

for the year ended March 31, 2025

## Designated as cash flow hedges

USD / INR currency swaps	Notional amounts (in USD million)	
	As at March 31, 2025	As at March 31, 2024
Less than 1 year	-	16
1 year to 2 years	-	-
2 years to 5 years	20	-
<b>Total</b>	<b>20</b>	<b>16</b>
<b>Fair value of assets / (liabilities) (net) (₹ in million)</b>	<b>51</b>	<b>(197)</b>

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 ₹ 35 million as at March 31, 2025 (debit balance of ₹ 208 million as at March 31, 2024) (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 ₹ 72 million (Previous year ₹ 50 million) (net of tax). A positive number indicates a decrease in equity and negative number would be an inverse impact on equity.

## iii) Interest rate risk

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

The borrowings of the Company are denominated in rupees and US dollars with a mix of floating and fixed interest rate. The Company has exposure to interest rate risk, arising principally on changes in base lending rates and SOFR 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, 2025	As at March 31, 2024
Fixed rate borrowings *	72,554	63,593
Floating rate borrowings	54,147	54,944
Lease liabilities (refer note 38 )	15,813	15,733
Export advances having original maturities for more than 1 year (current and non-current portion) (refer note 22 and 26)	21,226	58,683
<b>Total</b>	<b>163,740</b>	<b>192,953</b>
Less: Upfront fee	(680)	(685)
<b>Total</b>	<b>163,060</b>	<b>192,268</b>

\* Includes borrowings of ₹ 33,100 million (₹ 31,220 million as at March 31, 2024) raised for Petrochemical project, for which floating rate shall apply after perfection of security for project lenders.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's, profit for the year ended March 31, 2025 would decrease / increase by ₹ 282 million (Previous year ₹ 425 million) (net of tax). This is mainly attributable to the Company's exposure to interest rates on its variable rate liabilities.

## iv) Liquidity Risk

The Company monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations. The following tables detail the Company's remaining contractual maturity for its derivative and non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rates existing at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual payments. (₹ in million)

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

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	114,699	-	-	114,699
Lease liabilities #	2,632	8,345	20,740	31,717
Other financial liabilities including export advance #	78,361	23,287	-	101,648
Derivatives	734	-	-	734
<b>Total</b>	<b>240,653</b>	<b>87,985</b>	<b>89,821</b>	<b>418,459</b>

# including future interest

The Company has undrawn committed facilities as at March 31, 2025 of ₹ 90,953 million (₹ 86,121 million as at March 31, 2024) 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 30 days with or without security. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The history of trade receivables shows a negligible allowance for bad and doubtful debts. Refer note 13A for ageing of trade receivable.

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

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

## Investments, cash and bank balances and derivatives

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

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

## Movement in the expected credit loss allowance

Particulars	(₹ in million)	
	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	3,630	2,997
Addition in Expected credit loss recognised	109	666
Reversal in Expected credit loss recognised	(1,447)	(33)
<b>Balance at the end of the year</b>	<b>2,292</b>	<b>3,630</b>

The Company's maximum exposure to the credit risk for the components of the balance sheet as at March 31, 2025 and March 31, 2024 is the carrying amounts mentioned in note 9, note 13, and note 17.

## 41 Defined benefit / contribution plans

### 1) Defined benefit plans :

#### (i) Gratuity Plan

In accordance with the 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.

Sr. No.	Particulars	(₹ in million)	
		Gratuity (Funded)	
		As at March 31, 2025	As at March 31, 2024
<b>A</b>	<b>Net assets / liability</b>		
i	Present value of defined benefit obligation (DBO)	1,510	1,330
ii	Fair value of plan assets	1,202	1,044
iii	Funded status - deficit (iii = ii-i)	(308)	(286)
iv	Net assets / (liability)	(308)	(286)
<b>B</b>	<b>Expenses for the year</b>		
i	Service Cost	97	87
ii	Net Interest cost	14	9
	<b>Components of defined benefit costs for Profit and loss</b>	<b>111</b>	<b>96</b>
i	Actuarial losses - experience	37	90
ii	Actuarial losses/(gains) - assumptions	58	21
iii	Return on plan assets greater than discount rate	(0)	7
	<b>Components of defined benefit costs for Other Comprehensive Income</b>	<b>94</b>	<b>117</b>
	<b>Total expenses</b>	<b>205</b>	<b>213</b>



# Notes to Standalone Financial Statements

for the year ended March 31, 2025

(₹ in million)

Sr. No.	Particulars	Gratuity (Funded)	
		As at March 31, 2025	As at March 31, 2024
<b>C</b>	<b>Change in obligation and assets</b>		
<b>i</b>	<b>Change in defined benefit obligation</b>		
a	Defined benefit obligation at beginning of the year	1,330	1,109
b	Current Service cost	97	87
c	Interest cost	90	78
d	Actuarial losses - experience	37	90
e	Actuarial losses/(gains) - financial assumptions	58	21
f	Benefit payments	(101)	(55)
g	Defined Benefit obligation at the end of the year	1,510	1,330
<b>ii</b>	<b>Change in fair value of assets</b>		
a	Fair value of plan assets at the beginning of the year	1,044	932
b	Interest income on plan assets	76	69
c	Employer's contribution	183	105
d	Return on plan assets lesser than discount rate	0	(7)
e	Benefits payments	(101)	(55)
f	Fair value of plan assets at the end of the year	1,202	1,044
<b>D</b>	<b>Actuarial assumptions</b>		
1	Discount rate (per annum)	6.50%	7.00%
2	Rate of salary increase	9.00%	9.00%
3	Withdrawal Rate	6.00%	6.00%
4	Mortality	Indian Assured Lives Mortality (2006-08) Ult. Modified	
<b>E</b>	<b>Percentage of each category of plan assets to total fair value of plan assets</b>		
	Administered by Life Insurance Corporation of India / State Bank Of India #	100%	100%
<b>F</b>	<b>Employer's best estimate of contributions expected to be paid to the plan during the annual period beginning after the balance sheet date</b>	124	111

# Plan assets comprises scheme of insurance - conventional products.

## Notes:

Weighted average duration of the defined benefit obligation is 8 years as at March 31, 2025 (8 years as at March 31, 2024).

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.

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

The defined benefit obligations shall mature as follows:

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

Particulars	(₹ in million)
	Gratuity(Funded) March 31, 2024
As at March 31	
2025	111
2026	123
2027	152
2028	135
2029	163
March 31, 2030 to March 31, 2034	845

## 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	(₹ in million)	
		Gratuity (Funded)	
		As at March 31, 2025	As at March 31, 2024
		Increase/(decrease) in DBO	
	Defined benefit obligation	1,510	1,330
<b>A)</b>	<b>Discount Rate</b>		
	Discount rate	6.50%	7.00%
	1. Effect on DBO due to 0.5% increase in Discount Rate	(58)	(50)
	2. Effect on DBO due to 0.5% decrease in Discount Rate	62	54
<b>B)</b>	<b>Salary Escalation Rate :</b>		
	Salary Escalation rate	9.00%	9.00%
	1. Effect on DBO due to 0.5% increase in Salary Escalation Rate	28	27
	2. Effect on DBO due to 0.5% decrease in Salary Escalation Rate	(29)	(27)
<b>C)</b>	<b>Withdrawal Rate :</b>		
	Attrition rate	6.00%	6.00%
	1. Effect on DBO due to 5.00% increase in Withdrawal Rate	10	16
	2. Effect on DBO due to 5.00% decrease in Withdrawal Rate	(32)	(40)

## 2) Defined Contribution plans :

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

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

The Company has closed Nayara Energy Limited Employees Provident Fund during the year and started contributing to Central recognised provident fund. Prior to the change, provident fund was a defined benefit plan and the Company had recognised an expense of ₹ 170 million (Previous year: ₹ 374 million).

Company's contribution to provident fund, superannuation fund and pension fund aggregating to ₹ 173 million, ₹ 68 million and ₹ 189 million (Previous year Nil, ₹ 69 million and ₹ 161 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.

## 42 Related party disclosures

### I. Names of related parties and description of relationship:

#### Enterprises having significant influence

Rosneft Group comprises Rosneft Oil Company and its controlled entities

UCP Group comprises UCP PE Investments Limited and entities under common control

Mareterra Group comprises Mareterra Group Holding S.A.R.L. and its controlled entities

#### Subsidiaries

Coviva Energy Terminals Limited

Nayara Energy Singapore Pte. Limited

#### Other related party

Nayara Energy Limited Employees Provident Fund (upto October 01,2024)

### A. Transaction with related parties

(₹ in million)

Nature of transactions	Enterprises having significant influence		Subsidiaries		Total	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
<b>Sale of products*</b>						
Nayara Energy Singapore Pte. Limited	-	-	81,984	128,674	81,984	128,674
<b>Purchase of raw material</b>						
Nayara Energy Singapore Pte. Limited	-	-	6,738	6,198	6,738	6,198
<b>Interest expenses</b>						
Nayara Energy Singapore Pte. Limited	-	-	-	288	-	288
<b>Other Income</b>						
Nayara Energy Singapore Pte. Limited	-	-	3	-	3	-
<b>Inter corporate deposits given @</b>						
Coviva Energy Terminals Limited	-	-	188	355	188	355

including taxes wherever applicable

\* net off demurrage payable / receivable

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

### B. Transactions with other classes of related parties

(₹ in million)

Nature of transactions	FY 2024-25	FY 2023-24
i) Key management personnel (Short term employee benefits)@	327	292
@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)	22	17
iii) Key management personnel (Commission and Remuneration to Directors)	214	208
iv) Contribution during the period (includes Employees' share and contribution) to the controlled trust	439	800

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

## C. Balances with related parties

(₹ in million)

Nature of balances	Enterprises having significant influence		Subsidiaries		Total	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
<b>Assets</b>						
<b>Financial assets</b>						
<b>Trade receivables (refer note (i) A below)</b>						
Nayara Energy Singapore Pte. Limited	-	-	9,265	-	9,265	-
<b>Loans</b>						
<b>Inter corporate deposit</b>						
Coviva Energy Terminals Limited	-	-	1,305	1,117	1,305	1,117
<b>Other receivables</b>						
Nayara Energy Singapore Pte. Limited	-	-	3	-	3	-
<b>Liabilities</b>						
<b>Financial liabilities</b>						
<b>Trade payables (refer note (i) B below)</b>						
Rosneft Group	826	808	-	-	826	808
Nayara Energy Singapore Pte. Limited	-	-	6,680	47	6,680	47
<b>Total</b>	<b>826</b>	<b>808</b>	<b>6,680</b>	<b>47</b>	<b>7,506</b>	<b>855</b>
<b>Other financial liabilities</b>						
Nayara Energy Singapore Pte. Limited	-	-	-	8	-	8

## D. Balances with other classes of related parties

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Commission and Remuneration payables to Key management personnel	214	208

### Notes:

#### (i) 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.

## 43 Loans and advances in the nature of loan

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

(₹ in million)

Type of borrower	As at March 31, 2025		As at March 31, 2024	
	Amount outstanding	% of Total loan	Amount outstanding	% of Total loan
Subsidiary Company	1,305	100%	1,117	100%



# Notes to Standalone Financial Statements

for the year ended March 31, 2025

## 44 Ratios

Ratios	March 31, 2025	March 31, 2024
a) Current Ratio (number of times) ^	1.47	1.16
b) Debt Equity Ratio (number of times)	0.18	0.20
c) Debt Service Coverage Ratio (number of times)	5.13	9.90
d) Return On Equity (%) *	12.95%	32.57%
e) Inventory turnover (number of days)	25	25
f) Trade Receivable Turnover Ratio (number of days)	15	15
g) Trade Payable Turnover Ratio (number of days)^	30	45
h) Net Capital Turnover Ratio (number of times) ^	19	40
i) Net Profit margin (in %) *	4.06%	7.82%
j) Return On Capital Employed (%) *	18.11%	37.18%
k) Return On Investment (%)	5.84%	6.66%

^ Variance as compared to previous year are greater than 25% which is on account of improvement in net working capital.

