Sustaining disruption in a rapidly changing world

Annual Report

2019-20

ONGC Mangalore Petrochemicals Limited

(A Subsidiary of Mangalore Refinery and Petrochemicals Limited)

(A Govt. of India Enterprise)

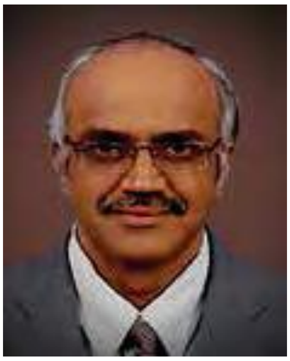
ONGC MANGALORE PETROCHEMICALS LIMITED

(A subsidiary of Mangalore Refinery and Petrochemicals Limited)

CIN: U40107KA2006GOI041258

BOARD OF DIRECTORS AS ON 31ST JULY 2020

Shri Shashi Shanker
Chairman



Shri M Venkatesh
Director

Shri Rajesh Kakkar
Director

Smt. Alka Mittal
Director

Shri Anurag Sharma
Director

Smt. Pomila Jaspal
Director

Shri Sanjay Varma
Director

KEY EXECUTIVE

Shri S S Nayak
Chief Executive Officer

Shri Surendra Nayak
Chief Financial Officer

ONGC MANGALORE PETROCHEMICALS LIMITED
(A subsidiary of Mangalore Refinery and Petrochemicals Limited)
CIN: U40107KA2006GOI041258

BOARD OF DIRECTORS

Shri Shashi Shanker (DIN 06447938)	Chairman
Shri M Venkatesh (DIN 07025342)	Director
Shri Rajesh Kakkar (DIN 08029135)	Director
Smt Alka Mittal (DIN 07272207)	Director
Smt Pomila Jaspal (DIN 08436633)	Director
Shri Anurag Sharma (DIN 08050719)	Director
Shri Sanjay Varma (DIN 05155972)	Director

AUDIT AND ETHICS COMMITTEE
Shri Anurag Sharma, Chairman
Smt Alka Mittal, Member
Smt Pomila Jaspal, Member
Shri Sanjay Varma, Member

NOMINATION AND REMUNERATION COMMITTEE
Shri M Venkatesh, Chairman
Shri Rajesh Kakkar, Member
Smt Alka Mittal, Member
Shri Sanjay Varma, Member

CORPORAT SOCIAL RESPONSIBILITY COMMITTEE
Shri Rajesh Kakkar, Chairman
Smt Alka Mittal, Member
Shri Sanjay Varma, Member

COMMITTEE OF DIRECTORS
Shri M Venkatesh, Chairman
Smt Alka Mittal, Member
Shri Anurag Sharma, Member
Smt Pomila Jaspal, Member
Shri Sanjay Varma, Member

EMPOWERED COMMITTEE OF DIRECTORS
Shri Anurag Sharma, Chairman
Shri M Venkatesh, Member
Shri Sanjay Varma, Member
Smt Pomila Jaspal, Member

KEY EXECUTIVES
Shri S S Nayak, Chief Executive Officer
Shri Surendra Nayak, Chief Financial Officer

COMPANY SECRETARY
Shri K B Shyam Kumar

STATUTORY AUDITORS
M/s. Chandra & Raman, Chartered Accountants, Bangalore

SECRETARIAL AUDITORS
M/s Ullas Kumar Melinamogaru & Associates

BANKERS

State Bank of India
Canara Bank
Bank of Baroda
Exim Bank
Corporation Bank
United Bank of India
Axis Bank

REGISTRAR AND TRANSFER AGENT

M/s. Link Intime India Private Limited
C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai 400 083
Tel No: +91 22 49186000
Fax: +91 22 49186060
Email bonds.helpdesk@linkintime.co.in

REGISTERED OFFICE AND INVESTOR RELATION CELL

Mangalore Special Economic Zone,
Permude, Mangaluru- 574 509
Phone: 0824 – 2872075
Website: http://ompl.co.in
Email ID: cs@omplindia.com

Vision & Mission

Our Vision

"To be a world-class leader in petrochemicals Industry"

Our Mission

" Providing quality products and services by means of continuous innovation, learning and operational excellence.
Maintaining highest standards of Safety, Health and Environmental protection.
Sustaining maximum value for stakeholders".

BOARD'S REPORT

Dear Members,

Your Directors take pleasure in presenting the 14th Annual Report of the Company and the Audited Financial Statements for the financial year ended 31st March, 2020, together with the Auditor's Report and comments on the Accounts by Comptroller and Auditor General of India (C&AG) thereon.

1. PERFORMANCE OF THE COMPANY

1.1 FINANCIAL RESULTS

The financial performance of your Company for the year ended 31st March, 2020 is summarised below:

Particulars	**For the year Ended on 31st March, 2020 (Rs. in millions)**	**For the year Ended on 31st March, 2019 (Rs. in millions)**
Revenue from operations	49,541.70	85,674.16
Revenue from Other Income	7.65	8.86
Expenses	64,668.56	84,941.16
Profit (Loss) before Taxation	(15,119.21)	741.86
Tax Expenses: Current Tax Deferred Tax	- (1,114.89)	- 512.92
Profit (Loss) for the Year	(14,004.32)	228.94
Other Comprehensive Income	(2.73)	(14.10)
Total Comprehensive Income/ (Loss)	(14,007.05)	214.84

1.2 RESULTS OF OPERATIONS

During the period under review, your Company achieved a turnover of Rs. 49,541.70 million (Mn) and posted a loss of Rs. (14,007.05) Mn. This is due to unprecedented fall in International prices of Paraxylene and Benzene owing to various factors like Capacity additions in China, Crude volatility and US-China Trade issues etc. The capacity utilization for the period was about 80%. However, the Company introduced a new product, viz., Paraffinic Raffinate in the export market and started sale of Heavy Aromatics in domestic market.

1.3 OPERATIONAL PERFORMANCE

During the year, the Company has

- produced 0.660 MMT Para-xylene, 0.165 MMT Benzene and 0.184 MMT Paraffinic Raffinate

- exported Para-xylene, Benzene and Paraffinic Raffinate worth about Rs.34,815.79 Mn, Rs.6,991.26 Mn and Rs.545.60 Mn respectively.

1.4 DIVIDEND AND TRANSFER TO RESERVES

In view of the losses incurred in previous financial years, your Board of Directors has not recommended any dividend for the financial year 2019-20 and no amount has been transferred to General Reserve during the financial year 2019-20.

1.5 SHARE CAPITAL

The Authorised Share Capital of the Company is Rs.32,000 Mn. The Issued Capital of your Company as on 31st March, 2020 stood Rs.25,442.92 Mn. The Subscribed and Paid up Equity Share Capital of your Company as on 31st March, 2020 stood at Rs.25,442.91 Mn. During the year under review, the Company has issued 41,66,66,666 equity shares on right basis and 41,66,65,965 shares have been subscribed. After this right issue, the paid-up capital of the Company as on 31st March 2020 stood at Rs.25,442.91 Mn.

1.6 FINANCIAL RESOURCES

i. Issue of Debentures

During financial year 2016-2017, the Company had issued Secured, Redeemable, Non-Cumulative, Taxable, Non-Convertible Debentures (NCDs) through private placement with coupon rate of 8.12% aggregating Rs.20,000 million. The Debentures were secured by way of extension of mortgage on the assets i.e., mortgage of immovable properties in favour of the Debenture Trustees. The NCDs were issued by your Company with the initial ratings rated as 'IND AAA/RWE' (Rating Watch Evolving) and subsequently upgraded the ratings as IND AAA Stable during FY 2019-20 by India Ratings and Research Private Limited (Fitch Group) indicating highest degree of safety regarding timely servicing of financial obligations. These NCDs were listed on the Wholesale Debt Market (WDM) segment of the Bombay Stock Exchange Limited (BSE). During the current financial year, Company has fully redeemed these NCDs.

ii. ECB

Your Company had availed External Commercial Borrowing (ECB) for project purpose. The outstanding ECB as on 31st March 2020 was Rs. 6,474.18 million. ECBs raised by the Company are rated as 'IND AAA Stable by India Ratings and Research Private Limited (Fitch Group) indicated high degree of safety regarding timely servicing of financial obligations.

iii. **Medium Term Foreign Currency Loan**

Your Company has availed Medium Term Foreign Currency Loan during the year. The outstanding Medium Term Foreign Currency Loan as on 31st March, 2020 was Rs.38,545.80 Million. Medium Term Foreign Currency Loan raised by the Company is rated as 'IND AAA' Stable by India Ratings and Research Private Limited (Fitch Group) indicated high degree of safety regarding timely servicing of financial obligations.

iv. **Issue of Compulsorily Convertible Debentures (CCDs)**

Your Company has issued Compulsorily Convertible Debentures amounting to Rs.10,000 Million during the year for tenor of three years with back stop support of Sponsors. Compulsorily Convertible Debentures are rated as AAA r(CE)/Stable by CRISIL and IND AAA Stable by India Ratings and Research Private Limited (Fitch Group) indicated high degree of safety regarding timely servicing of financial obligations.

v. **Other Short term loans and working capital facilities**

Your Company, from time to time has mobilised funds through issue of commercial paper (CP) whenever required apart from utilising working capital facilities (PCFC, CC, OD, WCDL, STL) from Banks. The CPs were dual rated as A1+ by ICRA Limited and CRISIL which indicate very strong degree of safety regarding timely servicing of financial obligations. Short term bank facilities of the Company were rated A1+ by ICRA Ltd.

1.7 MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF FINANCIAL YEAR AND DATE OF REPORT.

There is no occurrence of material change and commitment made between the end of financial year and date of this report which has affected financial position of the company.

1.8 FINANCIAL ACCOUNTING

Your Company's financial statements for the year ended 31st March, 2020 are the financial statements prepared in accordance with Ind AS notified under the Indian Accounting Standards prescribed under Section 133 of Companies Act, 2013 and Companies (India Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized as applicable.

1.9 DEPOSITS

Your Company has not accepted any deposits and as such, no amount on account of principal or interest on deposits was outstanding as on the date of the balance sheet.

1.10 LOANS, INVESTMENTS OR GUARANTEES

Your Company has not given any loans, made any investments, provided guarantee or provided any security in connection with a loan to any other body corporate as required to be reported under section 186 of the Companies Act, 2013.

1.11 CREDIT PROFILE

CRISIL has assigned a rating of "CRISIL A1+" to the CPs issued by your company.

ICRA has assigned [ICRA] A1+ (pronounced ICRA A one plus) to the CPs issued by your company.

1.12 AMALGAMATION OF THE COMPANY WITH MANGALORE REFINERY AND PETROCHEMICALS LIMITED

On July 08, 2015, the Board has accorded consent for amalgamation of your Company into and with Mangalore Refinery and Petrochemicals Limited (MRPL) subject to the requisite approvals of shareholders, creditors and Ministry of Corporate Affairs and other regulatory authorities. It was opined that shareholders' value would be enhanced by integrating aromatic plant of the Company with refinery of MRPL to create greater synergies in business operations, optimal utilization of the plant of both the companies to maximize combined margins of refinery and petrochemicals in tune with the market dynamics and optimal utilization of resources for better administration and cost reduction.

During April 2018, MRPL has received the NOC from the Ministry of Petroleum and Natural Gas for the proposed merger of OMPL with MRPL subject to fresh valuation of the shares of both MRPL and OMPL with a view to establish an updated share swap ratio and approvals of the Boards of ONGC and MRPL for the proposal.

2. MARKETING & BUSINESS DEVELOPMENT

Your Company lived up to its track record in the International market by fulfilling its commitment in terms of quantity and quality although 2019-20 was a year of turbulence for the Paraxylene market due to capacity additions in China, high feed stock cost and low international market prices affecting the producers worldwide.

Exports of Paraxylene/Benzene and Imports of Naphtha through New Mangalore Port Trust (NMPT) were carried out by close co-ordination amongst all stakeholders thereby ensuring smooth/uninterrupted plant operations and product movement as per plan.

Import of Naphtha was limited and need based, with major quantity being supplied by MRPL Refinery.

Paraxylene:

Your Company posted sales of 644 KT during the year, a drop of 19% compared to FY 18-19.

Northeast Asia constituted 80% of the sales and the balance was sold to Southeast Asia and America.

Benzene:

Benzene sales were at 156 KT, a drop of 31% compared to FY 18-19.

Movement to Middle East constituted majority of the sales (90%) and the balance was sold to Southeast Asia and Europe.

Your Company entered into B2B contracts with two leading actual end users in Middle East and Europe during the year. Experience gained from the successful execution of these contracts and the reputation of being a reliable supplier paved the way for entering into a new contract, with one of the largest companies globally, for FY 20-21.

New products:

OMPL introduced two new products into the market viz., Paraffinic Raffinate and Heavy Aromatics.

Export of Paraffinic Raffinate which was hitherto sent to MRPL Refinery was started. For Paraffinic Raffinate, your Company entered into an annual contract with a leading market player.

Heavy Aromatics which was being used as internal fuel are being offered to domestic market with attractive margin using the newly installed truck loading facility.

For the next financial year, your Company is targeting Exports of Reformate and domestic sales of Benzene and Toluene.

3. HEALTH, SAFETY AND ENVIRONMENT PERFORMANCE

HEALTH, SAFETY AND ENVIRONMENT PERFORMANCE SAFETY PERFORMANCE

The Company's philosophy on the HSE is to perform better than minimum required by statutes. Your Company had earmarked Rs.380 Mn for the financial year 2019-20 towards HSE activities.

A) HEALTH

Annual Medical Checkup of employees was carried out in compliance with the Rules under Factories Act and Karnataka Factories Rules. 100% health check-up of employees completed as per schedule during the year 2019-20.

Occupational Health Centre (OHC) with 24X7 availability of Medical Staff is functional.

B) SAFETY PERFORMANCE

The major achievements in the Safety are summarized as under:

1. Your Company has achieved Zero Loss Time Incident (LTI) for FY-19-20. It is an exemplary achievement to achieve 1616 Safe working days without LTI as on 31st March, 2020 which is equal to 9.7 Million man hours.

2. Your Company accredited for ISO-9001:2015, OSHAS-18001-2007, ISO14001-2015 & ISO-5001:2011 by M/s Bureau VERITAS also received **Prashansa Patra Award** (4th position) from National Safety Council in Refinery and Petrochemical Sector (Manufacturing).

3. Your company bagged the **International Safety Award** from M/s British Safety Council, UK on 10th March, 2020.

4. Your Company has received **Appreciation Award** in Co-Gen Boiler Capacity- Power and Process Category from Director of Factories, Boiler, Industrial Safety & Health, Bangalore in FY 2019-20.

5. Your Company is committed towards imparting continuous training in Fire and Safety practices and 96% employees have undergone training.

6. Regular Internal Mock Drill exercises were conducted considering the various emergency scenarios in plant and non-plant Areas to demonstrate emergency preparedness of your Company. Offsite Mock Drill was also conducted in presence of District Crisis Group (DCG) on 30th January, 2020.

7. Your Company conducted different levels of Safety Committee Meeting involving all disciplines to address safety issues arising at the plant.

8. Internal Safety Audits as well as External Safety Audits were conducted successfully in FY 2019-20 as per statutory requirement.

9. Your Company observed Chemical Disaster prevention week from 04th December, 2019 to 11th December, 2019. Various training programmes were imparted to staff & workmen and competitions were held.

10. National Safety Day / Week 2020 was observed from 02nd March, 2020 to 09th March, 2020 involving different Safety Awareness Programs and Competitions.

11 Public Awareness Programme on Safety and Environment was conducted at Sri Niranjana Swami School Bajpe, 2019-20.

12 Free Health Check-up in association with KMC conducted at Bajpe Gram Panchayat on 29th June, 2019.

13 Your Company organised Swachch Bharat Abhiyaan at Central Market, Mangaluru on 29th September, 2019. In addition to this, Swachch Bharat Pakhwada (Cleanliness Fortnight) drive was also conducted from 16-31St August, 2019) at different locations around Mangaluru.

ENVIRONMENT PERFORMANCE

Your Company is committed to maintain and support biodiversity around, by enhancing the green wealth in collaboration with Karnataka Forest Department, while running the day to day operations of the Aromatic Complex. Your Company has taken various initiatives in line with GoI Sustainable Development Goals, as chartered in UN summit such as usage of Gaseous fuel from Process Blocks instead of flaring, in Dual Mode Fired Heaters and usage of Hydrogen Peroxide reagent as substitute to Fentons reagent while treating effluent from Aromatic Complex in the Effluent Treatment Plant by which sludge generation is almost NIL. Further, your Company is in the final stages of implementing environment friendly RLNG fuel in Gas Turbine Generators. Your Company has installed renewable Solar Energy from Roof Top Panels of about 0.5 MW capacity and Floating Solar Panels on reservoir of 2 MW capacity in the financial year ending March, 2020 in order to reduce carbon foot print. To reduce water foot print, your company is maximizing the treated water recycle to Cooling Tower as make up water instead of fresh water consumption. In line with Plastic Ban Abhiyaan, your company is relentlessly promoting plastic ban awareness programs through usage of alternatives such as Jute/Cloth bags. Your Company is committed to meet legal obligations and beyond. Accordingly, Remote Calibration System has been installed to Online Emission Monitoring Analysers of all Fired Heater Stacks in the Complex, exhibiting our commitment for transparency in meeting Statutory requirements.

4. RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year were on an arm's length basis and in the ordinary course of business. Further, there are no material related party transactions during the year with the Promoters, Directors or Key Managerial Personnel.

Particulars of contracts or arrangements with related parties referred to in section 188 of the Companies Act, 2013 in the form AOC-2 form part the Director's Report and placed at **Annexure-A**. MCA vide Notification dated June 05, 2015, has exempted the applicability of Section 188 (1) of the

Companies Act, 2013 for transactions entered into between two Government Companies. In view of the same, shareholders' approval has not been solicited for the transactions with Government Companies.

5. INTERNAL CONTROL SYSTEM

Your Company has a well-established and efficient internal control system and procedure. The Company has appointed Internal Auditor and audit observations are periodically reviewed by the Audit & Ethics Committee of the Board and necessary directions are issued whenever required.

6. INTERNAL CONTROL OVER FINANCIAL REPORTING

Your Company has carried out a detailed study on the Internal Control over Financial Reporting through risk and control matrixes, flow chart and narratives and effectiveness of the design and training. The remedial measures and the recommendation of effective control are tested on continuous basis. Your Company has adequate internal financial control systems and is operating effectively during the year.

7. ENTERPRISE RISK MANAGEMENT SYSTEM

Your Directors have approved Enterprise Risk Management Policy and Procedure in February, 2015. 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 a 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 is clearly structured and defines the procedure for Risk identification, Risk assessment, Risk measuring, Risk mitigation, Risk monitoring, Risk reporting and Risk optimizing.

The Enterprise Risk Management Reporting System manages, monitors and reports on the principal risks and uncertainties that can impact the growth and ability to achieve strategic objectives of the Company. The Integrated Enterprise Risk Management System is designed to drive a common integrated view of risk and optimal risk mitigation.

8. VIGIL MECHANISM

As required under Section 177 (9) of Companies Act, 2013, the Board has established a vigil mechanism for directors and employees to report genuine concerns in your Company. The Chief Vigilance Officer of MRPL is appointed as the Chief Vigilance Officer for your Company and he can be contacted at cvo@mrpl.co.in for any complaint.

9. CORPORATE SOCIAL RESPONSIBILITY (UNDER SECTION 135 OF COMPANIES ACT, 2013)

Your Company is fully committed in ensuring equitable and sustainable growth of society in and around the area of its 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 Companies Act, 2013 promulgated by Ministry of Corporate Affairs and Companies (CSR Policy) Rules, 2014 as amended from time to time.

Pursuant to enactment of Companies Act, 2013 and Companies (CSR Policy) Rules 2014 by Ministry of Corporate Affairs, the CSR Policy has been approved by the Board of Directors in its 55th meeting held on August 01, 2016. The same was uploaded on the Company's website. The Committee has not made any provision for CSR activities during the financial year 2019-20 as there was no average net profit during the immediately preceding three financial years.

10. DIRECTORS

10.1 POLICY ON DIRECTORS' APPOINTMENT ETC.

Your Company being a Government Company, the provisions of section 134(3)(e) of the Companies Act, 2013 shall not apply in view of the exemption provided to government companies under the Companies Act, 2013.

10.2 PERFORMANCE EVALUATION

Your Company being a Government Company, the provisions of section 134(3)(p) of the Companies Act, 2013 shall not apply in view of the exemption provided to government companies under the Companies Act, 2013.

10.3 AUDIT COMMITTEE

The Company has constituted Audit Committee which consists of three non-executive directors. There were no instances where the recommendations of the Audit Committee were not accepted by the Board.

10.4 BOARD MEETINGS

Six Board Meetings were held during the year ended on 31st March, 2020. Details of the Board Meetings held during the year have been furnished in the Corporate Governance Report.

10.5 MEETING OF INDEPENDENT DIRECTORS

As there were no independent directors on the Board of the Company, no meetings of Independent Directors were held during the financial year 2019-20.

10.6 APPOINTMENTS/CESSATION ETC

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, Shri Shashi Shanker, Director retires by rotation and being eligible, offers himself for re-appointment.

Following changes took place in Board of Directors of your Company:

- Shri Pomila Jaspal appointed on the Board of the Company on 26.11.2019
- Shri Anurag Sharma appointed on the Board of the Company on 05.06.2020
- Shri Sanjay Varma appointed on the Board of the Company on 26.06.2020
- Shri Sanjay Kumar Moitra ceased to be Director with effect from 01.06.2020
- Shri M Vinayakumar ceased to be Director with effect from 01.06.2020

10.7 DETAILS OF OTHER KEY MANAGERIAL PERSONNEL AS PER RULE 8 (5) (III) OF THE COMPANIES (ACCOUNTS) RULES, 2014:

Shri. S S Nayak, Chief Executive Officer was appointed as Key Managerial Personnel with effect from October 01, 2018.

Shri. Surendra Nayak, Chief Financial Officer was appointed as Key Managerial Personnel with effect from October 01, 2018.

Shri. K B Shyam Kumar was appointed as Company Secretary with effect from August 13, 2014 and as Key Managerial Personnel with effect from August 16, 2014.

11. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance in its dealings with its various stakeholders. A Report on Corporate Governance is annexed to this Report.

12. HUMAN RESOURCES / PERSONNEL

Your Company continued to enjoy cordial and harmonious relations with the collectives and there was no industrial disturbance during the year 2019-20.

