



Shell MRPL Aviation



Shell MRPL Aviation Fuels and Services Limited

12th Annual Report 2019-20



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CORPORATE INFORMATION

CIN: U51909KA2008PLC045558

As on July 6th, 2020

BOARD OF DIRECTORS

Mr. Nitin Prasad (Chairman)
Mr. Venkatesh Madhava Rao
Mr. Sanjay Varma
Ms. Tan Bee Kuan Doris
Ms. Revathy Ashok, Ind. Director
Mr. Basavaraj Ningappa Bankapur, Ind. Director

KEY MANAGERIAL PERSONNEL

Mr. Konduri Lakshminarayan, CEO
Mr. Chockalingam Subbiah, CFO and CS

CORPORATE OFFICE ADDRESS

No. 102, Prestige Sigma, Richmond Town,
Vittal Mallya Road,
Bangalore,
Karnataka - 560001

Telephone: 080 – 42526900
Fax: 080 - 42526999
Website: <http://shellmrpl.co.in>

STATUTORY AUDITORS

M/s ASA & Associates LLP
Chartered Accountants

SECRETARIAL AUDITORS

M/s RSVH & Associates LLP,
Practising Company Secretaries

INTERNAL AUDITORS

M/s Sharp & Tannan.
Chartered Accountants

BANKERS

Kotak Mahindra Bank
IDFC Bank
Corporation Bank
State Bank of India
ICICI Bank
Axis Bank

SHELL MRPL AVIATION FUELS AND SERVICES LIMITED

CIN: U51909KA2008PLC045558

Registered Office: No.102, Prestige Sigma, VittalMallya Road
Bangalore – 560 001

Email : Chockalingam.Subbiah@Shellmrpl.com

NOTICE is hereby given that the Twelfth Annual General Meeting of the members of SHELL MRPL AVIATION FUELS AND SERVICES LIMITED will be held on 7th August 2020, at 16.00 Hours, at the company registered office No.102, Prestige Sigma, Richmond Town Vittal Mallya Road, Bangalore – 560 001 to transact the following business:

(Nearer to the date, if required depending upon the pandemic situation, the Company will intimate the virtual meeting details to the Members / Proxies)

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2020, the reports of the Board of Directors and Auditors thereon.
2. To declare Dividend of 50 paise per equity shares out of current year profits and a special dividend of Rs. 2.00 per equity shares out of accumulated profits of the previous years (surplus in the profit and loss account) for the year ended 31st March 20
3. To appoint a Directors in place of Mr.Nitin Prasad and Mr.M.Venkatesh, who retire by rotation and being eligible, offers themselves for reappointment.
4. To fix the remuneration for the year 2020-21 of Statutory Auditors M/s ASA & Associates LLP, Chartered Accountants (FRN 009571N/N500006), who were appointed till conclusion of AGM of 2023.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to provisions of Section 149, 152 of the Companies Act, 2013 (the Act), and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) **Mr.Sanjay Varma**(holding DIN: 05155972) who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as Director of the company, liable to retire by rotation.”

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to provisions of Section 149, 152 of the Companies Act, 2013 (the Act), and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) **Ms. Bee Kuan Doris Tan** (holding DIN: 0008780100) who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as Director of the company, liable to retire by rotation.”

By order of the Board
for Shell MRPL Aviation Fuels and Services Limited
Sd/

Place: Bangalore
Date: 7th July 2020

S Chockalingam
Company Secretary

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AT THE MEETING AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- The Statement Pursuant to Section 102(1) of the Companies Act, 2013 is attached here with.

STATEMENT ANNEXED TO NOTICE

THE FOLLOWING STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013, SETS OUT ALL THE MATERIAL FACTS RELATING TO THE BUSINESS MENTIONED IN THE ACCOMPANYING NOTICE.

Item No. .5

In accordance with the provisions of Section 161 of the Act Mr. Sanjay Varma (holding DIN: 05155972) was appointed as an additional director with effect from 11th June 2020 upto the date of this Annual General meeting.

Mr Sanjay Varma is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given consent to act as a director. He does not hold any shares of the Company in his name.

Except this director, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the said resolution. The Board recommends passing of the resolution as an ordinary resolution.

Item No. 6

In accordance with the provisions of Section 161 of the Act Ms. Bee Kuan Doris Tan (holding DIN: 0008780100) was appointed as an additional director with effect from 4th July 2020 upto the date of this Annual General meeting.

Ms. Bee Kuan Doris Tan, not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given consent to act as a director. She does not hold any shares of the Company in his name.

Except this director, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the said resolution. The Board recommends passing of the resolution as an ordinary resolution.

By order of the Board
for Shell MRPL Aviation Fuels and Services Limited
Sd/

Place: Bangalore
Date: 7th July 2020

S Chockalingam
Company Secretary



DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 11th Annual Report together with the audited financial statements for the year ended March 31, 2020.

1. Performance of the company

1. Financial Results

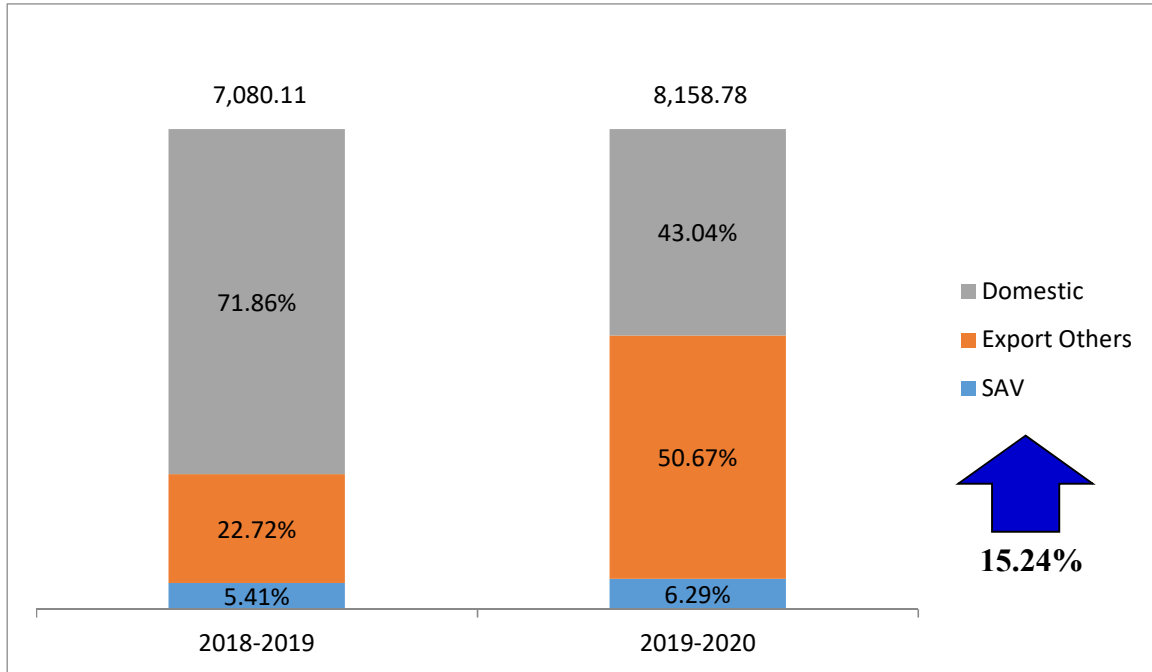
Particulars	As at March 31, 2020 (₹ Million)	As at March 31, 2019 (₹ Million)
Revenue from operations	8,235.77	7,189.91
Other income	71.77	87.53
Total Income	8,307.54	7,277.44
Expenditure	8,290.75	7,247.44
Earnings before Interest and Depreciation and Amortisation (EBITDA)	44.14	55.04
Depreciation and Amortisation	15.31	11.36
Earnings before Interest and Taxes (EBIT)	28.83	43.68
Interest	12.04	13.68
Profit/(Loss) before Tax (PBT)	16.79	30.00
Tax Expenses (Net) (including deferred tax and tax for earlier years)	1.60	14.06
Profit/(Loss) after Tax (PAT)	15.19	15.94
Other Comprehensive Income/(loss)	(0.43)	(0.48)
Total Comprehensive Income	14.76	15.46

For the Financial Year ended March 31, 2020, your Company had no subsidiaries, associates or Joint Ventures



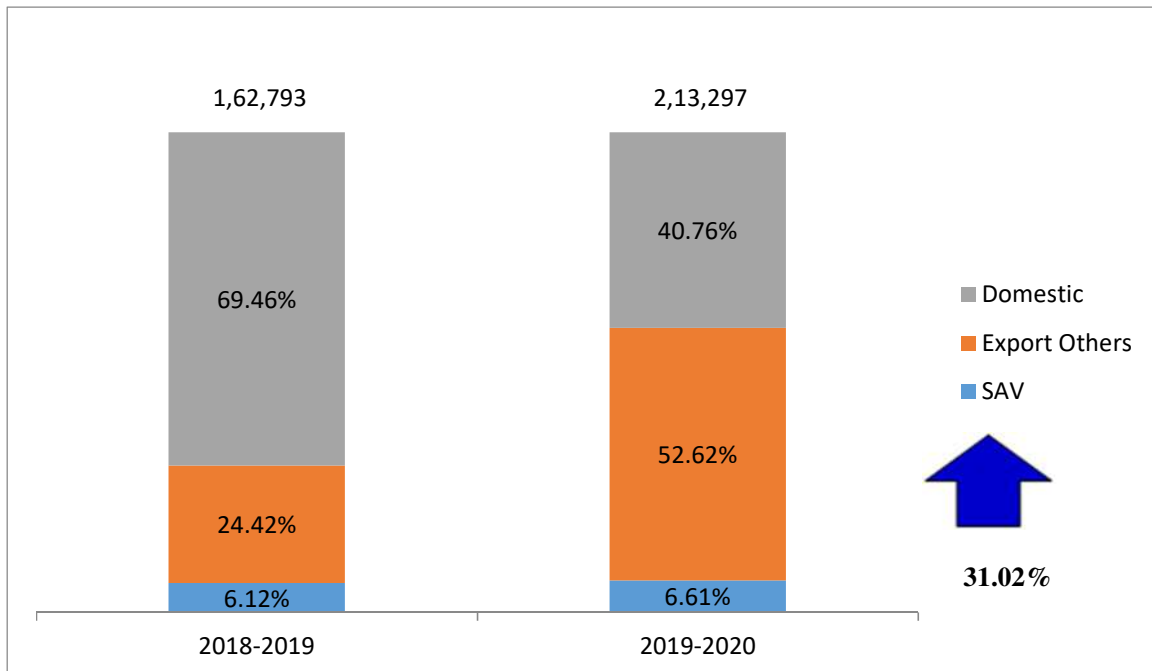
2. Operations Results

Revenue from Delco Business in INR/Mn



Your Company has achieved a sales turnover of `8,158.78 million in the current financial year as compared with `7,080.11 in the previous financial year

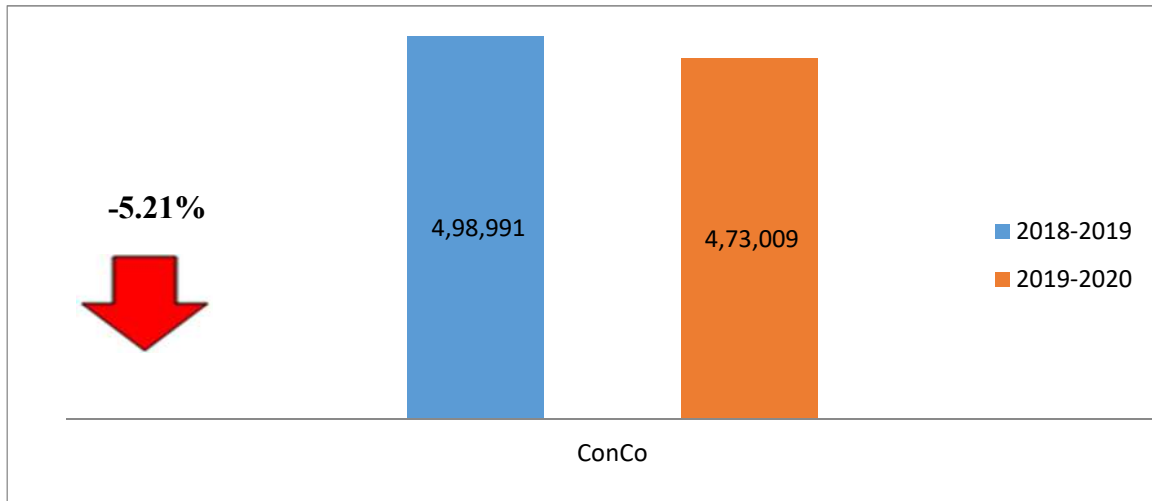
3. Delco Volume



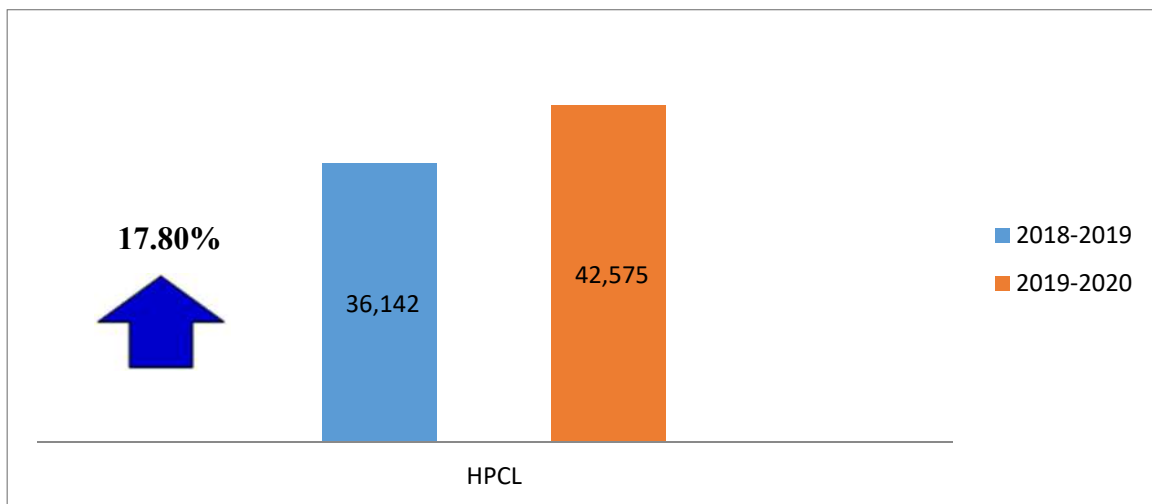
Your Company has supplied 213,297 KL of ATF in the current financial year for meeting both domestic and export demands as compared with 162,793 KL of the previous financial year