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

### Formulae for computation of ratios as follows:

- Current Ratio = Current Assets / Current Liabilities (excluding current maturities of long term borrowing)
- Debt Equity Ratio = Long term borrowing (including current maturities) / Total Equity
- 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)
- Return On Equity = Net profit after tax / Average Shareholder's Equity
- 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)
- Trade Receivable Turnover Ratio = Revenue from Operation / Average Trade Receivable
- Trade Payable Turnover Ratio = Total Purchase/ Average Accounts Payable
- Net Capital Turnover Ratio = Revenue from Operation / Working capital
- Net Profit margin = Profit after Tax / Revenue from Operation
- Return On Capital Employed = (Earnings before interest and taxes(EBIT)) / Capital employed (Tangible networkth (Shareholder's fund - Other Intangible assets - Intangible assets under development - Goodwill) + Long term borrowing + Deferred tax liability)
- Return On Investment = (Gain on investment) / (Weighted average cost of investment)

**45** The Company's current assets as at March 31, 2025, exceed its current liabilities by ₹ 71,376 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.

## 46 Impairment testing of Goodwill

The Company recognised goodwill of ₹ 108,184 million arising on the merger of Vadinar Power Company Limited (VPCL), Nayara Energy Properties Limited (NEPL), and Vadinar Oil Terminal Limited (VOTL) with the Company. The Company has determined that its entire operations fall into a 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 relates to the refining business, and the carrying value of the CGU of the refining business as at the balance sheet date is ₹ 582,262 million [March 31, 2024: ₹ 576,943 million].

# Notes to Standalone Financial Statements

for the year ended March 31, 2025

The Company performed its annual impairment test for the financial year ended March 31, 2025, as on February 28, 2025. There has been no material change in any of the assumption since that date upto March 31, 2025.

The recoverable amount of the refining business has been determined at ₹ 935,274 (US\$ 10,701) million [March 31, 2024: ₹ 804,700 (US\$ 9,704)) million] based on the value in use calculation using discounted cash flow model [refer note 4(ii)] based on business assumptions approved by management covering a five-year period and is in line with the business plan presented to the Board. The Company has considered 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, the Company has not determined the fair value less costs of disposal separately.

## Key assumptions used for value in use calculations:

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

### Gross Margins

The gross margin projections (which is total revenue less total feedstock cost for the year) are broadly in line with the 5-year business plan of the refining business. The gross margins are estimated to be in the range from US\$ 9.3 per bbl to US\$ 17.6 per bbl during FY 2025-26 to FY 2039-40. A US\$ 0.5 per bbl decline in the projected gross margins over the forecast period would lead to a decline in the recoverable value by ₹ 46,934 million (US\$ 537 million) [March 31, 2024: ₹ 52,242 (US\$ 630) million].

### Discount rates

Discount rates - Discount rates represent the current market assessment of the risks specific to the refining business, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company. The cost of debt is based on the interest-bearing borrowings the Company is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. Accordingly, the Company has estimated a discount rate of 10.71% (previous year: 9.5%). An increase in the discount rate by 50 basis points leads to decline in the recoverable value by ₹ 53,140 million (US\$ 608 million) [March 31, 2024: ₹ 53,155 (US\$ 641) million].

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

## 47 Segment information

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

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

As per our report of even date

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

Chartered Accountants

Firm Registration No. 301003E/E300005

per **Naman Agarwal**

Partner

Membership No. 502405

Mumbai, June 05, 2025

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

**Prasad K. Panicker**

Executive Chairman

DIN : 06476857

Mumbai

**Deepesh Baxi**

Chief Financial Officer

Mumbai

**Alessandro des Dorides**

Chief Executive Officer

Mumbai

**Mayank Bhargava**

Company Secretary

Mumbai

June 05, 2025

# 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, 2025, the consolidated Statement of Profit and Loss, including Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2025, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

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

### Other Information

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

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

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

### Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:



- (a) We have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding and its subsidiary company, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, the operating effectiveness of such controls, refer to our separate Report in "**Annexure 2**" to this report;
- (g) In our opinion the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, consolidated financial statements – Refer Note 36 to the consolidated financial statements;
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 22 and 26 to the consolidated financial statements in respect of such items as it relates to the Group;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding company and its subsidiaries;
  - iv. a) The respective managements of the Holding Company and its subsidiary company, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The respective managements of the Holding Company and its subsidiary company which are companies incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and;

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our or other auditor's notice that has caused us or other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) No dividend has been declared or paid during the year by the Holding Company, its subsidiary company, incorporated in India.
- vi) Based on our examination which included test checks, the Company and its subsidiary company, which are companies incorporated in India whose financial statements have been audited under the Act, and as described in note 47, the Holding Company and subsidiary company have used accounting software for maintaining its books of account which has a

feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved by the Holding Company and subsidiary company as per the statutory requirements for record retention.

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

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**per Naman Agarwal**

Partner

Place of Signature: Mumbai      Membership Number: 502405  
Date: June 05, 2025              UDIN: 25502405BMLBUP4149

## Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

### Re: Nayara Energy Limited ("the Company")

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

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

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

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Naman Agarwal**

Partner

Membership Number: 502405

UDIN: 25502405BMLBUP4149

Place of Signature: Mumbai

Date: June 05, 2025

## 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, 2025, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

### Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management





override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Group, has maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025,

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

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**per Naman Agarwal**

Partner

Place of Signature: Mumbai

Membership Number: 502405

Date: June 05, 2025

UDIN: 25502405BMLBUP4149

# Consolidated Balance Sheet

as at March 31, 2025

(₹ in million)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
<b>ASSETS</b>			
<b>1) Non-current assets</b>			
(a) Property, plant and equipment	6	448,515	409,601
(b) Capital work-in-progress	6	17,893	54,210
(c) Goodwill	6	108,184	108,184
(d) Other Intangible assets	6	348	271
(e) Intangible assets under development	6	143	-
(f) Right-of-use assets	6	13,623	13,919
(g) Financial assets			
(i) Investments	7	-	-
(ii) Loans	8	483	290
(iii) Other Financial assets	9	835	788
(h) Non-current tax assets (net)		2,140	2,200
(i) Other non-current assets	10	10,678	7,774
<b>Total non-current assets</b>		<b>602,842</b>	<b>597,237</b>
<b>2) Current assets</b>			
(a) Inventories	11	104,567	103,932
(b) Financial assets			
(i) Investments	12	9,579	3,753
(ii) Trade receivables	13	42,129	73,197
(iii) Cash and cash equivalents	14	21,719	17,750
(iv) Bank balances other than (iii) above	15	42,969	42,599
(v) Loans	16	355	412
(vi) Other financial assets	17	27,188	34,106
(c) Other current assets	18	3,128	4,504
<b>Total current assets</b>		<b>251,634</b>	<b>280,253</b>
<b>TOTAL ASSETS</b>		<b>854,476</b>	<b>877,490</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	19	15,072	15,072
(b) Other equity	20	485,030	419,838
<b>Total equity</b>		<b>500,102</b>	<b>434,910</b>
<b>LIABILITIES</b>			
<b>1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	80,717	81,900
(ia) Lease liabilities	38	15,784	15,810
(ii) Other financial liabilities	22	850	22,712
(b) Deferred tax liabilities (net)	23	77,202	74,879
<b>Total non-current liabilities</b>		<b>174,553</b>	<b>195,301</b>
<b>2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	24	45,304	35,952
(ia) Lease liabilities	38	1,376	1,294
(ii) Trade payables	25	71,117	114,735
(iii) Other financial liabilities	26	39,558	75,980
(b) Other current liabilities	27	19,801	17,178
(c) Provisions	28	1,254	1,075
(d) Current tax liabilities (net)		1,411	1,065
<b>Total current liabilities</b>		<b>179,821</b>	<b>247,279</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>854,476</b>	<b>877,490</b>

See accompanying notes to the consolidated financial statements

As per our report of even date

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

per **Naman Agarwal**  
Partner  
Membership No. 502405  
Mumbai, June 05, 2025

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

**Prasad K. Panicker**  
Executive Chairman  
DIN : 06476857  
Mumbai

**Deepesh Baxi**  
Chief Financial Officer  
Mumbai

**Alessandro des Dorides**  
Chief Executive Officer

Mumbai

**Mayank Bhargava**  
Company Secretary

Mumbai  
June 05, 2025

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2025

(₹ in million)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Income</b>			
Revenue from operations	29	1,492,174	1,550,915
Other income	30	11,070	9,390
<b>Total Income</b>		<b>1,503,244</b>	<b>1,560,305</b>
<b>Expenses</b>			
Cost of raw materials consumed		980,387	937,970
Excise duty		205,973	219,777
Purchases of stock-in-trade		128,174	132,876
Changes in inventory of finished goods, work-in-progress and stock-in-trade	31	(5,986)	(3,177)
Employee benefits expense	32	10,246	10,435
Finance costs	33	17,060	22,419
Depreciation and amortisation expense	6	21,304	19,982
Other expenses	34	61,504	55,726
<b>Total expenses</b>		<b>1,418,662</b>	<b>1,396,008</b>
<b>Profit before tax</b>		<b>84,582</b>	<b>164,297</b>
<b>Tax expense:</b>	23		
(a) Current tax		20,871	41,881
(b) Deferred tax		2,916	(794)
<b>Total tax expenses</b>		<b>23,787</b>	<b>41,087</b>
<b>Profit for the year</b>		<b>60,795</b>	<b>123,210</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit and loss</b>		<b>(70)</b>	<b>(87)</b>
Remeasurement (loss) on defined benefit plans		(94)	(117)
Income tax effect		24	30
		(70)	(87)
<b>Items that will be reclassified to profit and loss</b>		<b>4,467</b>	<b>6,456</b>
Effective portion of cash flow hedges (net)		5,948	8,594
Income tax effect		(1,497)	(2,163)
		4,451	6,431
Foreign currency monetary item translation difference account		11	34
Income tax effect		(3)	(9)
		8	25
Exchange difference arising on translation of foreign operation		8	(0)
		8	-
<b>Other comprehensive income for the year, net of tax</b>		<b>4,397</b>	<b>6,369</b>
<b>Total comprehensive income for the year (comprising profit for the year and other comprehensive income for the year)</b>		<b>65,192</b>	<b>129,579</b>
Earnings per share (Face value ₹ 10 per share)	35		
Basic and Diluted (in ₹)		<b>40.79</b>	<b>82.66</b>

See accompanying notes to the consolidated financial statements

As per our report of even date

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

Chartered Accountants

Firm Registration No. 301003E/E300005

per **Naman Agarwal**

Partner

Membership No. 502405

Mumbai, June 05, 2025

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

**Prasad K. Panicker**

Executive Chairman

DIN : 06476857

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**Deepesh Baxi**

Chief Financial Officer

Mumbai

**Alessandro des Dorides**

Chief Executive Officer

Mumbai

**Mayank Bhargava**

Company Secretary

Mumbai

June 05, 2025

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2025

## a. Equity Share Capital

Particulars	(₹ in million)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
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, 2024 to March 31, 2025

Particulars	Reserves and Surplus					Items of Other Comprehensive Income (OCI)			Total
	Capital reserve	Securities premium	Debenture redemption reserve	General reserve	Retained earnings	Foreign currency translation reserve	Effective portion of Cash Flow Hedges*	Foreign currency monetary item translation difference account	
Balance as at April 01, 2024	609	78,014	-	596	348,568	(102)	(7,839)	(8)	419,838
Profit for the year	-	-	-	-	60,795	-	-	-	60,795
Debenture redemption reserve	-	-	257	-	(257)	-	-	-	-
Other Comprehensive Income for the year	-	-	-	-	(70)	8	4,451	8	4,397
Balance as at March 31, 2025	609	78,014	257	596	409,036	(94)	(3,388)	-	485,030

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	Debenture redemption reserve	General reserve	Retained earnings	Foreign currency translation reserve	Effective portion of Cash Flow Hedges*	Foreign currency monetary item translation difference account	
Balance as at April 01, 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)	-	6,431	25	6,369
Balance as at March 31, 2024	609	78,014	-	596	348,568	(102)	(7,839)	(8)	419,838