Total employee strength as on 31st March 2020 was 461. Out of which, 166 employees belong to Management cadre and 295 employees belong to Non-Management cadre. It includes 298 Project Displaced Family (PDFs) Candidates. 79 Women employees constituted over 17 percent of your company's workforce. During the year 2019-20, your Company devoted 1799.31 Mandays for Training, Development and Learning which amounted to an average of 3.90 Mandays per employee. This includes functional, developmental and special training programs covering the entire spectrum of employees. During the year, Women in Public Sector (WIPS) of the

Company organized many programmes for women employees and some women employees were nominated for outside training programmes as well. One of the non-executive women employee has won 3rd prize in Best Women Non-executive Award and Best Enterprise Award in Recognition of WIPS Activities Award, a tribute to Excellence in Public Enterprise Management under Miniratna & Others Category from WIPS APEX, in 2019-20. Your Company complies with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year 2019-20, no cases of sexual harassment were reported.

13. MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

Your Company being a Government Company is exempted from furnishing information under Section 197 of the Companies Act, 2013.

14. INSURANCE

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

15. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant and material order was passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

16. AUDITORS

Statutory Auditors:

The Comptroller and Auditor General of India (C&AG) has appointed M/s. Chandra & Raman, Chartered Accountants, Bangalore, as Statutory Auditors for the financial year 2019-20 as required for the Government Companies. They have audited the Financial Statements for the Financial Year ended 31st March, 2020 and submitted their report which forms part of this report.

Auditors' Report

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

Comptroller and Auditor General (C&AG) Report:

The comments of Comptroller and Auditor General of India (C&AG) forms part of this Report and is attached as **Annexure – B**. There is no qualification in the Auditors Report on the Financial Statements of the Company.

Secretarial Audit:

M/s Ullas Kumar Melinamogaru & Associates, Practicing Company Secretaries, conducted Secretarial Audit pursuant to the provisions of Section 204 of the Companies Act, 2013, for the financial year 2019-20. M/s Ullas Kumar Melinamogaru & Associates, Practicing Company Secretaries have submitted the Report confirming compliance with the applicable provisions of Companies Act, 2013 and rules and other regulatory authorities for corporate law. The report in Form MR-3 is placed at **Annexure – C**.

As regards to the observation relating to appointment of independent directors in terms of Section 149 of the Companies Act, 2013 and non-compliance under section 135, 177 and 178 pertaining to Constitution of CSR Committee, Audit Committee and Nomination and Remuneration Committee, respectively, the Company has taken up the matter with the Ministry of Petroleum & Natural Gas for nominating three independent directors on the Board of the Company.

As regards to the observation on overtime working hours under Factories Act, 1948, while a proposal to increase the number of hours of overtime work is being considered by the Government of Karnataka to cater demand of industries, the Company is actively pursuing to bring down the overtime working hours.

Cost Audit

As per the Rule 4(3)(ii) of Companies (Cost Records and Audit) Amendment Rules, 2014, Cost Audit is not applicable to the companies which are operating from a Special Economic Zone. In view of the above, Cost Audit was not done for the period under review.

17. EXTRACT OF ANNUAL RETURN

As per requirement of section 92(3) of the Companies Act, 2013, the extract of the annual return in form MGT-9 is placed at **Annexure-D.**

18. IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

The implementation of Official Language Policy is undertaken by the Company from July, 2016.

19. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

CONSERVATION OF ENERGY:

Your Company has commissioned Captive Power Plant successfully and a peak power load of 41.5 MW was achieved. During the design stage, various conservation measures were taken and are now implemented effectively.

Conservation measures implemented are:

1. Heat recovery from the waste process condensate to heat inlet DM water (increases temperature of DM water by 70 Deg C).
2. Condensate recovery system to minimize the water usage.
3. Recovery of boiler blow down and using it as a makeup to cooling tower.
4. Installation of timers in all plant lighting systems for automatic switch on and off.
5. Roof Top solar power panels are installed up to 500KWh.
6. Replacement of HPSV and HPMV lights with LED lights – Resulted in Savings of 36 Lakhs/year.
7. Setting and monitoring of Energy Performance indicators.
8. 4 Electric Vehicles procured for efficient mobility.
9. Reduction in excess oxygen in fired heaters.
10. Shifted to two GT operation from 1STG +1GToperation to minimise the energy consumption.

Jobs which are undertaken to improve the performance of the complex on priority:

1. Installation of 2 MWp Floating Solar Panels on Raw Water Reservoirs.
2. Converting one Boiler Feed water Pump from motor driven to steam turbine driven.

<u>TECHNOLOGY ABSORPTION AND ADAPTATION:</u>

I) Your company has made the following efforts towards technology absorption and adaptation as a licensed user:

a. Technologies for the process units i.e. NHT, Platformer, CCRG, SSU, Tatoray unit, BTF unit, Xylene unit, Parex unit and Isomar unit have absorbed.
b. The utility units i.e., CPP, Nitrogen, IA/PA, RWTP units etc., have been commissioned along with the process complex.
c. As a result of the above efforts, the unit complex has been meeting the international standard of p-xylene and benzene quality consistently.
d. Various measures were taken with in-house expertise to improve safety standards and operational improvements like.

i. Successful NABL migration to new version 2017 edition was accomplished.
ii. PFCC Naphtha modification helped the complex to process FCC Naphtha successfully.
iii. Conversion of Naphtha storage tanks to Paraffinic Raffinate to enable raffinate export.
iv. Successful completion of major shutdown to undertake maintenance work without any incident.
v. Dedicated load shedding system was implemented successfully to improve the reliability of complex.
vi. Participated in around Six "State level MSME vendor development" program.
vii. Implemented e-publishing on central public procurement board.

viii. Installation of Naphtha feed filter successfully completed to eliminate foreign particle entering the process units.

II) Information regarding Imported Technology for last five years:

a) Technology imported: The Company has imported Technology, as a licensed user, for supply of know-how for Aromatic Plant from M/s UOP, USA for the process units viz., Naphtha Hydro Treater, Continuous Catalytic Reformer, Xylene Fractionation Unit, PX Recovery Unit, Xylene Isomerization Unit, Benzene Toluene Extraction Unit, Benzene Toluene Fractionation and Trans Alkylation & Disproportionation Unit.
b) Has the technology been fully absorbed? – Yes.
c) If not fully absorbed- areas where this has not taken place, reason thereof, and future plans of action. – Not applicable.

The Company has not carried out any research and development activity during the year under review.

FOREIGN EXCHANGE EARNINGS AND OUTGO DURING THE YEAR:

Foreign Exchange Earned: Rs. 42,352.65 million (Previous Year Rs. 70,704.29 million)
Foreign Exchange Outgo: Rs. 4,013.51 million (Previous Year Rs.15,615.79 million)

20. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(i) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
(ii) The directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the loss of the Company for the year ended on that date;
(iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
(iv) The directors have prepared the annual accounts of the Company on a 'going concern' basis;
(v) The directors have laid down internal financial controls which are being followed by the company and that such internal financial controls are adequate and are operating effectively; and
(vi) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating.

21. ACKNOWLEDGEMENTS

The Directors wish to thank and acknowledge the co-operation, assistance and support extended by Central Government, Government of Karnataka, Oil and Natural Gas Corporation Limited, Mangalore Refinery and Petrochemicals Limited, Banks, lenders, shareholders and debenture holders of the Company.

Your Directors acknowledge the continuing co-operation and support received from New Mangalore Port Trust, other stakeholders such as vendors, contractors, transporters and the valued customers for the products 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.

On behalf of the Board of Directors of
ONGC Mangalore Petrochemicals Limited

Dated: **July 31, 2020** **Shashi Shanker**
Place: **New Delhi** **Chairman**

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 arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:- **NIL**

(a) Name(s) of the related party and nature of relationship:- NA

(b) Nature of contracts/arrangements/transactions:- NA

(c) Duration of the contracts / arrangements/transactions:- NA

(d) Salient terms of the contracts or arrangements or transactions including the value, if any :- NA

(e) Justification for entering into such contracts or arrangements or transactions:- NA

(f) date(s) of approval by the Board :- NA

(g) Amount paid as advances, if any:- NA

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:- NA

2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	(b) Nature of contracts/arrangements/transactions	(c) Duration of the contracts / arrangements/transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	(e) Date(s) of approval by the Board, if any:	f) Amount paid in advance, if any:
Oil and Natural Gas Limited (Ultimate Holding Company)	Equity Capital Infusion	FY 2019-20	Actual Rs.2,449.90 Mn	11.04.2019	
	Services Rendered	FY 2019-20	Actual Rs.0.32 Mn	NA	

Mangalore Refinery and Petrochemicals Limited (Holding Company)	Equity Capital Infusion	FY 2019-20	Actual Rs.2,550.09 Mn	11.04.2019	
	Purchase of Products	FY 2019-20	Agreement Rs. 49,089.74 Mn	15.01.2019	Nil
	Sale of Product	FY 2019-20	Agreement Rs.7,657.24 Mn	15.01.2019	Nil
	Services Received – Facilitation Charges	FY 2019-20	Actual Rs.57.14 Mn	NA	Nil
	Services & Supplies received-power & Others	FY 2019-20	Actual Rs.416.90 Mn	NA	Nil
	Deputation Services Received	FY 2019-20	Deputation Letter Rs.4.51 Mn	NA	Nil
	Deputation Services rendered	FY 2019-20	Deputation Letter Rs.2.75 Mn.	NA	Nil
Mangalore SEZ Limited (Associate of Holding Company)	Lease Rent	FY 2019-20	Agreement Rs.23.40 Mn	12.04.2012	Nil
	Water, Marine Outfall	FY 2019-20	Agreement Rs.148.53 Mn	14.10.2014	Nil
	Power	FY 2019-20	Agreement Rs.199.68 Mn	05.08.2017	Nil
	Zone O & M Charges	FY 2019-20	Agreement Rs. 38.62 Mn	08-05-2019	Nil
	SD for Zone O & M Charges	FY 2019-20	Agreement Rs. 9.38 Mn	08-05-2019	Nil
Hindustan Petroleum Corporation Limited (Subsidiary of ultimate Holding Company)	Purchase of products	FY 2019-20	As per Contract Rs.361.26 Mn	NA	Nil

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ONGC MANGALORE PETROCHEMICALS LIMITED FOR THE YEAR ENDED 31 MARCH 2020

The preparation of financial statements of ONGC Mangalore Petrochemicals Limited, Mangaluru, for the year ended 31 March 2020, in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 5th June 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of ONGC Mangalore Petrochemicals Limited, Mangaluru, for the year ended 31 March 2020 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the

Comptroller & Audit General of India

(R.AMBALAVANAN)

Director General of Commercial Audit, Chennai

Place: Chennai

Date: 27/07/2020

CS Ullas Kumar Melinamogaru
B.Com., F.C.M.A., F.C.S.
Practising Company Secretary

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Tel : 0824 - 2448079(O), 2444130(R)
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ullas53@gmail.com

Ullas Kumar Melinamogaru & Associates
Practising Company Secretaries
No.3, V Floor, Ashirvad Building, Ganapathy High School Road, Mangaluru – 575001

FORM NO.MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 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,
ONGC MANGALORE PETROCHEMICALS LIMITED
Mangalore Special Economic Zone
Permude, Mangalore- 574509
Karnataka, India.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ONGC MANGALORE PETROCHEMICALS LIMITED (hereinafter called "the Company") (CIN: U40107KA2006GOI041258) having its Registered Office at Mangalore Special Economic Zone, Permude, Mangalore- 574509 Karnataka, India. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by ONGC MANGALORE PETROCHEMICALS 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 thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;

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 to the Company during the period under review)

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not Applicable to the Company during the period under review)

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during the period under review)

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable to the Company during the period under review)

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the period under review)

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; (Not Applicable to the Company during the period under review)

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the period under review) and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the period under review)

vi. Following other laws, as informed and certified by the Management of the Company, are applicable to the Company:-

a. The Special Economic Zone Act,2005 and Rules made thereunder;

b. The Petroleum Act, 1934 and Rules made thereunder;

c. Factories Act,1948;

d. Boilers Act,1923;

e. Contract Labour (Regulation and Abolition)Act, 1970;

f. Payment of Wages Act, 1936;

g. Industrial Disputes Act, 1947;

h. Employees State Insurance Act, 1948;

i. Employees Provident Fund and Misc. Provisions Act,1952;

j. Equal Remuneration Act,1976;

k. Industrial Employees (Standing Orders) Act,1946;

l. Maternity Benefit Act, 1961;

m. Minimum Wages Act, 1948;

n. Trade Union Act,1926;

o. Payment of Bonus Act, 1965;

p. Payment of Gratuity Act, 1972;

q. Provisions of Environment (Protection) Act, 1986;

r. The Water (Prevention and Control of Pollution)Act, 1974;

s. The Air (Prevention and Control of Pollution) Act, 1981 and rules made there under;

t. Explosives Act,1884;

u. Electricity Act,2003;

v. Income Tax Act,1961, Karnataka Tax on professions, Trades, Calling and Employments Act,1976 and Customs Act,1962;

w. GST Act, 2017;

x. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

y. The Apprentices Act,1961;

z. The Public Liability Insurance Act,1991;

aa. The Information Technology Act,2000;

bb. Sale of Goods Act,1930;

cc. Karnataka Labour Welfare fund Act,1965 and

dd. Karnataka Industrial Establishment (National and Festival Holiday) Act, 1963.

For the compliances of Labour Laws & other General Laws, our examination and reporting is based on the documents, records and files as produced and shown to us and the information and explanations as provided to us, by the officers and management of the Company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company, in our opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General laws and Labour Laws.

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory financial auditor and other designated professionals.

I have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

a. During the year under review the company did not have the required number of Independent Directors in term of section 149 of Companies Act, 2013. No Independent Directors were appointed during the Financial Year 2019-20. However as per the explanation provided to me necessary measures have been taken to Appoint Independent Directors as required by the Companies Act, 2013.

b. Provisions of Sec.135, Sec.177 and Sec.178 of the Companies Act,2013 pertaining to Constitution of CSR Committee, Audit Committee and Nomination and Remuneration Committee respectively were not complied during the period under review as the Independent Directors as per provisions of Sec.149 of the Companies Act were not present during the Financial Year 2019-20.

c. The Company has not complied with the laws/ rules/guidelines with regard to Overtime working hours required under the Factories Act, 1948.

I further report that

The Board of Directors of the Company consists of Non executive Directors with the exception of the requisite number of Independent Directors on the Board as per the Section 149 of the Companies Act, 2013. No Independent Directors were appointed during the Financial Year 2019-20. 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.

The 13th Annual General Meeting of the Company was held on Saturday, the 3rd day of August, 2019 at the registered office of the company.

Two Extraordinary General Meetings of the Company were held during the Financial Year 2019-20 i. e. on Thursday, 9th May, 2019 and on Saturday, 8th February 2020.

CS Ullas Kumar Melinamogaru
B.Com., F.C.M.A., F.C.S.
Practising Company Secretary

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Ullas Kumar Melinamogaru & Associates
Practising Company Secretaries
No.3, V Floor, Ashirvad Building, Ganapathy High School Road, Mangaluru – 575001

I 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 subject to the observation that has already been made by the Statutory Auditors in their Report.

I further report that during the audit period,

- The company has increased its Authorized Share Capital from Rs.2200,00,00,000/- (Rupees Two Thousand Two Hundred Crore only) consisting of 220,00,00,000 (Two Hundred and Twenty Crore) Equity Shares of Rs.10/- (Rupees Ten) each to Rs.3200,00,00,000/- (Rupees Three Thousand Two Hundred Crore only) consisting of 320,00,00,000 (Three Hundred and Twenty Crore) Equity Shares of Rs.10/- (Rupees Ten) each.
- The Company has issued 41,66,66,666 equity shares on right basis and 41,66,65,965 shares have been subscribed. Accordingly, the Company has allotted 41,66,65,965 shares of Rs.10/- each, at Rs.12/- per share, on Rights basis. The paid up Capital of the Company as on 31st March 2020 is Rs.2544,29,10,670/- (Two Thousand Five Hundred Forty-Four Crore Twenty-Nine Lakh Ten Thousand Six Hundred Seventy only).
- The Company has fully redeemed its Non-Cumulative, Taxable, Non-Convertible Debentures (NCDs) which were issued through private placement with coupon rate of 8.12% in the FY 2016-17 aggregating Rs.20,000 million.
- The Company has issued and allotted 1,000 Compulsorily Convertible Debentures of Rs.1,00,00,000/- each through private placement on preferential basis.

For ***Ullas Kumar Melinamogaru & Associates***
Practising Company Secretaries

CS Ullas Kumar Melinamogaru
Proprietor
FCS 6202, CP No. 6640
UDIN F006202B000442682

Date : 13-07-2020
Place : Mangaluru

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

CS Ullas Kumar Melinamogaru
B.Com., F.C.M.A., F.C.S.
Practising Company Secretary

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Practising Company Secretaries
No.3, V Floor, Ashirvad Building, Ganapathy High School Road, Mangaluru – 575001

Annexure A

To,
The Members,
ONGC MANGALORE PETROCHEMICALS LIMITED
Mangalore Special Economic Zone
Permude, Mangalore- 574509
Karnataka India.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the company. I have relied upon the Reports of statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating to maintenance of Books of Accounts, papers and financial statement of the relevant financial year, which give a true and fair view of the state of the affairs of the Company.
4. I have relied upon the reports of statutory auditors regarding compliance of Fiscal Laws including Goods and Service Tax and not gone into that.
5. Where ever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For ***Ullas Kumar Melinamogaru & Associates***
Practising Company Secretaries

CS Ullas Kumar Melinamogaru
Proprietor
UDIN F006202B000442682

Date : 13-07-2020
Place : Mangaluru

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2020

[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:

i) CIN:- U40107KA2006GOI041258
ii) Registration Date : 19th December 2006
iii) Name of the Company: ONGC Mangalore Petrochemicals Limited
iv) Category / Sub-Category of the Company : Public Sector Enterprise
v) Address of the Registered office and contact details : MSEZ Permude, Mangalore-574509
vi) Whether listed company : Yes (CP listed)
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : (For NCDs only)

M/s Link Intime India Private Limited
247, Lal Bahadur Shastri Marg,
Vikhroli West, Mumbai, Maharashtra 400083
Tel No.: 91 22 49186000 | Extn: 2470 |
Fax No.: 91 22 49186060 |
Email bonds.helpdesk@linkintime.co.in
Contact Person: Mr. Amit Dabhade

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. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Paraxylene	19201	71.62%
2	Benzene	19201	14.38%
3	Paraffinic Raffinate	19201	10.85%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No	NAME AND ADDRESS OF THE	CIN/~~GLN~~	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section

	COMPANY				
1	M/s Mangalore Refinery and Petrochemicals Limited (MRPL)	L23209KA1988GOI008959	HOLDING	51%	2(87)(ii)
2	M/s Oil and Natural Gas Corporation Limited (ONGC)	L74899DL1993GOI054155	ASSOCIATE	48.99%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding :

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shar es	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	2127620401	NIL	2127620401	99.9937791	2544286144	NIL	2544286144	99.999806	19.58365%
e) Banks / FI									
f) Any Other.									
Sub-total (A)(1)	2127620401	NIL	2127620401	99.9937791	2544286144	NIL	2544286144	99.999806	19.58365%
(2) Foreign	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a) NRI-individual									
b) Other Individual									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other.									
Sub-total (A)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	2127620401	NIL	2127620401	99.9937791	2544286144	NIL	2544286144	99.999806	19.58365%
B. Public Shareholding									
(1) Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(2) Non Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals shareholders holding nominal share capital upto Rs. 1 lakh	1701	3000	4701	0.000221	923	4000	4923	0.000193492	4.7223995%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
Sub-total (B)(2)	1701	3000	4701	0.000221	923	4000	4923	0.000193492	4.7223995%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1701	3000	4701	0.000221	923	4000	4923	0.000193492	4.7223995%
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**2,12,76,22,102**	**3000**	**2,12,76,25,102**	**100**	**2,54,42,87,067**	**4000**	**2,54,42,91,067**	**100**	**19.58%**

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total shares of the Company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged /encumbered to total shares	% change in shareholding during the year
1	Oil and Natural Gas Corporation Limited	1,04,24,95,141	48.9980655	--	1,24,66,53,746	48.99807896	--	19.58%
2	Mangalore Refinery and Petrochemicals Limited	1,08,51,25,260	51.0017136	--	1,29,76,32,398	51.00172755	--	19.58%

(*iii*) *Change in Promoters' Shareholding:*

Sr No.	Particulars					Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year						
1	Oil and Natural Gas Corporation Limited	01.04.2019		1,04,24,95,141	48.9980655	124,66,53,746	48.998%
2	Mangalore Refinery and Petrochemicals Ltd	01.04.2019		1,08,51,25,260	51.0017136	129,76,32,398	51.001%
	Increase/decrease in shareholding during the year						
1	Oil and Natural Gas Corporation Limited	21.06.2019	Increase	20,41,58,605	48.9980655	1,24,66,53,746	8.024%
2	Mangalore Refinery and Petrochemicals Ltd	21.06.2019	Increase	21,25,07,138	51.0017136	1,29,76,32,398	8.352%
	At the end of the year						

1	Oil and Natural Gas Corporation Limited	01.04.2018		124,66,53,746	48.998%	124,66,53,746	48.998%
2	Mangalore Refinery and Petrochemicals Ltd	01.04.2018		129,76,32,398	5151.001%	129,76,32,398	51.001%

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

Sr No.	Particulars					Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	at the beginning of the year						
1	Shri Sameer Jain	Equity Share		500	0.000221	500	0.000221
2	Shri Bhavesh Goel	Equity Share		567		567	
3	Shri Aditya Kumar Mishra	Equity Share		567		567	
4	Shri Ankur Sharma	Equity Share		567		567	
5	Shri Apurav Goyal	Equity Share		500		500	
6	Shri Ashith B. Shetty	Equity Share		500		500	
7	Shri Sanjeev J.	Equity Share		500		500	
8	Smt. Kavita Sharma	Equity Share		500		500	
9	Shri Subhaschandra Pai. T	Equity Share		100		100	
10	Shri Yogish Nayak. S	Equity Share		100		100	
11	Shri Sushil Chandra. M	Equity Share		100		100	
12	Shri B. Prashantha Baliga	Equity Share		100		100	
13	Shri Shyam Prasad Kamath	Equity Share		100		100	
	Total (A)			**4701**		**4701**	
	Increase/decrease in shareholding during the year						
1	Shri Sameer Jain	Equity Share		0		500	
2	Shri Bhavesh Goel	Equity Share		111	0%	678	
3	Shri Aditya Kumar Mishra	Equity Share		111	0%	678	

4	Shri Ankur Sharma	Equity Share		0		567	
5	Shri Apurav Goyal	Equity Share		0		500	
6	Shri Ashith B. Shetty	Equity Share		0		500	0.000193492
7	Shri Sanjeev J.	Equity Share		0		500	
8	Smt. Kavita Sharma	Equity Share		0		500	
9	Shri Subhaschandra Pai. T	Equity Share		0		100	
10	Shri Yogish Nayak. S	Equity Share		0		100	
11	Shri Sushil Chandra. M	Equity Share		0		100	
12	Shri B. Prashantha Baliga	Equity Share		0		100	
13	Shri Shyam Prasad Kamath	Equity Share		0		100	
	Total Increase/decrease (B)	-		222	0%	4,923	0.000193492
	At the end of the year 31.03.2020 (A+B)	-		4,923	0.000193492	4,923	0.000193492

(v) Shareholding of Directors and Key Managerial Personnel:

Sr No.	Particulars					Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	For Directors						
1	Shri Shashi Shanker	Chairman		0	0.00	0	0.00
2	Shri M Venkatesh	Director		0	0.00	0	0.00
3	Shri Rajesh Kakkar	Director		0	0.00	0	0.00
4	Shri Sanjay Kumar Moitra	Director		0	0.00	0	0.00
5	Smt Alka Mittal	Director		0	0.00	0	0.00
6	Shri M Vinayakumar	Director		0	0.00	0	0.00
7	Smt Pomila Jaspal	Director		0	0.00	0	0.00
	Key Managerial Personnel						
1	Shri S S Nayak	CEO		0	0.00	0	0.00

2	Shri Surendra Nayak	CFO		0	0.00	0	0.00
3	Shri K B Shyam Kumar	CS		0	0.00	0	0.00
	Increase/decrease in shareholding during the year						
	NIL						
	At the end of the year 31.03.2020			0	0.00	0	0.00

(vi). Indebtedness:

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

(Rs. In crore)

	Secured Loans deposits	Un secured Loan	Deposits	Total indebtedness
Indebtedness at the beginning of the Financial year				
i) Principal Amount	3,199.13	3,287.52	-	6,486.65
ii) Interest due but not paid				
iii) Interest accrued but not due	189.27	2.18	-	191.45
Total (i+ii+iii)	3,388.40	3,289.70	-	6,678.10
Change in indebtedness during the Financial year				
Addition	9,730.95	7,729.66		17,460.61
Reduction	9,136.34	9,193.50	-	18,329.84
Net Change	594.61	-1,463.85	-	-869.23
Indebtedness at the end of the Financial year				
i) Principal Amount	3,980.77	1,825.73	-	5,806.50
ii) Interest due but not paid				-
iii) Interest accrued but not due	2.24	0.12		2.36
Total (i+ii+iii)	3,983.01	1,825.85		5,808.86

(vii). Remuneration of directors and key managerial personnel:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: As there is no MD, WTD and / or Manager, the information is NIL.