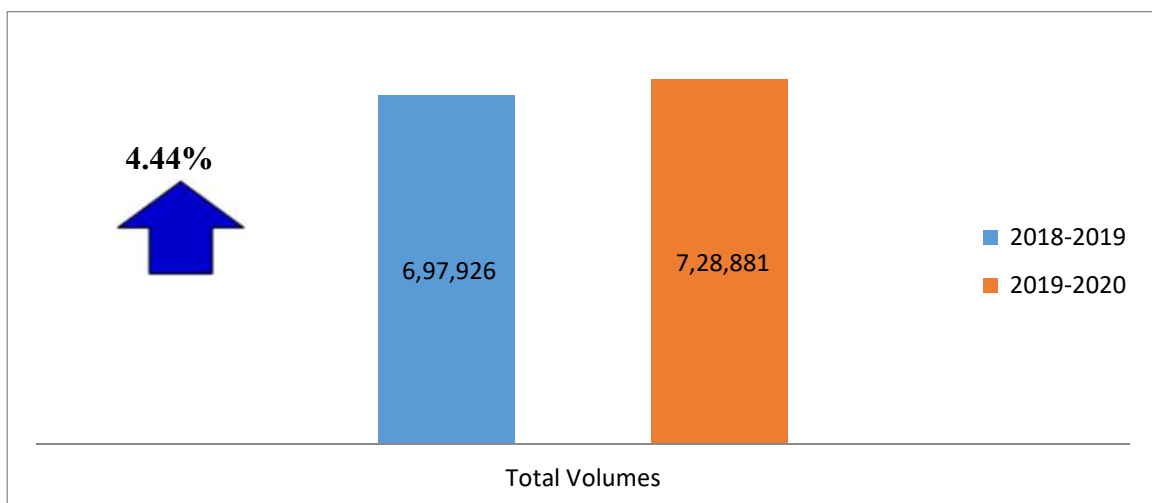
4. ConCo Volume



5. Facilitation Volume KL

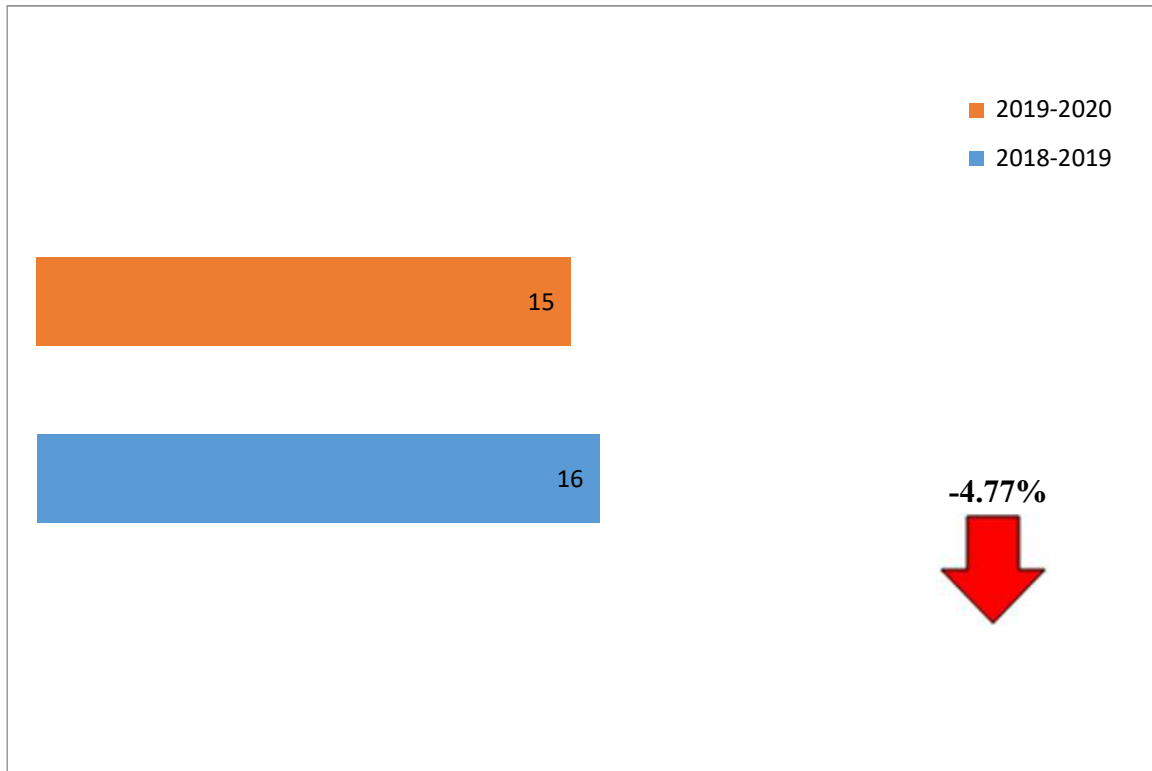


6. Total Volume





7. Profit after Tax



8. Dividend Proposed





2. Share Capital

The authorized share capital of your Company as on March 31, 2020 is ₹300 million. The Issued, subscribed and paid-up equity share capital of the Company also stood at ₹300 million. During the year under review, the Company has not issued any shares.

3. Material changes and commitments

Price war of Oil Majors in the world added to its outbreak of COVID 19 pandemic has substantially lowered the demand of Jet Fuel and has impacted the Business Volumes, Margins and the prices of inventory which is lying in the books. These factors are going to have a financial impact in the coming quarters in terms of revenue and margins which is difficult to quantify at this point of time.

4. Financial Reporting

The Financial Statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, (as amended) with effect from April 1, 2016.

5. Deposits

The Company has not accepted any deposits; hence, the provisions with respect to the deposits covered under Chapter V of the Act are not applicable.

6. Particulars of loans, guarantees or investments

The Company has not given any Loans, Guarantees or Investments under Section 186 of the Companies Act 2013 (hereinafter referred to as "the Act"), during the year.

7. Reaffirmation of Credit Profile

ICRA and India Rating have reaffirmed "A1+" (pronounced as A One Plus) to the Non Fund Based working Capital Limits of your Company. The rating indicates highest credit quality.

ICRA and India Rating have also reaffirmed "AA- RWN" (pronounced as Double A minus) to the Fund Based Working Capital Limits of your Company. The rating indicates stable outlook on the same.

8. Change in the nature of business

There is no change in the nature of the business during the financial year.

9. Health, Safety, Security and Environment (HSSE)

HSSE remains a high focus area and the Top Management is handling and monitoring it on a daily basis.



The overall companywide HSSE environment KPI's continue to remain under control with various KPI's meeting or exceeding the given targets. Special emphasis and efforts are being placed on the cultural improvement of the staff.

Last year HSSE highlights are enumerated below:

- Increased product volumes have been delivered this FY compared to last FY with no slackening of the key HSSE parameters. There were no major incidents or accidents, LTI, LOPC & nil aircraft damages recorded for the last financial year 2019-20.
- To further demonstrate the commitment to the wellbeing of the society at large and to be a responsible corporate citizen committed to the noble cause of lending help to society, an open eye camp was organized for the driver community. This was further followed up by issue of eyeglasses to the needy.
- Key safety propagation measures like celebration of National safety week, National road safety week, Shell safety day, CSR activities, mock drills, safety stand-down meetings, etc. have been implemented with all the stakeholders to reinforce the company's commitment to goal zero and safe operations.
- The company has been not just been committed to implementation of the safety within itself for its own operations, but also propagated its importance to a wider audience with the enlisting of the support & involvement of the local statutory authorities during the various safety propagation activities.
- Review and audit of the project "SMARUK" (an 18-month programme to improve the RT HSSE) has been done by the shareholder representatives & have recommended for successful closure of the project with certain suggestions for continual improvement.
- To automate, monitor, train & guide the entire process of safety tracking the safety kiosk has been integrated with tank truck driver's database coupled with biometric operation. In addition to this, audio visual mode TBMs, other trainings are incorporated into the system on need basis from time to time
- Future HSSE improvements planned include introduction of the installation of the AIS-140 compliant devices in all the tank trucks, installation of the electronic locks etc.

10. Business Climate and Challenges

The Indian Aviation Industry was on a growth trajectory last year with 6% growth mainly contributed by:

- Improved connectivity of the Airports. There are in all 449 Airports/Airstrips in India. Out of this 103 Airports are operational and receive regular



commercial flights. and was getting the benefits of the improved connectivity. The vast geographical coverage of the country and its industrial growth made the aviation sector an attractive growth story.

- The rising and working middle class with improved incomes ensured utilization of air services.
- Improved participation by Private Players: This sector which was mainly dominated by Government is now encouraging private participation. This increases the competition thereby helping improve the services and drives efficiency.
- The aviation sector currently contributes about USD 72 Billion to the country's GDP.
- Improvement in infrastructure: Government has identified development of ground infrastructure as a major focus area.
- India's passenger traffic stood at 335 million in FY20 where domestic passenger traffic reached 272 million and International passenger reached 63 million.
- In January 2020, IndiGo became first Indian carrier to have an aircraft fleet size of 250 planes and also became the first airline to operate 1,500 flights per day.
- Further, the rising demand in the sector has pushed the number of airplanes operating in the sector. As of December 2019, there were nearly 650 aircraft being operated by scheduled airline operators in India. The number of airplanes is expected to grow to 1,100 planes by 2027.

- India's aviation industry is expected to witness Rs 35,000 crore (US\$ 4.99 billion) investment in the next four years. The Indian government is planning to invest US\$ 1.83 billion for development of airport infrastructure along with aviation navigation services by 2026.

- Key investments and developments in India's aviation industry include:
 - In December 2019, AAI announced its plans to set up India's first three water aerodromes in Andaman & Nicobar.
 - France-based Safran Group is planning an investment of US\$ 150 million in a new aircraft engine maintenance, repair and overhaul (MRO) unit in India to cater to its airline customers.
 - In November 2019, the Competition Commission of India (CCI) approved the acquisition of shareholdings in Mumbai International Airport Limited (MIAL) by Adani Properties Private Limited (APPL).
 - UK group to invest Rs 950 crore (US\$ 135.9 million) in Turbo Aviation's new airline TruStar
 - The AAI plans to develop Guwahati as an inter-regional hub and Agartala, Imphal and Dibrugarh as intra-regional hubs.
 - Indian aircraft Manufacture, Repair and Overhaul (MRO) service providers are exempted completely from customs and countervailing duties
 - Under Union Budget 2020-21, government introduced Krishi Udan scheme on both domestic and international routes to help farmers in transporting agricultural products and improve the product value.



- Under RCS-Udan scheme, approximately 34,74,000 passengers were flown, and 335 routes awarded during the year 2019 covering 33 airports.
- Kalaburgi Airport : DGCA gave clearance for Kalaburgi RCS airport for commercial operations from October 2019.

Notwithstanding the above, there has been an unprecedented impact due to the ongoing COVID – 19 pandemics throwing up huge challenges as the airlines reassess their operations and how they will handle the emerging crisis.

Airlines are expecting a long recovery period and in a matter of few weeks the global aviation scenario has completely changed. All expansion, new launches, addition of capacity etc is all on hold till a clear picture emerges. It is hard to predict any outcome while the crisis is still unfolding.

The scenario due to COVID – 19 has been addressed separately further on in the report in Point # 23.

11. Business Initiatives

The Jet Fuel Market continues to be highly competitive mainly on account of India being long on production vis-à-vis demand. The differentials are near zero in markets like Mumbai and less than 5.0 CAG at Bangalore. In some of the tenders the discount at Mumbai on PAP has reached INR 12,000/= per KL. Notwithstanding this highly hostile and irrational competition, SMA has shown resilience in the market and defended itself. Some notable achievements are:

1. Network expansion – Expanded operations to Trichy, Coimbatore and Kannur with Air India flights effective May 2019.
2. Air India domestic tender : We were successful in not only adding Trichy and Kannur as above, but secured Calicut, Mangalore, Madurai, Goa and Coimbatore effective May 2019. This is a three year tender and the volumes are accordingly secure.
3. New customer acquisition: We have acquired a new customer – GoAir. We have successfully secured their International Volume.
4. We have also successfully extended the Delco relationship of Vistara to International location.
5. Air India sought a roll-over of the existing international contract at the 11 locations we serve. We could successfully roll-over 10 of the 11 locations.
6. Secured Visiting International carrier at Coimbatore.
7. SpiceJet domestic volumes: We have successfully renewed the SpiceJet volumes effective 01st December 2019 for one year.



8. Extended the relationship with SpiceJet by adding more locations in the International route.
9. Secured Vistara domestic Volumes at additional locations.
10. Trujet : We have retained their business at Goa 01st Jan 2020.

12. Related Party Transactions

All transactions entered with Related Parties for the year were on arm's length basis and in ordinary course of business.

Particulars of contracts or arrangements with related parties referred to in section 188 (1) of the Companies Act, 2013 in form AOC-2 form part of Board's Report and placed at [Annexure A](#).

13. Internal Control System

The Company has in place, a robust system and framework of Internal Financial Controls. This framework provides a reasonable assurance regarding the adequacy of operating effectiveness of controls with regards to reporting, operational, and compliance risks. The framework ensures that the Company has policies and procedures for ensuring orderly and efficient conduct of the business, including adherence to company's policies, safeguarding of assets, prevention and detection of frauds and errors, the accuracy and completeness of accounting records and timely preparation of reliable financial information.

The types of Internal Financial controls that the Company has, to ensure the above objective can be broadly stated as:

- a) Financial Reporting controls,
- b) Entity level Operational controls and Technical controls
- c) Embedded in these broad classifications are the Controls to address Financial assertions (including fraud and Information Technology risks), Fraud implications, Efficiency, quality, maintenance etc.

The CEO. and CFO certify on the adequacy of internal controls over financial reporting on a yearly basis, which are regularly reviewed by the Audit Committee, while reviewing the Year end Accounts.

14. Risk management policy

Your Company operates in a business environment that is characterized by increasing globalization of market and intense competition. Due to this, your Company is exposed to number of risks viz., operational risk, strategic risk, reputational risk, compliance risk, financial risk, information risk, environmental risk, etc. The Risk Management Policy of your Company has clearly structured and defined the procedure for Risk identification, Risk assessment, Risk measuring, Risk mitigation, Risk monitoring, Risk reporting and Risk optimizing.



The Company has adequate Risk Management Policy. It manages, monitors and reports on the principal risks and uncertainties that can impact the growth and ability to achieve strategic objective of the Company. The Company's Risk Management Policy is designed to drive a common integrated view of risk and optimal risk mitigation.

The Company's Risk Management Policy is placed before the Board regularly and reviewed by the Board.

15. Vigilance Mechanism

As required under Section 177(9) of the Companies Act 2013, the Board has established a vigil mechanism for directors and employees to report genuine concerns in your Company. The Company has appointed Chief Vigilance Officer of MRPL as Focal point vide MoPNG office memo no. C-36011/22/2012-vig.

Cases under	Opening Balance	Raised during the year	Addressed	Closed	Closing Balance
Conduct Discipline and Appeal (CDA)	-	-	NA	NA	NA
Vigilance	-	-	NA	NA	NA
Prevention of Sexual Harassment (POSH) Grievances	-	-	NA	NA	NA

16. Policy on Prevention of Sexual Harassment of Women

Your Company continues to promote diversity and inclusion and has adopted the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereof. In accordance with the provisions of the Act, the Company has also constituted the Prevention of Sexual Harassment (POSH) Committee to address the concerns and grievances of employees. The Company adopts the "no compromise" approach to discrepancies as brought to the notice of the Committee and the Company.

17. Corporate Social Responsibility (CSR) Policy

Your Company is fully committed in ensuring equitable and sustainable growth of society in and around the area of its presence & operations besides complying with government directives to discharge its social responsibility. CSR activities are essentially guided by project based approach in line with the provisions of Section 135 of Companies Act, 2013 promulgated by Ministry of Corporate Affairs and the Companies (CSR) Rules, 2014 as amended from time to time. Your Company has also formulated an internal CSR policy, as approved by the Board to guide the Company in CSR initiatives.



The initiatives taken by the Company on CSR during the Financial Year 2019-20 is annexed to this report as [Annexure B](#). During the year, your Company has spent ` 1.68 million on CSR initiatives.

18. Directors and Key Managerial Personnel

1. Appointment / Resignation of Directors

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, Directors Mr Nitin Prasad and Mr Venkatesh Madhava Rao, retires by rotation and were reappointed on July 30, 2019, Director Mr.RVSS Ramachandra Rao retired on February 19,2020, Ms. Revathi Ashok was reappointed on February 20, 2020.

2. A statement on evaluation of Board's Performance

- i) The Independent Directors of the Company met on January 31st, 2020 to review the performance and effectiveness of Non-Independent Directors, Chairman of the Board and Overall Board. The quality, quantity and timeliness of the Information between the Company and the Board were also reviewed.
- ii) The Board members also met on January 31st, 2020 to review the performance and effectiveness of Independent Directors, various Sub Committees of the Board and Key Managerial Personnel.

Mr. S. Chockalingam, CFO & CS, served as the Company Secretary for the above meeting.

The evaluations were conducted as per pre-defined assessment criteria along with ratings which have been formulated in the policy for Performance Appraisal of Board. After the review and recommendations of Independent Directors and Board members, the Board concluded that the overall performance of the members is satisfactory and effective.

Contents of Performance Evaluation of Board and its sub committees – [Annexure C](#)

19. Independent directors Declaration

The Board has received declarations from all the Independent Directors as per the requirement of Section 149(7) of the Act and the Board is satisfied that all the Independent Directors meet the criteria of independence as mentioned in Section 149(6) of the Act.

20. Meetings of the Committees and Board of Directors

1. Audit Committee Meetings



Sl. No	Name of Directors	I 30-04-2019	II 30-07-2019	III 23-10-2019	IV 31-01-2020
1	Ms.Revathy Ashok	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2	Mr.RVSSRamchandrao	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3	Mr. B N Bankapur	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4	Mr.Nitin Prasad	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	*
5	Mr. Venkatesh Madhava Rao	-	-	-	-
6	Mr.M.Vinaya Kumar	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	*	<input checked="" type="checkbox"/>

* Joined through VC/skype / lync

Leave of Absence

Mr. S. Chockalingam, CFO & CS, served as the Company Secretary for the above meetings.

2. Nomination and Remuneration Committee Meetings

Sl. No	Name of Directors	I 30-04-2019	II 30-07-2019	III 31-01-2020
1	Ms.Revathy Ashok	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2	Mr.RVSSRamchandrao	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3	Mr.Richard James Pereira	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4	Mr. B N Bankapur	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5	Mr.M.Vinaya Kumar	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

* Joined through VC/skype / lync

Leave of Absence

Mr. S. Chockalingam, CFO & CS, served as the Company Secretary for the above meetings.

3. Corporate Social Responsibility Committee Meetings

Sl. No	Name of Directors	I 30-04-2019
1	Ms.Revathy Ashok	<input checked="" type="checkbox"/>
3	Mr Nitin prasad	<input checked="" type="checkbox"/>
4	Mr. Venkatesh Madhava Rao	<input checked="" type="checkbox"/>

* Joined through VC/skype / lync

Leave of Absence

Mr. S. Chockalingam, CFO & CS, served as the Company Secretary for the above meetings.