\* net loss for the year of ₹ 7,883 million (Previous year ₹ 10,099 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, June 05, 2025

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

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Chief Executive Officer

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**Mayank Bhargava**

Company Secretary

Mumbai

June 05, 2025



# Consolidated Statement Of Cash Flows

for the year ended March 31, 2025

(₹ in million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>A Cash flow from operating activities</b>		
Profit before tax	84,582	164,297
Adjustments for:		
Interest income	(6,604)	(6,115)
Depreciation and amortisation expense	21,303	19,982
Loss on disposal / discard of property, plant and equipment (net)	751	14
Gain on investment / financial assets measured at FVTPL	(726)	(707)
Gain on remeasurement of leases	(144)	(12)
Export obligation deferred income	(137)	(61)
Unrealised foreign exchange differences (net)	183	576
Derivative loss and hedge reserve adjustments (net)	915	501
Expected credit loss / (reversal of loss) (net)	(1,338)	633
Provision for doubtful debts/ doubtful debt written off	12	23
Provision / liabilities written back	(12)	(737)
Finance costs	17,060	22,419
<b>Operating profit before working capital changes</b>	<b>115,845</b>	<b>200,813</b>
Adjustments for working capital changes:		
(Increase) in inventories	(634)	(7,981)
Decrease / (increase) in trade and other receivables	31,513	(21,778)
(Decrease) in trade and other payables	(94,095)	(93,735)
<b>Cash generated from operating activities</b>	<b>52,629</b>	<b>77,319</b>
Income tax payment (net of refund) (including interest)	(22,151)	(42,765)
<b>Net cash generated from operating activities</b>	<b>30,478</b>	<b>34,554</b>
<b>B Cash flow from investing activities</b>		
Payments for property, plant and equipment (including capital work in progress, Intangible assets, Capital advances, Capital creditors and Intangible assets under development)	(22,841)	(18,630)
Proceed from sale of property, plant and equipment	43	16
(Payments for purchase ) / proceeds for sale of short term investments / mutual fund (net)	(5,100)	14,755
Placement of bank deposits	(21,272)	(28,785)
Encashment of bank deposits	34,579	1,997
Placement of short term bank deposits (net)	(5,781)	(37,457)
Interest received	5,811	4,277
<b>Net cash (used in) investing activities</b>	<b>(14,561)</b>	<b>(63,827)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from borrowings	26,738	42,329
Repayment of borrowings	(19,140)	(45,899)
Payment of principal portion of lease liabilities	(1,417)	(1,186)
Payment of interest on lease liabilities	(1,582)	(1,450)
Finance cost paid	(16,185)	(19,350)
<b>Net cash (used in) financing activities</b>	<b>(11,586)</b>	<b>(25,556)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>4,331</b>	<b>(54,829)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>17,229</b>	<b>72,058</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>21,560</b>	<b>17,229</b>
<b>Composition of Cash and cash equivalents included in the consolidated statement of cash flows comprise of the following consolidated balance sheet amounts:</b>		
Cash and cash equivalents as per the consolidated balance sheet (refer note 14)	21,719	17,750
Add: Earmarked bank balances (refer note 15)	337	231
Less: Bank overdraft (refer note 24)	(496)	(752)
<b>Total</b>	<b>21,560</b>	<b>17,229</b>

# Consolidated Statement Of Cash Flows

for the year ended March 31, 2025

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

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

(₹ in million)				
Particulars	As at April 01, 2023	Cash changes (net)	Non cash changes (net)	As at March 31, 2024
Borrowings (long term and short term borrowing)*	120,248	(3,570)	422	117,100

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

# for lease, refer note 38

## 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.
- 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, June 05, 2025

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

**Prasad K. Panicker**

Executive Chairman

DIN : 06476857

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Chief Executive Officer

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**Mayank Bhargava**

Company Secretary

Mumbai

June 05, 2025

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

## 1. Corporate information

Nayara Energy Limited ("the Company" or "the parent Company") (CIN: U11100GJ1989PLC032116) is a public limited company incorporated under the provisions of the Companies Act, 1956 (since replaced by the Companies Act, 2013, as amended). The registered office of the Company is located at Devbhumi Dwarka, Gujarat, India. The Company and its subsidiaries (collectively referred to as the Group) are primarily engaged in the business of refining of crude oil, marketing of petroleum products in domestic and overseas markets, providing port and terminal services for the Company's refinery. The Company owns India's second largest single site refinery at Vadinar, Gujarat with a current capacity of 20MMTPA. The Company has around 6,700 operational outlets and around 1,900 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, 2025 were authorised for issue in accordance with a resolution of the directors on June 05, 2025. 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, 2025	As at March 31, 2024
1	Nayara Energy Singapore Pte. Limited	Engaged in trading and allied activities in the oil and commodities sector	Subsidiary	Singapore	100%	100%
2	Coviva Energy Terminals Limited (CETL)	Engaged in development of marine liquid terminal facilities	Subsidiary	India	100%	100%

## 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".

### A. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (collectively, the "Group") as at reporting date.

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its

power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. 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

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

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 property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.
- (d) Deferred tax assets and liabilities are recognised for temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

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

## 3. Summary of material accounting policies

### A. Fair value measurement

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

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

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate

economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

For assets and liabilities that are recognised in the financial statements at a fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

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

- Disclosures for valuation methods, significant estimates and assumptions (refer note 41)
- Quantitative disclosures of fair value measurement hierarchy (refer note 41)
- Financial instruments (including those carried at amortised cost) (refer note 41)



# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

## B. Property, Plant and Equipment

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

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

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

### Depreciation

Depreciation on PPE is provided, on pro-rata basis 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 *	25-50
Catalysts (included within plant and machinery)	2-5
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 25 years and are depreciated over such assessed useful life.

(refer note 38 for useful life of Right-of-use 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.

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

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

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 liabilities, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee adjusted for accumulated depreciation, accumulated impairment losses and any remeasurement of lease liabilities. The depreciation on right-of-use assets is recognised as expense unless capitalised when the right-of-use asset is used to construct another asset. Right of use assets are depreciated on a straight line basis over the lesser of the assessed useful lives of the asset (refer 'B' above) or the lease period. Right to use of trademark assets are amortised over the usage period.

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

The Group applies the short-term lease recognition exemption to its short-term leases of plant and machinery and building (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a renewal or purchase option). It also applies the lease of low-value assets recognition exemption to leases of plant and machinery and vehicles that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### Impairment of the right-of-use asset

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

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

## 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 30 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.

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.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

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) Monetary Items

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at exchange rate prevailing on the reporting date. Foreign exchange difference arising on settlement or translation of monetary items are recognised in the consolidated statement of profit and loss except for monetary items that are designated and effective as hedge instrument..

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

### ii) Non-monetary Items

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

### Group companies

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



# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

to that particular foreign operation is reclassified in the consolidated statement of profit or loss.

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

## K. Financial Instruments

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

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

### (i) Financial Assets

#### a) Initial Recognition and measurement

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

# Notes to Consolidated Financial Statements

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## *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 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

# Notes to Consolidated Financial Statements

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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

### Initial recognition and subsequent measurement of Derivative

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

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

interest rate swaps and cross / full currency swaps. For risk management objectives refer note 41(B).

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

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

## (i) Hedge Accounting

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

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

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

## (ii) Cash flow hedges

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

Flow Hedge Reserve Account are recycled in the statement of profit and loss in the periods when the hedged item is recognised and affects the statement of profit and loss, in the same line as the hedged item.

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

## M. Borrowing Costs

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

Borrowing cost also includes exchange differences on foreign currency borrowings.

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

## N. Taxes

### (i) Current Income tax

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

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

## O. Provisions and Contingent liabilities

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

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

## P. Cash and Cash Equivalent

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

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

## Q. Current and Non-Current Classification

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

# Notes to Consolidated Financial Statements

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

## R. Earning per share

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

## 4. Critical accounting judgments and key sources of estimation uncertainty

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

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

### i) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystalizing or cannot be quantified reliably are treated as contingent liabilities. Among other matters, such determination require involvement of legal and other subject matter experts. Depending on materiality, the Group may involve internal and/ or external experts to make such assessment. Contingent liabilities are disclosed in the notes but are not recognized, refer note no 36.

### ii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair

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

The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in note 45.

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

### A. Standards issued but not yet effective

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

During the year ended March 31, 2025, MCA has notified Ind AS - 117 Insurance Contracts and amendments to Ind AS 116 - Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

### C. Changes in presentation and disclosure

The Group has revised the presentation of employee related liabilities, primarily comprising of accrued salaries, wages and bonuses to other financial liabilities instead of the hitherto followed practice of including the same under trade payables as it believes that the same would lead to a better presentation of financial statements. Accordingly, a sum of ₹ 3,124 million as at March 31, 2024 has been reclassified to other financial liabilities from trade payables. Since this change relates to only presentation and disclosure under the same sub heading, hence there is no impact either on the total equity and/or profit and loss for the current year or any earlier period or on the statement of cash flows. The management does not believe that this change has any material impact on the balance sheet at the beginning of the comparative period and hence there is no need for a separate presentation of an additional balance sheet.

# Notes to Consolidated Financial Statements

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

(₹ in million)

Description of the assets	Gross block (I)				Depreciation / amortisation (II)				Net block (III) = (I - II)
	As at April 01, 2024	Additions	Deductions/ Remeasurement	As at March 31, 2025	As at April 01, 2024	During the year	Deductions	As at March 31, 2025	As at March 31, 2025
<b>A) Property, plant and equipment</b>									
Land (Freehold)	53,101	1,201	-	54,302	-	-	-	-	54,302
Buildings	20,880	2,744	-	23,624	7,553	993	-	8,546	15,078
Plant and machinery	467,339	54,051	1,500	519,890	125,098	17,912	1,354	141,656	378,234
Furniture and fixtures	354	26	-	380	228	21	-	249	131
Office equipments	3,100	227	0	3,327	2,382	333	0	2,715	612
Vehicles	180	93	9	264	92	22	8	106	158
<b>Total Property, plant and equipment</b>	<b>544,954</b>	<b>58,342</b>	<b>1,509</b>	<b>601,787</b>	<b>135,353</b>	<b>19,281</b>	<b>1,362</b>	<b>153,272</b>	<b>448,515</b>
<b>B) Capital Work In Progress</b>									
Capital work-in-progress (refer note 1 below)	54,210	22,211	58,528	17,893	-	-	-	-	17,893
<b>C) Goodwill</b>									
Goodwill (refer note 45)	108,184	-	-	108,184	-	-	-	-	108,184
<b>D) Other intangible assets</b>									
Softwares & licenses	1,686	191	-	1,877	1,415	114	-	1,529	348
<b>E) Intangible assets under development</b>									
Softwares	-	143	-	143	-	-	-	-	143
<b>F) Right-of-Use assets (refer note 38)</b>									
<b>Tangible Assets</b>									
Land	12,828	917	520	13,225	2,365	588	160	2,793	10,432
Building	2,183	363	132	2,414	1,115	376	132	1,359	1,055
Plant & machinery	4,768	49	1,381	3,436	2,773	709	1,381	2,101	1,335
Vehicles (including vessels)	1,218	640	980	878	1,046	176	984	238	640
<b>Total Tangible Assets</b>	<b>20,997</b>	<b>1,969</b>	<b>3,013</b>	<b>19,953</b>	<b>7,299</b>	<b>1,849</b>	<b>2,657</b>	<b>6,491</b>	<b>13,462</b>
<b>Intangible Assets</b>									
Trademark	18,282	-	-	18,282	18,061	60	-	18,121	161
<b>Total Right-of-use assets</b>	<b>39,279</b>	<b>1,969</b>	<b>3,013</b>	<b>38,235</b>	<b>25,360</b>	<b>1,909</b>	<b>2,657</b>	<b>24,612</b>	<b>13,623</b>
<b>Total (A+B+C+D+E+F)</b>	<b>748,313</b>	<b>-</b>	<b>63,050</b>	<b>768,119</b>	<b>162,128</b>	<b>21,304</b>	<b>4,019</b>	<b>179,413</b>	<b>588,706</b>