B. Remuneration to other directors:

Company has not paid sitting fees to the Director during financial year 2019-20, Hence The setting fees of Directors are not exceeding one lakh rupees per meeting , as required under Section 197(5) Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014

Remuneration to key managerial personnel other than MD/Manager/WTD:

Sr. no.	**Particulars of Remuneration**	**Shri S.S Nayak**	**Shri Surendra Nayak***	**Shri. K B Shyam Kumar**	**Total Amount**
		CEO	**CFO**	**CS**	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs.48,10,617	Rs.32,50,814	Rs.30,16,643	Rs.1,10,78,074
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Rs.425,748	Nil	Rs.425,748
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - As % of profit - Other,	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	Rs.48,10,617	Rs.36,76,562	Rs.30,16,643	Rs.1,15,03,822

* On secondment from holding Company MRPL

(viii). PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Corporate Governance Report for the year 2019-20

Company's philosophy on Corporate Governance

ONGC Mangalore Petrochemicals Limited (the Company) is committed to maintain the highest standards of Corporate Governance in its dealings with its various stakeholders. It is an integral part of the Company's core values which include transparency, integrity and honesty in its dealings. The Company believes in practicing good Corporate Governance and endeavours to improve on these aspects on an ongoing basis.

Board of Directors

As on March 31, 2020, the Board of Directors has six directors, including a woman director. The Board comprises of six Promoter Directors. All the Board members are Non-Executive. The Board members possess necessary skills, adequate experience and overall expertise to guide the Company.

The composition of the Board as on 31st March 2020 was as under:

Name of the Director	Business Relationship	Category of Directorship
Shri Shashi Shanker	Chairman	Non-Executive
Shri M Venkatesh	Director	Non-Executive
Shri Rajesh Kakkar	Director	Non-Executive
Shri Sanjay Kumar Moitra	Director	Non-Executive
Smt Alka Mittal	Director	Non-Executive
Shri M Vinayakumar	Director	Non-Executive
Smt Pomila Jaspal	Director	Non-Executive

Changes in the Board of Directors during 2019-20
Smt Pomila Jaspal was appointed on the Board of the Company on 26.11.2019

Board Meetings held during the year 2019-20

During the year ended on 31st March 2020, Six Board Meetings were held and the details are as under:-

Date of Meeting	Place of Meeting
11th April 2019	New Delhi
25th April 2019	New Delhi
18th June 2019	New Delhi
3rd August 2019	Mangaluru
30th October 2019	New Delhi
28th January 2020	New Delhi

Attendance of Directors at the Board meeting held during the year 2019-20

The attendance at the Board Meetings held during the year ended on 31st March 2020 and at the last Annual General Meeting are as under:-

Name of the Director	No. of Meeting Attended (Held = 6)	Attended last AGM	No. of other directorship		No. of outside committees #	
			Public	Private	Member	Chairman
Shri Shashi Shanker	6	Yes	7	-	-	-
Shri M Venkatesh	6	Yes	4	-	1	1
Shri Rajesh Kakkar	6	Yes	3	-	1	-
Shri Sanjay Kumar Moitra	5	Yes	2	-	2	-
Smt Alka Mittal	5	No	1	-	1	-
Shri M Vinayakumar	6	Yes	2	-	2	-
Smt Pomila Jaspal (appointed on 26.11.2019)	1	NA	2	-	1	-

Chairmanship/Membership of the Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies

Resume of the directors proposed to be re-appointed

The notice of the 14th Annual General Meeting contains the brief resume of Director retiring by rotation including nature of his experience in specific functional areas, names of companies in which he holds directorship and membership/ chairmanship of Board/ Committee.

Board Committees

The Company has the following Committees of the Board:

Audit Committee

Pursuant to Section 177 of the Companies Act 2013, the Company has an Audit Committee which was originally constituted on 1st September 2010 and thereafter reconstituted from time to time as a good Corporate Governance Practice. The Audit Committee deals with the matters entrusted by the Board of Directors from time to time which include accounting matters, financial reporting and internal controls. The power, role, delegation, responsibilities and terms of reference of the Audit Committee have been derived from Section 177 of the Companies Act, 2013 and include the following:

A. Overview the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
B. Recommendation relating to remuneration of auditors of the company;
C. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
D. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to;

- Matters required to be included in the Director's Responsibility Statement in the Board's report
- Changes, if any, in accounting policies and practices and reasons for the same
- Major accounting entries involving estimates based on the exercise of judgment by management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with legal requirements relating to financial statements
- Qualifications in the draft audit report

E. Mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee.

F. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

G. Evaluation of internal financial controls and risk management systems;

H. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

I. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

J. Holding discussion with internal auditors of any significant findings and follow up there on;

K. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

L. Holding discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

M. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

N. Reviewing the functioning of the Whistle Blower mechanism;

O. Considering and reviewing the following with the management, internal auditor and the independent auditor:

    - Significant findings during the year, including the status of previous audit recommendations

- Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information,

P. Investigating into any matter in relation to the items specified above or referred to it by the Board and it shall have power to obtain professional advice from external sources and have full access to information in the records and to seek information from any employee.

Q. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

R. Granting approval or any subsequent modification of transactions of the company with related parties;

S. Monitoring the end use of the funds raised through public offers and related matters;

T. Scrutinising inter-corporate loans and investments;

U. Carrying out valuation of undertakings or assets of the company, wherever it is necessary;

The information pertaining to composition of the Audit Committee, number of meetings held and attendances there by the Members of the Audit Committee meeting held in 2019-20 have provided herein below:

Name of Director	**Designation**	**No. of Meeting Attended (Held = 6)**
Shri Sanjay Kumar Moitra	Chairman	6
Smt Alka Mittal	Member	4
Shri M Vinayakumar	Member	6
Smt Pomila Jaspal (from 26.11.2019)	Member	1

All the Members are Non- Executive Directors.

Six meetings of the Audit Committee were held during the year 2019-20:

Date of Meeting	**Place of meeting**
10th April 2019	New Delhi
24th April 2019	New Delhi
18th June 2019	New Delhi
30th July 2019	New Delhi
23rd October 2019	New Delhi
24th January 2020	Dehradun

The Internal Auditors and Statutory Auditors of the Company were invited to the meeting. The Company Secretary acts as the Secretary to the Audit Committee.

Nomination and Remuneration Committee

The Company has constituted Nomination and Remuneration Committee on 28th March 2015 in terms of Section 178 of the Companies Act, 2013. The terms of reference, inter alia, includes the following:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board for their appointment and removal.

- To recommend to the Board a policy, relating to the remuneration for the directors, KMP and other employees.
- To formulate a policy which ensures that
  - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - Remuneration to directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- To carry out evaluation of every director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director

The information pertaining to composition of the Members of the Nomination and Remuneration Committee have provided herein below:

As on March 31, 2020 the Committee consists of Shri. M Venkatesh, Chairman, Shri Rajesh Kakkar, Member, Smt Alka Mittal, Member and Shri M Vinayakumar, Member as its members.

All the Members are Non- Executive Directors. During the year 2019-20, the Committee has met thrice on 18.07.2019, 25.07.2019 and 30.10.2019. The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

Corporate Social Responsibility Committee

In terms of Section 135 of the Companies Act, 2013 it is necessary to constitute a Corporate Social Responsibility Committee to oversee the CSR activities. Accordingly, Corporate Social Responsibility Committee was constituted by the Board of Directors in its 52nd meeting held on March 15, 2016.

The terms of reference, inter alia, includes the following:

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made thereunder
- To recommend the amount of expenditure to be incurred on the CSR activities
- To monitor the implementation of the CSR Policy of the Company from time to time

The CSR Policy was approved by the Board on August 01, 2016 and is uploaded on the Company's website. During the year 2019-20, the Committee has met once on 18.06.2019. As the Company commenced its commercial operation during 2014-15 and was not having positive average profits during the immediately preceding three financial years, the Company has not spent any amount on CSR activities.

As on March 31, 2020, the Committee consists of three members viz., Shri Rajesh Kakkar, Chairman, Smt Alka Mittal, Member and Shri M Vinayakumar, Member.

Committee of Directors

The Board of Directors of the Company constituted Committee of Directors on 26th November 2009 to look into, deliberate and approve high value contracts, negotiate with the short-listed parties and to resolve various issues regarding pricing, payment mechanism, guarantees, support etc.

The composition of the Committee of Directors during the year under review and the details of meetings attended by the Members of the Committee are given below:

Name of Director	Designation	No. of Meeting Attended (Held = 9)
Shri M Venkatesh	Chairman	9
Shri S K Moitra	Member	7
Smt Alka Mittal	Member	4
Smt Pomila Jaspal (from 26.11.2019)	Member	3

All the Members of the Committee of Directors are Non- Executive Directors.

Nine meetings of the Committee of Directors were held during the year 2019-20 as under:

Date of Meeting	Place of meeting
24th April 2019	New Delhi
24th May 2019	Mangaluru
01st July 2019	Mangaluru
16th August 2019	Mangaluru
31st August 2019	Mangaluru
15th November 2019	Mangaluru
16th December 2019	Mangaluru
20th December 2019	Mangaluru
05th February 2020	Mangaluru

The Company Secretary acts as the Secretary to the Committee of Directors.

As on March 31, 2020, the Committee consists of four members viz., Shri. M Venkatesh, Chairman, Shri Sanjay Kumar Moitra, Member, Smt Alka Mittal, Member and Smt Pomila Jaspal as its members.

Remuneration to Directors

All the Directors on the Board of Directors of the Company are Non-executive Directors. Sitting fees were paid @ Rs.10,000/- for each meeting for attending the meetings of the Board of Directors and Committee meetings to the Independent Directors. With effect from September 03, 2016, the same was increased to Rs.25,000/- per Board Meeting and Rs.20,000/- per Committee Meeting.

Since the Company does not have Independent Directors during 2019-20, no sitting fee was paid.

Annual General Meetings (AGM)

The details of the last three Annual General Meetings of the Company are as under:

Financial Year Ended	Date of AGM	Time	Venue	Special resolutions passed
31st March 2019	03rd August 2019	10:00 hrs	Registered office at Permude, Mangalore	No Special Resolution was passed in the meeting.
31st March 2018	11th August 2018	14:30 hrs	Registered office at Permude, Mangalore	Offer or invitation for subscription for Non-Convertible Debentures (NCDs) aggregating to Rs.2,500 Cr on private placement.
31st March 2017	19th August2017	14.00 hrs	Registered office at Permude, Mangalore	No Special Resolution was passed in the meeting.

General Shareholder Information

Company Registration Details

The Company is registered in the State of Karnataka, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U40107KA2006GOI041258.

The Annual General Meeting is scheduled to be held on: September 16, 2020

Financial Calendar:

Adoption of Half yearly results for the period ending	Tentative date of the meeting of the Board
30th June 2020 (unaudited)	August I week, 2020
30th September 2020 (unaudited)	November I week, 2020
31st December 2020	February I week, 2021
31st March 2021 (audited)	May II week, 2021

These dates are tentative and subject to change and the last date for submission of the unaudited half yearly and year to date financial results to the stock exchange is within forty-five days of end of the quarter (except the last quarter). The last date for submission of the financial results of the last quarter is within sixty days from the end of the financial year.

Book Closure: None

Registrars/Transfer Agents (for shares): In-house by Secretarial Department
Registrars/Transfer Agents (for CCDs): M/s Link Intime India Private Limited
247 Park, Lal Bahadur Shastri Marg,
Vikhroli West, Mumbai, Maharashtra 400083
Tel No.: 91 22 49186101
Fax No.: 91 22 49186060
E-mail: debtca@linkintime.co.in

Listing on Stock Exchanges:

Non-Convertible Debentures listed on the Debt Market segment of Bombay Stock Exchange Limited and the details are as below:

Name and address	Telephone/Fax/E-Mail/Website ID
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	Telephone:022-22721233/4 Fax: 022-22721919 E-mail:info@bseindia.com Website:www.bseindia.com

Scrip Code : 953380; ID : 11211
8.12% NCDs (Redeemed on 10th June 2019)

Listing Fee
Annual listing fee for the year 2019-20, as applicable, has been paid to BSE.

Demat ISIN Number in NSDL & CDSL
Equity Shares: INE053T01011
CCD Series 1: INE053T08016
CCD Series 2: INE053T08024
CCD Series 3: INE053T08032

Custody fee of NSDL and CDSL has been paid for the financial year 2019-20.

Address for correspondence
Investor Correspondence
For Shares/Debentures held in Physical/demat form

Shri K B Shyam Kumar
Company Secretary
ONGC Mangalore Petrochemicals Limited
MSEZ, Permude
Mangalore – 574 509
Phone:0824 - 2872075
Fax:0824- 2872004
Email: cs@omplindia.com / shyamkumar@omplindia.com

Shareholding Pattern as on 31st March 2020:

Sr. No.	Name of Shareholder	No. of Shares	% of Shareholding
1	M/s Oil and Natural Gas Corporation Limited (ONGC)	124,66,53,746	48.998%
2	M/s Mangalore Refinery and Petrochemicals Limited (MRPL)	129,76,32,398	51.001%
3	Others (Individuals)	4,923	0.000%
	TOTAL	254,42,91,067	100.000%

Means of communication

Half yearly/Annual Results: The Company regularly intimated un-audited as well as audited financial results to the Stock Exchange, immediately after they were approved. These financial results were normally published in the leading English daily having wide circulation across the country. The results are also displayed on the website of the Company http://ompl.co.in.

Website: The Company's website http://ompl.co.in contains separate dedicated section 'Investors' wherein information for shareholders/ debenture holders is available.

Annual Report: Annual Report containing inter-alia, Audited Accounts, Board's Report, Corporate Governance Report, Auditor's Report including information for the shareholders and other important information is circulated to the members and others entitled thereto.

SEBI Complaints Redress System (SCORES): The investor complaints were processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Designated Exclusive email-id: The Company has designated the following email-id exclusively for investor servicing: cs@omplindia.com

Transfer to Investor Education and Protection Fund (IEPF)

The Company has not accepted any deposits from the public and also the Company has not declared any dividend since its incorporation. Interests on debentures were paid to their holders and no amount is lying as unclaimed. Therefore, there were no amounts which remained unpaid/unclaimed for a period of seven years and which were required to be transferred by the Company to the Investor Education and Protection Fund established by the Central Government pursuant to Section 124 of the Companies Act, 2013.

Code of Conduct

Your Company has framed its own Code of Conduct for the members of the Board of Directors and senior management personnel of the Company.

Fee to Statutory Auditors

The fee paid/ payable to the Statutory Auditors for the year was Rs.5,00,000 (previous year Rs.4,50,000) for Statutory Audit fees, Rs.6,56,712 for certification services plus reasonable travelling and out of pocket expenses actually incurred / reimbursable (Previous year Rs.4,50,000).

Disclosures

There were no significant related party transactions i.e. transactions of the Company of a material nature, with its promoters, the directors or the key managerial personnel or their subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company at large.

Compliances
The Company has complied with applicable rules (except as otherwise stated in this report) and the requirement of regulatory authorities on capital market and no penalties or strictures were imposed on the Company during last three years. All returns/ reports were filed within stipulated time with stock exchanges/ other authorities.

Plant Location

MSEZ, Permude
Mangalore - 574509

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OFONGC MANGALORE PETROCHEMICALS

LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of ONGC Mangalore Petrochemicals Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under, of the state of affairs (financial position) of the Company as at 31st March 2020, the loss (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditors Responses & Principal Audit Procedures adopted
1.	Capitalisation of Property, Plant and Equipment: The Company has made additions to Property, Plant and equipment amounting to INR 783.16 million. The major additions consisted of NHT Modification of INR 325.88 million and HA Loading of INR 62.17 million. The capitalization of the above assets were done after ensuring compliance with the recognition principles laid down in Ind AS 16 - Property, Plant and Equipment. The process of capitalization involved evaluation by competent technical personnel as to the fulfillment of the conditions to ensure that the assets were ready for intended use as well as the date of capitalization. The cost of the asset including the directly attributable cost were ascertained and duly considered for capitalization.	Our audit procedures included and were not limited to the following: - Verification of various components of costs pertaining to capitalization, with the relevant purchase orders and documentary evidence to ensure that the costs of capitalization have been considered appropriately as per the recognition criteria as set out in Ind AS 16 and ensure correct classification under the respective asset. - Our audit procedure also involved evaluating the assessment provided by technical personnel as to the date of commissioning of the relevant assets and that the assets were ready for intended use.

2.	Contingent Liabilities - Note 39.1 of Notes to Financial statements Contingent liabilities and Claims against the company regarding claims of differential duty against the company and pending litigations, impact of which is not known at this stage	We have analysed and reviewed the nature of the amount of claim, the sustainability and the likelihood of crystallization of liability upon final resolution as given by the company's tax and legal department as well as written representation. Based on the information and explanation provided to us, we are of the opinion that the contingent liabilities in Note 39.1 meets with the disclosure requirements Based on the information and explanation provided to us, that disclosure of contingent liabilities as mentioned in Note 39.1 of the Standalone Financial Statements is appropriate and does not warrant any provision in the accounts.

Emphasis of Matter

Attention is invited to the following:

a. Note No - 32 – Recognition of Deferred tax asset (DTA) in the financials of the Company.
   As stated in the said note, a sum of INR 1,114.89 million has been recognized as deferred tax asset in the Statement of Profit and Loss for the year ended Mar 31, 2020. The amount so recognized for the current year along with the DTA recognized as on 31.03.2019 and aggregating to INR 9,556.16 million is considered as Deferred Tax Asset in the Balance Sheet as at 31.03.2020. As explained in the said note, the recognition of DTA is based on the assumption of probable surplus in the future years estimated by the Company and the Company will also have sufficient taxable income in the future accounting years against which the past business losses and depreciation will be available for setoff.

b. Note 49 relating to impact of Covid-19 pandemic on the operations and financial position of the Company

Our opinion is not modified in respect of the said matter.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this Auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors and take necessary actions as per applicable laws and regulations.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the 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 financial 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

2. Based on the verification of Records of the Company and based on information and explanation given to us, we give here below a report on the Directions issued by the Comptroller and Auditor General of India in terms of Sec 143(5) of the Act:

   a. The Company has system in place to process all the accounting transactions through IT system. Our examination of records of the Company during the course of audit did not indicate the possibility of processing of accounting transactions outside IT system and consequently, there are no implications arising out of such transactions.
   b. There is no restructuring of an existing loan or cases of waiver / write off of debts / loans / interest, etc made by a lender due to the company's inability to repay the loan.
   c. No funds have been received / receivable for specific schemes from Central / state agencies. Export incentives due to the Company in the form of MEIS scrips have been properly accounted as per the terms and conditions.

3. 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), the Statement of Changes in Equity and the Cash Flow Statement and dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) Disqualification of Directors stated under Section 164(2) of the Act is not applicable to a Government Company as per notification no. GSR 463(E) of the Ministry of Corporate Affairs dated 05.06.2015;

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";

   (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 39 to the standalone 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 CHANDRAN & RAMAN
Chartered Accountants
Firm Registration No: 000571S

(S Pattabiraman)
Partner
Membership No: 014809

Place : Chennai
Date : 05.06.2020

Annexure - A to the Independent Auditors' Report
(referred to in our report of even date):

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. As explained to us, physical verification of inventories has been conducted by the management at reasonable intervals. In our opinion and according to the explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. As per the information given to us, no material discrepancies were noticed on such verification.

iii. According to the information and explanations given to us, the Company has not granted any loans to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Act.

iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans, given guarantee or provided security to directors / to a Company in which the Director is interested to which provisions of Section 185 of the Act apply. The company has not given any loans, guarantee or security or made investments covered under provisions of section 186 of the Act.

v. The Company has not accepted any deposits from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder.

vi. We have broadly reviewed the records maintained by the company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained. However, we have not made a detailed examination of the records.

vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has been generally regular in depositing undisputed statutory dues including provident fund, income-tax, sales tax, duty of customs, cess, Goods and Services Tax and other statutory dues with the appropriate authorities during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, duty of customs, cess, Goods and Services Tax and other statutory dues were in arrears as at 31st March, 2020, for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, there are no dues of duty of customs, Income tax, sales tax, duty of excise, service tax, Goods and Services Tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanation given to us and the records of the Company examined by us, the Company has not defaulted in the repayment of dues to financial institutions, banks, Government and debenture holders.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. As per notification no. GSR 463(E) of the Ministry of Corporate Affairs dated 05/06/2015, the provisions of Section 197 of the Act as regards managerial remuneration are not applicable to the Company since it is a Government Company.

xii. As the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in the standalone 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 raised moneys through compulsorily convertible debentures during the year. The moneys raised were in compliance with Sec 42 of the Companies Act, 2013 and the proceeds were utilized for the purposes for which it was raised.