4. Board meetings

Sl. No	Name of Directors	I 30-04-2019	II 30-07-2019	III 23-10-2019	IV 31-01-2020
1	Ms.Revathy Ashok	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2	Mr.RVSSRamchandrarao	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3	Mr. B N Bankapur	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4	Mr.Nitin Prasad	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	*
5	Mr. Venkatesh Madhava Rao	<input checked="" type="checkbox"/>	*	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
6	Mr.Richard James Pereira	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
7	Mr.M.Vinaya Kumar	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	*	<input checked="" type="checkbox"/>

* Joined through VC/skype / lync

Leave of Absence

Mr. S. Chockalingam, CFO & CS, served as the Company Secretary for the above meeting.

The number of days between each meeting was not more than as stipulated under the Companies Act 2013.

21. Insurance

All insurable interests of your Company including inventories, buildings, plant and machinery and liabilities under legislative enactments are adequately insured.

22. Matters affecting the going concern status

No orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status and your Company's operations in future. Company has ensured required liquidity during COVID19 pandemic.

23. COVID-19 IMPACT - JET FUEL DEMAND IN 2020

As a result of recent developments, with travel restrictions, quarantine obligations and new government policies there is a huge drop in the jet fuel demand in the coming quarters.

Among the various fuel sectors, we expect jet fuel to be hit the hardest. We expect global commercial air traffic will fall by at least 23% this year versus the levels seen in 2019, which we estimate stood at around 99,700 flights per day. This number will be revised as operators continue to cut routes. Many distressed airlines are now facing



heavy cost cuts, laying off unprecedented numbers of employees as many non-essential routes are closed.

As a base case we now assume that the common summer air travel peak will not occur at all this year. We now see global jet fuel demand falling by almost 31% year-on-year, or by at least 2.2 million bpd. Last year's demand for jet fuel was seen at about 7.2 million bpd. Jet fuel demand in April will be as low as 2.6 million bpd and in May 2.4 million bpd. Airlines could lose more than \$300 billion

IATA's latest analysis shows that the COVID-19 crisis could see airline passenger revenues drop \$314 billion in 2020, a 55% decline compared with 2019. Previously, IATA estimated \$252 billion in lost revenues (-44% vs. 2019) based on a scenario with severe travel restrictions lasting three months.

The updated figures reflect a significant deepening of the crisis and include the following parameters:

- Severe domestic restrictions lasting three months
- Some restrictions on international travel extending beyond the initial three months
- Worldwide severe impact, including Africa and Latin America (formerly predicted to have a milder impact).

Full-year passenger demand (domestic and international) is expected to be down 48% compared with 2019. One factor driving this fall is the anticipated worldwide recession. Global GDP is expected to shrink 6% in Q2 alone, three times worse than at the height of the Global Financial Crisis. A second factor is travel restrictions: As of early April, the number of flights globally was down 80% compared with 2019 in large part due to government lockdowns. Domestic markets could see the start of an upturn in Q3, but international markets will likely be slower to resume.

In India, the aviation industry has urged the Government to offer financial relief, including fund infusion into airlines viz:

- Tax relief
- Deferment of payment of GST for airlines
- Bringing Jet Fuel under GST
- Changed in Airport Charges, Duties, Taxes.

24. Auditors

1. Statutory Audit

- i) M/s.ASA& Associates LLP, Chartered Accountants have been appointed as the Statutory Auditor of the Company for the Financial Year 2019-20.



ii) They have audited the Financial Statements for the Financial Year ended March 31, 2020 and submitted their Report which forms part of this Report.

iii) The Auditor's Report to the Members of the Company for the year under review does not have any adverse remarks or qualification statement and therefore no explanation is required to be given on the report of Statutory Auditors.

2. Secretarial Audit Report

A copy of the Secretarial Audit Report from M/s. RSV& Associates LLP, Company Secretaries in Practice, as required under Section 204 (1) of the Act, is attached and forms a part of this Report as **Annexure D**

25. Explanations or comments on Reports of Auditors

1. Independent Auditors Report:

The Notes to Accounts forming part of Annual accounts are Self-Explanatory and need no further explanation. There are no qualifications/remarks raised in Auditors Report requiring clarification.

2. Secretarial Audit Report:

There are no qualifications/remarks raised in Secretarial Auditors Report requiring clarifications or explanations.

26. Particulars of Employees and Remuneration

No employee was in receipt of remuneration during the year in excess ₹8.5 Lakhs per month (₹102 Lakhs per annum) limit prescribed. Hence, particulars as required under the Companies (Particulars of Employees) Rules, is stated as Nil.

27. Annual Return

As per requirement of section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration), Rules, 2014, the extract of the annual return in form MGT-9 is annexed as **Annexure E**.

28. Conservation of energy, technology absorption, foreign exchange earnings & outgo

1. **Conservation of energy:** Since the Company is involved only in the business of trading in Aviation Turbine Fuels, this clause is not applicable.
2. **Technology absorption:** Since the Company is involved only in the business of trading in Aviation Turbine Fuels, this clause is not applicable.
3. The expenditure incurred on Research and Development during the year - NIL.
4. **Foreign exchange earnings and Outgo:** The Foreign Exchange earnings during the Financial Year 2019-20 was INR513.35 Million and the Foreign Exchange outgo during the year was INR 33.53 Million [on accrual basis].



29. Directors' Responsibility Statement

Pursuant to the requirement under Section 134(3)(c) and Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and of the profit and loss of the company for that period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

30. Acknowledgements

The Board wishes to express its sincere appreciation and place on record its gratitude for the faith reposed in and cooperation extended to the Company by the MoPNG, MoCA, AERA, AAI, State Governments, Mangalore Refinery and Petrochemicals Limited, Shell Gas B.V and their associates, various Government agencies/ departments, tax authorities, financial institutions, banks, customers, suppliers and investors of the Company.

The Directors also wish to place on record their appreciation for the all-round co-operation and contribution made by the employees at all levels.

Your Directors are thankful to the shareholders for their faith and continued support in the endeavours of the Company.

For and on behalf of the Board of Directors

Place: Bengaluru
Date: May 28th, 2020

Chairman



31. Annexure A- Form No.AOC-2

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto

- 1. Details of contracts or arrangements or transactions not at arm's length basis: Not applicable**
- 2. Details of material contracts or arrangement or transactions at arm's length basis**

Sl	Name of related party	Nature of relationship	Duration of contract	Date of initial approval by Board	Salient Terms	Amount (₹ Million)
1	Mangalore Refinery and Petrochemicals Limited	Purchase of ATF, Branding, etc.	Continuing	April 16, 2008, Dec 12, 2013	N.A	7,421.97
2	Shell Aviation Limited	Export Sales, Commission	Continuing	July 9, 2014	NA	577.42
3	Shell International Petroleum Co Limited	TSA Charges and CSA Charges	Continuing	Aug 27, 2013	N.A	22.10
4	Shell Brand International AG	Branding Charges	Continuing	Dec 12, 2013	NA	11.69



32. Annexure B - Corporate Social Responsibility Statement

(₹ in Millions)

Sl. no	CSR Project or Activity Identified	Sector in which Project is covered	Location of Project	Amount outlay	Amount Committed on the projects or programmes	Cumulative expenditure till the reporting period	Amount Spent through direct or through implementing agency
1	Green Ambassador Program: Training of on Green initiatives	Training & Development	Multiple Colleges in Bangalore	0.400	0.400	0.400	Direct
2	Government Higher Primary School Savya Post Savya, Beltangady Taluk, Dakshina Kannada District	Infrastructure Development in Education	Government Higher Primary School Savya Post Savya, Beltangady Taluk, Dakshina Kannada District	0.070	0.077	0.077	Direct
3	Government First Grade College, Haleyangadi, Managlore	Infrastructure Development in Education	Government First Grade College, Haleyangadi, Managlore	1.000	1.010	1.010	Direct
4	D.K.Z.H.P School, 7th Block, Katipalla, Surathkal post, Mangalore	Infrastructure Development in Education	D.K.Z.H.P School, 7th Block, Katipalla, Surathkal post, Mangalore	0.070	0.073	0.073	Direct
5	Government Higher Primary school Kadthala Katkala Taluk, Udupi	Infrastructure Development in Education	Government Higher Primary school Kadthala Katkala Taluk, Udupi	0.070	0.070	0.070	Direct
6	Eye Camp Mangalore	Health	Mangalore	0.069	0.055	0.055	Direct
Total				1.679	1.685	1.685	



33. Annexure C – Performance Evaluation of Board and its sub committees

Nomination and Remuneration Committee has approved the Performance Evaluation Policy of the Board members and the sub- committees of Board, as required under Section 178 of the Companies Act 2013 during their meeting held on 4th August 2015.

As per Section 149(8) read with Schedule IV require Independent Directors to hold at least one separate meeting in a year to

- a) Review performance of Non – Independent Directors
- b) Review performance of Chairperson of the Company
- c) Assess quality, quantity and timelines of the information between Company management and Board.

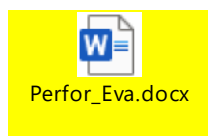
Clause VIII of Schedule IV also cast obligation on the Board of Directors for evaluating performance of Independent Directors.

In order to measure overall effectiveness of the Board,

- the performance of Overall Board reviewed by Independent Directors
- the performance of Various Committees reviewed by Board
- the performance of Key Managerial Personnel reviewed by Board

to be done every year.

Various formats and Assessments criteria's enclosed as per annexure.



The rating Scale as per the approved Performance Evaluation policy is as under :

Rating Scale

Performance	Rating
Satisfactory	1
Not Satisfactory	0

All the Board and Committee members are requested to deliberate and finalise the Evaluation Sheets to enable the Board to ensure its functions are carried out efficiently and effectively.

Evaluation of Entire Board of Shell MRPL Aviation for the period April 2019 to till date.

To be done by : Independent Directors

S. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	The Board of Directors of the company is effective in decision making.		
2.	The Board of Directors is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.		
3.	The Company's systems of control are effective for identifying material risks and reporting material violations of policies and law.		
4.	The Board reviews the organization's performance in carrying out the stated mission on a regular basis.		
5.	The Board of Directors is effective in providing necessary advice and suggestions to the company's management.		
6.	Is the board as a whole up to date with latest developments in the regulatory environment and the market?		
7.	The information provided to directors prior to Board meetings meets your expectations in terms of length and level of detail.		
8.	Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues.		
9.	The Board Chairman effectively and appropriately leads and facilitates the Board meetings and the policy and governance work of the board.		
10.	The Board regularly follows up on its decisions to ensure that action is taken on all its decisions.		
11.	The Board provides significant inputs and devotes considerable amount of time in developing the business strategy and annual business plan		
12.	The Board appropriately considers internal audit reports, management's responses, and steps towards improvement.		

S. No.	Assessment Criteria	Rating	Remarks/ Comments
13.	The Board oversees the role of the independent auditor from selection to termination and has an effective process to evaluate the independent auditor's qualifications and performance.		
14.	The board considers the independent audit plan and provides recommendations.		

Evaluation of Independent Directors for the period April 2019 to till date.

To be done by : Entire Board except the Independent Director being evaluated.

Name of Director being assessed: Revathy Ashok

S. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	Attendance and participations in the meetings		
2.	Raising of concerns to the Board and Safeguarding of Confidential Information		
3.	Initiative in terms of new ideas and planning for the Company		
4.	Rendering independent, unbiased opinion and resolution of issues at meetings		
5.	Professional skills, Problem Solving and Decision making		
6.	Safeguarding interest of whistle-blowers under vigil mechanism		
7.	Is aware of his/her role, rights and responsibilities as an Independent Director		
8.	Has been known to take initiative on matters of Common Interest of the Company and exhibits sensitivity to the Interest of all the Stakeholders.		
9.	Keeps himself / herself informed on the latest developments in Corporate Governance.		
10.	Timely inputs on the minutes of the meetings of the Board and Committee's, if any		

Evaluation of Independent Directors for the period April 2019 to till date.

To be done by : Entire Board except the Independent Director being evaluated.

Name of Director being assessed: RVSS Ramachandra Rao

S. No.	Assessment Criteria	Rating	Remarks/Comments
1.	Attendance and participations in the meetings		
2.	Raising of concerns to the Board and Safeguarding of Confidential Information		
3.	Initiative in terms of new ideas and planning for the Company		
4.	Rendering independent, unbiased opinion and resolution of issues at meetings		
5.	Professional skills, Problem Solving and Decision making		
6.	Safeguarding interest of whistle-blowers under vigil mechanism		
7.	Is aware of his/her role, rights and responsibilities as an Independent Director		
8.	Has been known to take initiative on matters of Common Interest of the Company and exhibits sensitivity to the Interest of all the Stakeholders.		
9.	Keeps himself / herself informed on the latest developments in Corporate Governance.		
10.	Timely inputs on the minutes of the meetings of the Board and Committee's, if any		

Evaluation of Independent Directors for the period April 2019 to till date.

To be done by : Entire Board except the Independent Director being evaluated.

Name of Director being assessed: B.N.Bankapur

S. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	Attendance and participations in the meetings		
2.	Raising of concerns to the Board and Safeguarding of Confidential Information		
3.	Initiative in terms of new ideas and planning for the Company		
4.	Rendering independent, unbiased opinion and resolution of issues at meetings		
5.	Professional skills, Problem Solving and Decision making		
6.	Safeguarding interest of whistle-blowers under vigil mechanism		
7.	Is aware of his/her role, rights and responsibilities as an Independent Director		
8.	Has been known to take initiative on matters of Common Interest of the Company and exhibits sensitivity to the Interest of all the Stakeholders.		
9.	Keeps himself / herself informed on the latest developments in Corporate Governance.		
10.	Timely inputs on the minutes of the meetings of the Board and Committee's, if any		

Evaluation of Non - Independent Directors for the period April 2019 to till date.

To be done by : Independent Directors

Name of Director being assessed: M.Vinaya Kumar

S. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	Attendance and Participation in the Meetings		
2.	Initiatives in terms of new Ideas and Planning for the Company		
3.	Professional skills, Problem solving and decision making		
4.	Compliance with policies of the Company, ethics, code of conduct, etc.		
5.	Keeps himself / herself informed on the latest developments in Corporate Governance		
6.	Reporting of Frauds, Violation etc.		
7.	Safeguarding of interest of whistle blowers under vigil mechanism		
8.	Timely inputs on the minutes of the meetings of the Board and Committee, if any		

Evaluation of Non - Independent Directors for the period April 2019 to till date.

To be done by : Independent Directors

Name of Director being assessed: Nitin Prasad

S. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	Attendance and Participation in the Meetings		
2.	Initiatives in terms of new Ideas and Planning for the Company		
3.	Professional skills, Problem solving and decision making		
4.	Compliance with policies of the Company, ethics, code of conduct, etc.		
5.	Keeps himself / herself informed on the latest developments in Corporate Governance		
6.	Reporting of Frauds, Violation etc.		
7.	Safeguarding of interest of whistle blowers under vigil mechanism		
8.	Timely inputs on the minutes of the meetings of the Board and Committee, if any		

Evaluation of Non - Independent Directors for the period April 2019 to till date.

To be done by : Independent Directors

Name of Director being assessed: Richard Pereira

S. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	Attendance and Participation in the Meetings		
2.	Initiatives in terms of new Ideas and Planning for the Company		
3.	Professional skills, Problem solving and decision making		
4.	Compliance with policies of the Company, ethics, code of conduct, etc.		
5.	Keeps himself / herself informed on the latest developments in Corporate Governance		
6.	Reporting of Frauds, Violation etc.		
7.	Safeguarding of interest of whistle blowers under vigil mechanism		
8.	Timely inputs on the minutes of the meetings of the Board and Committee, if any		

Evaluation of Chairman for the period April 2019 to till date.

To be done by : Independent Directors

Name of Chairman being assessed: M.Venkatesh

S. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	Leadership initiative		
2.	During the Board Meetings, the Chairman is open-minded and listens to the members before expressing his own views		
3.	Deals effectively with dissent and works constructively towards consensus.		
4.	Compliance with policies of the Company, ethics, code of conduct, etc.		
5.	Board Meetings encourage high quality of constructive debate with robust and probing discussions.		
6.	Safeguarding of interest of whistle blowers under vigil mechanism		
7.	Timely inputs on the minutes of the meetings of the Board and Committee, if any		

Assessment of Quantity, Quality and Timeliness of Information to Board during April 2019 to till date.

To be done by : Independent Directors

S. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	The Information coming to the Board in the form of agenda papers, financial reports and management presentations is detailed and sufficient to make good decisions		
2.	The quality of the information to the Board and its committees is of high standard		
3.	The information is furnished to the members in time, to enable them to absorb and analyse it to make its effective use.		
4.	The draft minutes of meeting of the Board and its committees are complete, clear, accurate and timely		
5.	The management responses to the observations of the Internal Auditors are given after considerable Internal discussions.		