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

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

(₹ in million)

Particulars	Amount in Capital Work-In-Progress for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	11,274	1,833	1,659	3,127	17,893
<b>Total</b>	<b>11,274</b>	<b>1,833</b>	<b>1,659</b>	<b>3,127</b>	<b>17,893</b>

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

(₹ in million)

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

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

\*Mainly pertaining to refinery related projects

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

## Intangible assets under development as at March 31, 2025

(₹ in million)

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

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

(₹ in million)

Description of the assets	Gross block (I)				Depreciation / amortisation (II)				Net block (III) = (I - II)	
	As at April 01, 2023	Additions	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	
<b>A) Property, plant and equipment</b>										
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	
<b>Total Property, plant and equipment</b>	<b>541,799</b>	<b>3,302</b>	<b>147</b>	<b>544,954</b>	<b>117,388</b>	<b>18,079</b>	<b>114</b>	<b>135,353</b>	<b>409,601</b>	
<b>B) Capital Work In Progress</b>										
Capital work-in-progress (refer note 1 below)	40,533	17,097	3,420	54,210	-	-	-	-	54,210	
<b>C) Goodwill</b>										
Goodwill (refer note 45)	108,184	-	-	108,184	-	-	-	-	108,184	
<b>D) Other intangible assets</b>										
Softwares & licenses	1,544	142	-	1,686	1,315	100	-	1,415	271	
<b>E) Intangible assets under development</b>										
Intangible assets under development	15	8	23	-	-	-	-	-	-	
<b>F) Right-of-Use assets (refer note 38)</b>										
<b>Tangible Assets</b>										
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	
<b>Total Tangible Assets</b>	<b>18,291</b>	<b>2,753</b>	<b>47</b>	<b>20,997</b>	<b>5,724</b>	<b>1,594</b>	<b>19</b>	<b>7,299</b>	<b>13,698</b>	
<b>Intangible Assets</b>										
Trademark	18,282	-	-	18,282	17,852	209	-	18,061	221	
<b>Total Right-of-use assets</b>	<b>36,573</b>	<b>2,753</b>	<b>47</b>	<b>39,279</b>	<b>23,576</b>	<b>1,803</b>	<b>19</b>	<b>25,360</b>	<b>13,919</b>	
<b>Total (A+B+C+D+E+F)</b>	<b>728,648</b>	<b>-</b>	<b>3,637</b>	<b>748,313</b>	<b>142,279</b>	<b>19,982</b>	<b>133</b>	<b>162,128</b>	<b>586,185</b>	



# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

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

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

(₹ in million)

Particulars	Amount in Capital Work-In-Progress for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	15,458	21,062	11,669	6,021	54,210
<b>Total</b>	<b>15,458</b>	<b>21,062</b>	<b>11,669</b>	<b>6,021</b>	<b>54,210</b>

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

(₹ in million)

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

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

\*Mainly pertaining to refinery related projects

### Notes:

- The Group incurred total cost of ₹ 1,078 million as Expenditure During Construction [including salary of ₹ 729 million and other expense of ₹ 349 million] (Previous year ₹ 969 million as Expenditure During Construction [including salary of ₹ 631 million and other expense of ₹ 338 million]) for asset development projects and ₹ 926 million (Previous year ₹ 2,613 million) as borrowing cost which is included/capitalised from Capital work-in-progress.
- For details of assets pledge as security, refer note 21 and 24.

## 7 Investments (Non Current) (Unquoted)

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Other Investments - At FVTPL</b>		
<b>Investments in equity shares (fully paid-up)</b>		
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 * @	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Aggregate amount of unquoted investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

\* Investments are fair valued at Zero.

@ companies are under liquidation.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

## 8 Loans (Non Current)

(Unsecured and considered good, unless otherwise stated)

(₹ in million)		
Particulars	As at March 31, 2025	As at March 31, 2024
Loan to retail outlet franchisee #	483	290
<b>Total</b>	<b>483</b>	<b>290</b>

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

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

## 9 Other Financial Assets (Non Current)

(Unsecured and considered good, unless otherwise stated)

(₹ in million)		
Particulars	As at March 31, 2025	As at March 31, 2024
Security deposits (A)	436	421
<b>Other receivables</b>		
Export incentive receivables		
- Significant increase in credit risk	-	1,285
- Less: Expected credit loss	-	(1,285)
Contractual receivables		
- Considered good	17	6
- Significant increase in credit risk	1,428	1,428
- Less: Expected credit loss [refer note 41(B)(v)]	(1,428)	(1,428)
(B)	17	6
Margin Deposits with remaining maturity of more than twelve months# (C)	381	356
Interest accrued on bank deposits (D)	1	5
<b>Total (A)+(B)+(C)+(D)</b>	<b>835</b>	<b>788</b>

# mainly placed as margin for guarantees obtained from banks and to earn interest at the respective short-term deposit rates.

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

## 10 Other non-current assets

(Unsecured and considered good, unless otherwise stated)

(₹ in million)		
Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	118	300
Balances with government authorities	135	107
Capital advances	6,209	3,182
Claims Receivables		
- Considered good	4,216	4,185
- Considered doubtful	51	63
Less: Provision for doubtful receivables	(51)	(63)
<b>Total</b>	<b>10,678</b>	<b>7,774</b>

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

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

## 11 Inventories

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials	30,823	38,121
Work-in-progress	29,191	24,944
Finished goods {including in transit ₹ 11,252 million (Previous year ₹ 11,324 million)}	31,723	30,153
Stock-in-trade {including in transit ₹ 220 million (Previous year ₹ 50 million)}	221	52
Stores and spare parts {including in transit ₹ 7 million (Previous year ₹ 10 million)}*	9,035	7,178
Other consumables	3,574	3,484
<b>Total</b>	<b>104,567</b>	<b>103,932</b>

\* Store and spare parts net off by ₹ 327 million (Previous year : ₹ 295 million) provisions towards non moving inventories.

Refer note 3(F) for basis of valuation.

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

## 12 Investments (Current)

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Investments in mutual funds - At FVTPL*	9,579	3,753
<b>Total</b>	<b>9,579</b>	<b>3,753</b>

\*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

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Trade receivables</b>		
Secured, considered good	10,498	6,140
Unsecured, considered good	31,631	67,057
Trade receivables - credit impaired	452	581
	42,581	73,778
- Less: Expected credit loss {refer note 41(B)(v)}	(452)	(581)
<b>Total</b>	<b>42,129</b>	<b>73,197</b>

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 ₹ 5,901 million (Previous year : ₹ 5,823 million), on non-recourse basis. The management has assessed that the Group does not have any continuing involvement with the said bills discounted, except in an unlikely scenario of dispute arising with regard to the existence of the receivable discounted. Accordingly, the discounting meets derecognition criteria and the money received has been netted off from the trade receivables discounted.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

## 13A Ageing of Trade receivables

As at March 31, 2025

(₹ in million)

Particulars	Not due Amount	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	01- 02 years	02- 03 years	More than 3 years	
(i) Undisputed trade receivables – considered good	38,820	3,309	-	-	-	-	42,129
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	0	35	59	330	10	18	452
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>38,820</b>	<b>3,344</b>	<b>59</b>	<b>330</b>	<b>10</b>	<b>18</b>	<b>42,581</b>

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	-	-	-	-	-	-	-
<b>Total</b>	<b>40,561</b>	<b>32,210</b>	<b>437</b>	<b>13</b>	<b>548</b>	<b>9</b>	<b>73,778</b>

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



# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

## 14 Cash and cash equivalents

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Balances with banks in:</b>		
- Current accounts #	9,637	9,441
- Exchange earners' foreign currency (EEFC) accounts	-	83
- Deposits with original maturities less than 3 months*	12,082	8,226
<b>Cash on hand</b>	0	0
<b>Total</b>	<b>21,719</b>	<b>17,750</b>

# includes unutilised amount of term loans of ₹ 300 million (Previous year ₹ 3,608 million) raised for ongoing capital projects.

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

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

## 15 Bank balances other than Cash and cash equivalents

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Earmarked bank balances #	337	231
Margin deposit with original maturities more than 3 months but less than 12 months*	26,790	10,001
Bank deposit with original maturities more than 3 months but less than 12 months	15,842	32,367
<b>Total</b>	<b>42,969</b>	<b>42,599</b>

# Earmarked bank balances mainly includes :

- ₹ 33 million (Previous year: ₹ 33 million) payable as purchase consideration to NRI shareholders of Vadinar Oil Terminal Limited (VOTL) (formerly a subsidiary of the Company) pursuant to its merger.
- ₹ 204 million (Previous year: ₹ 155 million) payable as interest on debentures
- ₹ 100 million (Previous year: ₹ 43 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)

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Loan to retail outlet franchisee #	355	412
<b>Total</b>	<b>355</b>	<b>412</b>

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

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

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

## 17 Other Financial Assets (Current)

(Unsecured and considered good, unless otherwise stated)

		(₹ in million)	
Particulars		As at March 31, 2025	As at March 31, 2024
Security deposits	(A)	48	40
<b>Other receivables</b>			
Export incentive receivables			
- Considered good		646	416
- significant increase in credit risk		73	-
- Less: Expected credit loss {refer note 41(B)(v)}		(73)	-
Contractual receivables			
- Considered good		2,011	1,099
- significant increase in credit risk		339	336
- Less: Expected credit loss {refer note 41(B)(v)}		(339)	(336)
	(B)	<b>2,657</b>	<b>1,515</b>
Interest accrued on bank deposits	(C)	2,230	1,444
Margin Deposits with remaining maturity less than 12 months	(D)	7,196	19,333
Bank Deposits with remaining maturity less than 12 months	(E)	13,843	9,521
Derivative assets {refer note 41(A)}	(F)	1,214	2,253
<b>Total ((A)+(B)+(C)+(D)+(E)+(F))</b>		<b>27,188</b>	<b>34,106</b>

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

## 18 Other Current assets

(Unsecured and considered good, unless otherwise stated)

		(₹ in million)	
Particulars		As at March 31, 2025	As at March 31, 2024
Advances recoverable in cash or in kind or for value to be received		873	726
Prepaid expenses		2,168	3,675
Balances with government authorities		87	69
	(A)	<b>3,128</b>	<b>4,470</b>
<b>Claims / other receivables</b>			
- Considered good		-	34
	(B)	<b>-</b>	<b>34</b>
<b>Total ((A)+(B))</b>		<b>3,128</b>	<b>4,504</b>

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

## 19 Equity Share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	₹ in million	Number of shares	₹ in million
<b>Authorised</b>				
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
<b>Issued and subscribed</b>				
Equity shares of ₹ 10 each	1,552,487,155	15,525	1,552,487,155	15,525
<b>Paid up</b>				
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
		<b>15,072</b>		<b>15,072</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	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.

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, 2025		As at March 31, 2024	
	Number of shares	% of shares	Number of shares	% of shares
3,109,359 (3,109,359 as at March 31, 2024) 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	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.

## d) Buyback of shares

At its meeting held on March 03, 2025, the Board of Directors approved making an offer to minority public shareholders for buyback of up to 25,908,262 fully paid equity shares (representing approximately 1.74% of the total issued and paid-up equity share capital), at a price of ₹ 731 per equity share, payable in cash for an aggregating amount not exceeding ₹ 18,939 million, excluding transaction costs, by way of Tender Offer on a proportionate basis.