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 them during the year. Accordingly, reporting under clause 3 (xv) of the Order does not arise.

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. Accordingly, the provisions of clause (xvi) of the Order are not applicable to the Company.

For CHANDRAN & RAMAN
Chartered Accountants
Firm Registration No: 000571S

(S Pattabiraman)
Partner
Membership No: 014809

Place : Chennai
Date : 05.06.2020

Annexure -B to the Independent Auditor's Report
(Referred to in our report of even date)

Report on the Internal Financial Controls with reference to financial Statements under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of ONGC Mangalore Petrochemicals Limited ("the Company") as of 31st March, 2020, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2020, based on the internal financial controls with reference to financial statements 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.

For CHANDRAN & RAMAN
Chartered Accountants
Firm Registration No: 000571S

(S Pattabiraman)
Partner
Membership No: 014809

Place : Chennai
Date : 05.06.2020

ONGC MANGALORE PETROCHEMICALS LIMITED
CIN:U40107KA2006GOI041258
(A subsidiary of Mangalore Refinery & Petrochemicals Limited- MRPL)
Regd. Office : Mangalore SEZ, Permude, Mangaluru - 574509, Karnataka.

BALANCE SHEET AS AT MARCH 31, 2020

	Particulars	Notes	As at March 31, 2020	As at March 31, 2019
			₹ in Millions	₹ in Millions
	ASSETS			
(1)	**Non-current assets**			
	(a) Property, plant and equipment	5	54,797.33	56,286.35
	(b) Capital work-in-progress	6	157.45	127.98
	(c) Right-of-use assets	7	3,347.99	-
	(d) Intangible assets	8	7.48	7.08
	(e) Financial assets			
	(i) Investment	9	4.80	4.80
	(ii) Loans	10	42.31	19.20
	(f) Deferred tax assets (net)	32	9,556.16	7,654.11
	(g) Other non-current assets	12	-	3,072.53
	Total non-current assets		**67,913.52**	**67,172.05**
(2)	**Current assets**			
	(a) Inventories	13	2,906.51	5,144.03
	(b) Financial assets			
	(i) Trade receivables	14	758.20	3,578.36
	(ii) Cash and cash equivalents	15	0.20	20.82
	(iii) Loans	10	-	3.59
	(iv) Other financial assets	11	1.68	0.91
	(c) Current tax assets (net)	16	0.81	0.54
	(d) Other current assets	12	1,086.22	1,692.13
	Total current assets		**4,753.62**	**10,440.38**
	Total assets		**72,667.14**	**77,612.43**
	EQUITY AND LIABILITIES			
(1)	**EQUITY**			
	(a) Equity share capital	17	25,442.91	21,276.25
	(b) Other equity	18	(19,596.89)	(14,944.54)
	Total equity		**5,846.02**	**6,331.71**
	LIABILITIES			
(2)	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	19	44,262.38	7,148.54
	(ii) Other financial liabilities	20	262.03	-
	(b) Provisions	21	171.33	124.23
	Total non-current liabilities		**44,695.74**	**7,272.77**
(3)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	19	11,583.01	34,458.49
	(ii) Trade Payables	22		
	(a) Total outstanding due of micro and small enterprises		32.83	2.82
	(b) Total outstanding due of creditors other than micro and small enterprises		1,030.89	3,241.67
	(iii) Other financial liabilities	20	9,443.85	26,284.88
	(b) Other current liabilities	23	26.67	12.02
	(c) Provisions	21	8.13	8.07
	Total current liabilities		**22,125.38**	**64,007.95**
	Total liabilities		**66,821.12**	**71,280.72**
	Total equity and liabilities		**72,667.14**	**77,612.43**

See accompanying notes to the standalone financial satements (1-51)
As per our report of even date attached

For ONGC Mangalore Petrochemicals Limited

For M/s Chandran & Raman
Chartered Accountants
(Firm's Registration No.000571S)

M. Venkatesh
Director
DIN: 07025342

Pomila Jaspal
Director
DIN: 08436633

CA. S. Pattabiraman
Partner
Membership No. 014309

K. B. Shyam Kumar
Company Secretary

Surendra Nayak
Chief Financial Officer

Sujir S. Nayak
Chief Executive Officer

Place: New Delhi
Date: 05.06.2020

Place: New Delhi
Date: 05.06.2020

ONGC MANGALORE PETROCHEMICALS LIMITED
CIN:U40107KA2006GOI041258
(A subsidiary of Mangalore Refinery & Petrochemicals Limited- MRPL)
Regd. Office : Mangalore SEZ, Permude, Mangaluru - 574509, Karnataka.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A Equity share capital

Particulars	₹ in Millions
Balance as at March 31, 2018	18,776.26
Changes in equity share capital during the year	2,499.99
Balance as at March 31, 2019	21,276.25
Changes in equity share capital during the year	4,166.66
Balance as at March 31, 2020	25,442.91

B Other equity

Particulars	Reserves and surplus				
	Securities premium	Retained earnings	Debenture Redemption Reserve	Equity component of compound financial instrument	Total
	₹ in Millions	₹ in Millions	₹ in Millions	₹ in Millions	₹ in Millions
Balance as at March 31, 2018	**3,747.37**	**(19,403.75)**	**-**	**-**	**(15,656.38)**
Profit for the year		228.94	-	-	**228.94**
Additional during the year	500.00	-	-	-	**500.00**
Transfer during the year	(3.00)	(228.94)	228.94	-	**(3.00)**
Remeasurement of defined benefit plans, net of income tax	-	(14.10)	-	-	**(14.10)**
Balance as at March 31, 2019	**4,244.37**	**(19,417.85)**	**228.94**	**-**	**(14,944.54)**
Profit for the year	-	(14,004.32)	-	-	**(14,004.32)**
Additional during the year	833.34	-	-	-	**833.34**
Transfer during the year	(5.00)	228.94	(228.94)	-	**(5.00)**
Issue of compound financial instrument	-	-	-	7,740.67	**7,740.67**
Deferred tax impact on equity component of compound financial instrument	-	-	-	785.69	**785.69**
Remeasurement of defined benefit plans, net of income tax	-	(2.73)	-	-	**(2.73)**
Balance as at March 31, 2020	**5,072.71**	**(33,195.96)**	**-**	**8,526.36**	**(19,596.89)**

See accompanying notes to the standalone financial satements (1-51)
As per our report of even date attached

For ONGC Mangalore Petrochemicals Limited

For M/s Chandran & Raman
Chartered Accountants
(Firm's Registration No.000571S)

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Director
DIN: 07025342

Pomila Jaspal
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DIN: 08436633

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Partner
Membership No. 014309

K. B. Shyam Kumar
Company Secretary

Surendra Nayak
Chief Financial Officer

Sujir S. Nayak
Chief Executive Officer

Place: New Delhi
Date: 05.06.2020

Place: New Delhi
Date: 05.06.2020

ONGC MANGALORE PETROCHEMICALS LIMITED
CIN:U40107KA2006GOI041258
(A subsidiary of Mangalore Refinery & Petrochemicals Limited- MRPL)
Regd. Office : Mangalore SEZ, Permude, Mangaluru - 574509, Karnataka.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
			₹ in Millions	₹ in Millions
I	Revenue from operations	24	49,541.70	85,674.16
II	Other income	25	7.65	8.86
III	**Total Income (I+II)**		**49,549.35**	**85,683.02**
IV	**EXPENSES**			
	Cost of materials consumed	26	48,604.92	67,635.39
	Changes in inventories of finished goods and work-in-progress	27	(389.88)	1,502.23
	Employee benefits expense	28	603.08	521.54
	Finance costs	29	5,053.09	5,711.45
	Depreciation and amortization expense	30	3,025.83	2,907.72
	Other expenses	31	7,771.52	6,662.83
	Total expenses (IV)		**64,668.56**	**84,941.16**
V	**Profit/(loss) before exceptional items and tax (III-IV)**		**(15,119.21)**	**741.86**
VI	Exceptional items		-	-
VII	**Profit/(loss) before tax (V-VI)**		**(15,119.21)**	**741.86**
VIII	Tax expense:	32		
	(1) Current tax		-	-
	(2) Deferred tax		(1,114.89)	512.92
			(1,114.89)	**512.92**
IX	**Profit/(loss) for the year (VII-VIII)**		**(14,004.32)**	**228.94**
X	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined benefit plans	35	(4.20)	(21.67)
	(b) Income tax relating to above	32	1.47	7.57
			(2.73)	**(14.10)**
XI	**Total Comprehensive Income/(loss) for the year (IX+X)**		**(14,007.05)**	**214.84**
XII	Earnings per equity share:	34		
	(1) Basic (in ₹)		(5.71)	0.11
	(2) Diluted (in ₹)		(5.71)	0.11

See accompanying notes to the standalone financial satements (1-51)
As per our report of even date attached

For ONGC Mangalore Petrochemicals Limited

For M/s Chandran & Raman
Chartered Accountants
(Firm's Registration No.000571S)

M. Venkatesh
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Chief Executive Officer

Place: New Delhi
Date: 05.06.2020

Place: New Delhi
Date: 05.06.2020

ONGC MANGALORE PETROCHEMICALS LIMITED

CIN:U40107KA2006GOI041258
(A subsidiary of Mangalore Refinery & Petrochemicals Limited- MRPL)
Regd. Office : Mangalore SEZ, Permude, Mangaluru - 574509, Karnataka.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

	Particulars	For the year ended March 31, 2020 ₹ in Millions	For the year ended March 31, 2019 ₹ in Millions
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit/(loss) for the year	**(14,004.32)**	**228.94**
	Adjustments for :		
	Depreciation and amortisation expense	3,025.83	2,907.72
	Income tax expense	(1,114.89)	512.92
	Finance costs	5,053.09	5,711.45
	Interest income	(3.19)	(0.43)
	Dividend income from mutual funds	(1.47)	(7.06)
	Loss/(profit) on sale/disposal of property plant & equipment	44.43	-
	Foreign exchange (gain) / loss, net	2,644.71	(434.56)
	Others	49.21	87.11
		(4,306.60)	**9,006.09**
	Movements in working capital :		
	(Increase)/decrease in Trade receivables	2,820.16	(2,139.34)
	(Increase)/decrease in Inventories	2,235.47	60.85
	(Increase)/decrease in Loans	(19.52)	0.02
	(Increase)/decrease in Other financial assets	(0.77)	0.87
	(Increase)/decrease in Other assets	(1,383.77)	2,380.05
	Increase/(decrease) in Trade payables	(2,180.77)	161.18
	Increase/(decrease) in Provisions	(2.73)	(14.11)
	Increase/(decrease) in Other financial liabilities	4,486.47	1,610.94
	Increase/(decrease) in Other liabilities	14.65	(2.08)
	Cash generated / (used in) operations	**1,662.59**	**11,064.47**
	Income taxes paid/adjusted, net of refunds	1,114.62	(510.78)
	Net cash generated from / (used in) operations	**2,777.21**	**10,553.69**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Payments for property, plant and equipment	(1,405.27)	(2,815.87)
	Payments for intangible assets	(1.25)	(0.82)
	Interest received	3.19	0.43
	Dividend received from mutual funds	1.47	7.06
	Net cash generated from / (used in) investing activities	**(1,401.86)**	**(2,809.20)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from equity share capital	4,995.00	2,997.00
	Proceeds from equity component of compound financial instrument	8,526.36	-
	Proceeds from long-term borrowings	38,430.87	193.73
	Repayment of long-term borrowings	(24,725.60)	(8,278.79)
	Proceeds from short-term borrowings	126,645.08	173,922.96
	Repayment of short-term borrowings	(150,209.42)	(170,870.17)
	Payment of lease liabilities	(23.40)	-
	Finance costs	(5,034.86)	(5,688.56)
	Net cash generated from / (used in) financing activities	**(1,395.97)**	**(7,723.83)**
	Net increase/ (decrease) in cash and cash equivalents	**(20.62)**	**20.66**
	Cash and cash equivalents at the beginning of the year	20.82	0.16
	Cash and cash equivalents at the end of the year	**0.20**	**20.82**

NOTES:

1) The above cash flow statement has been prepared as per "Indirect method" as set out in the Ind AS 7 "Cash Flow Statement".
2) Payments for property, plant and equipment includes movement of Capital Work-in-progres during the year.

See accompanying notes to the standalone financial satements (1-51)
As per our report of even date attached

For ONGC Mangalore Petrochemicals Limited

For M/s Chandran & Raman
Chartered Accountants
(Firm's Registration No.000571S)

M. Venkatesh
Director
DIN: 07025342

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Sujir S. Nayak
Chief Executive Officer

Place: New Delhi
Date: 05.06.2020

Place: New Delhi
Date: 05.06.2020

5 Property, plant and equipment

Carrying amounts of:	**As at March 31, 2020**	**As at March 31, 2019**
	₹ in Millions	₹ in Millions
Buildings	740.75	755.52
Plant and equipment	53,511.83	55,106.69
Furniture and fixtures	26.92	31.41
Vehicles	82.55	91.90
Office equipment	435.28	300.83
Total	**54,797.33**	**56,286.35**

0.02

Cost or deemed cost	**Buildings**	**Plant and equipment**	**Furniture and fixtures**	**Vehicles**	**Office equipment**	**Total**
Balance as at April 1, 2018	**946.42**	**65,256.91**	**48.93**	**137.54**	**577.03**	**66,966.83**
Additions	4.25	1,147.88	1.68	0.11	40.15	1,194.07
Disposals/adjustments	(5.71)	(3.24)	-	-	-	(8.95)
Balance as at March 31, 2019	**944.96**	**66,401.55**	**50.61**	**137.65**	**617.18**	**68,151.95**
Additions	15.94	1,278.91	0.30	2.37	188.36	1,485.88
Disposals/adjustments	-	(76.18)	-	-	(1.35)	(77.53)
Balance as at March 31, 2020	**960.90**	**67,604.28**	**50.91**	**140.02**	**804.19**	**69,560.30**

Accumulated depreciation	**Buildings**	**Plant and equipment**	**Furniture and Fixtures**	**Vehicles**	**Office equipment**	**Total**
Balance as at April 1, 2018	**141.12**	**8,535.98**	**13.78**	**34.16**	**233.26**	**8,958.30**
Depreciation expense	48.32	2,758.88	5.42	11.59	83.09	2,907.30
Eliminated on disposal / adjustments	-	-	-	-	-	-
Balance as at March 31, 2019	**189.44**	**11,294.86**	**19.20**	**45.75**	**316.35**	**11,865.60**
Depreciation expense	30.71	2,829.49	4.79	11.72	53.74	2,930.45
Eliminated on disposal / adjustments	-	(31.90)	-	-	(1.18)	(33.08)
Balance as at March 31, 2020	**220.15**	**14,092.45**	**23.99**	**57.47**	**368.91**	**14,762.97**

5.1 Property, plant and equipment hypothecated as security:

External commercial borrowings and Foreign Currency Term Loans are secured by first pari passu charge over immovable property, plant and equipment. Working capital loan from a bank is secured by way of hypothecation of Company's current assets both present and future and second pari passu charge over immovable property, plant and equipment. Refer note 19.

5.2 Foreign exchange differences capitalised

Additions/(adjustments) to plant and equipment includes ₹702.71 million (For the year ended March 31, 2019 ₹795.84 million) in relation to foreign exchange differences capitalised as per para D13AA of Ind AS 101.

ONGC MANGALORE PETROCHEMICALS LIMITED
Notes to the Financial Statements for the year ended March 31, 2020

6 Capital work-in-progress

Cost or deemed cost	**As at March 31, 2020** ₹ in Millions	**As at March 31, 2019** ₹ in Millions
Plant and equipment	157.45	127.98
Total	**157.45**	**127.98**

7 **Right-of-use assets**

Particulars	**As at March 31, 2020** ₹ in Millions
Cost of right-of-use assets	3,442.52
Accumulated depreciation	(94.53)
Carrying amount	**3,347.99**

Particulars	**Leasehold Land**	**Pipeline Corridor ROW**	**Total**
Balance as at April 1, 2019	**2,531.87**	**910.65**	**3,442.52**
Additions	-	-	-
Disposals/ adjustments	-	-	-
Balance as at March 31, 2020	**2,531.87**	**910.65**	**3,442.52**

Accumulated depreciation	**Leasehold Land**	**Pipeline Corridor ROW**	**Total**
Balance as at April 1, 2019	-	-	-
Depreciation expense	62.00	32.53	94.53
Eliminated on disposal / adjustment	-	-	-
Balance as at March 31, 2020	**62.00**	**32.53**	**94.53**

7.1 Effective 1st April 2019, the Company has adopted Ind AS 116 "Leases" using the modified retrospective approach w.r.t. leasehold land and pipeline corridor related right-of -way (ROW). On the transition, the adoption of the new standard resulted in recognition of Right-of-Use Assets (ROU) of ₹ 3,442.52 million and lease liability of ₹ 282.36 million.

7.2 Application of Indian Accounting Standard (Ind AS) - 116 ‘Leases’ has resulted in net decrease in Profit Before Tax (PBT) by ₹ 8.11 million (Increase in depreciation expenses and finance cost by ₹ 94.53 million and ₹ 24.59 million respectively and decrease in other expenses by ₹ 111.02 million).

8 Intangible assets

Carrying amount of:	**As at March 31, 2020**	**As at March 31, 2019**
	₹ in Millions	₹ in Millions
Computer Software	7.48	7.08
Total	**7.48**	**7.08**

Cost or deemed cost	**Computer Software**
Balance as at April 1, 2018	**83.73**
Additions	0.80
Disposals/ adjustments	-
Balance as at March 31, 2019	**84.53**
Additions	1.25
Disposals/ adjustments	-
Balance as at March 31, 2020	**85.78**

Accumulated amortization	**Computer Software**
Balance as at April 1, 2018	**77.03**
Amortisation expense	0.42
Eliminated on disposal / adjustment	-
Balance as at March 31, 2019	**77.45**
Amortisation expense	0.85
Eliminated on disposal / adjustment	-
Balance as at March 31, 2020	**78.30**

9 Investment

9.1 Investments in equity instruments

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number in million	₹ in Millions	Number in million	₹ in Millions
(a) Investment in Mangalore SEZ Limited (Unquoted, fully paid up) (Face value of ₹ 10 per share)	0.48	4.80	0.48	4.80
	0.48	4.80	0.48	4.80
Aggregate amount of unquoted investments		4.80		4.80

9.2 Investment in Mangalore SEZ Limited is initially recognised at cost and subsequently measured at fair value through profit or loss. The management has considered the fair value (level 3 heirarchy) of such investment equivalent to the carrying amount at each reporting period.

9.3 Details of Investment

Name of the Company	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Company	
			As at March 31, 2020	As at March 31, 2019
Mangalore SEZ limited	Developer of Special Economic Zone	Mangalore	0.96%	0.96%

10 Loans

Particulars	As at March 31, 2020 ₹ in Millions		As at March 31, 2019 ₹ in Millions	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
Security deposits	42.31	-	19.20	3.59
Total	**42.31**	**-**	**19.20**	**3.59**

11 Other financial assets

Particulars	As at March 31, 2020 ₹ in Millions		As at March 31, 2019 ₹ in Millions	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
(a) Receivable from related parties	-	1.68	-	0.91
Total	**-**	**1.68**	**-**	**0.91**

Note: Receivable from related parties includes ₹ 0.73 million (As at March 31, 2019 Nil) from holding company and ₹ 0.05 million (As at March 31, 2019 ₹ 0.05 million) from ultimate holding company and ₹ 0.90 million (As at March 31, 2019 ₹ 0.86 million) from Mangalore SEZ Limited.

12 Other assets

Particulars	As at March 31, 2020 ₹ in Millions		As at March 31, 2019 ₹ in Millions	
	Non-current	Current	Non-current	Current
(a) Prepayment of ROW Charges (Refer note 12.1)	-	-	878.13	32.52
(b) Prepayments for leasehold land (Refer Note 33.1)	-	-	2,194.40	55.10
(c) Balance with government authorities	-	64.46	-	96.80
(d) Others	-	1,021.76	-	1,507.71
Total	**-**	**1,086.22**	**3,072.53**	**1,692.13**

Others includes ₹ 88.17 million (As at March 31, 2019 Nil) accounted as upfront charges on bill discounting arrangements with the holding company.

12.1 Mangalore SEZ Limited ('the Developer') has constructed the Corridor pipeline and allied facilities ('the Facilities'). The contribution paid by the Company for the said Facilities is shown under Prepayment of RoW Charges net of value amortised over the useful life of the asset. Effective 1st April 2019, the Company has adopted Ind AS 116 "Leases" using the modified retrospective approach and accordingly the same has been recognised as right-of-use asset in the books.

13 Inventories

Particulars	As at March 31, 2020 ₹ in Millions		As at March 31, 2019 ₹ in Millions	
	Amount	Total	Amount	Total
(a) Raw materials				
- on hand	180.09		2,130.58	
- in transit	-	180.09	632.36	2,762.94
(b) Fuel on hand		129.85		218.42
(c) Work-in-progress		126.29		320.79
(d) Finished goods	1,473.54		889.16	
Less: allowance for stock loss	-	1,473.54	-	889.16
(e) Stores, spares and chemicals				
- on hand	1,002.38		878.23	
- in transit	3.23		81.31	
Less: Provision for slow/non moving inventories	8.87	996.74	6.82	952.72
Total		**2,906.51**		**5,144.03**

13.1 The cost of inventories (cost of sales) recognised as an expense during the year is ₹ 56,238.95 million (For the year ended March 31, 2019 ₹ 77,995.23 million).

13.2 The cost of inventories recognised as an expense includes ₹ 1987.94 million ((For the year ended March 31, 2019 ₹ Nil) in respect of write down of finished goods inventory to net realisable value.

13.3 The cost of inventories recognised as an expense includes ₹ 277.19 million ((For the year ended March 31, 2019 ₹ Nil) in respect of write down of raw materials and work in progress inventory to net realisable value.

13.4 The fuel and power expense includes ₹ 58.63 million (For the year ended March 31, 2019 ₹ Nil) in respect of write down of fuel in hand inventory to net realisable Value.