Evaluation of Performance of Audit Committee

To be done by : Board

S. No	<u>Audit Committee (for AC members only)</u>	Rating	Remarks/ Comments
1.	Committee meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues		
2.	The AC can be relied on to ensure that the financial reports presented to the Board have been drawn as per accounting standards and have passed the scrutiny of the Statutory Auditors.		
3.	The AC draws particular attention to the Board where internal controls are lax and the Company exposed to risk.		
4.	The AC manages any potential conflict of interest by reviewing Related Party Transactions in compliance with the laws.		
5.	The AC effectively reviews and monitors the whistleblower policy and vigilance mechanism.		
6.	The AC exercises effective control on the Appointment and Remuneration of the Statutory Auditors, Internal Auditors, Secretarial Auditors.		
7.	The AC regularly follows up on the decisions to ensure that action is taken on all its decisions.		
8.	Timely inputs on the minutes of the meetings		

Evaluation of Performance of Nomination and Remuneration Committee

To be done by : Board

S. No.	<u>Nomination and Remuneration Committee (For NRC Committee members only)</u>	Rating	Remarks/ Comments
1.	Committee meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues.		
2.	The Size and Composition (Knowledge, Skills and Experience) are appropriate		
3.	The NRC makes well informed recommendations to the Board while processing various proposals.		
4.	The process of selection of new Independent Directors is effective		
5.	The NRC has formulated the criteria for determining qualifications and position attributes of a Director / KMP and his/her remuneration.		
6.	The NRC has formulated Criteria for the evaluation of Directors and the Board as a whole.		
7.	The NRC is effective in questioning and providing advice and assistance to the Company's Senior Executives for upliftment of Competency / Capability of the Executives of the Company.		
8.	Timely inputs on the minutes of the meetings		

Evaluation of Performance of CSR Committee

To be done by : Board

S. No.	<u>Corporate Social Responsibility Committee (For Corporate Social Responsibility Committee members only)</u>	Rating	Remarks/ Comments
1.	Committee meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues.		
2.	The Size and Composition (Knowledge, Skills and Experience) are appropriate		
3.	The Committee gets sufficient opportunity to meet senior staff and operating management		
4.	The Committee has initiated a transparent mechanism for monitoring projects undertaken by the Company under its CSR policy		
5.	The amount of expenditure to be incurred under the policy is transparently determined.		
6.	Timely inputs on the minutes of the meetings		

Evaluation of Performance of KMP

To be done by : Board

Name of person being assessed: S.Chockalingam, CFO and Company Secretary

S. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	Abidance and behavior in accordance with ethical standards & code of conduct of Company		
2.	Interpersonal and communication skills		
3.	Compliance with policies of the Company, ethics, code of conduct, etc.		
4.	Safeguarding interest of whistle-blowers under vigil mechanism		
5.	Team work attributes		
6.	Safeguard of confidential information		

Evaluation of Performance of KMP

To be done by : Board

Name of person being assessed: K.Lakshminarayana, CEO

S. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	Abidance and behavior in accordance with ethical standards & code of conduct of Company		
2.	Interpersonal and communication skills		
3.	Compliance with policies of the Company, ethics, code of conduct, etc.		
4.	Safeguarding interest of whistle-blowers under vigil mechanism		
5.	Team work attributes		
6.	Safeguard of confidential information		



SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2020

[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,
Shell MRPL Aviation Fuels and Services Limited,
No.102, Prestige Sigma, Vittal Mallya Road,
Bangalore – 560 001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shell MRPL Aviation Fuels and Services Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Shell MRPL Aviation Fuels and Services Limited 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 31st March 2020, 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 Shell MRPL Aviation Fuels and Services Limited ("the Company") for the financial year ended on 31st March 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; - not applicable
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; - to the extent of its applicability
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent of its applicability.



- 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; not applicable
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; not applicable
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; not applicable
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; not applicable
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; not applicable
 - 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; to the extent of its applicability.
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; not applicable
- and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; not applicable
- vi) On examination of the relevant documents and records in pursuance thereof, on test-check basis and based on the reports and opinion given by the experts in the respective areas, the Company has complied with the Regulations/Guidelines specifically prescribed for operations of the Company by the Agencies/Department.

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 Listing Agreements entered into by the Company with Stock Exchange(s), - not applicable;

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



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. 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 is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Majority decisions were carried through and there were no dissenting members' views, therefore the same was not captured and recorded as part of 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.

For RSVH & Associates LLP
Company Secretaries



R Srinivasan
Partner
Membership No: FCS 6066
Certificate of Practise No: 5254



Date: 28th May 2020
Place: Bangalore
UDIN : F006066B000317731



34. Annexure E – Form NO.MGT - 9

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on March 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details

Sl.	Particulars	Details
1.	CIN	U51909KA2008PLC045558
2.	Registration Date	March 11, 2008
3.	Name of the Company	Shell MRPL Aviation Fuels and Services Limited
4.	Category/Sub-Category of the Company	Unlisted Public Limited Company
5.	Address of the Registered office and contact details	No.102, Prestige Sigma, VittalMallya Road Bangalore-560 001. Phone No. 080-42526900
6.	Whether listed company Yes / No	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl	Name and Description of Main Products/ Services	NIC Code of the Product/ Service	(%) to the total turnover of the Company
1.	Trading in Aviation Turbine Fuels		100%



III. Particulars of Holding, Subsidiary and Associate Companies

There were no holding, subsidiary or associate companies of Shell MRPL Aviation fuels and Services Limited for the Financial Year ended March 31, 2020.

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

(in million)

Category of Shareholders		A. Promoters												Total Shareholding of Promoters	
		1. Indian							2. Foreign						
		Individuals/ HUF	Central Govt.	State Govt(s)	Bodies Corp	Banks/ FI	Any other	Sub-Total	NRI/ Individuals	Other Individuals	Bodies Corp	Banks/ FI	Any Other		Sub-Total
No. of share held at the beginning of the year	Demat	-	-	-	15	-	-	15	-	-	15	-	-	15	30
	Physical	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	15	-	-	15	-	-	15	-	-	15	30
No. of share held at the end of the year	Demat	-	-	-	15	-	-	15	-	-	15	-	-	15	30
	Physical	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	15	-	-	15	-	-	15	-	-	15	30

The entire equity share capital is held only by the promoters.



Shareholding of Promoters (in Numbers)

	Shareholder's Name								Total Shareholding of Promoters	
	MRPL	Mr. Devendranath	Mr. K.R. Ajaya Kumar and	Mr. Venkata krishna and	Shell Gas B.V	Shell Overseas Investments	The Asiatic Petroleum Company	B.V Doodtsche Petroleum		
No. of share held at the beginning of the year	No of shares	14,999,997.00	1.00	1.00	1.00	14,999,997.00	1.00	1.00	1.00	30,000,000.00
	% of total shares of the company	50.00%				50.00%	0.00%	0.00%	0.00%	100.00%
	% of shares pledged/ encumbered to total shares	-				-	-	-	-	-
No. of share held at the end of the year	No of shares	15,000,000.00				14,999,997.00	1.00	1.00	1.00	30,000,000.00
	% of total shares of the company	50.00%				50.00%	0.00%	0.00%	0.00%	100.00%
	% of shares pledged/ encumbered to total shares	-				-	-	-	-	-
% change in shareholding during the year										
		-	-	-	-	-	-	-	-	



Change in Promoters' Shareholding (please specify, if there is no change)

There are no changes in Promoters' Shareholding.

Sl .	Particulars	No of shares at the beginning of the year	% of total shares of the Company at the beginning of the year	Cumulative shares during the year	% of total shares of the Company during the year
1	At the beginning of the year	3,00,00,000	100%	3,00,00,000	100%
2	Date-wise increase/ decrease in Promoters shareholding during the year specifying the reasons for increase/ decrease (eg allotment/ transfer/ bonus/ sweat equity, etc)	-	-	-	-
3	At the end of the year	3,00,00,000	100%	3,00,00,000	100%

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

The entire equity share capital is held only by the promoters. Please refer point no IV (ii) above.

Shareholding of Directors and Key Managerial Personnel

None of the Directors and Key Managerial Personnel hold any shares in the Company

Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

The Company did not have any indebtedness during the year other than for working capital facilities enjoyed with the banking system in the normal course of business.

Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Not Applicable



The Company do not have Managing Director, Whole-Time Director and/ or Manager during the Financial Year.

B. Remuneration to other directors:

Independent Director

					(₹ in Million)
Sl.	Particulars of Remuneration	Ms. Revathy Ashok	Mr. RVSS Ramachandra Rao	Mr. B.N. Bankapur	Total Amount
1	Fees for attending Board and Committee Meetings	0.28	0.26	0.26	0.80
2	Commission				
3	Others				
	Total	0.28	0.26	0.26	0.80

* The above amounts are inclusive of service tax/Goods and Service tax.

Executive Directors - NA

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

				(₹ in Million)
Sl.	Remuneration Details	Mr. K Lakshminarayana (CEO)	Mr. Subbiah Chockalingam (CFO & CS)	Total Amount
1	Gross Salary	8.20	7.70	15.90
2	Stock Options	NA	NA	NA
3	Sweat equity	NA	NA	NA
4	Commission (% of Net Profits)	NA	NA	NA
5	Other	NA	NA	NA
	Total			

Penalties / Punishment/ Compounding of Offences

The Company has not paid any penalties nor has your Company been penalised during the year.

INDEPENDENT AUDITOR'S REPORT

To the Members of Shell MRPL Aviation Fuels and Services Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Shell MRPL Aviation Fuels and Services Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), and the Statement of Changes in Equity and the Statement of Cash flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Sec 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015 as amended (Ind AS) and the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of Matter

We draw your attention to Note 47 of the financial statements, which describes the impact of COVID - 19 on the Company's business and more fully described therein. Our opinion is not modified in respect of this matter.



Responsibilities of Management and Those Charged with Governance for the 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

That Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 system 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 financial statements, including the disclosures, and whether the 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, 2016 ("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 A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report 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 Other Comprehensive Income, Statement of changes in equity and Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company’s internal financial controls over financial reporting.
- (g) 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, 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 financial statements – Refer Note 26 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For ASA & Associates LLP
 Chartered Accountants
 Firm Registration No: 009571N/N500006



D. Ramprasad
 Partner
 Membership No. 028241

Place: Bengaluru
 Date: 28th May, 2020

UDIN: 20028241AAAAWA1548

Annexure - A to the Independent Auditors' Report

As referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date

- (i)
 - a) As per information and explanation provided to us and based on our examination of the records of the Company, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As per information provided to us, the fixed assets were physical verified by the management at reasonable intervals and no material discrepancies were noticed.
 - c) Based on our audit procedures performed for the purpose of reporting the true and fair review of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the company.
- (ii) As per information provided to us and to the best of our knowledge and belief, the physical verification of inventory has been conducted by the management at reasonable intervals. No material discrepancies have been noticed on physical verification of inventories as compared to book records.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us, the Company has not granted any loans, made investment, given guarantees, and security under the provisions of section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, during the financial year, the Company has not accepted deposits within the meaning of Section 73 to 76 of the Act. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) To the best of our knowledge and as explained, the maintenance of cost records under sub-section (1) of Section 148 of the Act is not applicable to the company and therefore reporting under paragraph 3 (vi) of the Order is not applicable.
- (vii)
 - a) According to the information provided and explanations given to us and based on our examination of the records of the Company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it. There are no material outstanding statutory dues existing as on the last day of the financial year which is outstanding for more than six months from the day these becomes payable.



Further, the Government of India has issued a certain relaxations with respect to statutory compliance as a part of COVID-19 Regulatory package. The relaxation provides the extension of certain due dates with respect to provident fund, employee's state insurance, income tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it . The Company has availed such option and has paid the dues within the extended deadlines.

- b) According to the information and explanations given to us and based on our examination of the records of the Company, the dues of Income Tax, Goods and Service Tax, duty of excise, value added tax and cess on account of any dispute are as follows:

Name of the Statute	Nature of the dues	Amount (INR)	Amount paid under protest (INR)	Period to which the amount relates	Forum where the dispute is pending
Income Tax	Disallowance under section 14A of the Income Tax Act, 1961.	₹ 10,048,713/-	₹ 26,11,570/-	FY 2010-11 (AY 2011-12)	CIT Appeals
Income Tax	Disallowance under section 14A of the Income Tax Act, 1961. Addition towards Employee provident fund contribution was deleted by CIT(A).	₹ 97,035/-	Nil	FY 2011-12 (AY 2012-13)	ITAT

- (viii) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to a bank during the year. The company did not have any loans or borrowings from government and has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.



- (x) According to the information and explanations given to us and to the best of our knowledge and belief, no fraud by or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the managerial remuneration paid are in accordance with the provisions of section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, in our opinion, the Company has entered into transactions, during the period, with the related parties as per the provisions of section 177 and 188 of the Act, and where applicable details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **ASA & Associates LLP**
Chartered Accountants
Firm Registration No: 009571N/N500006



D. Ramprasad
Partner
Membership No. 028241

Place: Bangalore
Date: 28th May, 2020

UDIN: 20028241AAAAWA1548

Annexure - B to the Independent Auditors' Report

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 over financial reporting of Shell MRPL Aviation Fuels and Services Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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.

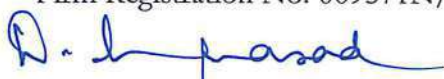
Other Matters

We draw your attention to "Emphasis of Matter" paragraph of our Audit Report, which describes the impact of COVID -19 on the Company's business and more fully described therein. Our opinion is not modified in respect of this matter.

For ASA & Associates LLP

Chartered Accountants

Firm Registration No: 009571N/N500006



D. Ramprasad

Partner

Membership No. 028241

Place: Bengaluru

Date: 28th May, 2020

UDIN: 20028241AAAAWA1548



Shell MRPL Aviation Fuels and Services Limited
Balance Sheet as at March 31, 2020

Particulars	Note	As at March 31, 2020 (₹ Million)	As at March 31, 2019 (₹ Million)
I. ASSETS			
Non - Current Assets			
(a) Property, Plant and Equipment	2	45.50	50.18
(b) Capital work-in-progress	2	0.34	0.34
(c) Other intangible assets	3	25.08	36.40
(d) Right to Use Asset	4	11.80	-
(e) Financial Assets	5	1.60	0.16
(f) Other non-current assets	5(a)	1.77	1.20
(g) Income Tax Assets (net)	5(b)	11.09	13.09
(h) Deferred tax Assets (net)	17	0.61	-
		98.63	96.06
Current Assets			
(a) Inventories	6	7.98	160.73
(b) Financial Assets			
(i) Investments	7	-	485.06
(ii) Trade receivables	8	1,732.18	2,114.31
(iii) Cash and cash equivalents	9	593.12	203.48
(iv) Other bank balances	10	45.15	49.00
(v) Other financial assets	11	73.85	76.33
(c) Other current assets	12	4.73	3.51
(d) Current tax Assets (net)	13	8.40	-
		2,405.41	3,083.44
Total Assets		2,504.04	3,179.50
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	14	303.00	300.00
(b) Other Equity	15	273.57	273.76
		573.57	573.76
LIABILITIES			
Non - Current Liabilities			
(a) Provisions	16	-	0.52
(b) Deferred tax liabilities (net)	17	-	2.84
(c) Financial liabilities	18	0.12	9.12
		0.12	3.36
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	19	673.44	294.34
(ii) Trade payables	20		
- micro and small enterprises		5.30	7.15
- other than micro and small enterprises		1,115.77	2,155.97
(iii) Lease liabilities	21	3.14	-
(iv) Other financial liabilities	22	38.46	30.17
(b) Provisions	23	0.32	0.21
(c) Current tax liabilities (net)	24	-	2.19
(d) Other current liabilities	25	84.92	112.35
		1,921.35	2,602.38
Total Equities and Liabilities		2,504.04	3,179.50
Contingent Liabilities, Contingent Assets and Capital Commitments			
	26	-	-

The accompanying notes form an integral part of the financial statements (Note No. 1 to 47).