The buyback offer opened on April 11, 2025 and closed on May 07, 2025. The Company bought back 2,170,347 equity shares on May 29, 2025.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

## 20 Other equity

Particulars	(₹ in million)	
	As at March 31, 2025	As at March 31, 2024
General reserve	596	596
Retained Earnings	409,036	348,568
<b>Other Comprehensive Income:</b>		
Cash flow hedge reserve	(3,388)	(7,839)
Foreign currency monetary item translation difference account	-	(8)
Foreign currency translation Reserve	(94)	(102)
<b>Other Reserves:</b>		
Capital reserve	609	609
Securities premium	78,014	78,014
Debenture redemption reserve	257	-
<b>Total</b>	<b>485,030</b>	<b>419,838</b>

### Nature and purpose of reserves

**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.

**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.

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



# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

## 21 Borrowings - Non Current

(₹ in million)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Secured Borrowings - At amortised cost</b>		
<b>Debentures</b>		
Non convertible debentures	2,568	2,568
<b>Term loans*</b>		
From banks	81,056	85,630
From financial institutions	5,319	-
Current maturities of long term debt included under short term borrowings (refer note 24)	(8,226)	(6,298)
<b>Total</b>	<b>80,717</b>	<b>81,900</b>

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

Interest accrued of ₹ 72 million (Previous year ₹ 186 million ) forming part of the carrying value of the non-current borrowings are disclosed in note 26

### Security, repayment and other terms for term loans from banks and debentures

(₹ in million)			
Sr No	Particulars	As at March 31, 2025	As at March 31, 2024
i)	<p>Rupee and USD loan availed from various banks are secured by first charge, ranking pari- passu with other term lenders on the property, plant and equipment (movable and immovable), both present and future of the Company except land parcels and property, plant and equipment (movable and immovable) earmarked for port, power plant &amp; 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, tiles, insurance and interest in all project documents to which the Company is a party, first charge on DSRA/margin as and when created.</p> <p>The said Loans carry interest of respective lenders rate of 3M T-Bills; 6M MCLR; ON/ 6M SOFR; Repo Rate + spread ranging from 50 bps to 390 bps and is repayable in unequal instalments starting from March 2018 and ending to September 2038.</p>	28,664	30,257
ii)	<p>8% Non convertible debentures are secured by second ranking pari passu charge on movable property, plant and equipment pertaining to the Port Facilities of the Company carry fixed interest of 8% p.a. is repayable in a single bullet in December 2025.</p>	2,568	2,568
iii)	<p>Rupee loan from financial institution / banks are secured by first charge ranking pari passu over all movable and immovable assets of the Company relating to Port, both present and future, insurance contracts, title and interests under project documents.</p> <p>The said loans carry an interest rate of internal benchmark of lender + spread of 55 bps and repayable in unequal quarterly instalments ending on December 2044.</p>	5,318	6,869
iv)	<p>Rupee loan availed from various banks are secured by first charge, ranking pari-passu with other term lenders on the property, plant and equipment (movable and immovable) , both present and future of the Refinery except land parcels and property, plant and equipment (movable and immovable) earmarked for port, power, township &amp; Polypropylene Project. Second charge, pari- passu with other term lenders on the current assets of the Company.</p> <p>The said loans carry interest rate at bank's 1Y MCLR/3M-6M T. Bills + spread ranging from 0.70% to 2.83% is repayable in structured quarterly instalments ending to December 2032.</p>	19,293	17,429
v)	<p>First charge, ranking pari passu on all present and future immovable &amp; movable assets related to Polypropylene Project, DSRA &amp; security interest on the rights, title and interest under Project documents &amp; insurance policies.</p> <p>The said loans from banks carry fixed interest rate till perfection of security for Project Lenders and repayable in structured quarterly instalments ending to December 2036.</p>	33,100	31,075
Total		88,943	88,198

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

## 22 Other financial liabilities (Non-Current)

(₹ in million)		
Particulars	As at March 31, 2025	As at March 31, 2024
Security deposits	849	466
Derivative liabilities {refer note 41(A)}	1	-
Advances received from customers	-	22,246
<b>Total</b>	<b>850</b>	<b>22,712</b>

## 23 Taxation

(₹ in million)		
Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities (Net)	77,202	74,879
<b>Total</b>	<b>77,202</b>	<b>74,879</b>

### (A) Income tax expense / (benefit)

(₹ in million)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax (includes reversal of tax relating to earlier period Nil (previous year: ₹ 159 million)) (A)	20,871	41,881
Deferred tax (B)	2,916	(794)
<b>Total tax charged in statement of profit and loss ((A)+(B))</b>	<b>23,787</b>	<b>41,087</b>
Current tax (A)	2,069	1,064
Deferred tax (B)	(593)	1,078
<b>Total tax charged in other comprehensive income ((A)+(B))</b>	<b>1,476</b>	<b>2,142</b>

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

(₹ in million)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Profit before tax</b>	<b>84,582</b>	<b>164,297</b>
Statutory tax rate	25.17%	25.17%
<b>Expected income tax expense at statutory rates</b>	<b>21,289</b>	<b>41,354</b>
<b>Items giving rise to difference in tax</b>		
Expenses disallowed / income not offered*	892	515
Effect of change in tax law on long term capital assets	1,806	-
Effect of change in indexed cost of land	-	(514)
Different tax rates in different jurisdiction	(26)	(40)
Utilisation of previously unrecognised tax asset	(178)	(228)
Others	4	0
<b>Total Income tax charged</b>	<b>23,787</b>	<b>41,087</b>
<b>Effective tax rate</b>	<b>28.12%</b>	<b>25.01%</b>

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

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

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

(₹ in million)

Deferred tax balance in relation to	As at April 01, 2024	Recognised through profit and loss	Recognised in other comprehensive income	As at March 31, 2025
Property, plant and equipment, intangibles, right of use assets and goodwill	79,763	2,851	-	82,614
Effect of mark to market accounting	126	104	(596)	(366)
Lease liabilities	(3,960)	(20)	-	(3,980)
Expected credit loss	(606)	35	-	(571)
Others	(444)	(54)	3	(495)
<b>Total</b>	<b>74,879</b>	<b>2,916</b>	<b>(593)</b>	<b>77,202</b>

(₹ in million)

Deferred tax balance in relation to	As at April 01, 2023	Recognised through profit and loss	Recognised in other comprehensive income	As at March 31, 2024
Property, plant and equipment, intangibles, right of use assets and goodwill	80,207	(444)	-	79,763
Carried forward unabsorbed depreciation	-	-	-	-
Effect of mark to market accounting	(1,111)	168	1,069	126
Lease liabilities	(3,582)	(378)	-	(3,960)
Expected credit loss	(447)	(159)	-	(606)
Others	(436)	(17)	9	(444)
<b>Total</b>	<b>74,631</b>	<b>(830)</b>	<b>1,078</b>	<b>74,879</b>

## Composition of deferred tax (asset):

(₹ in million)

Deferred tax balance in relation to	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	-	-

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

(₹ in million)

Nature of loss	Gross Amount		Last day till which loss can be set off
	As at March 31, 2025	As at March 31, 2024	
Long term capital loss	176	176	March 31, 2026
Long term capital loss	3,668	3,668	March 31, 2029
Short term capital loss	20,882	21,590	March 31, 2026

## (E) The Income tax department has classified certain expenses amounting to ₹ 11,161 million (as at March 31, 2024: ₹ 10,377 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 ₹ 2,809 million (as at March 31, 2024: ₹ 2,612 million).

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

(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 ₹ 1,546 million (Previous year: ₹ 1,691 million) arising out of the matters settled under the said scheme, in its future tax assessments and continues to recognize deferred tax assets of ₹ 389 million on the same (as at March 31, 2024: ₹ 428 million).

## 24 Short term borrowings

Particulars	(₹ in million)	
	As at March 31, 2025	As at March 31, 2024
<b>Secured Borrowings</b>		
Bank overdraft	496	752
Working capital demand loans from banks (including packing credits)	18,357	15,223
Buyers' credits and bills discounting @*	15,658	11,178
Current maturities of long term debt (refer note 21)	8,226	6,298
<b>Unsecured Borrowings</b>		
Buyer's credit	2,567	2,501
<b>Total</b>	<b>45,304</b>	<b>35,952</b>

Interest accrued of ₹ 66 million (Previous year ₹ 50 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, 2025	As at March 31, 2024
a) Bank overdraft / cash credit from bank is secured by fixed deposits maintained with a bank and carries interest rate of 8.2% and is repayable on demand.	496	752
b) Working Capital Demand loan and packing credits from bank are secured by first charge on all current assets both present and future including all receivables ranking pari passu basis among lenders, second charge on property, plant and equipment both present and future (except land parcels and property, plant and equipment of power, port and township divisions) on pari passu with other lenders. Some of these loans carries interest rate of MCLR plus spread of 140 bps with 20-30 days tenor and other loans carries interest rate on Secured Overnight Financing Rate (SOFR) plus additional spread ranging from 75 bps to 100 bps payable within 30 to 180 days.	18,357	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 property, plant and equipment both present and future (except land parcel and property, plant and equipment of power, port and township divisions) on a pari passu with other lenders. The loan carries an interest rate which is determined and fixed on date of availing of the loan which is presently at 5.48% - 5.57% p.a (previous year: 5.73%-5.84% p.a) and are repayable within 29 to 62 days of being drawn.	12,580	6,003
d) Current maturities of long term debt (refer note 21)	8,226	6,298
e) Unsecured buyer's credit carrying interest rate 6.23% p.a. (previous year: 7.63%) and are repayable within 10 -35 days of being drawn.	2,567	2,501
*The Group has discounted trade receivable on full recourse basis. Accordingly, the monies received on this account are shown as borrowings as the trade receivable does not meet de-recognition criteria. The related trade receivables have been disclosed under note 13	3,078	5,175
<b>Total</b>	<b>45,304</b>	<b>35,952</b>

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



# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

## 25 Trade Payables

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade Payables (refer note 43 and note 5(C))	71,117	1,14,735
<b>Total</b>	<b>71,117</b>	<b>1,14,735</b>

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

### 25A Trade Payables Ageing

As at March 31, 2025

(₹ 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	4,662	65,147	334	22	140	748	71,053
(ii) Disputed dues - Others	-	-	-	-	-	64	64
<b>Total</b>	<b>4,662</b>	<b>65,147</b>	<b>334</b>	<b>22</b>	<b>140</b>	<b>812</b>	<b>71,117</b>

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	4,265	82,183	493	163	8	27,554	114,666
(ii) Disputed dues - Others	-	-	-	-	13	56	69
<b>Total</b>	<b>4,265</b>	<b>82,183</b>	<b>493</b>	<b>163</b>	<b>21</b>	<b>27,611</b>	<b>114,735</b>

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

## 26 Other financial liabilities - Current

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Interest accrued	2,479	3,678
Capital creditors	8,198	5,284
Security deposits	879	442
Unclaimed debenture interest and principal (secured)#	200	150
Advances received from customers	21,226	60,109
Derivative liabilities (refer note 41(A))	1,645	734
Accrued compensation to employees (refer note 5(C))	2,813	3,124
Contractual liabilities	2,118	2,459
<b>Total</b>	<b>39,558</b>	<b>75,980</b>

# ₹ 0.8 million (Previous year ₹ 0.7 million) has been transferred to Investor Education and Protection Fund on or before due date.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

## 27 Other Current liabilities

Particulars	(₹ in million)	
	As at March 31, 2025	As at March 31, 2024
Statutory dues	15,821	14,646
Advances received from customers	2,161	2,301
Export Obligation*	112	231
Other liabilities (non contractual)**	1,707	-
<b>Total</b>	<b>19,801</b>	<b>17,178</b>

\* In respect of unfulfilled export obligation of ₹ 147,113 million (Previous year ₹ 244,445 million).

\*\* includes CSR obligation of ₹ 1,457 million.

## 28 Provisions (Current)

Particulars	(₹ in million)	
	As at March 31, 2025	As at March 31, 2024
<b>Provision for employee benefits</b>		
Compensated absences	947	789
Gratuity (refer note 42)	307	286
<b>Total</b>	<b>1,254</b>	<b>1,075</b>

## 29 Revenue from operations

Particulars	(₹ in million)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Revenue from sale of products #</b>		
Sale of manufactured products	1,352,613	1,407,822
Sale of traded goods	137,469	140,983
<b>Other operating revenues *</b>	2,092	2,110
<b>Total</b>	<b>1,492,174</b>	<b>1,550,915</b>

# Comprises of revenue from contracts with customers of ₹ 1,503,170 million (Previous year: ₹ 1,565,968 million) recognised at a point in time and ₹ 13,088 million pertaining to hedging loss (Previous year: ₹ 17,163 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 ₹ 668 million (Previous year ₹ 670 million) and export obligation fulfilment income of ₹ 243 million (Previous year ₹ 184 million), which are in the nature of government grant.