14 Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
	₹ in Millions	₹ in Millions
Secured (Refer Note 14.4 below)		
- Considered good	-	1,966.89
Unsecured		
- Considered good	758.20	1,611.47
Credit impaired		
- Receivables which are credit impaired	16.35	16.35
Less: Impairment of doubtful receivables	(16.35)	(16.35)
Total	**758.20**	**3,578.36**

14.1 Generally, the Company does export sales through short-term tender arrangements and also through B2B arrangements. Company does domestic sales through long term sales arrangment with holding company and short term arrangment with others. The average credit period ranges from 7 to 30 days (year ended March 31, 2019 ranged from 7 to 15 days). Interest is not charged on trade receivables for the applicable credit period from the date of invoice. For delayed period of payments, interest is charged as per respective arrangements.

14.2 Of the trade receivables, balance as at March 31, 2020 of ₹ 758.20 million (As at March 31, 2019 ₹ 3,578.37 million) are due from the customers mentioned below. There are no other customers who represent more than 5% of the total balance of trade receivables other than mentioned below.

Particulars	As at March 31, 2020	As at March 31, 2019
	₹ in Millions	₹ in Millions
Customer 1	-	1,397.25
Customer 2	65.72	570.65
Customer 3	-	1,040.82
Customer 4	-	569.64
Customer 5	393.88	-
Customer 6	298.28	-
Total	**757.88**	**3,578.36**

14.3 Usually, the Company collects all receivables from its customers within the applicable credit period. The Company assesses impairment on trade receivables on facts and circumstances relevant to each transaction.

14.4 Secured by letter of credit received from customers.

14.5 Age of trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
	₹ in Millions	₹ in Millions
Within the credit period	758.20	3,578.36
1-30 days past due	-	-
31-90 days past due	-	-
More than 90 days past due	16.35	16.35
Total	**774.55**	**3,594.71**

14.6 Movement of Impairment for doubtful receivables

Particulars	As at March 31, 2020	As at March 31, 2019
	₹ in Millions	₹ in Millions
Balance at beginning of the year	16.35	-
Add: Additions/(deletions) in expected credit loss allowance	-	16.35
Less: Write back during the year	-	-
Balance at end of the year	**16.35**	**16.35**

ONGC MANGALORE PETROCHEMICALS LIMITED

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

14.7 Trade receivables stated above include due from:

Particulars	As at March 31, 2020	As at March 31, 2019
	₹ in Millions	₹ in Millions
Amount due from Related Party (Holding Company)		
Unsecured, Considered good		
- Mangalore Refinery and Petrochemicals Limited	65.72	570.65
- Oil & Natural Gas Corporation Limited (Academy)	0.32	-
Total	**66.04**	**570.65**

15 Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
	₹ in Millions	₹ in Millions
Cash on hand	0.00	0.02
Balances with banks in current account	0.20	20.80
Total	**0.20**	**20.82**

16 Tax assets and liabilities (net)

Particulars	As at March 31, 2020	As at March 31, 2019
	₹ in Millions	₹ in Millions
Current tax assets		
Tax assets (Prepaid Taxes)	0.81	0.54
Total	**0.81**	**0.54**

17 Equity share capital

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised share capital:	₹ in Millions	₹ in Millions
3,200,000,000 equity shares of ₹ 10 each (as at March 31 2019: 2,200,000,000 equity shares of ₹ each)	32,000.00	22,000.00
Issued share capital:		
2,544,292,166 equity shares of ₹ 10 each (as at March 31 2019: 2,127,625,500 equity shares of ₹ each)	25,442.92	21,276.26
Subscribed and Fully paid equity shares:		
2,544,291,067 equity shares of ₹ 10 each (as at March 31, 2019: 2,127,625,102 equity shares of ₹ 10 each)	25,442.91	21,276.25
Total	**25,442.91**	**21,276.25**

Note: The Company had made the Rights Issue in 2018 and 2019 for ₹2,500 million and ₹5,000 million, respectively. The Company has not received the subscription for 1,099 shares (398 shares & 701 shares, respectively, under the above two Rights Issue) from the shareholders. Hence, there is a difference in issued capital and subscribed capital and paid-up capital.

17.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	Number of shares	Share capital
	in Millions	₹ in Millions
Balance as at April 1, 2018	1,877.63	18,776.26
Changes during the year	249.99	2,499.99
Balance as at March 31, 2019	2,127.62	21,276.25
Changes during the year	416.67	4,166.66
Outstanding as at March 31, 2020	**2,544.29**	**25,442.91**

17.2 Terms/rights attached to equity shares

The Company has issued only one class of equity shares and compulsorily convertible debentures with the right / option to convert the same into equity. Each shareholder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders. All the equity shares issued carry equal right of dividend declared by the Company.

17.3 No Shares have been reserved for issue under options and contracts/ commitments for the sale of shares/disinvestment.

17.4 Details of shares held by the holding company or its subsidiaries are as under:

Name of equity share holders	As at March 31, 2020		As at March 31, 2019	
	Numbers in million	% holding	Numbers in million	% holding
Mangalore Refinery and Petrochemicals Limited (Holding Company)	1,297.63	51.00%	1,085.13	51.00%
Oil and Natural Gas Corporation Limited (Ultimate Holding Company)	1,246.65	48.99%	1,042.49	48.99%

17.5 Details of shareholders holding more than 5% shares in the Company are as under:

Name of equity share holders	As at March 31, 2020		As at March 31, 2019	
	Numbers in million	% holding	Numbers in million	% holding
Mangalore Refinery and Petrochemicals Limited	1,297.63	51.00%	1,085.13	51.00%
Oil and Natural Gas Corporation Limited	1,246.65	48.99%	1,042.49	48.99%

18 Other equity

Particulars	As at March 31, 2020	As at March 31, 2019
	₹ in Millions	₹ in Millions
Debenture Redemption Reserve	-	228.94
Securities premium	5,072.71	4,244.37
Retained earnings	(33,195.96)	(19,417.85)
Equity component of compound financial instrument	8,526.36	-
Total	**(19,596.89)**	**(14,944.54)**

Particulars	As at March 31, 2020	As at March 31, 2019
	₹ in Millions	₹ in Millions
(a) Debenture Redemption Reserve		
Balance at beginning of year	228.94	-
Transfer during the year	(228.94)	228.94
Balance at end of year	**-**	**228.94**
(b) Securities premium		
Balance at beginning of year	4,244.37	3,747.37
Received during the year	833.34	500.00
Transfer/Utilised during the year	(5.00)	(3.00)
Balance at end of year	**5,072.71**	**4,244.37**
(c) Equity component of compound financial instrument		
Balance at beginning of year	-	-
Received during the year	7,740.67	-
Deferred tax impact on equity component of compound financial instrument	785.69	
Transfer during the year	-	-
Balance at end of year	**8,526.36**	**-**
(d) Retained Earnings		
Balance at beginning of year	(19,417.85)	(19,403.75)
Profit /(loss) after tax for the year	(14,004.32)	228.94
Other comprehensive income/(loss) for the year, net of income tax	(2.73)	(14.10)
Transfer to/from Debenture Redemption Reserve	228.94	(228.94)
Balance at end of year	**(33,195.96)**	**(19,417.85)**

18.1 The Company has received the securities premium on issuance of equity share capital and the same has been presented net of share issue expenses as per the provisions of the Companies Act, 2013.

18.2 The Company has allotted 1000 Compulsorily Convertible Debentures (CCDs) of ₹10 Million each on 5th March 2020 through private placement. Company has issued CCDs in 3 different series. The CCDs are backstop supported by Sponsor Companies i.e ONGC (49%) and MRPL (51%) to mandatorily buy out the debentures as per the terms and conditions of Option Agreement.

19 Borrowings

Particulars	As at March 31, 2020 ₹ in Millions		As at March 31, 2019 ₹ in Millions	
	Non-current	Current	Non-current	Current
Secured – at amortised cost				
(a) Term Loans:-				
From Banks :				
- External Commercial Borrowing (ECB)	4,243.91	-	7,148.54	-
- Foreign Currency Borrowing	27,182.19	-	-	-
(b) Working capital loan from banks	-	6,161.98	-	1,583.29
Unsecured – at amortised cost				
(c) Term Loans:-				
From Banks :				
- Foreign Currency Borrowing	11,328.69	-	-	-
(d) Debentures - Liability Component of Compound Financial Instrument				
- Compulsorily Converitble Debentures (CCD's)	1,507.59	688.87	-	-
(e) Loans repayable on demand				
From Banks :				
- Short term foreign currency loan	-	-	-	32,505.20
- Short term rupee loan	-	4,732.16	-	370.00
Total	**44,262.38**	**11,583.01**	**7,148.54**	**34,458.49**

19.1 Non-convertible debentures

The Company has issued ₹ 20,000 million non-cumulative, secured, redeemable, taxable, listed, rated Non-Convertible Debentures (NCDs) during June 2016 with a coupon rate of 8.12% p.a., and interest payable annually. The same was fully reedemed during June 2019.

These NCDs were secured by first raking pari passu charge on the land totalling an extent of 441.438 acres situated in Mangalore SEZ, Permude and Kalavar Villages in Mangaluru Taluk & Registration sub-District, Dakshina Kannada Dist. and property, plant and equipment including buildings, roads and plant and equipment. The charge created on these NCDs were satisfied on redemption.

Repayment schedule of Non-Convertible Debentures (including current maturities) is as follows:

Year of repayment (Refer note 19.7)	As at March 31, 2020	As at March 31, 2019
	₹ in Millions	₹ in Millions
2019-20	-	20,000.00
Total	**-**	**20,000.00**

19.2 External Commercial Borrowing (ECB)

External Commercial Borrowings taken by the Company are USD denominated Loans and carries variable rate of interest which is six month Libor plus spread. (Interest Rate as at March 31, 2020 is 4.46% and Interest rate as at March 31, 2019 is 5.00%).

External Commercial Borrowings are secured by first charge on land and all property, plant and equipment and second charge by way of hypothecation on all movable property, plant and equipment and all current assets.

Summarised repayment schedule of ECB (including current maturities) is as follows:

Year of repayment (Refer note 19.7)	As at March 31, 2020	As at March 31, 2019
	₹ in Millions	₹ in Millions
2019-20	-	3,273.44
2020-21	2,227.66	3,273.44
2021-22	3,577.31	3,273.44
2022-23	554.10	507.04
2023-24	115.09	105.32
Total	**6,474.16**	**10,432.68**

19.3 Foreign Currency Borrowing

During the financial year 2019-20 Company has availed Medium Term Foreign Currency Loan amounting to USD 510 Million from three Banks.

19.3.1 Foreign Currency Borrowing amounting to USD 360 Million is having a tenor of eight years with moratorium of 3 years and is secured by way of first pari passu charge on Fixed Assets of the Compnay.The loan is repayable in 20 quarterly instalment and carries variable rate of interest which is six month Libor plus spread (Range of Interest rate as at March 31, 2020 is 3.93% to 4.28%).

Foreign Currency Borrowing amounting to USD 150 Million is availed on unsecured basis having a tenor of three years and carries variable rate of interest which is six month Libor plus spread. (Range of Interest rate as at March 31, 2020 is 3.92% to 3.93%) .

Repayment Schedule of Medium Term Foreign Currency Borrowing is as below:

Year of repayment (Refer note 19.7)	As at March 31, 2020	As at March 31, 2019
	₹ in Millions	₹ in Millions
2022-23	14,360.20	-
2023-24	5,109.21	-
2024-25	5,441.76	-
2025-26	5,441.76	-
2026-27	6,197.56	-
2027-28	1,995.31	-
Total	**38,545.80**	**-**

19.4 Unsecured compusorily convertible debentures

The Company has allotted 1000 Compulsorily Convertible Debentures (CCDs) of ₹10 Million each on 5th March 2020 through private placement. Company has issued CCDs in 3 different series. Series I Debentures consists of ₹ 2,500 Million with Coupon Rate of 8.35% p.a. Series II Debentures consists of ₹ 2,500 Million with Coupon Rate of 8.50% Series III Debentures consists of ₹ 5,000 Million with Coupon Rate of 8.75% p.a. Interest for all the three series of debentures to be served on quarterly basis.

Coupon Rate of Series I Debenture is floating with interest rate linked to 364 days Treasury bill Rate which will be reset on annual basis. Coupon Rate on Series II and Series III debentures are fixed over the tenor of debentures

Under Transaction Document of CCDs, the Company has obligation to timely service the interest to investors. Further, CCDs are backed by undertaking from Sponsor Companies i.e ONGC and MRPL to ensure payment of Coupon amount on debentures in case Company fails to do so.

Tenor of CCDs is 36 months from Deemed Date of Allotment, with mandatory Put / Call Option at the end of the 35th month. The Sponsors (in the ratio of ONGC - 49% and MRPL - 51%) to mandatorily acquire all the CCDs from the investors at the end of 35th month from the date of allotment.

The Sponsors (in the ratio of ONGC - 49% and MRPL - 51%) can also buy out the CCDs at any time prior to the expiry of 35 months from allotment date. Investors have put option on sponsors in the event of default.

Company's obligation under option agreement is limited only to the extent of servicing of interest on these debentures. Upon conversion of the CCDs, OMPL would be required to issue equity shares to the sponsors who are existing shareholders of the Company in the ratio of ONGC - 49% and MRPL - 51%.

Particulars	Face Value	Equity Component of Convertible Debenture	Non Current Liabilty Component of Convertible Debentures	Current Liabilty Component of Convertible Debentures
	₹ in Millions	₹ in Millions	₹ in Millions	₹ in Millions
CCD Issue 1 @ 8.35% Coupon Rate	2,500.00	1,952.84	366.47	167.45
CCD Issue II @ 8.50% Coupon Rate	2,500.00	1,943.01	373.06	170.46
CCD Issue III @ 8.75% Coupon Rate	5,000.00	3,853.26	768.06	350.95
Total	**10,000.00**	**7,749.11**	**1,507.59**	**688.86**

The segregation of CCDs into Debt and Equity Component is in accordance with Ind AS 32 regarding Compound Financial Instruments.

19.5 Working Capital Facilities from banks

Working Capital Facilities from banks is secured by way of first pari passu charge on current assets of the Company and second pari passu charge on the property, plant & equipment of the Company.

19.6 Unsecured short term loans repayable on demand:

Short term foreign currency loan;

Unsecured short term foreign Currency Loan to the tune of USD 470.00 million as on March 31, 2019 was for tenor ranging from 6 months to 12 months and carried interest rate between one month Libor to Six month Libor plus spread (Range of Interest rate as at March 31, 2019 was 4.00% to 4.83%).

Short term rupee loan;

Unsecured short term rupee loan as on March 31, 2019 was for tenor of 1 year and carried interest rate linked to 1 year MCLR (Interest as at March 31, 2019 was 8.85% p.a.)

Unsecured short term rupee loan as on March 31, 2020 is for tenor of 3 months to 1 year and carries variable interest rate linked to overnight MCLR and one month MCLR (Range of Interest Rate as at March 31, 2020 is 7.50% to 7.60% p.a.)

19.7 The repayment schedules disclosed above are based on contractual cash outflows and hence will not reconcile to carrying amounts of such borrowings which are accounted at amortised cost.

20 Other financial liabilities

Particulars	As at March 31, 2020 ₹ in Millions		As at March 31, 2019 ₹ in Millions	
	Non-current	**Current**	**Non-current**	**Current**
Current maturities of long-term debt	-	2,219.57	-	23,259.43
Interest accrued but not due on borrowings	-	23.69	-	1,914.57
Lease liability on leasehold land	262.03	21.52	-	-
Deposit from supplier and contractors	-	278.44	-	476.03
Payable against capital goods	-	124.96	-	143.46
Other Liabilities - vendors, contractors & customers	-	6,775.67	-	491.39
Total	**262.03**	**9,443.85**	**-**	**26,284.88**

Current maturities of long-term debt includes ₹ 2,219.57 million (As at March 31, 2019 ₹ 3,259.82 million) pertaining to External Commerical Borrowing repayables and ₹ Nil (As at March 31, 2019 ₹ 19,999.61 million) pertaining to Non Convertible Debenture repaybles.

Payable against capital goods includes ₹ Nil (As at March 31, 2019 ₹ 2.96 million) payable to holding company.

Other Liabilities - vendors, contractors & customers includes ₹ 6,324.45 million (As at March 31, 2019 Nil) towards bills payable in respect of purchases from holding company (bills discounted by the holding company with their banker).

21 Provisions

Particulars	As at March 31, 2020		As at March 31, 2019	
	₹ in Millions		₹ in Millions	
	Non-current	**Current**	**Non-current**	**Current**
Provision for employee benefits [Refer Note 21.1 below]				
- Leave encashment	87.77	6.67	61.85	6.13
- Gratuity	83.56	1.46	62.38	1.94
Total	**171.33**	**8.13**	**124.23**	**8.07**

21.1 Refer Note 35 for employee benefit disclosures w.r.t. gratuity.

22 Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
	₹ in Millions	₹ in Millions
(A) Trade payables		
(a) Total outstanding due of micro and small enterprises	32.83	2.82
(b) Total outstanding due of creditors other than micro and small enterprises	1,030.89	3,241.67
Total	**1,063.72**	**3,244.49**

22.1 The average credit period on purchases of raw materials, stores and spares, services, etc. ranges from 7 to 30 days. Thereafter, interest is charged at variable rates as per respective trade arrangements on the outstanding balances. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

22.2 Trade payables include ₹ 943.84 million (As at March 31, 2019 ₹ 2,491.87 million) payable to the holding company.

22.3 Disclosure relating to dues to Micro, Small and Medium Enterprises

	Particulars	As at March 31, 2020	As at March 31, 2019
		₹ in Millions	₹ in Millions
i	the Principal amount due thereon remaining unpaid to any supplier at the end of year.	32.83	2.82
ii	the interest due thereon remaining unpaid to any supplier at the end of year.	-	-
iii	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iv	the amount of interest 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 Micro, Small and Medium Enterprises Development Act, 2006.	-	-
v	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
vi	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

23 Other liabilities

Particulars	As at March 31, 2020		As at March 31, 2019	
	₹ in Millions		₹ in Millions	
	Non-current	**Current**	**Non-current**	**Current**
Liability for statutory payments	-	26.67	-	12.02
Total	**-**	**26.67**	**-**	**12.02**

24 Revenue from operations

Particulars	**For the year ended March 31, 2020**		**For the year ended March 31, 2019**	
	₹ in Millions		₹ in Millions	
A. Sale of products				
Domestic sales	6,259.04		12,920.05	
Export sales	42,352.65	48,611.69	70,704.29	83,624.34
B. Other operating revenue				
Export Incentives		930.01		2,049.82
Total		**49,541.70**		**85,674.16**

25 Other income

Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
	₹ in Millions	₹ in Millions
Interest on:		
Deposits with banks	2.96	-
Income tax refund	0.01	0.43
Others	0.22	-
Dividend income from mutual funds	1.47	7.06
Other non-operating income:		
Miscellaneous receipts	2.99	1.37
Total	**7.65**	**8.86**

26 Cost of material consumed

Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
	₹ in Millions	₹ in Millions
Raw materials		
Naphtha stream	31,829.66	44,808.76
Aromatic stream	16,775.26	22,826.63
Total	**48,604.92**	**67,635.39**

27 Changes in inventories of finished goods and work-in-progress

Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
	₹ in Millions	₹ in Millions
Closing stock		
- Finished goods	1,473.54	889.16
- work-in-process	126.29	320.79
Opening stock		
- Finished goods	889.16	2,465.46
- work-in-process	320.79	246.72
Changes in inventories of finished goods and work-in-progress	**(389.88)**	**1,502.23**

ONGC MANGALORE PETROCHEMICALS LIMITED
Notes to the Financial Statements for the year ended March 31, 2020

28 Employee benefit expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹ in Millions	₹ in Millions
Salaries and wages	518.14	458.38
Contribution to provident and other funds	44.47	28.24
Gratuity	16.78	10.74
Staff welfare expenses	23.69	24.18
Total	**603.08**	**521.54**

29 Finance cost

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹ in Millions	₹ in Millions
Interest expense	3,899.20	4,020.27
Interest on lease liabilities	24.59	-
Exchange differences regarded as an adjustment to borrowing cost	1,121.06	1,685.42
Other borrowing costs #	8.24	5.76
Total	**5,053.09**	**5,711.45**

Other borrowing cost includes financing related arranger fees, stamp duty,etc

30 Depreciation and amortization

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹ in Millions	₹ in Millions
Depreciation of property, plant and equipment	2,930.45	2,907.30
Depreciation of right-of-use assets	94.53	-
Amortisation of intangible assets	0.85	0.42
Total	**3,025.83**	**2,907.72**

31 Other expenses

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	₹ in Millions		₹ in Millions	
Power, utility and fuel charges	14,553.58		13,608.81	
Less: Internal Generation	10,103.81	4,449.77	8,787.10	4,821.71
Stores, Spares and Chemicals consumed		379.38		283.61
Rent		0.26		78.62
Right of way charges		-		32.52
Electricity charges		0.29		0.28
Repair and maintenance		353.00		171.32
Insurance charges		121.37		119.37
Rates and taxes		9.19		5.17
Payment to Auditors				
Audit Fees		0.50		0.45
Tax Audit & Certification Fees (Refer note 42)		0.53		0.45
Auditor's out of pocket expenses		0.13		-
Legal, Professional and Consultancy charges		77.35		49.55
Advertisement and Publicity Expenses		2.25		4.07
Travelling Expenses		16.02		9.36
Exchange loss on foreign currency transactions, net		1,738.39		522.51
Impairment for doubtful trade receivables		-		16.35
Loss on discarding of assets		44.43		-
Miscellaneous expenses		578.66		547.49
Total		**7,771.52**		**6,662.83**

32 Income taxes

32.1 Income tax recognised in profit or loss

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹ in Millions	₹ in Millions
Current tax		
In respect of the current year	-	-
Deferred tax		
In respect of the current year	(1,114.89)	512.92
Total income tax expense	**(1,114.89)**	**512.92**

32.2 The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹ in Millions	₹ in Millions
Profit / (loss) before tax from continuing operations	(15,119.21)	741.86
Income tax expense calculated at 34.944% (2018-19: 34.944%)	(5,283.25)	259.23
Effect of exemption under section 10AA of Income Tax Act, 1961	4,126.92	222.74
Effect of income that is exempt from taxation	15.37	(2.47)
Effect of expenses that are not deductible in determining taxable profit	23.69	11.31
Others	2.38	22.11
Total income tax expense	**(1,114.89)**	**512.92**

32.3 Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹ in Millions	₹ in Millions
Remeasurement of defined benefit obligation	(1.47)	(7.57)
Total income tax recognised in other comprehensive income	(1.47)	(7.57)
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	(1.47)	(7.57)
Items that may be reclassified to profit or loss	-	-

32.4 Deferred Tax Asset/(Liabilities), net

The following is the analysis of deferred tax assets/ (liabilities) presented in the Balance Sheet:

Particulars	As at March 31, 2020	As at March 31, 2019
	₹ in Millions	₹ in Millions
Deferred tax assets (including MAT credit entitlement)	21,342.10	18,894.62
Deferred tax liabilities	(11,785.94)	(11,240.51)
Asset/ (Liability)	**9,556.16**	**7,654.11**

2018-19					
Particulars	**Opening Balance**	**Recognised in profit and Loss**	**Recognised in other comprehensive income**	**Recognised in Other Equity**	**Closing Balance**
	₹ in Millions	₹ in Millions	₹ in Millions	₹ in Millions	₹ in Millions
Tax effect of items constituting deferred tax liabilities					
Property, Plant and Equipment	10,483.77	755.55	-	-	11,239.32
Intangible Assets	0.49	0.70	-	-	1.19
Total	**10,484.26**	**756.25**	**-**	**-**	**11,240.51**
Tax effect of items constituting deferred tax assets					
Employee Benefits	24.18	26.96	7.57	-	58.71
Carry forward of unabsorbed business losses and depreciation	18,615.93	216.37	-	-	18,832.30
Unutilised MAT Credit Entitlement	3.61	-			3.61
Total	**18,643.72**	**243.33**	**7.57**	**-**	**18,894.62**
Deferred Tax Asset/(Liabilities), net	**8,159.46**	**(512.92)**	**7.57**	**-**	**7,654.11**

2019-20					
Particulars	**Opening Balance**	**Recognised in profit and loss**	**Recognised in other comprehensive income**	**Recognised in Other Equity**	**Closing Balance**
	₹ in Millions	₹ in Millions	₹ in Millions		₹ in Millions
Tax effect of items constituting deferred tax liabilities					
Property, Plant and Equipment	11,239.32	532.84	-	-	11,772.16
Intangible Assets	1.19	0.39	-	-	1.58
Others	-	12.20			12.20
Total	**11,240.51**	**545.43**	**-**	**-**	**11,785.94**
Tax effect of items constituting deferred tax assets					
Employee Benefits	58.71	9.59	1.47		69.77
Equity Component of Compound Financial Instrument	-	(18.16)		785.69	767.53
Carry forward of unabsorbed business losses and depreciation	18,832.30	1,668.89	-	-	20,501.19
Unutilised MAT Credit Entitlement	3.61	-	-	-	3.61
Total	**18,894.62**	**1,660.32**	**1.47**	**785.69**	**21,342.10**
Deferred Tax Asset/(Liabilities), net	**7,654.11**	**1,114.89**	**1.47**	**785.69**	**9,556.16**

32.5 In accordance with Ind AS 12 - Income Tax, the Company has recognised deferred tax asset for all deductible temporary differences and also for carry-forward of unused tax losses and unused tax credits. The recognition of DTA is based on the probability of earning sufficient taxable profits in the future years as projected by the management(duly considering capacity utilization and price realisation) against which the deductible temporary difference and carry forward of unused tax loss and unused tax credits can be utilised. Deferred Tax asset has been recognised net of deferred tax liability.