As per our report of even date attached

For ASA & Associates LLP
Chartered Accountants
(Firm Registration No. 100571N/NS/1124)

D. Jayasud
D Ramprasad
Partner
Membership No. 028241

Place: Bengaluru
Date: 28th May, 2020
UDIN: 20028241AAAAWA1548

for and on behalf of the Board

M Venkatesh
Director (DIN: 07025342)
K. Lakshminarasimhan
Chief Executive Officer

Nitin Prasad
Director (DIN: 05261866)
S. Chuchalingam
Chief Financial Officer &
Company Secretary

Place: Bengaluru
Date: 28th May 2020



Shell MRPL Aviation Fuels and Services Limited
Statement of Profit and Loss for the year ended March 31, 2020

Particulars	Note	2019-20 (₹ Million)	2018-19 (₹ Million)
I. Revenue			
Revenue from operations	27	8,236.77	7,189.91
Other income	28	71.77	87.53
Total Income		8,308.54	7,277.44
II. Expenses			
Purchase of stock-in-trade	29	7,719.07	8,833.88
Changes in inventory of stock-in-trade	30	152.74	(52.37)
Employee benefits expense	31	82.19	59.77
Finance costs	32	12.04	13.69
Depreciation and amortisation expenses	33	15.31	11.36
Administrative and other expenses	34	329.40	381.12
Total Expenses		8,230.75	7,247.44
Profit before tax		16.79	30.00
Tax expense			
Current tax	35	5.05	12.38
Deferred tax	17	(3.45)	1.68
Profit for the period		15.19	15.94
III. Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit liability / (asset)		0.41	(1.22)
Income tax relating to items that will not be reclassified to profit or loss	17,35	(0.10)	0.31
		0.42	(0.80)
Items that will be reclassified to profit or loss			
(b) Effective portion of gains (losses) on hedging instruments in cash flow hedges		(0.59)	0.48
Income tax relating to items that will be reclassified to profit or loss	17,35	0.25	(0.16)
		(0.74)	0.32
Total Other Comprehensive Income/(loss), net of tax		(0.43)	(0.18)
Total Comprehensive Income for the period		14.76	15.46
Earnings per share (Basic and Diluted) (₹) (Face value of equity share - ₹10 each)	38	0.51	0.53

The accompanying notes form an integral part of the financial statements (Note No. 1 to 47).

As per our report of even date attached

For ASA & Associates LLP
Chartered Accountants
(Firm Registration No. 089571N/N500006)

D. Ramprasad
D. Ramprasad
Partner
Membership No. 028241

Place: Bengaluru
Date: 28th May, 2020
UDIN: 20028241AAAAWA1548

for and on behalf of the Board

M. Venkatesh
Director (DIN: 07025349)
M. Venkatesh
K. Lakshminarayana
Chief Executive Officer

Witin Prasad
Director (DIN: 05261866)
Witin Prasad

S. Chandra Nayana
S. Chandra Nayana
Chief Financial Officer &
Company Secretary

Place: Bengaluru
Date: 28th May, 2020

Place: Bengaluru
Date: 28th May, 2020



Shell MRPL Aviation Fuels and Services Limited
Cash Flow Statement for the year ended March 31, 2020

Particulars	2019-20 (₹ Million)	2018-19 (₹ Million)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax		
Profit as per Statement of Profit or Loss	16.79	30.00
	16.79	30.00
Adjustments for:		
Depreciation and amortisation expenses	15.31	11.30
Loss/ (gain) on disposal of fixed assets (net)	6.02	
Loss/ (gain) on sale of current investments (net)	(30.26)	(35.44)
Provision for expected credit loss	(4.26)	1.84
Gain on fair valuation of investment		(1.10)
Interest and finance cost	12.04	13.68
Interest income	(41.25)	(43.73)
	(48.40)	(52.45)
Operating Profit before Working Capital changes		(31.61)
Adjustments for:		
Increase/(decrease) in trade and other payables	(1,033.76)	736.04
Increase/(decrease) other current liabilities	(27.43)	(25.82)
Increase/(decrease) Provisions	(0.00)	(1.25)
(Increase)/decrease in other non-current assets	(0.45)	(0.05)
(Increase)/decrease in inventories	152.75	(52.30)
(Increase)/decrease in other current assets	(9.62)	10.69
(Increase)/decrease in trade and other receivables	580.49	(1,109.25)
	(538.05)	(430.02)
Cash Generated from Operations		(500.66)
Direct taxes paid		5.34
Net cash flow from / (used in) Operating Activities (A)	(576.00)	(472.22)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1.70)	(5.56)
(Purchase)/ sale of current investments (net)	515.34	211.78
Interest received	41.25	43.73
Net cash flow from Investing Activities (B)	554.89	249.95
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment on lease Liability (Principal)	(2.76)	
Payment on lease Liability (Interest)	(0.90)	
Dividend paid	(12.00)	(42.00)
Dividend distribution tax paid	(2.47)	(8.63)
Interest and finance charges paid	(11.08)	(13.68)
Proceeds from / (repayment of) short-term borrowings (net)	379.10	204.34
Net cash flow from / (used in) Financing Activities (C)	349.83	230.03
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	320.04	7.74
Cash and cash equivalents at the beginning of the year	203.48	195.74
Cash and cash equivalents at the end of the year	523.52	203.48

Notes:

1. Cash Flow Statement has been prepared under the indirect method as set out in the Ind AS 7 "Cash Flow Statements".
2. Brackets indicate cash outflow/ Deduction
3. Purchase of fixed assets includes movement of capital-work-in-progress during the year.
4. Refer Note 9 for components of cash and cash equivalents at the beginning and at the end of the year.
5. Previous year figures have been regrouped/ reclassified wherever necessary

The accompanying notes form an integral part of the financial statements (Note No. 1 to 47).

As per our report of even date attached

For ASA & Associates LLP
Chartered Accountants
(Firm Registration No. 1409371N/24546/04)

A. Ramprasad
D. Ramprasad
Partner
Membership No. 028241

Place: Bengaluru
Date: 28th May, 2020
UDIN: 20028241AAAWA1548

for and on behalf of the Board

Chakrabarty
Director (DIN: 07025342)
K. Lakshminarayana
Chief Executive Officer

Nitin Prasad
Director (DIN: 05261866)
Nitin Prasad
S. Chockalingam
Chief Financial Officer &
Company Secretary

Place: Bengaluru
Date: 28th May, 2020



Shell MRPL Aviation Fuels and Services Limited
Statement of Changes in Equity for the year ended March 31, 2020

A) Equity Share Capital

Particulars	2019-20 (₹ Million)	2018-19 (₹ Million)
Balance at the beginning of the period	300.00	300.00
Changes in equity share capital during the period		
Balance at the end of the period	300.00	300.00

B) Other Equity

Particulars	Reserves & Surplus		Items of OCI	Total attributable to owners of the Company
	Retained earnings	Effective portion of cash flow hedges		
Balance as at March 31, 2018	308.77	(1.27)		307.50
a) Net profit for the year	15.94			15.94
b) Other comprehensive income (net of tax)	(0.80)	0.32		(0.48)
Total comprehensive income	15.14	0.32		15.46
Dividend	(42.00)			(42.00)
Dividend distribution tax	(6.63)			(6.63)
Transfer to Retained Earnings		1.43		1.43
Balance as at March 31, 2019	273.28	0.48		273.76
a) Net profit for the period	15.19			15.19
b) Other comprehensive income (net of tax)	0.31	(0.74)		(0.43)
Total comprehensive income	15.50	(0.74)		14.76
Dividend	(12.00)			(12.00)
Dividend distribution tax	(2.47)			(2.47)
Transfer to retained earnings		(0.32)		(0.32)
Transfer to retained earnings (PY -Tax on OCI)		(0.16)		(0.16)
Balance as at March 31, 2020	274.31	(0.74)		273.57

The accompanying notes form an integral part of the financial statements (Note No. 1 to 47)

As per our report of even date attached

for and on behalf of the Board

For ASA & Associates LLP
Chartered Accountants
(Firm Registration No.009571N/N5100906)

M. Venkatesh
Director (DIN: 07025349)
M. Venkatesh

Nitin Prasad
Director (DIN: 05261866)
Nitin Prasad

D. Ramprasad

D. Ramprasad
Partner
Membership No. 028241

K. Lakshminarayana
K. Lakshminarayana
Chief Executive Officer

S. Chockalingam

S. Chockalingam
Chief Financial Officer &
Company Secretary

Place: Bengaluru
Date: 28th May, 2020
UDIN: 20072241AAAWA1548

Place: Bengaluru
Date: 28th May, 2020

1. Corporate Information

Shell MRPL Aviation Fuels and Services Limited (the Company) is a unlisted public limited company domiciled and incorporated in India having its registered office at FF-102, Prestige Sigma, Vittal Mallya Road, Bengaluru – 560001. The Company is engaged in the business of trading in Aviation Fuels. The Company is a 50:50 Joint Venture between Shell Gas BV and Mangalore Refinery and Petrochemicals Limited

2. Application of Indian Accounting Standards

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the Financial Statements are authorised have been considered in preparing these Financial Statements. There is no other Indian Accounting Standard that has been issued as of that date, but not mandatorily effective.

3. Significant Accounting Policies

3.1 Statement of Compliance

The financial statements have been prepared in accordance with the provisions of Companies Act 2013 (“the Act”) and Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, issued by the Ministry of Corporate Affairs in exercise of powers conferred by section 133 of the Act.

The financial statements were authorized for issued by the Company’s Board of Directors on 28 May, 2020.

3.2 Basis of accounting and presentation

The Financial Statements have been prepared on historical cost basis except for certain Financial instruments that are measured at fair value at the end of each reporting period, as explained in the Accounting policies below:

The operating cycle in the normal course has been identified to have a duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company’s operating cycle and other criteria set out in Ind AS – 1 “Presentation of Financial Statements” and Schedule – III to the Companies Act, 2013.

The Balance sheet, the Statement of Profit and Loss and the statements of Changes in Equity are prepared in the format prescribed in Schedule III to the Act. The Cash Flow Statement has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash flows”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the Ind AS. The previous year figures have been regrouped / reclassified to conform to current year classification.

The Financial Statements are presented in Indian Rupees and all values are rounded off to two decimal million except as otherwise stated.

3.3 Property, Plant and Equipment (PPE)

PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost of acquisition less accumulated depreciation and accumulated impairment loss.

Freehold land is stated at cost. All other items of property, plant and equipment (PPE) are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of PPE comprises its purchase price or its construction cost (net of applicable tax credits), any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

Subsequent costs are recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliable. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit or Loss.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Depreciation of these PPE commences when the assets are ready for their intended use.

3.3.1 Depreciation

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the Straight Line Method.

Where cost of a part of the asset ("asset component") is significant in relation to the total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Shell MRPL Aviation Fuels and Services Limited

1. Notes to the financial statements for the year ended March 31, 2020

The estimated useful lives, residual values and depreciation method are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

The estimated useful life followed by the Company, which are in line with that prescribed under Schedule II of the Companies Act 2013, is given below:

Assets	Useful Life (in Years)
Buildings	30
Plant & Equipment	
i) Plant & Equipment	15
ii) Plant & Equipment (Refueller Tanker)	8
Computers	3
Office equipment	5
Furniture & Fixtures	10

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

3.4 Intangible assets and amortisation

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life of computer software is 5 years. The estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate being accounted for prospectively.

Intangible assets are derecognised when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the carrying amount of the asset (net of disposal proceeds, if applicable) and recognised in the Statement of Profit and Loss when the asset is derecognised.

3.5 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amount of PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the Company estimates the recoverable amount of the asset and when the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in statement of profit or loss.

At the end of each reporting period, the Company also assesses whether there is an indication that an impairment loss recognized in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Company estimates the recoverable amount of the asset and reverses the impairment loss recognized in previous period such that the increased carrying amount of the asset does not exceed the carrying amount that would have been determined (net of amortization and depreciation) had no impairment loss been recognized for the asset in prior years. Reversal of impairment loss is recognized in statement of profit or loss.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs and accordingly recognizes impairment loss or reverses the impairment loss recognized in prior periods.

Recoverable amount of an asset or cash-generating unit is the higher of its fair value less cost of disposal and its value in use.

Value in use is estimated as the present value of estimated future cash flows from the continuing use of an asset / cash generating unit and from its disposal at the end of its useful life. A pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3.6 Inventories

Stock of Aviation Turbine Fuel in pipelines / tanks along with stock-in-transit is valued at lower of cost and net realizable value. Cost of inventories are determined based on First-In-First-Out (FIFO) basis.

Cost of Aviation Turbine Fuel is determined at purchase price and the cost of stock in tanks includes expenses incurred for bringing the materials to their present location and condition.

3.7 Financial instruments

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit or Loss.

3.8 Financial assets

3.8.1 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order 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.

3.8.2 Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business 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.

3.8.3 Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.

3.8.4 Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit.

For the purpose of measuring expected credit loss allowance for trade receivables, the Company uses a provision matrix / model to determine the impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historical credit risk characteristics such as default and delay rates over the expected life of the trade receivables and is adjusted for forward looking information considering the type of customers and a judgemental evaluation of the collectability of the receivables as permitted under Ind AS 109 'Financial Instruments'. The matrix has been developed based on the past data after considering the following:

- i. Level of provisioning which has been carried in books against the age-wise profile of the trade receivables after they have become past due and;

-
- ii. The expected delays in the payment as is evident from the age-wise profile of trade receivables.

At every reporting date, the historical observed default and delay rates are updated and changes in the forward-looking estimates are reviewed.

3.8.5 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 is recognised in the Statement of Profit and Loss.

3.9 Financial liabilities

All financial liabilities are measured at amortised cost using the effective interest method or at fair value through profit or loss.

3.9.1 Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL. A financial liability is classified as held for trading if:

- (a) It has been incurred principally for the purpose of repurchasing it in the near term; or
- (b) On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- (c) It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition, if:

- (a) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- (b) The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping provided internally on that basis; or
- (c) It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

3.9.2 Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

3.9.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit or Loss.

3.10 Fair value measurement

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 under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (d) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (e) Level 2 inputs are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (f) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

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

3.11 Provisions, Contingents liabilities and Contingent assets

Provisions are recognized only when:

- (a) the Company has a present obligation (legal or constructive) as a result of a past event
- (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received if the Company settles the obligation.

Contingent Liability is disclosed in the case of

- (a) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- (b) a present obligation arising from a past event, when a reliable estimate of the obligation cannot be made, and
- (c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

3.12 Borrowing costs

Borrowing costs include interest expense calculated using the effective interest method.

Borrowing costs specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

All other borrowing costs are charged to the Statement of Profit or Loss in the year in which it is incurred.

3.13 Revenue recognition

As per Ind AS 115 (Revenue from Contracts with Customers) revenue is recognized to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Ind-AS 115 establishes a five step model that will apply to revenue earned from a contract with a customer.

The standard allows for two methods of adoption:

- retrospectively to each prior period presented with or without practical expedients, or

- retrospectively with cumulative effect of adoption as an adjustment to opening retained earnings in the period of adoption.

The company has evaluated the impact of the new revenue standard and has concluded that there is no significant adjustment that needs to be given effect in the financial statements.

Revenue is recognized upon the transfer of control of goods and services to customers in an amount that reflects the consideration we expect to receive in exchange for those goods and services.

3.14 Employee benefits

Employee benefits include salaries, wages, provident fund, gratuity, leave encashment, compensated absences, and other terminal benefits.

All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

3.14.1 Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, short-term compensated absences etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

3.14.2 Post-employment benefits

- (a) Defined contribution plans: The Company's contribution to state governed provident fund scheme and contribution to Group superannuation scheme are the defined contribution plans. The undiscounted contribution paid/payable under the schemes are recognized during the period in which the employee renders the related service. The superannuation fund is managed by Life Insurance Corporation of India (LIC).
- (b) Defined benefit plans: The obligation for defined benefit plans such as gratuity is recognized at present value of the estimated future cash flows to be made in respect of services provided by the employees upto the end of the reporting period, determined based on actuarial valuation using the Projected Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government bonds having maturity periods approximating to the terms of related obligations as at the balance sheet date.

The fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), are recognized in other comprehensive income, except those included in cost of assets as permitted, in the period in which they occur and are not subsequently reclassified to profit or loss.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

3.14.3 Long-term employee benefits

The obligation for long term employee benefits such as long term compensated absences is recognized at present value of the estimated future cash flows to be made in respect of services provided by the employees upto the end of the reporting period, determined based on actuarial valuation using the Projected Unit Credit method. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on Government bonds of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

3.15 Foreign currency transactions

- (a) The functional currency of the Company is Indian Rupees, which represents the currency of the primary economic environment in which it operates.
- (b) Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at an agreed rate of exchange at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using the closing rate, i.e, the spot exchange rate at the end of the reporting period. As per para 22 of Ind AS 21, a rate that approximates the actual rate on the date of transaction shall be used unless such rate significantly vary from the rate as on the date of transaction.
- (c) Exchange differences on settlement / conversion of monetary items are recognised in the Statement of Profit or Loss in the period in which they arise.

3.16 Hedge Accounting

The Company faces risk on foreign currency exposure on Trade Receivables arising on account of export sales. The Company has a Risk Policy as a measure of effective Risk Management. The foreign currency risk is sought to be managed and mitigated through hedging, primarily by booking Forward Contracts. The Forward Contracts

booked by the Company are in the nature of transactional Forward Contracts, which are executed with the Authorised Dealers based on estimated future sales transactions. The Forward Contracts are booked generally for a term of less than three months.

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.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The Company has determined the existence of economic relationship between the hedged item denominated by Trade Receivables and the hedging instrument of Forward Contracts. As per the Company's Risk Management Policy, hedging is effected to a hedge ratio around 1:1.

Hedges that meet the strict criteria for hedge accounting are accounted for the effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

Hedge effectiveness is tested on inception and is evaluated on each reporting date. The Company follows the principles of Ind AS 109 Financial Instruments.