### Disaggregated revenue information

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

Particulars	(₹ in million)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Export sales	369,945	405,701
Domestic Oil marketing companies	367,500	455,341
Retail outlets	626,223	582,740
Institutional business and petrochemicals	139,502	122,186
<b>Total revenue from contracts with customers</b>	<b>1,503,170</b>	<b>1,565,968</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

(₹ in million)

Contract balances	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Trade receivables * (refer note 13)	42,129	73,197	50,866
Contract liabilities (refer note 22, note 26 and note 27)	23,387	84,656	158,803

\* Trade receivables are non-interest bearing and are generally on terms of 0 to 30 days. As on March 31, 2025, ₹ 452 million (Previous year ₹ 581 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, 2025	For the year ended March 31, 2024
Revenue recognised out of contract liabilities outstanding at the beginning of the year	64,612	61,252

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

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

(₹ in million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue as per contracted price	1,512,472	1,572,505
<b>Adjustments</b>		
Discount and incentives	(9,302)	(6,537)
<b>Revenue from contract with customers</b>	<b>1,503,170</b>	<b>1,565,968</b>

## Performance obligation

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

## 30 Other income

(₹ in million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Interest income</b>		
- Bank deposits (carried at amortised cost)	6,494	5,404
- Other financial assets (carried at amortised cost)	99	259
- Interest on income tax refund	11	452
	<b>6,604</b>	<b>6,115</b>
<b>Other gains (net)</b>		
- Net gain on derivative instruments- carried at FVTPL	763	737
- Net gain on investments carried at FVTPL	726	707
- Gain on reversal of Expected credit loss (net) {refer note 41(B)(v)}	1,338	-
Provision / liabilities written back	12	737
Other non-operating income	1,627	1,094
<b>Total</b>	<b>11,070</b>	<b>9,390</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

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

(₹ in million)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Opening inventories:</b>		
- Finished goods	30,153	27,960
- Work-in-progress	24,944	24,012
- Stock-in-trade	52	-
(A)	55,149	51,972
<b>Closing inventories:</b>		
- Finished goods	31,723	30,153
- Work-in-progress	29,191	24,944
- Stock-in-trade	221	52
(B)	61,135	55,149
<b>Net (increase) in inventories</b>	<b>Total ((A)-(B))</b>	<b>(3,177)</b>

## 32 Employee benefits expense\*

(₹ in million)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	8,866	9,090
Contribution to provident and other funds (refer note 42)	713	711
Staff welfare expenses	667	634
<b>Total</b>	<b>10,246</b>	<b>10,435</b>

\* net of ₹ 729 million (Previous year ₹ 631 million) asset development projects related expense capitalised (refer note 6).

## 33 Finance costs\*

(₹ in million)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense	14,192	19,949
Interest on lease liabilities (refer note 38)	1,584	1,481
Exchange differences on foreign currency borrowings	584	110
Other finance charges	700	879
<b>Total</b>	<b>17,060</b>	<b>22,419</b>

\* Net of ₹ 926 million (Previous year ₹ 2,613 million) asset development projects related expense capitalised (refer note 6).

## 34 Other expenses\*

(₹ in million)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Consumption of chemical, catalyst, stores and spare parts	4,394	4,100
Product handling charges	2,003	1,757
Consumption of power, fuel and electricity [excludes fuel consumed out of own production ₹ 32,571 million (Previous year ₹ 27,085 million)]	15,563	16,210
Freight and Forwarding Charges	17,816	15,765
Rent, rates and taxes	5,153	5,196
Insurance	1,875	1,742
Legal and professional fees	1,610	1,377
Repairs and maintenance	3,798	3,058
Debit balance / doubtful debts / doubtful receivables written off (net of provision)	12	23
Director's commission and remuneration (refer note 43)	214	208



# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

(₹ in million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Loss on disposal / discard of property, plant and equipment (net)	751	14
Corporate and social responsibility expense	1,892	684
Exchange differences (net)	2,134	959
Expected credit loss (net) [refer note 41(B)(v)]	-	633
Sundry expenses	4,289	4,000
<b>Total</b>	<b>61,504</b>	<b>55,726</b>

\* Net of ₹ 349 million (Previous year ₹ 338 million) asset development projects related expense capitalised (refer note 6).

## 35 Earnings per share

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

Particulars		Year ended March 31, 2025	Year ended March 31, 2024
Profit attributable to ordinary equity share holders for basic and diluted earnings (₹ in million)	(A)	60,795	123,210
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/-
<b>Basic and Diluted earnings per share (₹)</b>	<b>(A/B)</b>	<b>40.79</b>	<b>82.66</b>

## 36 Contingent liabilities

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(A) Claims against the Group not acknowledged as debts</b>		
(i) Claims filed by creditors of an erstwhile subsidiary (Essar Oil & Gas Exploration & Production Limited). The Group reserves its right to claim the entire amount back from the said entity.	645	592
(ii) Claims raised by third parties	9,560	3,033
<b>(B) Claims for which the Group is contingently liable</b>		
(i) In respect of income tax demands on various issues	2,197	1,530
(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 ₹ 48,944 million (as at March 31, 2024: ₹ 46,097 million)}.	64,024	60,408
(iii) Other demands of Sales tax /VAT	3,642	1,132
(iv) In respect of custom duty / excise duty / goods and service tax/ service tax mainly relating to classification of products sold, allowability of cenvat credit and input tax credit.	13,634	8,131
(v) The Reserve Bank of India (RBI) levied a penalty on the Company for delay in the allotment of equity against advances for Global Depositary Shares (GDS). The Company contested the penalty and appealed to the RBI Governor which was rejected. The Company has challenged the same before the Bombay High Court through a writ petition. In the meanwhile, the Enforcement Directorate initiated and closed an investigation in the matter and the order is awaited. The management is of the opinion that it should get relief and at most be liable for a sum of ₹ 49 million only (Previous year ₹49 million) for which necessary provision has been made in these financial statements.	2,412	2,412

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

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

(Note: Including interest and penalty wherever applicable)

## 37 Capital and other commitments

Particulars	(₹ in million)	
	As at March 31, 2025	As at March 31, 2024
<b>(A) Capital commitments :</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	38,978	30,066

### (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 368 retail outlets, out of which 327 retail outlets have to be set up by March 31, 2025 and remaining 41 outlets have to be set up in a phased manner as per the commissioning schedule by March 31, 2030. As at March 31, 2025 the Group has already setup 370 retail outlets. The Management discussion with the Ministry of Petroleum & Natural Gas is in progress on the Group's plan 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 ₹1,350 million as on the reporting date (₹ 1,590 million as on March 31, 2024). 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 is 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 will begin once CETL starts commercial operations and is under review with DPA.

## 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 10 and 30 years, while building and vehicles generally have lease terms between 1 and 10 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some 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, 2025			
	Right of use assets	Lease liabilities	Charged to Profit & loss Account	Impact on statement of Cash flows
<b>Long Term Leases</b>				
As at April 01, 2024	13,919	17,104	-	-
Additions	1,969	1,969	-	-
Deletion/discarded/Retirement	(356)	(498)	(142)	-
Depreciation / amortisation expense	(1,909)	-	1,909	-

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

(₹ in million)

Particulars	As at March 31, 2025			
	Right of use assets	Lease liabilities	Charged to Profit & loss Account	Impact on statement of Cash flows
Interest accruals	-	1,584	1,584	-
Payments	-	(2,999)	-	-
<b>As at March 31, 2025</b>	<b>13,623</b>	<b>17,160</b>	<b>3,351</b>	<b>-</b>
<b>Current lease liabilities</b>	-	1,376	-	-
<b>Non-current lease liabilities</b>	-	15,784	-	-
<b>Cash flow - Lease payments</b>				
- Towards Principal	-	-	-	(1,417)
- Towards Interest	-	-	-	(1,582)
<b>Total</b>	-	-	-	<b>(2,999)</b>
<b>Other Leases (included in other expenses)</b>				
Short term leases	-	-	2,883	-
Low value leases	-	-	228	-
Variable leases	-	-	8,940	-
<b>Total</b>	-	-	<b>12,051</b>	<b>-</b>
<b>As at March 31, 2025</b>	<b>13,623</b>	<b>17,160</b>	<b>15,402</b>	<b>(2,999)</b>

(₹ 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
<b>Long Term Leases</b>				
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)	-	-
<b>As at March 31, 2024</b>	<b>13,919</b>	<b>17,104</b>	<b>3,272</b>	<b>-</b>
<b>Current lease liabilities</b>	-	1,294	-	-
<b>Non-current lease liabilities</b>	-	15,810	-	-
<b>Cash flow - Lease payments</b>				
- Towards Principal	-	-	-	(1,186)
- Towards Interest	-	-	-	(1,450)
<b>Total</b>	-	-	-	<b>(2,636)</b>
<b>Other Leases (included in other expenses)</b>				
Short term leases	-	-	1,295	-
Low value leases	-	-	224	-
Variable leases	-	-	8,163	-
<b>Total</b>	-	-	<b>9,682</b>	<b>-</b>
<b>As at March 31, 2024</b>	<b>13,919</b>	<b>17,104</b>	<b>12,954</b>	<b>(2,636)</b>

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.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

According to the management, the Group with all its subsidiaries are engaged in the single business of refining of crude oil and marketing of petroleum products in domestic and overseas market (refining business). The management believes that activities such as operation of crude oil terminal, power plant etc., are supporting the refining business. Hence, the management views operations of the entire Group as one activity for measuring performance. Basis this, the management has decided that the entire Group is a single segment entity.

## Information about major customers:

One customer in the Refining and Marketing segment contributed revenues (including excise duty) aggregating to ₹ 225,834 million, (for the year ended March 31, 2024 : One customer in the Refining and Marketing segment contributed revenues aggregating to ₹ 287,470 million).

No other customer contributed 10% or more, to the total revenue for both the year ended March 31, 2025 and March 31, 2024.

## 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, 2025	Year ended March 31, 2024
<b>Revenue from operations</b>		
<b>Within India (i)</b>	1,122,249	1,145,213
<b>Outside India:</b>		
South Africa	46,131	77,888
UAE	68,403	67,054
Malaysia	45,351	42,251
Oman	55,842	13,564
Other Countries	154,198	204,944
<b>Total (ii)</b>	<b>369,925</b>	<b>405,702</b>
<b>Grand Total (i) + (ii)</b>	<b>1,492,174</b>	<b>1,550,915</b>

The revenue information above is based on the delivery locations of the customers.

	(₹ in million)	
	As at March 31, 2025	As at March 31, 2024
<b>Non current assets (excluding financial assets, deferred tax assets and non current tax assets)</b>		
Within India	599,323	593,875
Outside India	61	84

## 40 Capital Management

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

The Group monitors its capital using gearing ratio, which is net debt divided to equity and underlying net debt. Bank loans availed by the Group are subject to certain financial covenants and the Group 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, 2025.