33 Leases

33.1 Operating Lease arrangements

The Company has entered into land lease agreement for setting up SEZ unit with Mangalore SEZ Limited whose lease period is 47 years. The same has been classified as operating lease. The Company does not have option to purchase the land at the end of the lease period. Further the Company has made upfront payments at the time of the execution of the lease arrangement with annual recurring charges with no escalations in annual lease rentals. The Company has an option to renew the lease agreement for futher period of 47 years after the expiry of the lease term on mutually agreed terms. Effective 1st April 2019, the Company has adopted Ind AS 116 "Leases" using the modified retrospective approach.

The Company has also entered into arrangements for lease of residential/office premises and lease of NMPT land which have been classified as operating leases.

The average lease period ranges from 11 months to 47 years.

33.2 Payments recognised as an expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹ in Millions	₹ in Millions
Minimum lease payments (Refer note 33.1 above)	0.26	78.62

33.3 Non-cancellable operating lease commitments

The Company does not have any non-cancellable lease arrangements.

34 Earnings per share

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹ in Millions	₹ in Millions
Profit/(loss) after tax for the year attributable to equity shareholders	(14,004.32)	228.94
No of number of equity shares (Basic - Nos in million)	2,544.29	2,127.62
Weighted average number of equity shares (Adjusted Basic - Nos in million)	2,450.54	1,638.76
Basic earnings per equity share (₹)	(5.50)	0.11
Adjusted Basic earnings per equity share (`)	(5.71)	0.14
Diluted earnings per equity share (`)	(5.71)	0.11
Face Value per equity share (₹)	10.00	10.00

35 Defined benefit plans

35.1.1 Brief Description: A general description of the type of employee benefits plans is as follows:

35.1.2. Gratuity:
15 days salary for every completed year of service. Vesting period is 5 years and the payment is restricted to maximum of ₹ 2 million.

35.1.3 This plans typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest rate risk	A decrease in the bond interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In respect of gratuity, the actuarial valuation was carried out as at March 31, 2020 by M/s. K. A. Pandit Consultants and Actuaries, Fellow firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

35.2. The principal assumptions used for the purposes of the actuarial valuations were as follows:

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
1	Discount rate	6.82%	7.78%
2	Annual increase in salary	8.00%	8.00%
3	Employee turnover	2.00%	2.00%

The discount rate is based upon the market yield available on government bonds at the accounting date with a term that matches. The salary growth takes account inflation, seniority, promotion and other relevant factor on long term basis.

35.3. Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹ in Millions	₹ in Millions
Current service cost	12.30	7.57
Past service cost	-	-
Net interest expense	5.00	2.65
Components of defined benefit costs recognised in profit or loss	**17.30**	**10.22**
Re-measurement on the net defined benefit liability:		
Actuarial (gains)/losses arising from experience adjustments	4.20	21.67
Components of remeasurment recognised in other comprehensive income	**4.20**	**21.67**
Total	**21.50**	**31.89**

35.4. Movements in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
	₹ in Millions	₹ in Millions
Opening defined benefit obligation	64.32	33.72
Current service cost	12.30	7.57
Past service cost	-	-
Interest cost	5.00	2.65
Benefit paid directly by the employer	(0.81)	(1.29)
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from changes in financial assumptions	12.02	0.89
- Actuarial gains and losses arising from experience adjustments	(7.81)	20.78
Closing defined benefit obligation	**85.02**	**64.32**
- Current	1.46	1.94
- Non-Current	83.56	62.38

35.5. The amount included in the Balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
	₹ in Millions	₹ in Millions
Present value of defined benefit obligation	(85.02)	(64.32)
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	(85.02)	(64.32)

35.6. Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and employee turnover. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

35.7 Sensitivity analysis

Significant actuarial assumptions	As at March 31, 2020	As at March 31, 2019
	₹ in Millions	₹ in Millions
Discount Rate		
- Impact due to increase of 50 basis points	(6.57)	(4.72)
- Impact due to decrease of 50 basis points	7.34	5.26
Salary increase		
- Impact due to increase of 50 basis points	6.18	4.21
- Impact due to decrease of 50 basis points	(6.00)	(4.22)
Employee turnover		
- Impact due to increase of 50 basis points	(0.81)	(0.09)
- Impact due to decrease of 50 basis points	0.87	0.09

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

36 Segment reporting
The Company has “petrochemicals” as single reportable segment.

36.1 Information about major customers
Company’s significant revenues are derived from sales to export customers which is 87% (Year ended March 31, 2019: 85%) of the Company's total revenue. The total sales to such customers amounted to ₹ 42,352.65 million for the period ended March 31, 2020 and ₹ 70,704.29 million for the year ended March 31, 2019.

Three customers (Year ended March 31, 2019: Three Customers) for the period ended March 31, 2020 contributed 10% or more to the Company’s revenue. The total sales to such customers amounted to₹ 42,348.10 million for the period ended March 31, 2020 and ₹ 63,547.28 million for the year ended March 31.

36.2 Revenue from major products

The following is an analysis of the Company's revenue from continuing operations from its major products:

Particulars	**Revenue from external customers**	
	For the year ended March 31, 2020	**For the year ended March 31, 2019**
	₹ in Millions	₹ in Millions
Paraxylene	34,815.79	59,433.71
Benzene	6,991.26	11,270.58
Paraffinic Raffinate	5,275.28	9,955.24
Hydrogen	1,504.45	2,964.81
Heavy Aromatics	24.91	-
Total	**48,611.69**	**83,624.34**

36.3 Information about geographical areas:
a). The Company is domiciled in India. The amount of its revenue from external customers broken down by location of customers is tabulated below:

Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
	₹ in Millions	₹ in Millions
India	6,259.04	12,920.05
Other Countries	42,352.65	70,704.29
Total	**48,611.69**	**83,624.34**

b) The Company's non-current assets (excluding financial assets and deferred tax assets) broken down by location of customers is tabulated below:

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	₹ in Millions	₹ in Millions
India	58,310.25	59,493.94
Other Countries	-	-
Total	**58,310.25**	**59,493.94**

37 Related party disclosures

37.1 Name of related parties and description of relationship:

A Ultimate holding company
Oil and Natural Gas Corporation Limited (ONGC)

B Holding company
Mangalore Refinery and Petrochemicals Limited (MRPL)

C Subsidiary of Ultimate holding company
Hindustan Petroleum Corporation Limited (HPCL)

D Joint Venture of Ultimate holding company
Mangalore SEZ Limited (MSEZL)

E Key Management Personnel

E.1 Non-Executive directors
Shri Shashi Shanker (Chairman) (w.e.f. 11th October 2017)
Shri M. Venkatesh Director (w.e.f. 01st April 2015)
Shri Rajesh Shyamsunder Kakkar (w.e.f. 15th May 2018)
Shri Sanjay Kumar Moitra (w.e.f. 15th May 2018)
Smt Alka Mittal, Director (w.e.f 28th February 2015)
Shri Vinay Kumar, Director (w.e.f. 14th November 2018)
Smt Pomila Jaspal, Director (w.e.f. 26th November 2019)
Shri H. Kumar, Director (upto 30th May 2018)
Shri A. K. Sahoo, Director (upto 11th December 2018)

E.2 Shri. K Sushil Shenoy, Chief Financial Officer & Chief Executive Officer I/c (upto 30th September, 2018)

E.3 Shri. Sujir S Nayak, Chief Executive Officer (w.e.f. 1st October, 2018)

E.4 Shri. Surendra Nayak, Chief Financial Officer (Deputation from holding company w.e.f. 1st October, 2018)

E.5 Shri. K.B. Shyam Kumar, Company Secretary (w.e.f. 13th August, 2014)

37.2. Details of transactions:

37.2.1. Transactions with ultimate holding company, holding company and joint venture of ultimate holding company

Name of related party	**Nature of transaction**	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
		₹ in Millions	₹ in Millions
Oil and Natural Gas Corporation Limited	Infusion of Equity	2,449.90	1,469.94
	Services rendered	0.32	-
Mangalore Refinery and Petrochemicals Limited*	Infusion of Equity	2,550.09	1,530.05
	Purchase of products	49,089.74	59,579.83
	Sale of products	7,657.24	15,863.32
	Services received - facilitation charges	57.14	68.82
	Services & Supplies received - power and others	416.90	193.18
	Deputation services received	4.51	2.95
	Deputation services rendered	2.75	1.22
Mangalore SEZ Limited**	Supplies and services received	386.83	391.87
	Security deposit for Zone O&M power	9.38	-
	Lease rent	23.40	23.40
Hindustan Petroleum Corporation Limited	Purchase of products	361.26	281.55

* The Company has allotted 1000 Compulsorily Convertible Debentures (CCDs) of ₹10 Million each on 5th March 2020 through private placement. Company has issued CCDs in 3 different series. The CCDs are backstop supported by Sponsor Companies i.e ONGC (49%) and MRPL (51%) to mandatorily buy out the debentures as per the terms and conditions of Debenture Trust Deed and Option Agreement. Further, sponsor Companies have undertaken to ensure that OMPL serves the interest payments.

** An amount of ₹62.76 million earmarked by MSEZL as third party share payable to the company towards pipeline-cum-road corridor usage which is not considered in the current period as the same has not been finalized pending freezing of the project cost of pipeline corridor project.

37.2.2. Outstanding balances with ultimate holding company, holding company and joint venture of ultimate holding company

Name of related party	**Nature of transaction**	**As at March 31, 2020**	**As at March 31, 2019**
A. Amount payable:		₹ in Millions	₹ in Millions
Mangalore Refinery and Petrochemicals	Trade and other payables	943.45	2,491.87
Limited	Trade and other payables	0.39	2.96
Mangalore SEZ Limited	Trade and other payables	126.63	126.63
Hindustan Petroleum Corporation Limited	Trade and other payables	0.05	-
B. Amount receivable:			
Mangalore Refinery and Petrochemicals	Trade and other receivables	65.72	570.65
Limited	Trade and other receivables	0.74	-
Mangalore SEZ Limited	Trade and other receivables	52.72	0.87
Oil and Natural Gas Corporation Limited	Trade and other receivables	0.37	0.05
C. Loans and other assets:			
Mangalore SEZ Limited	Security deposit (Power)	3.59	3.59
	Security deposit (Power)	15.40	15.40
	Security deposit (Water)	3.13	3.13
	Security deposit (Zone O&M)	9.38	-

37.2.3. Compensation of key management personnel

A. Chief Executive Officer*

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹ in Millions	₹ in Millions
Short term employee benefits	4.85	3.69
Post-employment benefits (gratuity) & long-term benefit (Compensated absences)	2.43	2.27
Contribution to provident fund	0.54	0.50
Total	**7.82**	**6.46**

* Chief Executive Officer is appointed w.e.f 1st October 2018

B. Chief Financial Officer*

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹ in Millions	₹ in Millions
Short term employee benefits	-	1.74
Post-employment benefits (gratuity) & long-term benefit (Compensated absences)	-	1.53
Contribution to provident fund	-	0.25
Total	**-**	**3.52**

* Chief Financial Officer superannuated on 30th September 2018

Note: The Company has reimbursed ₹4.79 million (As at 31st March 2019 ₹2.10 million) during the year towards secondment of Shri Surendra Nayak as Chief Financial Officer from holding company w.e.f 1st October 2018.

C. Company Secretary

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹ in Millions	₹ in Millions
Short term employee benefits	3.06	2.27
Post-employment benefits (gratuity) & long-term benefit (Compensated absences)	0.97	0.74
Contribution to provident fund	0.34	0.28
Total	**4.37**	**3.29**

37.3 Disclosure in respect of Government related entities

37.3.1 Name of Government related entities and description of relationship wherein significant amount of transactions were carried out (other than ONGC and MRPL, etc):

i	Bridge and Roof Co. (India) Ltd.	Central PSU
ii	Engineers India Limited	Central PSU
iii	National Insurance Company Limited	Central PSU
iv	Karnataka State Pollution Control Board	State Govt
v	New Mangalore Port Trust	Trust
vi	Balmer Lawrie & Co. Ltd.	Central PSU
vii	The New India Assurance Company Limited	Central PSU
viii	Central Warehousing Corporation	Central Govt.
ix	Bharat Petroleum Corporation	Central PSU
x	Gail India Ltd.	Central PSU
xii	Stock Holding Corporation of India	Central Govt.
xiv	Ministry of Corporate Affairs	Central Govt.
xv	BSNL	Central PSU
xvi	National Informatics Centre	Central Govt.
xvii	United India Insurance Co. Ltd.	Central PSU

37.3.2 Transaction with Government related Entities (other than ONGC, MRPL, etc which are disclosed in 37.2.1) :

Name of related party	Nature of transaction	For the year ended March 31, 2020	For the year ended March 31, 2019
		₹ in Millions	₹ in Millions
Engineers India Limited	Services	21.27	16.99
National Insurance Company Limited	Services	0.43	29.38
Karnataka State Pollution Control Board	Services	0.00	0.07
New Mangalore Port Trust	Port Services	53.56	84.18
Balmer Lawrie & Co. Ltd.	Services	12.44	5.34
New India Assurance Company Limited	Services	117.18	41.44
Central Warehousing Corporation	Services	-	0.11
Bharat Petroleum Corporation Limited	Supply of goods	0.56	6.70
Gail India Ltd.	Supply of goods	11.20	0.85
Ministry of Corporate Affairs	Services	5.00	-
National Informatics Centre	Services	1.61	-
Stock Holding Corporation of India Ltd.	Services	5.00	-
United India Insurance Co. Ltd.	Services	15.30	-

37.3.3 Outstanding balances with Government related entities (other than ONGC, MRPL, etc which are disclosed in 37.2.2) :

Name of related party	Nature of transaction	As at March 31, 2020	As at March 31, 2019
		₹ in Millions	₹ in Millions
Amount receivable/(payable):			
New Mangalore Port Trust	Trade and other payable	0.96	0.74
National Insurance Company Ltd	Services	0.25	0.25
Central Warehousing Corporation	Services	-	(0.08)
Engineers India Limited	Services	(2.60)	-
Gail India Ltd.	Supply of goods	9.28	-
National Informatics Centre	Services	1.61	

The above transactions with the government related entities cover transactions that are significant individually and collectively. The Company has also entered into other transactions such as telephone expenses, air travel, fuel purchase and deposits etc. with above mentioned and other various government related entities. These transactions are insignificant individually and collectively and hence not disclosed.

38. Financial instruments

38.1 Capital Management

The Company's objective when managing capital is to 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 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 vary the distribution 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 net debt (borrowings as detailed in notes 19 and 20 offset by cash and bank balances) and total equity of the Company.

The Company's management reviews the capital structure of the Company on quarterly basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital requirements and maintanance of adequate liquidity.

38.1.1. Gearing Ratio

The gearing ratio at the end of the reporting period is computed as follows:

The gearing ratio is worked out as follows

Particulars	As at March 31, 2020	As at March 31, 2019
	₹ in Millions	₹ in Millions
i) Debt	58,064.96	64,866.46
ii) Cash and bank balances	0.20	20.82
iii) Net Debt [(i)-(ii)]	**58,064.76**	**64,845.64**
iv) Equity share capital	25,442.91	21,276.25
v) Other equity	(19,596.89)	(14,944.54)
vi) Total equity [(iv)+(v)]	**5,846.02**	**6,331.71**
vii) Net Debt to equity ratio (without considering other equity)	2.28	3.05
viii) Net Debt to equity ratio (considering other equity)	9.93	10.24

38.2 Categories of financial instruments

Particulars	As at March 31, 2020	As at March 31, 2019
	₹ in Millions	₹ in Millions
Financial assets		
Measured at amortised cost		
(a) Trade receivables	758.20	3,578.36
(b) Cash and cash equivalents	0.20	20.82
(c) Loans	42.31	19.20
(d) Other financial assets	1.68	0.91
Measured at fair value through profit or loss		
(a) Investment	4.80	4.80
Financial liabilities		
Measured at amortised cost		
(a) Borrowings (including current maturities of long-term debt)	58,064.96	64,866.46
(b) Trade payables	1,063.72	3,244.49
(c) Other financial liabilities (excluding current maturities of long-term debt)	7,224.28	3,025.45

38.3. Financial risk management objectives

The Company's risk management commitee monitors and manages key financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

38.4. Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are foreign currency exchange risk and interest rate risk.

38.5. Foreign currency risk management

Particulars	Liabilities		Assets	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	₹ in Millions	₹ in Millions	₹ in Millions	₹ in Millions
USD	45,075.50	44,825.26	660.11	3,007.73
EURO	1.10	-	-	-
CAD	-	-	0.76	-

38.5.1. Foreign currency sensitivity analysis

The Company is mainly exposed to the currency of United States of America (USD). Sensivity of profit or loss arises mainly from USD denominated receivables and payables.

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

USD sensitivity at year end	**2019-20**	**2018-19**
	₹ in Millions	₹ in Millions
Assets:		
Weakening of INR by 5%	33.01	150.39
Strengthening of INR by 5%	(33.01)	(150.39)
Liabilities (Note below):		
Weakening of INR by 5%	(1,929.74)	(1,719.17)
Strengthening of INR by 5%	1,929.74	1,719.17

38.5.2. Forward foreign exchange contracts

The Company has not entered into any forward foreign exchange contracts during the reporting period.

38.6 Interest rate risk management

The Company has availed borrowings at fixed and floating interest rates, hence is exposed to interest rate risk. The Company has not entered into any of the interest rate swaps and hence the Company is exposed to interest rate risk.

Interest rate sensitivity analysis

The sensivity analyses below have been determined based on the exposure to interest rates at the end of the reoporting period. For floating rate borrowings, the analysis is prepared assuming the amount of the borrowings outstanding at the end of the reporting period was outstanding for the whole year. 50 basis point increase or decrease is used for disclosing the sensitivity analysis.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2020 would increase/decrease by ₹ 292.07 million (For the year ended March 31, 2019 : increase/decrease by ₹ 222.46 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

38.7 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from bank balances, deposits with banks and trade receivables. Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

The Company makes sales to its customers which are secured by letter of credit other than sales made to holding company and reputed international customers.

Only high rated banks are considered for placement of deposits. Bank balances are held with reputed and creditworthy banking institutions.

38.8 Liquidity risk management

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets and liabilities and monitoring balance sheet liquidity ratios. The Company manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Weighted average effective interest rate	**Less 1 month**	**1 month -1 year**	**1 year – 3 years**	**More than 3 years**	**Total**	**Carrying Amount**
		₹ in Millions	₹ in Millions	₹ in Millions	₹ in Millions	₹ in Millions	₹ in Millions
As at March 31, 2020							
Trade payables		1,063.72		-	-	**1,063.72**	**1,063.72**
Borrowings (including current maturities of long-term debt)							
- Fixed rate loans	8.67%	-	521.41	1,141.12	-	**1,662.53**	**2,196.46**
- Variable rate loans	5.00%	439.01	12,850.25	18,858.09	24,300.70	**56,448.05**	**55,868.50**
Other financial liabilities (excluding current maturities of long-term debt)		621.98	6,814.02	46.79	861.76	**8,344.55**	**7,486.31**
As at March 31, 2019							
Trade payables		3,244.49		-	-	**3,244.49**	**3,244.49**
Borrowings (including current maturities of long-term debt)							
- Fixed rate loans	8.12%	-	20,370.00			**20,370.00**	**20,369.61**
- Variable rate loans	5.25%	6,685.40	30,676.53	6,546.88	612.36	**44,521.17**	**44,496.85**
Other financial liabilities (excluding current maturities of long-term debt)		1,914.57	1,110.88	-	-	**3,025.45**	**3,025.45**

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total	Carrying Amount
		₹ in Millions	₹ in Millions	₹ in Millions	₹ in Millions	₹ in Millions	₹ in Millions
As at March 31, 2020							
Trade receivables		758.20	-	-	-	**758.20**	**758.20**
Loans		-	-	-	42.31	**42.31**	**42.31**
Other financial assets		1.68				**1.68**	**1.68**
Cash and cash equivalents		0.20				**0.20**	**0.20**
As at March 31, 2019							
Trade receivables		3,578.36				**3,578.36**	**3,578.36**
Loans		3.59			19.20	**22.79**	**22.79**
Other financial assets		0.91				**0.91**	**0.91**
Cash and cash equivalents		20.82				**20.82**	**20.82**

The Company has access to financing facilities as described below, of which ₹ 3,838.02 million were unused at the end of the reporting period (As at March 31, 2019 ₹ 5,916.71 million). The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	₹ in Millions	₹ in Millions
Secured bank working capital facility, reviewed annually and payable at call :		
- amount used	6,161.98	1,583.29
- amount unused	3,838.02	5,916.71

38.9 Fair value measurement

The management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values unless otherwise stated.