3.17 Leases

The lease asset classes primarily consist of leases for buildings and Vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- (1) the contract involves the use of an identified asset;
- (2) the company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (3) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset

does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

3.18 Taxes on income

3.18.1 Current tax

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income tax Act, 1961, and based on expected outcome of assessments / appeals.

Current income tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

3.18.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, carry forward and unused tax credits and unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized/recovered.

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

3.18.3 Current and deferred tax expense for the year

Tax expense (income) comprises of current tax expense (income) and deferred tax expense (income). Current and deferred tax expense / (income) is recognised in the Statement of Profit or Loss, except when they relate to items that are recognised in

other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.19 Earnings per Share

Basic earnings per share are calculated by dividing the net profit / loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit / loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of dilutive potential equity shares.

3.20 Cash Flow Statement

Cash flow Statement is prepared under the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

3.21 Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase.

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

3.22 Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

Inherent in the application of many of the accounting policies used in preparing the Financial Statements is the need for Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of judgments, assumptions and estimation uncertainty in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of Oil impairment, useful lives of Property, Plant and Equipment, depletion of oil and gas

assets, decommissioning provision, employee benefit obligations, provisions, provision for income tax, measurement of deferred tax assets and contingent assets & liabilities.

Estimation of uncertainties relating to the global health pandemic from COVID-19 :

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered.

3.23 Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the Management have made in the process of applying the Company's accounting policies and that have the significant effect on the amounts recognized in the Financial Statements.

3.23.1 Determination of functional currency

Currency of the primary economic environment in which the Company operates (“the functional currency”) is Indian Rupee (₹) in which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (₹).

3.23.2 Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

Shell MRPL Aviation Fuels and Services Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

2 Property, Plant and Equipment

Particulars	As at	As at
	March 31, 2020 (₹ Million)	March 31, 2019 (₹ Million)
Freehold Land	12.02	12.02
Buildings	10.19	10.63
Plant & Equipment	18.04	21.79
Computers	1.10	1.19
Office equipment	2.34	2.11
Furniture & Fixtures	1.87	2.44
	45.56	50.18
Capital work-in-progress	0.34	0.34
	45.90	50.52

a) Reconciliation of carrying amount

Particulars	Land	Buildings	Plant & Equipment	Computers	Office equipment	Furniture & Fixtures	(₹ Million)
							Total
Cost							
As at March 31, 2018	12.02	13.22	48.71	5.63	3.42	2.71	85.71
Additions	-	-	0.07	0.82	0.84	2.09	3.82
Deductions	-	-	2.60	-	0.23	0.78	3.61
As at March 31, 2019	12.02	13.22	46.18	6.45	4.03	4.02	85.92
Additions	-	-	0.09	0.71	0.97	0.01	1.78
Deductions	-	-	-	1.75	0.20	0.04	1.99
As at March 31, 2020	12.02	13.22	46.27	5.41	4.80	3.99	85.71
Accumulated Depreciation:							
As at March 31, 2018	-	2.15	23.14	4.48	1.57	1.93	33.27
Depreciation charge for the year	-	0.44	3.84	0.78	0.58	0.41	6.05
Disposals	-	-	2.59	-	0.23	0.76	3.58
							-
As at March 31, 2019	-	2.59	24.39	5.26	1.92	1.58	35.74
Depreciation charge for the year	-	0.44	3.85	0.80	0.74	0.54	6.37
Disposals	-	-	0.01	1.75	0.20	-	1.96
As at March 31, 2020	-	3.03	28.23	4.31	2.46	2.12	40.15
Net book value							
As at March 31, 2019	12.02	10.63	21.79	1.19	2.11	2.44	50.18
As at March 31, 2020	12.02	10.19	18.04	1.10	2.34	1.87	45.56

b) Impairment of PPE

The company has reviewed the future cash flows on the basis of value in use of its assets and is satisfied that the recoverable amount is more than the amount carried in the books. Accordingly, no provision for impairment loss is required to be made in the accounts.

c) CWIP

Capital work-in-progress comprises of expenses incurred towards feasibility study of the proposed additional storage facility.

Shell MRPL Aviation Fuels and Services Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

3 Other Intangible assets

Particulars	As at	As at
	March 31, 2020 (₹ Million)	March 31, 2019 (₹ Million)
Computer software	2.77	3.69
Marketing License	22.31	26.71
Total	25.08	30.40

- a) Marketing License - Renewal of Aviation Turbine Fuel marketing license fee paid for a period of 10 years from May 2015 to the Ministry of Petroleum and Natural Gas (MoPNG) pursuant to Aviation Turbine Fuel (Regulation of Marketing) Amendment Order, 2014 dated December 26, 2014 issued by MoPNG, Government of India. Prior to the amendment, the said marketing license fee was required to be paid on a yearly basis.

b) Reconciliation of carrying amount

Particulars	(₹ Million)		
	Computer software	Marketing License	Total
Cost			
As at March 31, 2018	6.43	43.87	50.30
Additions	4.61	-	4.61
Deductions	-	-	-
As at March 31, 2019	11.04	43.87	54.91
Additions	-	-	-
Deductions	1.32	-	1.32
As at March 31, 2020	9.72	43.87	53.59
Accumulated Depreciation:			
As at March 31, 2018	6.43	12.79	19.22
Amortisation charge for the year	0.92	4.38	5.30
Disposals	-	-	-
As at March 31, 2019	7.35	17.16	24.51
Amortisation charge for the year	0.92	4.40	5.32
Disposals	1.32	-	1.32
As at March 31, 2020	6.95	21.56	28.51
Net book value			
As at March 31, 2019	3.69	26.71	30.40
As at March 31, 2020	2.77	22.31	25.08

4 Right to Use Asset

Particulars	As at	As at
	March 31, 2020 (₹ Million)	March 31, 2019 (₹ Million)
Right to Use Asset	15.59	-
Provision for Depreciation	(3.61)	-
Total	11.98	-

5 Financial Assets

Particulars	As at	As at
	March 31, 2020 (₹ Million)	March 31, 2019 (₹ Million)
Unsecured, Considered good		
Security Deposits	1.60	0.16
Total	1.60	0.16

Shell MRPL Aviation Fuels and Services Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

5(a) Other non-current assets

Particulars	As at	As at
	March 31, 2020 (₹ Million)	March 31, 2019 (₹ Million)
Considered good		
Prepaid Expenses	-	0.05
Prepaid-Gratuity (Net)	1.77	1.24
Total	1.77	1.29

5(b) Income Tax Assets(net)

Particulars	As at	As at
	March 31, 2020 (₹ Million)	March 31, 2019 (₹ Million)
Balance with Income tax authorities		
Advance tax, TDS receivable	274.71	264.18
Less: Provision for current tax	(263.02)	(250.49)
Total	11.69	13.69

Shell MRPL Aviation Fuels and Services Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

Current Assets

6 Inventories

Particulars	As at March 31, 2020 (₹ Million)	As at March 31, 2019 (₹ Million)
Stock-in-trade	7.98	135.76
Stock-in-trade (Goods-in-transit)	-	24.97
Total	7.98	160.73

Cost of Inventories recognised as an expense

Particulars	As at March 31, 2020 (₹ Million)	As at March 31, 2019 (₹ Million)
Cost of Inventory recognised as expenses including	7868.25	6781.51
(a) Write - down of Inventories	19.72	1.73
(b) Reversal of earlier write-down	-	-

7 Investments

Particulars	As at March 31, 2020 (₹ Million)	As at March 31, 2019 (₹ Million)
Investments at fair value through profit and Loss		
Quoted Investments		
Investments in mutual funds	-	485.08
Total	-	485.08

a) Aggregate book value of non-quoted investments	-	485.08
b) Aggregate market value of non-quoted investments	-	485.08

8 Trade receivables

Particulars	As at March 31, 2020 (₹ Million)	As at March 31, 2019 (₹ Million)
Unsecured, considered good		
Receivable from External customers *	1,711.08	2,058.84
Receivable from Related parties	21.10	55.47
Total	1,732.18	2,114.31

* Out of the above, INR 1303.11 Million (PY - 1531.11 Million) is relating to receivable on account of Conco Sales.

Shell MRPL Aviation Fuels and Services Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

9 Cash and cash equivalents

Particulars	As at March 31, 2020 (₹ Million)	As at March 31, 2019 (₹ Million)
Balances with banks		
on current accounts	4.11	142.48
on deposit accounts - <12 Months	529.00	61.00
on deposit accounts - >12 Months	-	-
Cash on hand	0.01	-
Total	533.12	203.48

10 Other bank balances

Particulars	As at March 31, 2020 (₹ Million)	As at March 31, 2019 (₹ Million)
Bank deposits held as margin money	45.15	40.00
Total	45.15	40.00

11 Other financial assets

Particulars	As at March 31, 2020 (₹ Million)	As at March 31, 2019 (₹ Million)
Unsecured, Considered good		
Deposits and Advances	5.86	6.52
Currency Forward	-	1.92
Interest accrued on Bank Deposits but not due	0.34	0.02
Interest receivable from customers	67.65	67.87
Unsecured, considered doubtful		
Interest receivable from customers	-	4.32
Less: Expected credit loss	-	(4.32)
Total	73.85	76.33

Shell MRPL Aviation Fuels and Services Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

12 Other current assets

Particulars	As at March 31, 2020 (₹ Million)	As at March 31, 2019 (₹ Million)
Unsecured, Considered good		
Balance with statutory authorities	0.17	0.06
Prepaid expenses	4.56	3.45
Total	4.73	3.51

13 Current tax Assets (net)

Particulars	As at March 31, 2020 (₹ Million)	As at March 31, 2019 (₹ Million)
Less: Advance tax / TDS receivable	13.31	-
Provision for current tax	(4.91)	-
Total	8.40	-

14 Equity share capital

a) Details of Authorized, Issued, Subscribed and Paid-up Share Capital

Particulars	As at March 31, 2020 (₹ Million)	As at March 31, 2019 (₹ Million)
Equity share capital of Rs.10/- each		
Authorised (30,000,000 shares; previous year - 30,000,000 shares)	300.00	300.00
Issued, subscribed and fully paid up (30,000,000 shares; previous year - 30,000,000 shares)	300.00	300.00

b) Reconciliation of shares as at the beginning and the end of the year

There was no movement in share capital during the current year and the previous years.

c) Terms, rights and restrictions attached to equity shares

- (i) The company has issued only one class of equity shares having a par value of ₹ 10/- each. No securities have been issued with the right / option to convert the same into equity shares at a later date.
- (ii) No shares have been reserved for issue under options and contracts / commitments for the sale of shares / disinvestments.
- (iii) The shares issued carry equal rights and voting power.
- (iv) All the shares issued carry equal right of dividend declared by the Company and no restrictions are attached to any specific shareholder.
- (v) In the event of liquidation of the company the holders of equity will be entitled to the remaining assets of the company, after distribution to all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shareholders holding more than 5% of equity shares in the Company

Name of the shareholders	As at March 31, 2020		As at March 31, 2019	
	Nos. in Million	% of holding	Nos. in Million	% of holding
Mangalore Refinery and Petrochemicals Limited, and its nominees	15.00	50	15.00	50.00
Shell Gas B.V. and its nominees	15.00	50	15.00	50.00
Total	30.00	100	30.00	100.00

- e) The Company has not bought back any shares or issued shares for consideration other than cash or issued bonus shares during the five years immediately preceding the date of Balance Sheet (during the five years immediately preceding March 31, 2020 - Nil Million)

Shell MRPL Aviation Fuels and Services Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

15 Other Equity

Particulars	As at	As at
	March 31, 2020 (₹ Million)	March 31, 2019 (₹ Million)
Retained earnings	274.31	273.28
Cash flow hedging reserve	(0.74)	0.48
Total	273.57	273.76

a) Retained earnings

Particulars	As at	As at
	March 31, 2020 (₹ Million)	March 31, 2019 (₹ Million)
Opening Balance	273.28	308.77
Profit attributable to owners of the Company	15.19	15.94
Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	0.31	(0.80)
Dividend distributed during the period	(12.00)	(42.00)
Dividend Distribution tax	(2.47)	(8.63)
Closing Balance	274.31	273.28

- (i) Retained earnings represents the accumulated profits of the Company which are available for distribution to the equity share holders.
- (ii) A dividend of Rs. 0.4 per share (total dividend of Rs.12 Million) was paid to the holders of fully paid equity shares of Rs.10 each during the Financial Year 2019-20. During the Financial Year 2018-19 the company has paid a dividend of Rs. 1.4 per share (total dividend of Rs.42 Million).

b) Cash flow hedging reserve

Particulars	As at	As at
	March 31, 2020 (₹ Million)	March 31, 2019 (₹ Million)
Opening Balance	0.48	(1.27)
Reclassification to statement of profit or loss	(0.32)	1.27
Income tax relating to items that will be reclassified to profit or loss (Previous year)	(0.16)	-
Change in Fair Value	(0.74)	0.48
Closing Balance	(0.74)	0.48

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

Non – Current Liabilities

16 Provisions

Particulars	As at	As at
	March 31, 2020 (₹ Million)	March 31, 2019 (₹ Million)
Provision for employee benefits		
Compensated absences	-	0.52
Total	-	0.52

Shell MRPL Aviation Fuels and Services Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

17 Deferred tax liabilities (net)

Particulars	As at March 31, 2020 (₹ Million)	As at March 31, 2019 (₹ Million)
(A) Deferred tax liabilities		
(i) Difference between depreciation as per income-tax and depreciation/ amortisation as per books of account.	0.71	5.71
(ii) Other items giving rise to temporary differences	3.01	0.39
Deferred tax liabilities	3.72	6.10
(B) Deferred tax assets		
(i) Unpaid statutory liabilities debited to statement of profit and loss disallowed under Income-tax Act, 1961.	0.08	1.69
(ii) Other items giving rise to temporary differences	4.25	1.57
Deferred tax assets	4.33	3.26
Net Deferred tax liabilities / (assets)	(0.61)	2.84
Net incremental liability / (Asset)	(3.45)	1.68

a) Movement in deferred tax

Particulars	Opening Balance (₹ Million)	Recognize d in profit or loss (₹ Million)	Recognized in OCI (₹ Million)	Recognized directly in equity (₹ Million)	Closing Balance (₹ Million)
2018-19					
i) Difference between depreciation as per income-tax and depreciation/ amortisation as per books of account.	1.14	4.57	-	-	5.71
ii) Unpaid statutory liabilities debited to statement of profit and loss	(0.25)	(1.44)	-	-	(1.69)
iii) Other items giving rise to temporary differences	0.27	(1.45)	-	-	(1.18)
	1.16	1.68	-	-	2.84
2019-20					
i) Difference between depreciation as per income-tax and depreciation/ amortisation as per books of account.	5.71	(5.00)	-	-	0.71
ii) Unpaid statutory liabilities debited to statement of profit and loss	(1.69)	1.61	-	-	(0.08)
iii) Other items giving rise to temporary differences	(1.18)	(0.06)	-	-	(1.24)
	2.84	(3.45)	-	-	(0.61)

Shell MRPL Aviation Fuels and Services Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

18 Financial liabilities

Particulars	As at March 31, 2020 (₹ Million)	As at March 30, 2019 (₹ Million)
Lease Liability	9.12	-
Total	9.12	-

Current Liabilities

19 Borrowings

Particulars	As at March 31, 2020 (₹ Million)	As at March 30, 2019 (₹ Million)
Secured*		
Loans repayable on demand from banks		
Working capital facilities	-	228.28
Unsecured		
Loans repayable on demand from banks		
Working capital facilities	673.44	66.06
Total	673.44	294.34

Note :

* Working capital facilities from Kotak Mahindra Bank of ₹246.75 Millions and Axis Bank 426.69 Millions is unsecured

20 Trade payables

Particulars	As at March 31, 2020 (₹ Million)	As at March 30, 2019 (₹ Million)
Due to		
- micro and small enterprises	5.30	7.15
- other than micro and small enterprises		
- related parties		
Mangalore Refinery and Petrochemicals Limited	318.27	496.04
Shell Aviation Limited *	793.61	1,633.49
#####	3.89	26.44
Total	1,115.77	2,155.97

* Out of the above INR 793.27 Million (PY - 1632.96 Million) is relating to payable on account of Conco Sales.

All trade payables are non interest bearing and payable or settled within normal operating cycle of the Company, as per agreements with respective parties.