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

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

	(₹ in million)	
	As at March 31, 2025	As at March 31, 2024
<b>Particulars</b>		
Long term borrowings (refer note 21)	80,717	81,900
Short term borrowings (refer note 24)	45,304	35,952
Upfront fees	680	685
<b>Total debt</b>	<b>126,701</b>	<b>118,537</b>



# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Less : Cash and cash equivalents (refer note 14)	(21,719)	(17,750)
Less : Bank balances (excluding earmarked bank balances) (refer note 15)	(42,632)	(42,368)
Less : Bank and margin deposits classified under other financial assets (current) (refer note 17)	(21,039)	(28,854)
Less : Bank and margin deposits classified under other financial assets (non-current) (refer note 9)	(381)	(356)
Less : Investments (current) (refer note 12)	(9,579)	(3,753)
<b>Total cash and bank balances</b>	<b>(95,350)</b>	<b>(93,081)</b>
<b>Net debt (a)</b>	<b>31,351</b>	<b>25,456</b>
Equity share capital (refer note 19)	15,072	15,072
Other equity (refer note 20)	485,030	419,838
<b>Total equity</b>	<b>500,102</b>	<b>434,910</b>
<b>Equity and underlying net debt (b)</b>	<b>531,453</b>	<b>460,366</b>
<b>Gearing ratio (a/b)</b>	<b>5.90%</b>	<b>5.53%</b>

## 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, 2025 :

(₹ in million)

Particulars	Note	Fair value measurement Hierarchy level	Fair value through profit or loss	Fair value through OCI - designated as cash flow hedge	Amortised Cost	Total Carrying value	Total fair value
<b>Financial Assets</b>							
Current investment	1	Level II	9,579	-	-	9,579	9,579
Loans*			-	-	838	838	838
Trade receivables*			-	-	42,129	42,129	42,129
Cash and cash equivalent*			-	-	21,719	21,719	21,719
Bank balances other than cash and cash equivalent*			-	-	42,969	42,969	42,969
Derivatives contracts - assets		Level II					
- Foreign currency forward exchange	2		154	-	-	154	154
- Commodity derivative	2		-	998	-	998	998
- Currency swap	2		15	36	-	51	51
- Option	2		11	-	-	11	11
Other financial assets*			-	-	26,809	26,809	26,809
<b>Total</b>			<b>9,759</b>	<b>1,034</b>	<b>134,464</b>	<b>145,257</b>	<b>145,257</b>
<b>Financial Liabilities</b>							
Long-term borrowings#	3	Level II	-	4,587	84,356	88,943	90,006
Short-term borrowings*		Level II	-	15,147	21,931	37,078	37,078
Trade payables*	4	Level II	-	42,444	28,673	71,117	71,117
Derivatives contracts - liabilities		Level II					
- Foreign currency forward exchange	2		13	-	-	13	13
- Commodity derivative	2		-	1,632	-	1,632	1,632
Other financial liabilities*®	5	Level II	-	21,226	17,537	38,763	38,763
<b>Total</b>			<b>13</b>	<b>85,036</b>	<b>152,497</b>	<b>237,546</b>	<b>238,609</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

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
<b>Financial Assets</b>							
Current investment		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
- Currency swap	2		-	-	-	-	-
- Interest rate swap	2		-	-	-	-	-
Other financial assets*			-	-	32,641	32,641	32,641
<b>Total</b>			<b>3,798</b>	<b>2,208</b>	<b>166,889</b>	<b>172,895</b>	<b>172,895</b>
<b>Financial Liabilities</b>							
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	45,745	114,735	114,735
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	39,275	97,958	97,958
<b>Total</b>			<b>99</b>	<b>141,781</b>	<b>189,399</b>	<b>331,279</b>	<b>332,395</b>

# including current maturities of long-term borrowings.

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

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

## Notes:

1. Net asset value declared by mutual fund.
2. Foreign exchange forward / option contracts and commodity forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity.
3. Long-term fixed-rate and variable-rate borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, credit risk and the risk characteristics of the financed project. The fair value is determined using the discounted cash flow method. The future cash flows are based on terms of the borrowing. These cash flows are discounted at a rate that reflects current market rate and the current market risk.
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,

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

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

### i) Commodity price risk

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

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

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

Particulars	Qty. in Barrels ('000)		Fair value of assets/(liabilities) (₹ in million)	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
<b>Designated as cash flow hedges</b>				
<b>Crude oil</b>				
<b>Buy Positions</b>				
Less than 1 year	-	1,863	-	(85)
<b>Petroleum products</b>				
<b>Buy Positions</b>				
Less than 1 year	8,400	6,650	724	1,950
<b>Sell Positions</b>				
Less than 1 year	(5,720)	(306)	(1,358)	(94)
<b>Total (A)</b>	<b>2,680</b>	<b>8,207</b>	<b>(634)</b>	<b>1,771</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Particulars	Qty. in Barrels ('000)		Fair value of assets/(liabilities) (₹ in million)	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
<b>Not designated as cash flow hedges</b>				
<b>Petroleum products</b>				
<b>Buy Positions</b>				
Less than 1 year	-	270	-	41
<b>Sell Positions</b>				
Less than 1 year	-	(274)	-	(80)
<b>Total (B)</b>	-	(4)	-	(39)
<b>Total (A + B)</b>	<b>2,680</b>	<b>8,203</b>	<b>(634)</b>	<b>1,732</b>

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 ₹ 634 million as at March 31, 2025 (credit balance of ₹ 1,771 million as at March 31, 2024) on commodity derivative (gross of tax) contracts have been recognised in other comprehensive income.

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

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

Particulars	Impact on Equity (net of taxes)		Impact on Profit (net of taxes)	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
<b>Crude oil</b>				
<b>Buy Positions</b>				
Less than 1 year	-	3	-	-
<b>Petroleum products</b>				
<b>Buy Positions</b>				
Less than 1 year	727	1,151	-	73
<b>Sell Positions</b>				
Less than 1 year	(1,282)	(93)	-	(74)
<b>Total</b>	<b>(555)</b>	<b>1,061</b>	<b>-</b>	<b>(1)</b>

## 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.



# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

## As at March 31, 2025

Currency	Carrying value	Forward and option contracts @	Cash flow hedge #	Unhedged exposure	Unhedged exposure	Sensitivity to 5% change **	
						Impact on Profit (net of taxes)	Impact on Equity (net of taxes)
	FC in million	FC in million	FC in million	FC in million	₹ in million	₹ in million	₹ in million
<b>Assets</b>							
USD	363	(176)	-	187	16,009	599	-
EURO	0	-	-	0	35	1	-
Other Currencies	1	-	-	1	2	0	-
<b>Total</b>					<b>16,046</b>	<b>600</b>	<b>-</b>
<b>Liabilities*</b>							
USD	1,459	(32)	(943)	484	41,427	(1,550)	(3,020)
EURO	10	-	-	10	933	(35)	-
Other Currencies	2	-	-	2	3	(0)	-
<b>Total</b>					<b>42,363</b>	<b>(1,585)</b>	<b>(3,020)</b>

## As at March 31, 2024

Currency	Carrying value	Forward and option contracts @	Cash flow hedge #	Unhedged exposure	Unhedged exposure	Sensitivity to 5% change **	
						Impact on Profit (net of taxes)	Impact on Equity (net of taxes)
	FC in million	FC in million	FC in million	FC in million	₹ in million	₹ in million	₹ in million
<b>Assets</b>							
USD	548	(208)	-	340	28,376	1,062	-
EURO	0	-	-	0	32	1	-
Other Currencies	0	-	-	0	2	0	-
<b>Total</b>					<b>28,410</b>	<b>1,063</b>	<b>-</b>
<b>Liabilities*</b>							
USD	2,651	(75)	(1,618)	958	79,860	(2,988)	(5,047)
EURO	9	-	-	9	833	(31)	-
Other Currencies	0	-	-	0	9	(0)	-
<b>Total</b>					<b>80,702</b>	<b>(3,019)</b>	<b>(5,047)</b>

### Notes:

\* includes borrowings in foreign currency USD 501 million (₹ 42,879 million) {(Previous year USD 402 million (₹ 33,492 million))}.

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

# The management has designated certain financial liabilities in foreign currency as cash flow hedges against highly probable future forecast sales. Such designation help the Group to reduce/ mitigate foreign exchange risk of related liabilities and highly probable sales as gain/ loss on restatement of liabilities is recognised in other comprehensive income. There are no significant hedge ineffectiveness on the these designated liabilities during the reporting periods.

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

### 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.

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## Not designated in hedging relationship

Particulars	Notional amounts (in Foreign Currency million)		Fair value of assets/(liabilities) (₹ in million)	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
<b>Forward Contracts:</b>				
<b>Buy US\$</b>				
Less than 3 months	32	75	(13)	3
<b>Sell US\$</b>				
Less than 3 months	144	208	154	(19)
<b>Options:</b>				
<b>Buy Put / Sell Call US\$</b>				
Less than 3 months	32	-	11	-

## c) Currency swap contracts

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

### Designated as cash flow hedges

USD / INR currency swaps	Notional amounts (in USD million)	
	As at March 31, 2025	As at March 31, 2024
Less than 1 year	-	16
1 year to 2 years	-	-
2 years to 5 years	20	-
<b>Total</b>	<b>20</b>	<b>16</b>
<b>Fair value of assets / (liabilities) (net) (₹ in million)</b>	<b>51</b>	<b>(197)</b>

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 ₹ 35 million as at March 31, 2025 (debit balance of ₹ 208 million as at March 31, 2024) (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 ₹ 72 million (Previous year ₹ 50 million) (net of tax). A positive number indicates a decrease in equity and negative number would be an inverse impact on equity.

## iii) Interest rate risk

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

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

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

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

Particulars	(₹ in million)	
	As at March 31, 2025	As at March 31, 2024
Fixed rate borrowings *	72,554	63,593
Floating rate borrowings	54,147	54,944
Lease liabilities (refer note 38)	17,160	17,104
Export advances having original maturities for more than 1 year (current and non-current portion) (refer note 22 and 26)	21,226	58,683
<b>Total</b>	<b>165,087</b>	<b>194,324</b>
Less: Upfront fee	(680)	(685)
<b>Total</b>	<b>164,407</b>	<b>193,639</b>

\* Includes borrowings of ₹ 33,100 million (₹ 31,220 million as at March 31, 2024) raised for Petrochemical project, for which floating rate shall apply after perfection of security for project lenders.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's, profit for the year ended March 31, 2025 would decrease / increase by ₹ 282 million (Previous year ₹ 425 million) (net of tax). This is mainly attributable to the Group's exposure to interest rates on its variable rate liabilities.

## iv) Liquidity Risk

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

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

(₹ in million)				
As at March 31, 2025 :	< 1 Year	1 > 5 Years	> 5 Years	Total
Long term Borrowings #	16,158	54,912	68,920	139,990
Short term Borrowings #	37,199	-	-	37,199
Trade payables	71,117	-	-	71,117
Lease liabilities #	2,813	8,742	22,966	34,521
Other financial liabilities including export advance #	38,418	849	-	39,267
Derivatives	1,645	1	-	1,646
<b>Total</b>	<b>167,350</b>	<b>64,504</b>	<b>91,886</b>	<b>323,740</b>

(₹ 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	114,735	-	-	114,735
Lease liabilities #	2,781	8,901	23,054	34,736
Other financial liabilities including export advance #	78,360	23,287	-	101,647
Derivatives	734	-	-	734
<b>Total</b>	<b>240,837</b>	<b>88,541</b>	<b>92,135</b>	<b>421,513</b>

# including future interest

The Group has undrawn committed facilities as at March 31, 2025 of ₹ 90,953 million (₹ 86,121 million as at March 31, 2024) with maturities ranging from one to two years.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

## 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 30 days with or without security. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The history of trade receivables shows a negligible allowance for bad and doubtful debts. Refer note 13A for ageing of trade receivable.

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

### Investments, cash and bank balances and derivatives

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

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

### Movement in the expected credit loss allowance

Particulars	(₹ in million)	
	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	3,630	2,997
Addition in Expected credit loss recognised	109	666
Reversal in Expected credit loss recognised	(1,447)	(33)
<b>Balance at the end of the year</b>	<b>2,292</b>	<b>3,630</b>

The Group's maximum exposure to the credit risk for the components of the balance sheet as at March 31, 2025 and March 31, 2024 is the carrying amounts mentioned in note 9, note 13 and note 17.



# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

## 42 Defined benefit / contribution plans

### 1) Defined benefit plans :

#### (i) Gratuity Plan

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

(₹ in million)

Sr. No.	Particulars	Gratuity (Funded)	
		As at March 31, 2025	As at March 31, 2024
<b>A</b>	<b>Net assets / liability</b>		
i	Present value of defined benefit obligation (DBO)	1,510	1,330
ii	Fair value of plan assets	1,202	1,044
iii	Funded status - deficit (iii = ii-i)	(308)	(286)
iv	Net assets / (liability)	(308)	(286)
<b>B</b>	<b>Expenses for the year</b>		
i	Service Cost	97	87
ii	Net Interest cost	14	9
	<b>Components of defined benefit costs for Profit and loss</b>	<b>111</b>	<b>96</b>
i	Actuarial losses - experience	37	90
ii	Actuarial losses/(gains) - assumptions	58	21
iii	Return on plan assets greater than discount rate	(0)	7
	<b>Components of defined benefit costs for Other Comprehensive Income</b>	<b>94</b>	<b>117</b>
	<b>Total expenses</b>	<b>205</b>	<b>213</b>
<b>C</b>	<b>Change in obligation and assets</b>		
<b>i</b>	<b>Change in defined benefit obligation</b>		
a	Defined benefit obligation at beginning of the year	1,330	1,109
b	Current Service cost	97	87
c	Interest cost	90	78
d	Actuarial losses - experience	37	90
e	Actuarial losses/(gains) - financial assumptions	58	21
f	Benefit payments	(101)	(55)
g	Defined Benefit obligation at the end of the year	1,510	1,330
<b>ii</b>	<b>Change in fair value of assets</b>		
a	Fair value of plan assets at the beginning of the year	1,044	932
b	Interest income on plan assets	76	69
c	Employer's contribution	183	105
d	Return on plan assets lesser than discount rate	0	(7)
e	Benefits payments	(101)	(55)
f	Fair value of plan assets at the end of the year	1,202	1,044
<b>D</b>	<b>Actuarial assumptions</b>		
1	Discount rate (per annum)	6.50%	7.00%
2	Rate of salary increase	9.00%	9.00%
3	Withdrawal Rate	6.00%	6.00%
4	Mortality	Indian Assured Lives Mortality (2006-08)Ult. Modified	

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Sr. No.	Particulars	(₹ in million)	
		Gratuity (Funded)	
		As at March 31, 2025	As at March 31, 2024
<b>E</b>	<b>Percentage of each category of plan assets to total fair value of plan assets</b>		
	Administered by Life Insurance Corporation of India / State Bank Of India #	100.00%	100%
<b>F</b>	<b>Employer's best estimate of contributions expected to be paid to the plan during the annual period beginning after the balance sheet date</b>	124	111

# Plan assets comprises scheme of insurance - conventional products.

## Notes:

Weighted average duration of the defined benefit obligation is 8 years as at March 31, 2025 (8 years as at March 31, 2024).

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

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

The defined benefit obligations shall mature as follows:

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

Particulars	(₹ in million)	
	Gratuity(Funded)	
	March 31, 2024	
As at March 31		
2025		111
2026		123
2027		152
2028		135
2029		163
March 31, 2030 to March 31, 2034		845

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

## 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.

opposite directions, while the plan's sensitivity to such changes can vary over time.

		(₹ in million)	
Sr. No.	Particulars	Gratuity (Funded)	
		As at March 31, 2025	As at March 31, 2024
		Increase/(decrease) in DBO	
	Defined benefit obligation	1,510	1,330
A)	Discount Rate		
	Discount rate	6.50%	7.00%
	1. Effect on DBO due to 0.5% increase in Discount Rate	(58)	(50)
	2. Effect on DBO due to 0.5% decrease in Discount Rate	62	54
B)	Salary Escalation Rate :		
	Salary Escalation rate	9.00%	9.00%
	1. Effect on DBO due to 0.5% increase in Salary Escalation Rate	28	27
	2. Effect on DBO due to 0.5% decrease in Salary Escalation Rate	(29)	(27)
C)	Withdrawal Rate :		
	Attrition rate	6.00%	6.00%
	1. Effect on DBO due to 5.00% increase in Withdrawal Rate	10	16
	2. Effect on DBO due to 5.00% decrease in Withdrawal Rate	(32)	(40)

## 2) Defined Contribution plans :

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

The Company has closed Nayara Energy Limited Employees Provident Fund during the year and started contributing to Central recognised provident fund. Prior to the change, provident fund was a defined benefit plan and the Company had recognised an expense of ₹ 170 million (Previous year: ₹ 374 million).

Group's contribution to provident fund, superannuation fund and pension fund aggregating to ₹ 173 million, ₹ 68 million and ₹ 189 million (Previous year Nil, ₹ 69 million and ₹ 161 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.

## 43 Related party disclosures

### I. Names of related parties and description of relationship:

#### Enterprises having significant influence

	Rosneft Group comprises Rosneft Oil Company and its controlled entities
	UCP Group comprises UCP PE Investments Limited and entities under common control
	Mareterra Group comprises Mareterra Group Holding S.A.R.L. and its controlled entities
<b>Other related party</b>	Nayara Energy Limited Employees Provident Fund (upto October 01,2024)

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

## A. Transaction with related parties

(₹ in million)

Nature of transactions	Enterprises having significant influence	
	FY 2024-25	FY 2023-24
<b>Interest expenses</b>		
Rosneft Group	-	1,092
<b>Repayment of long term borrowing</b>		
Rosneft Group	-	40,659
<b>Lease rent paid</b>		
Rosneft Group	-	4

including taxes wherever applicable

## B. Transactions with other classes of related parties

(₹ in million)

Nature of transactions	FY 2024-25	FY 2023-24
i) Key management personnel (Short term employee benefits)@ @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.	327	292
ii) Key management personnel (Director Sitting Fees)	22	17
iii) Key management personnel (Commission and Remuneration to Directors)	214	208
iv) Contribution during the period (includes Employees' share and contribution) to the controlled trust	439	800

## C. Balances with related parties

(₹ in million)

Nature of balances	Enterprises having significant influence	
	As at March 31, 2025	As at March 31, 2024
<b>Liabilities</b>		
<b>Financial liabilities</b>		
<b>Trade payables (refer note (i) below)</b>		
Rosneft Group	826	808

## D. Balances with other classes of related parties

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Commission and Remuneration payables to Key management personnel	214	208

### Notes:

- (i) Terms of trade payables:

Trade payables are to be settled as per mutually agreed terms between the parties.

- 44** The Group's current assets as at March 31, 2025, exceed its current liabilities by ₹ 71,813 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.



# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

## 45 Impairment testing of Goodwill

The Group recognised goodwill of ₹ 108,184 million arising on the merger of Vadinar Power Company Limited (VPCL), Nayara Energy Properties Limited (NEPL), and Vadinar Oil Terminal Limited (VOTL) with the Company. The Company has determined that its entire operations fall into a 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 relates to the refining business, and the carrying value of the CGU of the refining business as at the balance sheet date is ₹ 582,224 million [March 31, 2024: ₹ 576,855 million].

The Group performed its annual impairment test for the financial year ended March 31, 2025, as on February 28, 2025. There has been no material change in any of the assumption since that date upto March 31, 2025.

The recoverable amount of the refining business has been determined at ₹ 935,274 (US\$ 10,701) million [March 31, 2024: ₹ 804,700 (US\$ 9,704)] million based on the value in use calculation using discounted cash flow model {refer note 4 (ii)} based on business assumptions approved by management covering a five-year period and is in line with the business plan presented to the Board. The Group 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, 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 gross margin projections (which is total revenue less total feedstock cost for the year) are broadly in line with the 5-year business plan of the refining business. The gross margins are estimated to be in the range from US\$ 9.3 per bbl to US\$ 17.6 per bbl during FY 2025-26 to FY 2039-40. A US\$ 0.5 per bbl decline in the projected gross margins over the forecast period would lead to a decline in the recoverable value by ₹ 46,934 million (US\$ 537 million) [March 31, 2024: ₹ 52,242 (US\$ 630) million].

#### Discount rates

Discount rates - Discount rates represent the current market assessment of the risks specific to the refining business, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. Accordingly, the Group has estimated a discount rate of 10.71% (previous year: 9.5%). An increase in the discount rate by 50 basis points leads to decline in the recoverable value by ₹ 53,140 million (US\$ 608 million) [March 31, 2024: ₹ 53,155 (US\$ 641) million].

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

## 46 Additional information as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiaries

Name of Entity	FY 2024-25							
	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in total Comprehensive Income	
	As % of consolidated net assets	₹ in million	As % of consolidated profit or loss	₹ in million	As % of consolidated other comprehensive income	₹ in million	As % of total comprehensive income	₹ in million
<b>Parent:</b>								
Nayara Energy Limited	100.13%	5,00,762	99.70%	60,613	101.86%	4,479	99.85%	65,092
<b>Subsidiaries:-</b>								
Coviva Energy Terminals Limited	-0.23%	(1,157)	-0.26%	(161)	0.00%	-	-0.25%	(161)

# Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Name of Entity	FY 2024-25							
	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in total Comprehensive Income	
	As % of consolidated net assets	₹ in million	As % of consolidated profit or loss	₹ in million	As % of consolidated other comprehensive income	₹ in million	As % of total comprehensive income	₹ in million
Nayara Energy Singapore Pte. Limited	0.11%	534	0.42%	257	0.19%	8	0.41%	265
Inter Group Elimination and Consolidation Adjustments	-0.01%	(37)	0.14%	86	-2.05%	(90)	-0.01%	(4)
<b>Grand Total</b>	<b>100.00%</b>	<b>5,00,102</b>	<b>100.00%</b>	<b>60,795</b>	<b>100.00%</b>	<b>4,397</b>	<b>100.00%</b>	<b>65,192</b>

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
<b>Parent:</b>								
Nayara Energy Limited	100.17%	435,670	98.09%	120,852	133.19%	8,483	99.81%	129,335
<b>Subsidiaries:-</b>								
Coviva Energy Terminals Limited	-0.23%	(996)	-0.14%	(167)	0.00%	-	-0.13%	(167)
Nayara Energy Singapore Pte. Limited	0.06%	268	0.34%	414	-0.01%	-	0.32%	414
Intergroup Elimination and Consolidation Adjustments	-0.01%	(32)	1.71%	2,111	-33.18%	(2,114)	0.00%	(3)
<b>Grand Total</b>	<b>100.00%</b>	<b>434,910</b>	<b>100.00%</b>	<b>123,210</b>	<b>100.00%</b>	<b>6,369</b>	<b>100.00%</b>	<b>129,579</b>

## Note:

0.00% represents % less than 0.005%.

**47** The Holding Company and the Subsidiary Company which is incorporated in India i.e. Coviva Energy Terminal Limited, whose financial statements have been audited under the Act, have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, the Holding Company and above referred Subsidiary Company did not have any instance of audit trail feature being tampered with. Additionally for the Holding Company and above referred Subsidiary Company, the audit trail of prior year has been preserved as per the statutory requirements for record retention.

As per our report of even date

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

per **Naman Agarwal**  
Partner  
Membership No. 502405  
Mumbai, June 05, 2025

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

**Prasad K. Panicker**  
Executive Chairman  
DIN : 06476857  
Mumbai

**Deepesh Baxi**  
Chief Financial Officer

Mumbai

**Alessandro des Dorides**  
Chief Executive Officer

Mumbai

**Mayank Bhargava**  
Company Secretary

Mumbai  
June 05, 2025

## 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)
	<b>Coviva Energy Terminals Limited (CETL)</b>	<b>Nayara Energy Singapore Pte. Limited</b>	
Reporting period	31-3-2025	31-3-2025	
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: ₹ 85.5814 Average: ₹ 84.5542
Share capital	1	360,000	27
Reserves & surplus	(1,157)	5,901,915	508
Total assets	1,498	235,835,034	20,181
Total liabilities	2,654	229,573,119	19,646
Investments	-	-	-
Turnover	-	1,017,080,449	85,998
Profit before taxation	(157)	3,649,291	309
Provision for taxation	4	614,723	52
Profit after taxation	(161)	3,034,568	257
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. Panicker**

Executive Chairman

DIN : 06476857

Mumbai

**Deepesh Baxi**

Chief Financial Officer

Mumbai

**Alessandro des Dorides**

Chief Executive Officer

Mumbai

**Mayank Bhargava**

Company Secretary

Mumbai

June 05, 2025

## Notes



[illegible]

## Notes





#### **Registered Office**

Khambhalia, Post Box No. 24,  
District Devbhumi Dwarka,  
Gujarat 361305, India

#### **Corporate Office**

5th Floor, Godrej BKC,  
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Maharashtra, India