39. Contingent Liabilities, Assets and Commitments

Particulars	As at March 31, 2020	As at March 31, 2019
	₹ in Millions	₹ in Millions
A. Contingent Liabilities		
Claims of Contractors		
Some of the contractors have lodged claims on the Company seeking revision of time of completion without price adjustment, extended stay compensation, extra claims etc., which are contested by the Company as not admissible as per the facts and contract terms.		
Since disclosure of some or all of the information required under Ind AS 37 are expected to prejudice seriously the position of the Company in a dispute with parties on the subject matter of the contingent liability the amount of such alleged claims have not been disclosed for the current year.	2,958.38	2,958.38
Total	**2,958.38**	**2,958.38**

39.1 There is a claim from the custom department for customs duty amounting to ₹ 2,121.14 million along with applicable interest and penalties totally amounting to ₹ 6168.37million on holding company in respect of classification of tariff of the reformate for the purpose of payment of import duty. As informed by the holding company, they have filed an appeal before the appellate authority contesting the entire demand as stated above. In terms of the contract entered with the holding company for supply of aromatic streams, the said liability as and when reaches finality is to be discharged by the company on back to back basisas consideration for purchase of these streams. Pending outcome of the appeal proceedings as stated above, no provision for the said demand has been made in the accounts of the company.

In respect of all these claims, it is being contested by the Company as not admissible. It is not practicable to make a realistic estimate of the outflow of resource, if any for resolution/settlement of such claims.

Particulars	As at March 31, 2020	As at March 31, 2019
	₹ in Millions	₹ in Millions
B. Commitments Estimated amount of contracts remaining to be executed on capital account and not provided for	123.72	312.88
Total	**123.72**	**312.88**

39.2. The Company has taken 441.438 acres of land on lease for a period of 47 years and 10 months from Mangalore SEZ Limited. The annual lease rental payable to Mangalore SEZ Limited is ₹ 23.40 million. Effective 1st April 2019, the Company has adopted Ind AS 116 "Leases" using the modified retrospective approach and accordingly lease liability of ₹ 282.36 million has been recognised in the books.

39.3 The Company has entered into tripartite agreement with Mangalore SEZ Limited and Mangalore Refinery & Petrochemicals Limited for supply of 3.86 million gallons per day (MGD) of water by Mangalore SEZ Limited for 15 years. The annual charges payable to Mangalore SEZ Limited is ₹ 85.60 million.

39.4 The Company has entered into Zone O&M agreement with Mangalore SEZ Limited (MSEZL) wherein MSEZL is required to provide the services of Zone Operation and Maintenance against payment of Zone O&M Charges as per the terms and conditions mutually agreed upon. The annual charges payable to Mangalore SEZ Limited is ₹ 38.61 million with annual escalation of 3%.

39.5 Company expects incentive income of ₹ 53.96 million pertaining to current year exports which are pending for recognition and same will be booked as revenue on fulfilling the recognition conditions.

40 Reconciliation of liabilities arising from financing activities

40.1 The table below details change in the Company's liabilities arising from financing activities, including both cash and non cash changes. Liabilities arising from financing activities are those for which cash flows where, or future cash flows will be, classified in the Company's statement of cashflows as cashflows from financing activities.

Particulars	**Opening balance as at 01/04/2019**	**Financing cash flows**	**Non-cash changes**	**Closing balance as at 31/03/2020**
	₹ in Millions	₹ in Millions	₹ in Millions	₹ in Millions
Long Term Borrowings				
ECB	10,408.36	(4,349.10)	404.22	6,463.48
NCD	19,999.61	(20,000.00)	0.39	-
FCTL from Banks	-	35,857.91	2,652.97	38,510.88
Debt Component of compound financial instrument #	-	2,196.46	-	2,196.46
	30,407.97	**13,705.27**	**3,057.58**	**47,170.82**
Short Term Borrowings				
FCTL from Banks	32,505.20	(32,505.20)	-	-
STL from Banks	370.00	4,362.16	-	4,732.16
WC Loan	1,583.29	4,578.70	(0.01)	6,161.98
	34,458.49	**(23,564.34)**	**(0.01)**	**10,894.14**

 # includes current portion as shown on note no. 19

Particulars	**Opening balance as at 01/04/2018**	**Financing cash flows**	**Non-cash changes**	**Closing balance as at 31/03/2019**
	₹ in Millions	₹ in Millions	₹ in Millions	₹ in Millions
Long Term Borrowings				
ECB	12,873.98	(3,085.06)	619.44	10,408.36
NCD	24,995.79	(5,000.00)	3.82	19,999.61
	37,869.77	**(8,085.06)**	**623.26**	**30,407.97**
Short Term Borrowings				
FCTL from Banks	26,072.00	6,873.52	(440.32)	32,505.20
STL from Banks	3,620.00	(3,250.00)	-	370.00
WC Loan	2,146.76	(570.73)	7.26	1,583.29
	31,838.76	**3,052.79**	**(433.06)**	**34,458.49**

40.2 The cash flows from bank loans, debentures and other borrowings make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows. Previous year cashflow figures have been re-grouped wherever required.

41 The Company has a periodic system of inventory, property and equipment and store/spares in a phased manner to cover all items over a period. Adjustment differences, if any is carried out on completion of reconciliation.

42 The expenses relating to Tax Audit & Certification Fees payable to Auditors includes ₹ 0.10 million paid to previous statutory auditor towards limited review and other certifcation work carried out for the quarter ended June 2019.

43 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

44 Some balances of trade and other receivables, trade and other payables and security deposits are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for on confirmation/reconciliation of the same, which will not have a material impact.

45 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

46 The Company operates in special economic zone (SEZ) in Mangalore, accordingly is eligible for certain economic benefits such as exemptions from gst, custom duty, excise duty, service tax , value added tax, entry tax, etc. which are in the nature of government assistance. These benefits are subject to fulfillment of certain obligations by the Company.

47 The Board had accorded consent for amalgamation of the company with the holding company Mangalore Refinery and Petrochemicals Limited (MRPL) subject to necessary approvals. The Company has received "No Objection" vide letter dated April 18, 2018 from Ministry of Petroleum & Natural Gas subject to fresh valuation and requisite approvals, which are under consideration. Hence, no effect is considered towards the same in the

48 Plant underwent normal shut down for a month’s time from mid of April-2019 and the same was extended for one more month due to unforeseen issues. In view of this, during the said period, company could not generate revenue from operations.

49 The Company has carried out its initial assessment of the likely adverse impact on econmomic environment in general and financial risk because of Covid-19. Due to this pandemic, petrochemical industry has been impacted and Company's product prices and margins have come under severe pressure. The demand/supply for Company's products are expected to be lower in the short term, though the same is not likely to have a continuing impact on the business of the Company.

50 Previous year figures have been regrouped wherever required. Figures in parenthesis as given in these notes to financial statements relate to previous year.

51 **Approval of financial statements**
The financial statements were approved for issue by the board of directors on June 5, 2020.

1. Corporate information

ONGC Mangalore Petrochemicals Limited ("OMPL" or "the Company") is a public limited company domiciled and incorporated in India having its registered office at Mangalore Special Economic Zone, Permude, Mangaluru, Karnataka – 574509. The Company's Commercial Papers are listed on Bombay Stock Exchange Limited (stock exchange). The Company is engaged in petrochemical business. The Company is a subsidiary of Mangalore Refinery and Petrochemicals Limited which holds 51.00% equity shares. The Company's ultimate holding company is Oil and Natural Gas Corporation Limited which holds 48.99% equity shares.

2. Application of new and revised 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 authorized have been considered in preparing these financial statements.

2.1. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

3. Significant accounting policies

3.1. Statement of compliance

"These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time."

3.2. Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values / amortized cost / net present value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Ind AS – 1 "Presentation of Financial statements" and the Schedule III to the Companies Act, 2013.

The financial statements are presented in Indian Rupees (`) and all values are rounded to the nearest two decimal million except otherwise stated.

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:

(a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the assets or liabilities.

(c) Level 3 inputs are unobservable inputs for the assets or liabilities reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

3.3. Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

3.4. Revenue Recognition

3.4.1. Company has applied the Ind AS 115 "Revenue from Contracts with Customers" effective from April 1, 2018 which establishes a five-step model to account for revenue arising from contracts with customers. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. Under Ind AS 115, Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Company has adopted Ind AS 115 using the cumulative effect method, as there is no impact of adoption of the Ind AS 115 on the financial statements, accordingly no effect was given to Retained Earnings

- Revenue from sale of goods is recognised at the point in time on delivery when control is transferred to the customer.
- Revenue from the sale of scrap is recognized at the point in time when control (transfer of custody of goods) is passed to the customer.
- Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts / non-collectible duties, if any, as specified in the contract with the customer.
- The Company has entered into certain "take or pay" arrangements with its customers which requires the Company to deliver specified quantities as per the arrangement. In the event of short lifting by the customer as per the terms of the arrangement, the Company is entitled to receive revenue in respect of the short lifted quantities. Revenue in respect of short lifted quantities under take or pay arrangements is recognised when the Company's obligation to supply short-lifted quantity ceases as per the arrangement and it is probable that the economic benefits will flow to the Company.

3.4.2. Dividend income is recognised when the right to receive the dividend is established.

3.4.3. Interest income from financial assets is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition).

3.4.4. For non financial assets, interest income is recognised on a time proportion basis. Interest income on refundable taxes / duties is recognised on receipt basis.

3.4.5. Revenue from Export Incentives in the form of duty credit scrips are recognised as revenue as per para 3.8 on Government Grants. The incentive value are recognized initially for expected realizable value and subsequently adjusted for actual realized value in the period when it is actually sold.

3.5. Leases

Effective 1st April 2019, the Company has adopted Ind AS 116 "Leases" using the modified retrospective approach. Accordingly the Company has not made restatement of comparative information, which is still presented in accordance with Ind AS 17. The new standard defines a lease as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has exercised the option not to apply this standard to leases of intangible assets.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: **(i)** the contract involves use of an identified assets **(ii)** the company has substantially all the economic benefits from the use of the asset through the period of the lease and **(iii)** the company has the right to direct the use of the asset.

Company as a lessee:

At the date of commencement of the lease, the Company recognizes a Right-of-use asset (ROU asset) and a corresponding lease liability for all lease contracts / arrangements in which it is a lessee, except for lease with a term of twelve months or less (i.e. short term leases) and lease of low value assets. For these short-term and low value leases, the Company recognizes the lease payments on 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. Right-of-use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The lease liability is initially measured at present value of the future lease payments over the reasonably certain lease term. The lease payments are discounted using the interest rate implicit in the lease, if it is not readily determinable, using the incremental borrowing rate. For leases with similar characteristics, the Company, on a lease by lease basis applies either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

The right-of-use assets are initially recognized at cost, which comprises the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the inception date of the lease along with any initial direct costs, restoration obligations and lease incentives received.

Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets. The Company applies Ind AS 36 to determine whether a Right-of-use asset is impaired and accounts for any identified impairment loss as described in the accounting policy below on "Impairment of PPE, intangible assets and right-of-use assets".

The interest cost on lease Liability (computed using effective interest method) is expensed in the statement of profit and loss unless eligible for capitalization as per accounting policy below on "Borrowing costs".

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract in accordance with Ind AS 116 and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Right-of-use asset is derecognized upon completion or cancellation of the lease contract.

Lease liability and Right-of-use asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows in the Statement of Cash Flows.

Lease modification impact is on prospective basis.

3.6. Foreign Currency Transactions

The Company's financial statements are presented in Indian Rupee (`), which is also its functional currency.

Transactions in currencies (foreign currencies) other than the Company's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using closing exchange rate prevailing on the last day of the reporting period.

Exchange difference arising in respect of foreign currency monetary items is recognised in the statement of profit and loss either as 'Exchange rate fluctuation loss/ (income)' or as 'finance cost', except for the exchange difference related to long-term foreign currency monetary items outstanding as at March 31, 2016, in so far as, they relate to the acquisition of depreciable assets, are adjusted against the cost of such assets and depreciate the said adjustment, over the balance life of asset.

3.7. Borrowing Costs

Borrowing costs consists of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange rate variation to the extent regarded as an adjustment to interest cost.

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 and loss in the period in which they are incurred.

3.8. Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in statement of profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

3.9. Employee Benefits

Employee benefits include provident fund, gratuity and compensated absences.

Defined contribution plans

Employee benefit under defined contribution plan comprising of provident fund is recognized based on the amount of obligation of the Company to contribute to the plan. The same is paid to Provident Fund authorities which is expensed during the year.

Defined benefit plans

Defined retirement benefit plan comprising of gratuity is recognized based on the present value of defined benefit obligation and is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted as current employee cost or included in cost of assets as permitted.

Net interest on the net defined liability is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset and is recognized in the statement of profit and loss except those included in cost of assets as permitted.

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 recognised 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.

Company's Gratuity plan is unfunded.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from the actuarial calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include Variable Pay and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

- in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

3.10. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) 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 and also in respect of carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused tax losses 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 asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period 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.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

Current and deferred tax for the year

Current and deferred tax are recognised in 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.

3.11. Property, plant and equipment (PPE) and Right of Use Asset

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

PPE in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. The cost of an asset comprises its purchase price or its construction cost (net of applicable tax credits) and 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 and decommissioning cost, if any. It includes professional fees and borrowing costs for qualifying assets capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Parts of an item of PPE having different useful lives and material value as assessed by management and subsequent capital expenditure on property, plant and equipment are accounted for as separate components.

Price Reduction Schedule (PRS) for delay in execution of contracts/supplies of property plant and equipment are accounted as and when they are considered recoverable, on final settlement as per the terms of the contracts/ agreement as an adjustment to the capital cost of the respective assets prospectively.

PPE are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation of PPE commences when the assets are ready for their intended use.

Depreciation is provided on the cost of PPE (other than properties under construction) less their residual values over their useful lives, using Straight Line Method, over the useful life of assets as specified in Schedule II to the Companies Act, 2013, except in case of certain assets (buildings, vehicles and plant and equipment) whose useful lives are determined based on technical evaluation.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Expenditure on overhaul and repairs on account of planned shut down which are of significant value (5% of the value of particular assets) is capitalized as component of relevant items of PPE and is depreciated over the period till next shutdown on straight line basis. Catalyst whose life is more than one year is capitalised as property, plant and equipment and depreciated over the guaranteed useful life as specified by the supplier when the catalyst is put to use.

Insurance spares received along with the plant and equipment and those purchased subsequently for specific machinery and having irregular use are capitalised.

Major capital spares are capitalised as property, plant and equipment. Depreciation on such spares capitalised as property, plant and equipment are depreciated over the period starting when it is brought into service and continuing over the shorter of its useful life and the remaining expected useful life of the asset to which it relates and written down value of the spare is charged to the statement of profit and loss as and when replaced.

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 except low value items not exceeding `5,000 which are fully depreciated at the time of addition.

Estimated useful lives of the assets are as follows:

Sr. No.	**Particulars**	**Useful lives (in years)**
1	Buildings	5-60
2	Office equipment	3-15
3	Furniture and fixtures	3-10
4 (i)	Plant and equipment – process plant	25-30
4 (ii)	Plant and equipment – pipelines	30
4 (iii)	Plant and equipment – catalyst	3-10
4 (iv)	Plant and equipment – instrumentation items	15
4 (v)	Plant and equipment – power plant	25-40
4 (vi)	Plant and equipment – others	3-15
5	Vehicles	8-15

An item of property, plant and equipment is derecognised upon disposal, replacement deduction, reclassification 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 property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Right-of-use assets are depreciated on a straight line basis over the lease term or useful life of the underlying asset, whichever is less.

3.12. Intangible assets

3.12.1. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are not subject to amortization and are carried at cost less accumulated impairment losses, if any.

Expenditure on internally generated intangibles, excluding development costs, is not capitalized and is reflected in Statement of Profit and Loss in the period in which such expenditure is incurred. Development costs are capitalized if, and only if, technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Corporation has an intention and ability to complete and use or sell the asset and the costs can be measured reliably.

3.12.2. Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

3.12.3. Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Sr. No.	Particulars	Useful lives (in years)
1	Computer software	3

3.13. Impairment of tangible and intangible assets

The Company reviews the carrying amounts of its intangible assets, Property, plant and equipment (including Capital Works in Progress) and right-of-use assets of a “Cash Generating Unit” (CGU) at the end of each reporting period to determine whether there is any indication significant that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). 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.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

An assessment is made at the end of each reporting period as to see if there are any indications that impairment losses recognized earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset’s recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation/amortization, had no impairment loss been recognized for the asset in prior years. After a reversal, the depreciation/ amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the statement of profit and loss.

3.14. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit after 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. For the purpose of the Statement of Cash Flows, cash and cash equivalent consists of cash, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.15. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purposes of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

3.16. Inventories

Inventories are valued at lower of cost and net realizable value. Cost of inventories comprises of purchase cost and other costs incurred in bringing inventories to their present location and condition. The cost has been determined as under:

Raw material (incl. fuel)	On First in First out (FIFO) basis.
Finished products	At Raw material and Conversion cost
Stock-in-process	At Raw material and Proportionate Conversion cost.
Stores and spares	On weighted average cost basis.

Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when a decline in the price of materials indicates that the cost of the finished products exceeds net realisable value, the materials are written down to net realisable value.

Obsolete, slow moving, surplus and defective stocks are identified at the time of physical verification of stocks and wherever necessary, provision is made for such stocks.

3.17. Provisions, Contingent Liabilities and Contingent Assets.

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and 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.

If the effect of time value of money is material, provisions are discounted using an appropriate pre-tax discount rate. When discounting is used, the increase in provision due to the passage of time is recognized as a finance cost.

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

Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

3.18. 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 profit or loss.

3.19. Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Cash and cash equivalents

The Company considers all 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, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(ii) 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 (SPPI) on the principal amount outstanding.

(iii) 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 selling financial assets and collecting contractual cash flows, 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.

(iv) 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.

(v) 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 losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

(vi) 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.

3.20. Financial liabilities and equity instruments

3.20.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received. Incremental costs directly attributable to the issuance of new ordinary equity shares are recognized as a deduction from equity, net of tax effects.

3.20.1.1 Classification as debt or equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.20.1.2 Compound financial instruments

The component parts of compound financial instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by reducing the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option. Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity.

Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

3.20.2 Financial liabilities

a) Financial liabilities subsequently measured at amortised cost

Financial liabilities are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method ("EIR"). Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

b) **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 and Loss.

3.21. Insurance Claims

In case of total loss of asset, on intimation to the insurer, either the carrying cost of the asset or insurance value (subject to deductible excess) whichever is lower is treated as claims recoverable from insurance company. In case insurance claim is less than the carrying cost of the asset, the difference is charged to statement of profit and loss.

In case of partial or other losses, expenditure incurred / payments made to put such assets back into use, to meet the third party or other liabilities (less deductible excess) if any, are accounted for as claims receivable from insurance company. Insurance Policy deductible excess are expensed in the year in which corresponding expenditure is incurred.

As and when claims are finally received from the insurance company, the difference, if any, between the claim receivable from insurance company and claims received is adjusted to statement of profit and loss.

All other claims and provisions are recognised on the merits of each case.

3.22. Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model. Free hold land and properties under construction are not depreciated.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

4. 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 useful lives of property, plant and equipment, employee benefit obligations, provision for income tax and measurement of deferred tax assets.

4.1. Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations (Refer note 4.2), 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.

(a) 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 Company’s functional currency to be Indian Rupee (`).

4.2. Assumptions and key sources of estimation uncertainty

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

a) **Useful lives of property, plant and equipment**

Management reviews its estimate of the useful lives of property, plant and equipment at each reporting date, based on the future economic benefits expected to be consumed from the assets.

b) **Defined benefit obligation (DBO)**

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

c) **Provision for income tax**

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

d) **Recognition of deferred tax assets**

Note 32 states that the Company has recognized deferred tax asset on unused tax losses as at March 31, 2020. Company has followed the provisions of Ind AS 12 on "Income Taxes" to recognize the Deferred Tax Asset on unused tax losses .

Company has incurred losses in the past and the recognition of deferred tax asset arising from unused tax losses under such circumstances call for assessment of Company having sufficient taxable temporary difference or convincing other evidence that sufficient taxable profit is available against which the unused tax losses can be utilized. In this respect, Company assessed its future business outlook and forecasted the future available taxable profit on the basis of following and recognized the deferred tax asset on unused tax losses:

- Committed long-term/short-term offtake arrangement for main products
- Long term supply/return-stream arrangement with parent company.
- Market expansion with new products
- Export of by-products
- Projects / measures taken to improve - plant capacity utilization, feed processing and product yield, cost effectiveness in utilities consumption etc.

- Arrangement to buy low cost fuel Natural Gas

Company considered the recognition criteria's prescribed in the standard and to the extent that it is not probable that taxable profit will be available against which the unused tax losses can be utilized, the deferred tax asset is not recognized by the Company. Further, significant judgement has been used in assessing the impact of any legal or economic limits or uncertainties including market volatilities and capacity utilization while recognizing the deferred tax asset on unused tax losses.

e) **Impairment**

Estimating recoverable amounts involves complexity in estimating relevant future cash flows, based on assumptions about the future, discounted to their present value.

Impairment testing requires long-term assumptions to be made concerning a number of often volatile economic factors such as future market prices, currency exchange rates and future output and discount rate, in order to establish relevant future cash flows.`

f) **Leases**

Identifying whether a contract includes a lease

The Company enters into hiring/service arrangements for various assets/services. The Company evaluates whether a contract contains a lease or not, in accordance with the principles of Ind AS 116. This requires significant judgments including but not limited to, whether asset is implicitly identified, substantive substitution rights available with the supplier, decision making rights with respect to how the underlying asset will be used, economic substance of the arrangement, etc.

Determining lease term (including extension and termination options)

The Company considers 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. Assessment of extension/termination options is made on lease by lease basis, on the basis of relevant facts and circumstances. The lease term is reassessed if an option is actually exercised. In case of contracts, where the Company has the option to hire and de-hire the underlying asset on some circumstances (such as operational requirements), the lease term is considered to be initial contract period.