The management has initiated the process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Further, The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2020 and 31 March 2019 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the said Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Shell MRPL Aviation Fuels and Services Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

Particulars	As at March 31, 2020 (₹ Million)	As at March 30, 2019 (₹ Million)
Principal amount remaining unpaid to any supplier at the end of year	5.30	7.15
Interest accrued and due thereon to suppliers under MSMED Act on the above amount remaining unpaid to any supplier at the end of year	-	-
Payment amount made to the supplier (other than interest) beyond the appointed day during the year	-	-
Interest amount paid by the buyer in terms of section 16 of the MSMED Act, 2006	-	-
Interest amount due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
Interest amount accrued and remaining unpaid at the end of the year	-	-
Further interest amount remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise.	-	-

Shell MRPL Aviation Fuels and Services Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

21 Lease liabilities

Particulars	As at March 31, 2020 (₹ Million)	As at March 31, 2019 (₹ Million)
Lease Liability	3.14	-
Total	3.14	-

22 Other financial liabilities

Particulars	As at March 31, 2020 (₹ Million)	As at March 31, 2019 (₹ Million)
Interest accrued on borrowings	0.45	0.24
Security deposits	15.00	15.00
Employee payables	4.16	5.16
Other payables	16.84	9.72
Currency Forward	1.97	-
Others (Corporate credit cards)	0.04	0.05
Total	38.46	30.17

23 Provisions

Particulars	As at March 31, 2020 (₹ Million)	As at March 31, 2019 (₹ Million)
Provision for employee benefits		
Compensated absence	0.32	0.21
Total	0.32	0.21

24 Current tax liabilities (net)

Particulars	As at March 31, 2020 (₹ Million)	As at March 31, 2019 (₹ Million)
Provision for current tax	-	12.37
Less: Advance tax / TDS receivable	-	(10.18)
Total	-	2.19

25 Other current liabilities

Particulars	As at March 31, 2020 (₹ Million)	As at March 31, 2019 (₹ Million)
Advances from customers	45.24	18.77
Statutory liabilities	39.68	93.54
Deferred Rent	-	0.04
Total	84.92	112.35

26 Contingent Liabilities, Contingent Assets and Capital Commitments

Particulars	As at March 31, 2020 (₹ Million)	As at March 31, 2019 (₹ Million)
Contingent Liabilities		
- Disputed Income-tax amount	10.15	10.15
- Bank Guarantee- ICICI Bank	40.00	23.50
- Bank Guarantee- Kotak Mahindra Bank	62.50	-
Contingent Assets		
- Disputed Income-tax amount	-	-
Capital Commitments		
Total	112.65	33.65

Disputed tax amount is not considered a Demand and is under Appeal. The disallowance is largely on account of disallowance of expenses, including expenses disallowed under Section 14A of the Income-tax Act, 1961.

Shell MRPL Aviation Fuels and Services Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

27 Revenue from operations

Particulars	2019-20 (₹ Million)	2018-19 (₹ Million)
Sale of traded goods - Aviation Turbine Fuel	8,158.78	7,080.11
Services Income	64.04	98.56
Facilitation service charges	12.95	11.24
Total	8,235.77	7,189.91

28 Other income

Particulars	2019-20 (₹ Million)	2018-19 (₹ Million)
Interest income from bank deposits and customers	41.25	43.73
Gain on sale of current investments (net)	30.26	35.44
Exchange gain (net)	-	6.77
Gain on fair valuation of Investments (net)	-	1.16
Interest income (Unwinding cost)	0.25	0.26
Miscellaneous Income	0.01	0.17
Total	71.77	87.53

29 Purchase of stock-in-trade

Particulars	2019-20 (₹ Million)	2018-19 (₹ Million)
Purchase of Aviation Turbine Fuel	7,406.41	6,479.82
Cost of transportation	312.66	354.06
Total	7,719.07	6,833.88

Shell MRPL Aviation Fuels and Services Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

30 Changes in inventory of stock-in-trade

Particulars	2019-20 (₹ Million)	2018-19 (₹ Million)
Opening stock	160.72	108.35
Less: Closing Stock	(7.98)	(160.72)
Total	152.74	(52.37)

31 Employee benefits expense

Particulars	2019-20 (₹ Million)	2018-19 (₹ Million)
Salaries and allowances	57.40	54.93
Contribution to / provision for provident fund		
Provident Fund (Refer note 41)	3.06	2.74
Gratuity Fund (Refer note 41)	0.80	0.52
Staff welfare and other expenses	0.93	1.58
Total	62.19	59.77

Shell MRPL Aviation Fuels and Services Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

32 Finance costs

Particulars	2019-20	2018-19
	(₹ Million)	(₹ Million)
Interest on working capital loans	10.95	13.42
Interest Expenses (Unwinding Cost)	1.09	0.26
Total	12.04	13.68

33 Depreciation and amortisation expenses

Particulars	2019-20	2018-19
	(₹ Million)	(₹ Million)
Depreciation of property, plant and equipment	6.38	6.05
Depreciation of Right to Use Asset	3.61	-
Amortisation of intangible assets	5.32	5.31
Total	15.31	11.36

34 Administrative and other expenses

Particulars	2019-20	2018-19
	(₹ Million)	(₹ Million)
Conco Remuneration	3.24	3.64
Fee for Commercial Services (CSA)	10.15	10.46
Branding fees	25.16	19.36
Storage & Handling expenses	202.07	262.63
Transport Expenses Others	3.84	5.30
Expected Credit Loss (net)	(4.26)	1.84
Professional charges	6.76	5.31
Fees for technical services (TSA)	11.27	17.19
Rent	6.63	9.70
Expenditure on Corporate Social Responsibility (CSR) activities	1.68	1.80
Repairs and maintenance		
Plant and equipment	1.64	1.37
General	5.22	5.19
Auditors' remuneration		
Statutory audit fees	0.71	0.59
Taxation and other matters	0.17	0.25
Certification	0.40	0.29
Reimbursements	0.06	0.02
Rates and taxes	0.21	0.35
Insurance	10.96	10.12
Travelling and conveyance expenses	3.68	4.32
Telephone expenses	0.45	0.56
Loss on sale/disposal of fixed assets (net)	0.02	-
Directors' sitting fees	0.94	0.80
Contract Expenses	7.30	7.47
Exchange Loss (net)	2.88	-
CHA Charges	6.32	4.27
Rebates and Discount	13.29	-
Miscellaneous expenses	8.61	8.29
Total	329.40	381.12

Notes accompanying the Financial Statements for the year ended March 31, 2020

35 Income tax expense / (Income)
a) Major components of income tax expense / (Income)

Particulars	2019-20 (₹ Million)	2018-19 (₹ Million)
i) Current tax expense in respect of current year	5.05	12.38
ii) Current tax expense in respect of prior years	-	-
iii) deferred tax expense / (Income) relating to origination and reversal of temporary differences	(3.45)	1.68
Total tax expense/(Income) recognized in statement of profit or loss	1.60	14.06
i) Current tax expense in respect of current year		
- remeasurements of defined benefit obligations	0.10	(0.42)
- net (gain) / loss on revaluation of cash flow hedges	(0.25)	0.16
Total tax expense / (Income) recognized in other comprehensive income	(0.15)	(0.26)
Total tax expense / Income recognized for the year	1.45	13.80

35 Income tax expense / (Income) (Ctnd..)
b) Reconciliation between accounting profit and Income Tax profit

Particulars	2019-20 (₹ Million)	2018-19 (₹ Million)
Profit before tax	16.79	30.00
Income tax expense calculated at Indian Income Tax Rate 25.168%	4.23	10.02
Effect of income that is exempt from taxation	-	-
Effect of expenses that are not deductible in determining taxable profit		
Expenditure on corporate social responsibility	0.42	0.60
Interest disallowed u/s 234C & ECL provided	-	0.02
Compensated absences debited to P&L Account	(0.08)	0.24
Expenses disallowed u/s 37(1) of the Act - ECL	(1.07)	0.62
Deferred Rent	-	0.01
Marketing License	(1.12)	-
Bonus	1.05	1.57
Loss/Gain on sale of assets	-	(0.01)
Ind As 116 adjustments	(1.01)	-
Ind As 116 adjustments	0.28	-
Add: Effect of deferred tax assets previously not recognized but recognized during the year.	(3.45)	1.68
Add: Effect of changes in Income-tax rate	-	-
Effect of depreciation timing difference	2.35	(0.30)
Effect of Un realized gain on investments	-	(0.39)
Income tax expense recognised in profit or loss	1.60	14.06

Shell MRPL Aviation Fuels and Services Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

36 Earnings Per Share

Particulars	2019-20	2018-19
i) Profit after tax available for equity shareholders [₹] [Million]	15.19	15.94
ii) Number of equity shares outstanding [Million]	30	30
iii) Weighted average number of equity shares [Million]	30	30
iv) Earnings per share (Basic and diluted) [i / iii] [₹]	0.51	0.53
v) Face value of an equity share [₹]	10	10

37 Corporate Social Responsibility

- a) Gross Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the Period is ₹ 1.68 million (*Previous year: ₹ 1.80 million*)
- b) The amount spent during the year:

Particulars	2019-20 (₹ Million)	2018-19 (₹ Million)
(i) Construction/ acquisition of any asset		
- in cash	-	-
- yet to be paid in cash		
(ii) For purposes other than (i) above		
- in cash	1.68	1.80
- yet to be paid in cash	-	-
	1.68	1.80

Shell MRPL Aviation Fuels and Services Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

38 Dividend Remitted In Foreign Currency

Particulars	2019-20	2018-19
Final dividend paid to M/s. Shell Gas B.V., Netherlands and its nominees (₹ Million)	6.00	21.00
Number of equity shares held by such non-resident shareholders	1,50,00,000	1,50,00,000
Financial Year to which the dividends relate	2018-19	2017-18

39 Segment Reporting

The Company is engaged in trading of Aviation Turbine Fuel (ATF), being the only operating segment and the operations are mainly in India. Export sales represent supply of ATF to foreign aircrafts in India receivable in foreign currency. All assets of the Company are located in India. Accordingly there are no reportable segments as defined by the Ind AS 108 'Operating Segments'.

Information of Major Customers

Revenue from sales to Domestic Airlines exceeds 10% of the total revenue in FY 2019-20 and FY 2018-19. The amounts are not disclosed since these are considered sensitive information by the management.

40 Disclosure pursuant to Ind AS 24 "Related Party Disclosures"

(a) List of related parties

Name of related party	Country of incorporation	% Equity Interest	
		As at 31 March, 2020	As at 31 March, 2019
Investor with Significant shareholding			
Mangalore Refinery and Petrochemicals Limited (MRPL)	India	50	50
Shell Gas B.V., Netherlands	Netherlands	50	50
Associated Enterprise			
Shell International Petroleum Company Limited, United Kingdom	United Kingdom	-	-
Shell Brands International AG, Switzerland	Switzerland	-	-
Shell Aviation Limited, United Kingdom	United Kingdom	-	-
Hindustan Petroleum Corporation Limited (HPCL) (Fellow subsidiary of MRPL)	India	-	-
Key Management Personnel			
Mr. K. Lakshminarayana - Chief Executive Officer			
Mr. S. Chockalingam - Chief Financial Officer and Company Secretary			
Mr. M. Venkatesh - Director			
Mr. M. Vinaya Kumar - Director			
Mr. Nitin Prasad - Director			
Mr. Richard James Pereira - Director			
Ms. Revathy Ashok - Independent Director			
Mr. BN Bankapur - Independent Director			
Mr. RVSS Ramachandra Rao - Independent Director			
Other related parties			
Shell MRPL Aviation Fuels and Services Limited Employees Gratuity Fund Trust			

Shell MRPL Aviation Fuels and Services Limited
Notes accompanying the Financial Statements for the year ended March 31, 2020

40 Disclosures pursuant to Ind AS 24 "Related Party Disclosures"

(b) Related Party Transactions

Sl. No.	Nature of Transaction / relationship	2019-20 (₹ Million)	2018-19 (₹ Million)
1	Purchase of stock-in-trade		
	Investor with significant shareholding		
	Mangalore Refinery and Petrochemicals Limited	7,409.25	6,434.66
2	Sales of goods and services		
	Associated Enterprise		
	Shell Aviation Limited Conco Commission	64.04	98.56
	Shell Aviation Limited Export Sales #	513.38	383.20
	HPCL Facilitation Service fee *	12.95	11.24
3	Dividend paid		
	Investor with significant shareholding		
	Mangalore Refinery and Petrochemicals Limited	6.00	21.00
	Shell Gas B.V.	6.00	21.00
4	Payment of salaries, commission, perquisites and Director Sitting Fee		
	Key Management Personnel		
	Mr. K Lakshminarayana	8.20	7.86
	Mr. S. Chockalingam	7.70	7.39
	[Refer Note (d) below for break up]		
	Independent Directors		
	Ms. Revathy Ashok	0.28	0.28
	Mr. BN Bankapur	0.26	0.22
	Mr. RVSS Ramachandra Rao	0.26	0.18
5	Gratuity Contribution		
	Shell MRPL Aviation Fuels and Services Limited Employees Gratuity Fund Trust	0.82	0.73
6	Other transactions		
	Investor with significant shareholding		
	Mangalore Refinery and Petrochemicals Limited Reimbursement of Expenses	0.07	0.02
	Mangalore Refinery and Petrochemicals Limited Branding fees	12.65	9.73
	Associated Enterprise		
	'Shell International Petroleum Company Limited * Technical Services & Aviation Commercial Services	18.45	23.82
	Reimbursement of Expenses (Travel)	0.15	0.15
	Shell Aviation Limited Conco Remuneration	3.24	3.64
	Shell Brands International AG * Branding fees	11.69	8.92

Represents sales made to customers of Shell Affiliates

* These transactions are stated exclusive of GST

(c) Amount due to/from related parties

Sl. No.	Nature of Transaction / relationship	As at March 31, 2020 (₹ Million)	As at 31 March, 2019 (₹ Million)
1	Account payables		
	Investor with significant shareholding		
	Mangalore Refinery and Petrochemicals Limited	318.27	496.04
	Associated Enterprise		
	Shell Aviation Limited	793.61	1,633.49
	Shell Brands International AG	2.65	2.37
	Shell International Petroleum Company Limited	-	3.17
2	Account Receivables		
	Associated Enterprise		
	HPCL	2.39	6.18
	Shell Aviation Limited	18.71	49.29
	Shell MRPL Aviation Fuels and Services Limited Employees Gratuity Fund T	7.46	5.92

Shell MRPL Aviation Fuels and Services Limited
Notes accompanying the Financial Statements for the year ended March 31, 2020

No amount due from related parties have been written off during the current and previous year. No amount due to related parties have been written back during the current and previous year. However excess provision created in the books of accounts of previous financial years has been written back in the current year.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances as at March 31, 2020 are unsecured and settlement occurs in cash.

(d) **Compensation of Key Management Personnel of the Company**

Sl. No.	Nature of Transaction / relationship	2019-20 (₹ Million)	2018-19 (₹ Million)
i	Short-term employee benefits	15.28	14.65
ii	Post-employment pension, provident fund and medical benefits	0.47	0.45
iii	Termination benefits	0.15	0.15
iv	Commission and other benefits paid to non-executive independent directors	-	-

Shell MRPL Aviation Fuels and Services Limited
Notes accompanying the Financial Statements for the year ended March 31, 2020

41 Disclosures pursuant to Indian Accounting Standard (Ind AS)19 "Employee Benefits"

(i) Defined contribution plan

An amount of ₹3.06 Million (Previous Year ₹2.74 Million) is recognised as an expense and included in "Employee benefits expense" under Note 29.

(ii) Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan. Every employee gets a gratuity on departure at 15 days of last drawn salary for each completed year of service without any ceiling on the maximum amount of gratuity payable. The gratuity is payable by the Company on termination of service or retirement, whichever is earlier. The scheme is funded with the Life Insurance Corporation of India in the form of a qualifying insurance policy.

A Change in present value of defined benefit obligation during the year

(₹ Million)

Particulars	Gratuity	
	2019-20	2018-19
Present Value of defined benefit obligation at the beginning of the year	4.68	3.04
Current Service Cost	0.79	0.71
Interest Cost on benefit obligation	0.30	0.20
Actuarial changes due to experience on defined benefit obligation	(0.07)	1.28
Benefits paid	-	(0.55)
Present value of defined benefit obligation at the end of the year	5.69	4.68

B Change in fair value of plan assets during the year

(₹ Million)

Particulars	Gratuity	
	2019-20	2018-19
Fair value of plan assets at the beginning of the year	5.91	5.30
Difference in opening value	0.34	0.38
Expected return on plan assets	0.40	0.39
Contributions by the employer	0.82	0.71
Actuarial gain/ (loss)	-	(0.32)
Benefits paid	-	(0.55)
Fair value of plan assets at the end of the year	7.47	5.91
Actual Return on Plan Assets	0.44	0.44

C Net assets / (liability) recognised in the balance sheet

(₹ Million)

Particulars	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Amount recognised in the Balance sheet		
[A] Fair Value of the plan Assets	7.46	5.91
[B] Present value of defined benefits obligations	5.69	4.68
[C] Net Assets/ Liabilities recognised in Balance Sheet	1.77	1.23

Shell MRPL Aviation Fuels and Services Limited
Notes accompanying the Financial Statements for the year ended March 31, 2020

D Expenses recognised in the statement of profit or loss for the year

(₹ Million)

Particulars	Gratuity	
	2019-20	2018-19
Current Service Cost	0.79	0.71
Interest Cost on defined benefit obligation	0.30	0.20
Interest Income on plan assets	(0.40)	(0.39)
Actuarial Gain/ Loss	-	-
Total included in "Employee benefit expenses"	0.69	0.52

E Expenses recognised in other comprehensive income for the year

(₹ Million)

Particulars	Gratuity	
	2019-20	2018-19
Actuarial changes arising from change in demographic assumptions	-	0.10
Actuarial changes arising from change in financial assumptions	(0.37)	(0.45)
Actuarial changes arising from change in experience adjustment	0.30	1.63
Return on plan assets (greater)/ less than discount rate	(0.34)	(0.06)
Total recognised in other Comprehensive Income	(0.41)	1.22

F Maturity profile of defined benefit obligation

(₹ Million)

Particulars	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Within the next 12 months (next annual reporting period)	0.61	0.50
Between 2 and 5 years	1.75	1.59
Between 6 and 10 years	1.82	1.34

G Quantitative sensitivity analysis for the significant assumption is as below

(₹ Million)

Particulars	Gratuity	
	2019-20	2018-19
Increase/ (decrease) on present value of defined benefit obligation at the end of the year		
One percentage point increase in discount rate	(0.33)	(0.27)
One percentage point decrease in discount rate	0.36	0.30
One percentage point increase in rate of salary increase	0.35	0.29
One percentage point decrease in rate of salary increase	(0.33)	(0.26)
One percentage point increase in employee turnover rate	-	(0.03)
One percentage point decrease in employee turnover rate	-	0.03
Ten percentage point increase in mortality rate	-	-

Shell MRPL Aviation Fuels and Services Limited
Notes accompanying the Financial Statements for the year ended March 31, 2020

H All Investments in plan assets are managed by the Life Insurance Corporation of India.

I Assumptions

Particulars	2019-20	2018-19
Discount rate	6.31%	7.17%
Expected return on plan assets	6.31%	7.17%
Salary growth rate	5.00%	7.00%
Attrition Rate	20.00%	20.00%

Attrition rate is assumed to be independent of age and service.

Mortality rate : Standard Indian Assured Lives (2006-08) Ultimate Table

Discount rate: Market yields on Government bonds as at balance sheet date for the estimated term of the obligation

The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority promotion and other relevant factors, such as supply and demand in the employment market.

The above numbers for the period ended March 31, 2020 is as per the actuarial valuation obtained for the period ended March 31, 2020.

(ii) Other long term employee benefits

Compensated Absences

As per the Company's policy for compensated absences, the employee can carry forward unavailed earned leave to a maximum of 8 days to the next financial year. Balance of unavailed leave if any, can be encashed up to a maximum of 5 days.

Shell MRPL Aviation Fuels and Services Limited
Notes accompanying the Financial Statements for the year ended March 31, 2020

42 a) Capital Management

The Company's objective when managing capital is to:

1. Safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders; and
2. Maintain an optimal capital structure to reduce the cost of capital.

The company maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Company consists of total equity. The Company is not subject to any externally imposed capital requirements.

b) Gearing Ratio

The Company has no long term outstanding debt as at the end of reporting period. Accordingly, the Company has NIL gearing ratio as March 31, 2020 and March 31, 2019.

c) Financial Risk Management

Export of ATF is largely denominated in United States dollar (USD) and the Company is, therefore, exposed to foreign currency risk principally out of INR depreciating against USD. Foreign currency exchange risks are managed by entering into Cash Flow Hedges through Forward Contracts.

The Company, represents in the Financial Statements, the effect of risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss.

The functional currency of Shell MRPL Aviation Fuels and Services Limited is INR. There is an exposure to transactional foreign currency risk on account of export sales being denominated in US Dollars.

i) Credit Risk

Credit exposure is managed by ensuring supply against adequate security by way of Bank Guarantees, advances or security as approved by the Board. The Company has adopted a policy to provide for Expected Credit Loss (ECL) on overdues against receivables and to factor in the time-value of overdue receivables. The company is using a general approach for Impairing the financial asset (Interest on delayed receipts from external customers).

Movement of Impairment for doubtful receivables

(₹ Million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the Year	4.32	2.48
Impairment Loss recognised / (reversed) during the year	(4.32)	1.84
Balance at the end of the Year	-	4.32

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the company deals with and the countries where it operates. Basis this, the company is of the opinion that there would not be any credit loss owing to receivables with respect to interest as there is a clear payment plan with the customer and the same would be completely paid in the next 2 quarters.

ii) Liquidity Risk

The Company manages liquidity risk by ensuring sufficient available liquid cash and cash equivalents to meet committed obligations. The Management continually monitors the cash flow and the receivables position in order to ensure a continued healthy position and to take necessary action, based on the forecast positions.

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods

(₹ Million)

Particulars	Less than 1 year	More than 1 year	Total
As at March 31, 2020			
Borrowings	673.44	-	673.44
Trade payables	1,121.07	-	1,121.07
Other financial liabilities	38.46	-	38.46
	1,832.97	-	1,832.97
As at March 31, 2019			
Borrowings	294.34	-	294.34
Trade payables	2,163.12	-	2,163.12
Other financial liabilities	30.17	-	30.17
	2,487.63	-	2,487.63

Shell MRPL Aviation Fuels and Services Limited
Notes accompanying the Financial Statements for the year ended March 31, 2020

iii) Market Risk

a) Interest Rate Risk

The Company resorts to short-term borrowings which are denominated in USD towards meeting working capital gaps, the tenure of which do not generally exceed a month. Such borrowings are infrequent and effects of the interest rate fluctuations have negligible impact on the Financials.

b) Foreign Currency Risk

The Risk Management policy is to hedge estimated foreign currency exposure in respect of forecast sales. The Company uses forward exchange contracts to hedge its currency risk, with a maturity of less than three months from the reporting date. Such contracts are generally designated as cash flow hedges.

The Company designates the spot element of forward exchange contracts to hedge its currency risk and applies a hedge ratio of up to 1:1.

The Company determines the existence of economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows.

The Company undertakes transactions denominated in US Dollars and consequently exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

		in Million	
Particulars	As at March 31, 2020	As at March 31, 2019	
Trade receivables (USD)	0.25	0.71	
II. Liabilities			
		(in Million)	
Particulars	As at March 31, 2020	As at March 31, 2019	
Trade Payables (USD)	0.0044	0.08	

i) Sensitivity Analysis

The foreign currency exposure is covered by the forward contracts. The unhedged portion of the foreign currency exposure is insignificant. Hence, detailed sensitivity analysis is not considered necessary.

ii) Derivative Financial Instruments

i) In line with the Company's risk management policy, the financial risks mainly relating to changes in the exchange rates are hedged by using forward contracts, besides the natural hedges.

ii) The particulars of derivative contracts entered into for hedging foreign currency exchange risks, which are outstanding as at March 31, 2020

Category of derivative instruments	As at March 31, 2020	As at March 31, 2019
Forward contracts for receivables including firm commitments and highly probable forecast transactions (in USD million)	0.50	1.15
Derivative assets recognised in the books (in INR million)	-	1.92
Derivative Liability recognised in the books (in INR million)	1.97	

iii) Foreign currency exposures as at March 31, 2020

Particulars	As at March 31, 2020 (USD Million)	As at March 31, 2019 (USD Million)
Receivables, including firm commitments and highly probable forecasted transactions	0.25	0.71
Payables, including firm commitments and highly probable forecasted transactions	0.004	0.08

During the year ended March 31, 2020, the Company has designated certain foreign exchange forward and option contracts as cashflow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cashflow hedge reserve as at March 31, 2019 are expected to occur and reclassified to statement of profit and loss within 3 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

iv) Amounts relating to items designated as hedging instruments and hedge ineffectiveness:

Particulars	As at March 31, 2020 (USD Million)	As at March 31, 2019 (USD Million)
Foreign Currency Risk		
Forward Exchange Contracts for firm commitments	0.50	1.15
Trade Receivables	0.25	0.71
- Nominal Value		-
- Changes in the value of hedging instrument recognised in equity [₹ million]	(0.74)	0.48

Shell MRPL Aviation Fuels and Services Limited
Notes accompanying the Financial Statements for the year ended March 31, 2020

43 Fair Value Measurements

Particulars	As at March 31, 2020 (₹ Million)	As at March 31, 2019 (₹ Million)
Financial Assets		
Measured at fair value		
(a) Investments in Mutual Funds (UTI)	-	485.08
(b) Derivative Asset (Forward Contract)	-	1.92
Measured at amortised cost		
(a) Trade Receivables	1,732.18	2,114.31
(b) Cash and cash equivalents	533.12	203.48
(c) Other bank balances	45.15	40.00
(d) Other financial assets		
Deposits and Advances	7.46	7.92
Interest accrued on Bank Deposits but not due	0.34	0.02
Interest on Delayed Receipts - Receivable from Customers	67.65	67.87
Financial Liabilities		
Measured at fair value		
(a) Derivative Liability (Forward Contract)	1.97	-
Measured at amortised cost		
(a) Short-term borrowings	673.44	294.34
(b) Trade Payables	1,121.07	2,163.12
(c) Other financial liabilities	38.46	30.17
Measured at fair value		
a) Derivative Liability	1.97	

a) Fair value of financial instruments measured at amortized cost

- i) The fair value of trade receivables, cash and cash equivalents, other bank balances and other financial assets approximate their carrying amount due to the short-term nature of these instruments.
- ii) The fair value of short term borrowings, trade payables and other current financial liabilities approximate their carrying amount due to the short-term nature of these instruments.

Shell MRPL Aviation Fuels and Services Limited
Notes accompanying the Financial Statements for the year ended March 31, 2020

b) Fair value Hierarchy

All assets and liabilities for which fair value is measured or disclosed in the Ind AS Financial statements are categorised within the fair value hierarchy, as below, 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

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is

The fair value measurement hierarchy of the Company's assets and liabilities is as below:

Particulars	Fair value measurements at reporting date			
	Total	Level 1	Level 2	Level 3
March 31, 2020				
Financial assets				
Investments (in mutual funds) *	-	-	-	-
Derivative Assets (foreign exchange forward contracts) **	-	-	-	-
Financial Liabilities				
Derivative Liabilities (foreign exchange forward contracts) **	1.97		1.97	
March 31, 2019				
Financial assets				
Investments (in mutual funds)*	485.08	485.08	-	-
Derivative Assets (foreign exchange forward contracts)**	1.92	-	1.92	-
Valuation technique used to determine fair value				
* the use of quoted market prices for the instruments				
** the fair value of the forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date				
(i) Financial assets and liabilities are measured at fair value and the carrying amounts are equal to their fair values.				
(ii) The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing, 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.				
(iii) There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2020 and March 31, 2019.				

Shell MRPL Aviation Fuels and Services Limited
Notes accompanying the Financial Statements for the year ended March 31, 2020

44. Disclosure of leases pursuant to Ind AS-116

Leases Disclosure

Particulars	FY 2019-20 (₹ Million)	FY 2018-19 (₹ Million)
Depreciation charge for right-of-use asset	3.61	-
Interest expense on lease liabilities	0.96	-
Expense relating to short-term leases accounted for applying paragraph 6	6.53	-
Expense relating to variable lease payments not included in the measurement of lease liabilities	312.66	-
Total cash outflow for leases:		
Right of Use of Asset	3.72	-
Others	319.19	-
Additions to right-of-use assets	15.59	-
Carrying amount of right-of-use assets:		
a) Buildings	11.14	-
b) Vehicles	0.84	-

Reconciliation of Right to Use Asset

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	Category of ROU		Total
	Building	Vehicle	
Balance as of April 1, 2019			
Reclassified on account of adoption of Ind AS 116	14.27	1.32	15.59
Additions	-	-	-
Deletions	-	-	-
Depreciation	(3.13)	(0.48)	(3.61)
Balance as of March 31, 2020	11.14	0.84	11.98

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	Total
Balance as of April 1, 2019	15.02
Additions	-
Deletions	-
Finance Cost accrued during the period	0.96
Payment of Lease Liability	(3.72)
Balance as of March 31, 2020	12.26

Reconciliation of Operating Lease Commitment disclosed in PY Financial Statement & Opening lease Liability Recognised on 1 April'2019:

Particulars	Total
Amount recognised as Operating Lease Commitment	5.21
(-) Operating Lease Commitments for which Lease Liability is not created	(3.57)
Gross Commitment on which lease liability is accounted	1.64
Present Value of the above lease commitment	1.40
(+) Additions to Lease Liability due to new rental agreements	13.62
Lease Liability balance as on April 1, 2019	15.02

Shell MRPL Aviation Fuels and Services Limited
Notes accompanying the Financial Statements for the year ended March 31, 2020

45. Disclosure of leases pursuant to Ind AS-116 (Contd..)

Impact of adopting Ind AS 116 on PBT for the Quarter ending 31 March'2020:

Particulars	Category of ROU		Total
	Building	Vehicle	
Depreciation	0.78	0.12	0.90
Finance Cost	0.21	0.02	0.23
Lease Rental Payment	0.82	0.13	0.95
Impact on PBT (Loss)	0.17	0.01	0.18

Impact of adopting Ind AS 116 on PBT for the year ending 31 March'2020:

Particulars	Category of ROU		Total
	Building	Vehicle	
Depreciation	3.13	0.48	3.61
Finance Cost	0.88	0.08	0.96
Lease Rental Payment	3.17	0.55	3.72
Impact on PBT (Loss)	0.84	0.01	0.85

46. The Board of Directors has recommend a dividend of 25 % on fully paid up equity shares of the Company for the year ended March 31, 2020.

47. Impact on COVID-19

a) The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables/inventories and certain financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and such impact cannot be assessed at this point in time.

b) The significant portion of the company's trade receivables are due from Air India Group which is a Government of India's undertaking and hence the recoverability of the said dues are not at risk based on sovereign guarantee. Further, based on the various communications exchanged with the management of Air India Group, the management is confident that all the dues would be paid within next 6 months – 9 months.

c) It may also be noted that the Reserve Bank of India has issued a COVID-19 Regulatory Package dated 27th March, 2020 wherein it has permitted to grant a moratorium of 3 months on payment of installments falling due between March 1, 2020 and 31st May, 2020. This relief would help the company in meeting its cashflow requirements for the first 2 quarters of FY 2020-21. The Company has already availed such grants and anticipates further stimulus/relief package. Such anticipation is based on publicly reported statements made by government officials and is expected within next 1 month -2 months.



Shell MRPL Aviation Fuels and Services Limited
Notes accompanying the Financial Statements for the year ended March 31, 2020

d) The Company also has adequate cash in the form of fixed deposits/current investments to meet its fixed expenditure for the next 12 months duly considering the fact that receivables from Air India would be used to settle the working capital loan taken by the Company after the moratorium ends. Any change in such considerations would have material impact on the running of the Company.

The accompanying notes form an integral part of the financial statements (Note No. 1 to 47)

As per our report of even date attached

For ASA & Associates LLP
Chartered Accountants
(Firm Registration No. 092571N/N5600016)

D. Rajprasad

D. Rajprasad
Partner
Membership No. 028241

Place: Bengaluru

Date: 28th May, 2020

M. Venkatesh
Director (DIN : 07025942)
K. Lakshminarayana
K. Lakshminarayana
Chief Executive Officer

for and on behalf of the Board

Nitin Prasad
Director (DIN : 05261866)
Nitin Prasad

S. Chockalingam
S. Chockalingam
Chief Financial Officer &
Company Secretary

Place: Bengaluru

Date: 28th May, 2020

SHELL MRPL AVIATION FUELS AND SERVICES LIMITED

Registered Office: 102, Prestige Sigma, Vittal Mallya Road, Bangalore-560 001.

ATTENDANCE SLIP 12th Annual General Meeting August 7th, 2020

Regd. Folio No. _____

No. of Shares _____ Shares of INR 10 each.

I Certify that I am a registered Shareholder/ Proxy for the Registered Shareholder of the Company.

I hereby record my presence at the Twelfth Annual General Meeting of the Company at the Company's registered office at No. 102 Prestige Sigma, Vittal Mallya Road, Bangalore – 560001.

Member's/ Proxy's Name in Block Letters

Member's/ Proxy's Signature

SHELL MRPL AVIATION FUELS AND SERVICES LIMITED

Registered Office : 102, Prestige Sigma, Vittal Mallya Road, Bangalore-560 001.

FORM OF PROXY

I/We _____ of _____ being a Member/
Members of the above named Company hereby appoint _____ of
_____ or failing him _____ of
_____ as my/our proxy to vote for me/us on my/our behalf at the Twelfth
Annual General Meeting of the Company to be held on Friday, August 7th, 2020 at 16.00 p.m. and at
any adjournment thereof.

Signed this _____ day of _____ 2020

Affix Re. 1 Revenue Stamp

(Signature)

(Nearer to the date, if required depending upon the pandemic situation, the Company will intimate the virtual meeting details to the Members / Proxies)

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the time of commencement of the meeting.