Identifying lease payments for computation of lease liability

To identify fixed (including in-substance fixed) lease payments, the Company consider the non-operating day rate/standby as minimum fixed lease payments for the purpose of computation of lease liability and corresponding right of use asset.

Low value leases

Ind AS 116 requires assessment of whether an underlying asset is of low value, if lessee opts for the option of not to apply the recognition and measurement requirements of Ind AS 116 to leases where the underlying asset is of low value. For the purpose of determining low value, the Company has considered nature of assets and concept of materiality as defined in Ind AS 1 and the conceptual framework of Ind AS which involve significant judgment.

Determining discount rate for computation of lease liability

For computation of lease liability, Ind AS 116 requires lessee to use their incremental borrowing rate as discount rate if the rate implicit in the lease contract cannot be readily determined.

For leases denominated in Company’s functional currency, the Company considers the incremental borrowing rate to be Corporate Bond Rates.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FOURTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ONGC MANGALORE PETROCHEMICALS LIMITED (THE COMPANY) WILL BE HELD ON WEDNESDAY, THE 16TH DAY OF SEPTEMBER, 2020 AT 15.00 HRS., THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESSES:

Ordinary Businesses:

Agenda No.1- Consideration of financial statements and the reports of the Board of Directors and auditors

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2020, together with the Reports of the Board of Directors and the Auditors thereon and comments of the Comptroller and Auditor-General of India in terms of Section 143(6) of the Companies Act, 2013.

Agenda No.2 – Re-appointment of Shri Shashi Shanker

To appoint Director in place of Shri Shashi Shanker, who retires by rotation and being eligible offers himself for re-appointment.

Agenda No.3 – Authorisation to fix remuneration of the Auditor

To authorise Board of Directors of the Company to fix the remuneration of the Statutory Auditors of the Company for the financial year 2020-21, in terms of the provisions of section 139(5) read with section 142 of the Companies Act, 2013 and to pass the following resolution,with or without modification(s), as an **Ordinary Resolution**:

"**RESOLVED THAT** the Board of Directors of the Company be and is hereby authorised to decide and fix the remuneration of the Statutory Auditors of the Company for the Financial Year 2020-21."

Special Businesses:

Agenda No.4 – Appointment of Smt Pomila Jaspal as a Director

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

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, Smt Pomila Jaspal (DIN:08436633), who was appointed as an Additional Director on the Board of the Company with effect from November 26, 2019 to hold office until the date of this Annual General Meeting, in terms of Section 161(1) of the Companies Act, 2013 and provisions of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing from Mangalore Refinery and Petrochemicals Limited, under Section 160 of the Companies Act, 2013, signifying its intention to propose her candidature for the office of the Director, be and is hereby appointed as Director of the Company, liable to retire by rotation".

Agenda No.5 – Appointment of Shri Anurag Sharma as a Director

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

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, Shri Anurag Sharma (DIN 08050719), who was appointed as an Additional Director on the Board of the Company with effect from June 05, 2020 to hold office until the date of this Annual General Meeting, in terms of Section 161(1) of the Companies Act, 2013 and provisions of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing from Shri Anurag Sharma himself, under Section 160 of the Companies Act, 2013, signifying his intention to propose his candidature for the office of the Director, be and is hereby appointed as Director of the Company, liable to retire by rotation".

Agenda No.6 – Appointment of Shri Sanjay Varma as a Director

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

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, Shri Sanjay Varma (DIN 05155972), who was appointed as an Additional Director on the Board of the Company with effect from June 26, 2020 to hold office until the date of this Annual General Meeting, in terms of Section 161(1) of the Companies Act, 2013 and provisions of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing from Mangalore Refinery and Petrochemicals Limited, under Section 160 of the Companies Act, 2013, signifying its intention to propose his candidature for the office of the Director, be and is hereby appointed as Director of the Company, liable to retire by rotation".

Agenda No.7 – Cancellation of 1,099 unsubscribed shares

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

"**RESOLVED THAT** in accordance with the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and rules framed thereunder, enabling provisions of the Articles of Association of the

Company and subject to all other necessary approvals, permissions, consents and sanctions, if required, of concerned statutory authority and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents approval of Shareholders be and is hereby accorded to cancel the 1,099 (One Thousand and Ninety Nine) equity shares of Rs.10/- (Ten) each which have not been taken by person to whom so offered from Issued Equity share Capital of the Company.

RESOLVED FURTHER THAT the Chief Executive Officer, Chief Financial Officer and Company Secretary be and are hereby severally authorised to do all such acts, deeds and things as in its absolute discretion they may think necessary, expedient or desirable including of filing forms with the Registrar of Companies or any other regulatory authority to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments as may be required in this regard."

Agenda Item No.8

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to Section 14 and all other applicable provisions of the Companies Act, 2013, (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company be and is hereby altered by making addition as follows:

84A. Subject to the provisions of Securities Contracts (Regulation) Act, 1956 and Securities and Exchange Board of India Act, 1992 including any regulation (s) / Notification (s) framed thereunder, the provisions of the Companies Act, 2013 and rules framed thereunder, the Board of Directors may enter into any contract for sale or purchase of securities, namely:-

(a) spot delivery contract;

(b) contracts for sale or purchase of securities or contracts in derivatives, as are permissible under the said Act or the Securities and Exchange Board of India Act, 1992 (15 of 1992) and the rules and regulations made under such Acts and rules, regulations and bye-laws of a recognised stock exchange;

(c) contracts for pre-emption including right of first refusal, or tag-along or drag-along rights contained in shareholders agreements or articles of association of companies or other body corporate;

(d) contracts in shareholders agreements or articles of association of companies or other body corporate, for purchase or sale of securities pursuant to exercise of an option contained therein to buy or sell the securities, where-

(i) the title and ownership of the underlying securities is held continuously by the selling party to such contract for a minimum period of one year from the date of entering into the contract;

(ii) the price or consideration payable for the sale or purchase of the underlying securities pursuant to exercise of any option contained therein, is in compliance with all the laws for the time being in force as applicable; and

(iii) the contract is settled by way of actual delivery of the underlying securities:

Provided that the contracts specified in clauses (a) to (d) above, shall be in accordance with the provisions of the Foreign Exchange Management Act, 1999 and rules or regulations made thereunder:

Explanation.- It is hereby clarified that the contracts mentioned in clauses (c) and (d) above shall be valid notwithstanding anything contained in section 18 A read with clause (d) of sub-section (1) of section 23 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956):

Provided also that any contract for sale or purchase of government securities, gold related securities, money market securities, contracts in currency derivatives, interest rate derivatives and ready forward contracts in debt securities entered into on the recognised stock exchange shall be entered into in accordance with, —

(a) the rules or regulations or the bye-laws made under the Securities Contracts (Regulation) Act, 1956 (42 of 1956), or the Securities and Exchange Board of India Act, 1992(15 of 1992) or the directions issued by the Securities and Exchange Board of India under the said Acts;

(b) the rules made or guidelines or directions issued, under the Reserve Bank of India Act, 1934 (2 of 1934) or the Banking Regulations Act, 1949 (10 of 1949) or the Foreign Exchange Management Act, 1999 (42 of 1999), by the Reserve Bank of India;

(c) the notifications issued by the Reserve Bank of India under the Securities Contracts (Regulation) Act, 1956 (42 of 1956).

84B. Subject to the provisions of the Securities Contracts (Regulation) Act, 1956 and Securities and Exchange Board of India Act, 1992 including any regulation (s) / Notification (s) framed thereunder, the provisions of the Companies Act, 2013 and rules framed thereunder, the Board of Directors may issue debenture including Non-convertible Debentures (NCD), Compulsory Convertible Debentures (CCD) or all others permissible securities, expressly detailing out a put and call option to be granted by the sponsors in respect of the Non-convertible Debentures (NCD), Compulsory Convertible Debentures (CCD) or all others permissible securities issued by the Company to investors from time to time; and the Company shall perform all obligations under the agreements

entered into by it and take all actions necessary under applicable law in order to give effect to such options, including recording any consequent transfers of the Non-convertible Debentures (NCD), Compulsory Convertible Debentures (CCD) or all others permissible securities.

RESOLVED FURTHER THAT the Chief Executive Officer, Chief Financial Officer and Company Secretary be and are hereby severally authorised to perform all acts, deeds and things, execute documents, and make all filings, as may be necessary to give effect to the above resolution and to take all such steps for giving any such direction as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise for the purpose of giving effect to this resolution."

By Order of the Board of Directors of
ONGC Mangalore Petrochemicals Ltd.

Place: Mangaluru
Dated: July 31, 2020

K B Shyam Kumar
Company Secretary

Registered Office:
Mangalore Special Economic Zone,
Permude,
Mangaluru- 574 509
CIN: U40107KA2006GOI041258
Website: www.ompl.co.in

NOTES:

1. The Explanatory Statement setting out the material facts concerning each item of Special Businesses to be transacted at the Annual General Meeting pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of the Notice.

2. In view of the outbreak of the COVID-19 pandemic, social distancing norms to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") the 14th AGM of the Company is being conducted through Video Conference (VC) / Other Audio Visual Means (OAVM),which does not require physical presence of Members at a common venue. In terms with the Secretarial Standards on General Meetings (SS-2) issued by The Institute of Company

Secretaries of India, the venue of the 14th AGM shall be deemed to be the Registered Office of the Company situated at Mangalore Special Economic Zone, Permude, Mangalore Taluk, Dakshina Kannada (Dist), Karnataka – 574509.

3. In view of the COVID 19 pandemic, the Ministry of Corporate Affairs vide its Circulars has introduced certain measures enabling companies to convene their Annual General Meetings (AGM/ Meeting) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and also send notice of the Meeting and other correspondences related thereto, through electronic mode. In compliance with the said requirements of the MCA Circulars, electronic copy of the Notice along with the Annual Report for the financial year ended 31st March, 2020 consisting of financial statements including Board's Report, Auditors' Report and other documents required to be attached therewith (Collectively referred to as Notice) have been sent only to those members whose e- mail ids are registered with the Company or the Registrar and Share Transfer Agent or the Depository Participants(s) through electronic means and no physical copy of the Notice has been sent by the Company to any member. The Notice and Annual Report for financial year ended 2019-20 shall also be available on the website of the Company at www.ompl.co.in.

4. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members under Section 105 will not be available for the 14th AGM and hence the Proxy Form and Attendance Slip are not annexed hereto. However, in terms of the provisions of Section 112 and Section 113 of the Act, representatives of the Members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

5. Members of the Company under the category Corporate Shareholders are encouraged to attend and vote at the AGM through VC/OAVM are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM and vote on its behalf. The said Resolution/Authorization can be sent to the Company at shyamkumar@omplindia.com.

6. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

7. Participation of Members through VC /OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Act.

8. Those Shareholders whose email IDs are not registered, are requested to register their email ID with Registrar & Share Transfer Agent (R&STA)/Company Secretary by providing their Name as registered with the R&STA, Address, email ID, PAN, DPID/Client ID or Folio Number and Number of shares held by them.

9. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee and Nomination and Remuneration Committee, Auditors, who are allowed to attend the AGM without restriction on account of first come first served basis.

10. The Members will be allowed to pose questions during the course of the Meeting. The queries can also be given in advance at shyamkumar@omplindia.com.

11. Members having any query(ies) relating to this Notice are requested to send their questions to Registered Office of the Company at least 7 days before the date scheduled for Meeting.

12. Members who hold shares in physical form are requested to intimate to the Company Bank mandate under the signature of Sole/first named joint shareholder specifying Bank's name, Name and Address (with PIN No.) of the Branch, Account Type - Saving (SA) or Current (CA), Account No.

13. Members who still hold share certificates in physical form are advised to dematerialize their shareholding to avail the benefits of dematerialization, which include easy liquidity, since trading is permitted in dematerialized form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

14. Members are also requested to notify any changes in their email ID or Bank Mandates or address to the Company and always quote their Folio Number or DP ID and Client ID Numbers in all correspondence with the Company. In respect of holding in electronic form, Members are requested to notify any change of email ID or Bank mandates or address to their Depository Participants.

15. Nomination facility: Pursuant to Section 72 of the Companies Act, 2013 (corresponding section 109A of the Companies Act, 1956) individual/ joint members are entitled to register nomination in respect of the shares held by them in Form No.SH-13 and send it to the Company.

16. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 shall be made

available only in electronic form for inspection during the Meeting through VC.

17. In terms of the Articles of Association of the Company, read with Section 152 of the Companies Act, 2013, Shri Shashi Shanker (DIN 06447938), Director, retire by rotation at the ensuing Meeting and being eligible, offer himself for re-appointment. Brief profile of the Director seeking re-appointment is given here-in-below:

18. Shri Shashi Shanker (DIN: 06447938) is an industry veteran with over 30 years of experience in diverse E&P activities. He is a Petroleum Engineer from Indian School of Mines (ISM), Dhanbad. He also holds an MBA degree with specialisation in Finance. He has also received executive education from prestigious Indian Institute of Management, Lucknow and Indian School of Business, Hyderabad.

19. Prior to his appointment as Director (T&FS) in 2012 in ONGC, he has progressed through senior management roles in various work-centres including Institute of Drilling Technology, Dehradun; West Bengal Project; Assam Project and Deep Water group at Mumbai. He was acclaimed for his performance in spearheading the deep/ultra-deep water campaign of ONGC which was christened 'Sagar Samriddhhi'. Currently, he is Chairman & Managing Director of Oil and Natural Gas Corporation Limited and holds directorship in seven other companies. He holds one Committee membership in one public Company.

20. He does not hold any shares of the Company.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members whose email IDs are already registered with the Company and who are desirous to attend the AGM through VC/OAVM can apply at shyamkumar@omplindia.com requesting for participation in the AGM, by giving their name as registered in the records of the Company, DPID/Client ID or Folio Number and the Registered email ID.

2. Members who are desirous of attending the AGM through VC/OAVM and whose email IDs are not registered with the company, may get their email IDs registered with the Registrar & Transfer Agent or with the Company by sending an email to shyamkumar@omplindia.com with the following credentials:
    a. Name registered as per the records of the company
    b. DPID-Client ID/ Folio Number
    c. Email ID to be registered for attending the Meeting

3. Members may send the above-mentioned request at least 7 days before the meeting date. In case of joint holding, the credentials of the first named holder shall be accepted.

4. On successful registration with the company, the invitation to join the AGM will be sent to the Members on their registered email IDs.

5. Members may attend the AGM, by following the invitation link sent to their registered email ID. Members will be able to locate Meeting ID/ Password/ and JOIN MEETING tab. By Clicking on JOIN MEETING, they will be redirected to Meeting Room via browser or by running Temporary Application. In order to join the Meeting, follow the step and provide the required details (mentioned above – Meeting Id/Password/Email Address) and Join the Meeting. Members are encouraged to join the Meeting through Laptops for better experience.

6. In case of Android/iPhone connection, Participants will be required to download and Install the appropriate application as given in the mail to them. Application may be downloaded from Google Play Store/ App Store.

7. Further Members will be required to allow Camera and use Internet audio settings as and when asked while setting up the meeting on Mobile App.

8. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches. The helpline number for joining the Meeting through Electronic Mode will be provided in the Meeting Invitation which will be sent to the eligible applicants.

9. Institutional Shareholders are encouraged to participate at the AGM through VC/OAVM and vote thereat.

10. Members may send in their queries at least a week in advance to the Company at shyamkumar@omplindia.com to facilitate clarifications during the Meeting.

Statement pursuant to Section 102(1) of the Companies Act, 2013

Item No.4

The Board appointed Smt Pomila Jaspal as an Additional Director of the Company with effect from November 26, 2019 through Circular resolution, pursuant to Section 161 of the Companies Act, 2013, read with Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Smt Pomila Jaspal will hold office up to the date of ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from Mangalore Refinery and Petrochemicals Limited proposing the candidature of Smt Pomila Jaspal for the office of director.

Smt Pomila Jaspal (DIN: 08436633) a fellow member of The Institute of Cost Accountants of India (ICMAI) and Gold medallist. She was Executive Director-Chief Corporate Finance, ONGC and handled varied assignments including corporate finance functions such as Direct tax, Indirect tax, Investor relations, Corporate Budget & Project Appraisal etc. Currently, she is Director (Finance) of Mangalore Refinery and Petrochemicals Limited and also on the Board of Petronet MHB Limited.

She does not hold any shares of the Company.

No director, key managerial personnel or their relatives, except Smt Pomila Jaspal, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No.4 for the approval of the Members.

Item No.5

The Board appointed Shri Anurag Sharma as an Additional Director of the Company with effect from June 05, 2020 in its 79th Board meeting held on June 05, 2020, pursuant to Section 161 of the Companies Act, 2013, read with Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Shri Anurag Sharma will hold office up to the date of ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from Shri Anurag Sharma himself proposing his candidature for the office of director.

Shri Anurag Sharma (DIN: 08050719) is a Mechanical Engineer (MNREC, Allahabad) and holds MBA (FMS, Delhi). He has undertaken executive education from the prestigious Indian Institute of Management, Calcutta. He is also a member of Society of Petroleum Engineers. Currently, he is Director - Onshore of Oil and Natural Gas Corporation Limited (ONGC) and also on the Board of Dahej SEZ Limited.

He does not hold any shares of the Company.

No director, key managerial personnel or their relatives, except Shri Anurag Sharma, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No.5 for the approval of the Members.

Item No.6

The Board appointed Shri Sanjay Varma as an Additional Director of the Company with effect from June 26, 2020 through Circular resolution, pursuant to

Section 161 of the Companies Act, 2013, read with Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Shri Sanjay Varma will hold office up to the date of ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from Mangalore Refinery and Petrochemicals Limited proposing the candidature of Shri Sanjay Varma for the office of director.

Shri Sanjay Varma (DIN: 05155972) is a Mechanical Engineer from Government Engineering College Jabalpur. He has diversified experience of 30 years in Petroleum Refining, Petrochemicals and Fertilizer sectors. He has rendered more than 25 years of service at MRPL. Currently, he is Director (Refinery) of Mangalore Refinery and Petrochemicals Limited (MRPL) and also on the Board of Mangalore STP Limited (MSTPL).

He does not hold any shares of the Company.

No director, key managerial personnel or their relatives, except Shri Anurag Sharma, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No.6 for the approval of the Members.

Item No.7

Pursuant to the approval accorded by the Board of Directors of the Company, the Company had undertaken Rights Issues of Equity Shares in 2018 and 2019 whereby among others it sought to allot equity shares (bearing face value of 10/- each) to existing shareholders of the Company at a price of Rs.12/- per Equity share. However, ten of such shareholders did not subscribe to the shares totalling to 1,099.

The Company seeks approval from its shareholders pursuant to applicable provisions of Companies Act, 2013 and the existing Articles of Association of the Company, to cancel such unissued part of capital that is reflected in the issued capital of the company which is proposed to be reduced to 254,42,91,067 (Two Hundred Fifty Four Crore Forty Two Lakh Ninety One Thousand Sixty Seven only) Equity shares of Rs. 10/- (ten) each.

None of the Promoters, Directors, key managerial personnel and their relatives, if any, are deemed to be concerned or interested, financial or otherwise in the proposed ordinary resolution.

The Board of Directors of the Company recommends passing of the resolution as set out at item no. 7 of the Notice.

Item No.8

The Board of Directors of the Company approved issue of Compulsorily Convertible Debentures (CCDs) in its 78th meeting held on January 28, 2020 subject to the approval of the shareholders of the Company. The shareholders in their extraordinary meeting held on February 08, 2020 approved the issue of CCDs of value of Rs.1,000 Crore through private placement on preferential basis. The Company has completed the CCD issue in March 2020.

One of the terms of the issue of the CCDs was to amend the Articles of Association of the Company for including the terms of the issue of CCDs.

The Company seeks approval from its shareholders pursuant to applicable provisions of Companies Act, 2013 and the existing Articles of Association of the Company to amend the Articles of Association of the Company by including the Article No. 84A and 84B.

None of the Promoters, Directors, key managerial personnel and their relatives, if any, are deemed to be concerned or interested, financial or otherwise in the proposed special resolution.

The Board of Directors of the Company recommends passing of the resolution as set out at item no. 8 of the Notice.

By Order of the Board of Directors of
ONGC Mangalore Petrochemicals Ltd.

Place: Mangaluru — K B Shyam Kumar
Dated: July 31, 2020 — Company Secretary

Swachch Bharat Abhiyaan

CORPORATE SOCIAL RESPONSIBILITY

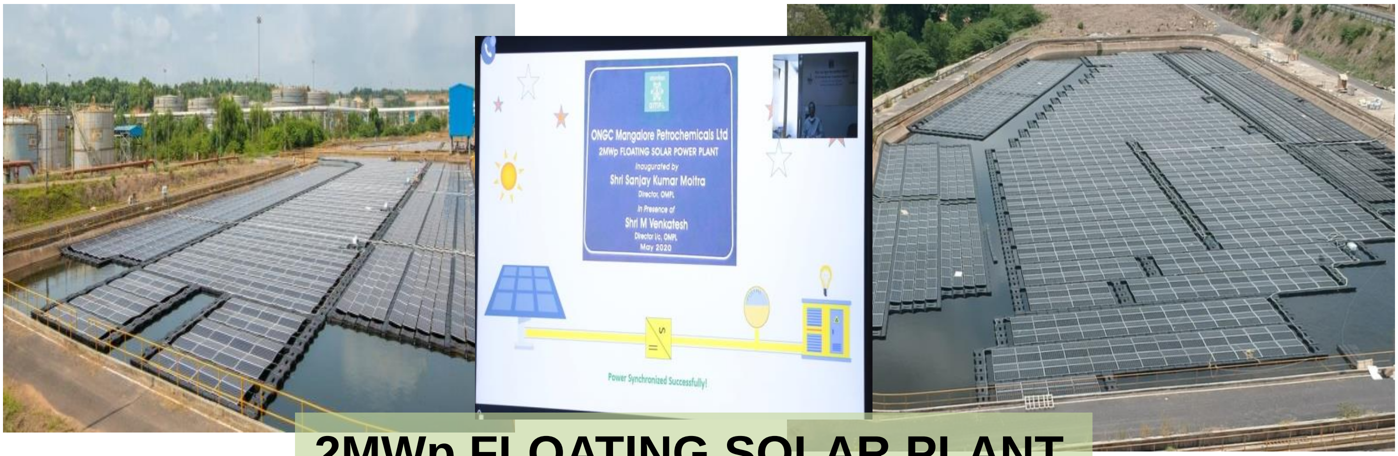
International Yoga Day Celebration

Free Medical Camp at Bajpe Gram Panchayat

Fire Training at Nearby Schools & Colleges

Tanker Loading Bay

NEW FACILITIES



2MWp FLOATING SOLAR PLANT

Regd Address: ONGC Mangalore Petrochemicals Limited
Mangalore Special Economic Zone
Permude, Mangalore – 574509, India
Website: www.ompl.co.in