



# ONGC Mangalore Petrochemicals Limited



9th Annual Report  
2014-15

# ONGC MANGALORE PETROCHEMICALS LIMITED

(A subsidiary of Mangalore Refinery and Petrochemicals Limited)

CIN: U40107KA2006PLC041258

## BOARD OF DIRECTORS AS ON 8TH JULY 2015



**Shri D K Sarraf**  
Chairman



**Shri Ashok Varma**  
Director



**Shri H Kumar**  
Director



**Shri Vishnu Agrawal**  
Director



**Shri M Venkatesh**  
Director



**Shri G M Ramamurthy**  
Independent Director



**Shri Santosh Nautiyal**  
Independent Director



**Shri I S N Prasad**  
Independent Director



**Shri M M Chitale**  
Independent Director

## KEY EXECUTIVE



**Shri Sushil K Shenoy**  
Chief Financial Officer &  
Chief Executive Officer I/C



## ONGC Mangalore Petrochemicals Limited

### BOARD OF DIRECTORS

Shri D K Sarraf	Chairman
Shri Ashok Varma	Director
Shri H Kumar	Director
Shri Vishnu Agrawal	Director
Shri M Venkatesh	Director
Shri I S N Prasad	Independent Director
Shri G M Ramamurthy	Independent Director
Shri Santosh Nautiyal	Independent Director
Shri M M Chitale	Independent Director

### COMMITTEE OF DIRECTORS

Shri Santosh Nautiyal	Independent Director
Shri G M Ramamurthy	Independent Director
Shri H Kumar	Director
Shri Vishnu Agrawal	Director

### AUDIT AND ETHICS COMMITTEE

Shri G M Ramamurthy	Independent Director
Shri Santosh Nautiyal	Independent Director
Shri Vishnu Agrawal	Director

### NOMINATION AND REMUNERATION COMMITTEE

Shri H Kumar	Director
Shri G M Ramamurthy	Independent Director
Shri Santosh Nautiyal	Independent Director

### KEY EXECUTIVE

Shri Sushil K. Shenoy,	Chief Financial Officer & Chief Executive Officer I/c
------------------------	--

### COMPANY SECRETARY

Shri K B Shyam Kumar

### STATUTORY AUDITORS

M/s. V. Sankar Aiyar & Co., Chartered Accountants, Mumbai

### BANKERS

Axis Bank	Oriental Bank of Commerce
Bank of Baroda	Punjab & Sind Bank Ltd
Bank of India	South Indian Bank Ltd
Bank of Maharashtra	State Bank of India
Canara Bank	State Bank of Mysore
Corporation Bank	State Bank of Travancore
Indian Bank	
Indian Overseas Bank	

### REGISTERED OFFICE

Mangalore Special Economic Zone,  
Permude, Mangalore- 574 509

### FIELD OFFICE

2<sup>nd</sup> Floor, MUDA Building,  
Urwa Store, Mangalore – 575006

### Contents

Board's Report	1
Corporate Governance Report	18
C & AG's Comments	23
Auditor's Report	24
Balance Sheet	28
Statement of Profit and Loss	29
Cash Flow Statement	30
Notes to Financial Statements	31
Notice	49





## ONGC Mangalore Petrochemicals Limited

### BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 9<sup>th</sup> Annual Report of your Company and the Audited Financial Statements for the financial year ended 31st March, 2015, together with the Auditor's Report thereon.

#### 1. PERFORMANCE OF THE COMPANY 1.1 FINANCIAL RESULTS

The financial performance of your Company for the year ended 31st March, 2015 is summarised below:

Particulars	For the year Ended on 31st March, 2015 (Rs in millions)	For the year Ended on 31st March, 2014 (Rs in millions)
Revenue from operations	17,238.91	-
Revenue from Other Income	43.59	0.26
Expenses	26,425.49	12.05
Profit (Loss) before Taxation and prior period Adjustments	(9,142.99)	(11.79)
Prior period Adjustments	-	-
Profit (Loss) before Taxation	(9,142.99)	(11.79)
Tax Expenses:		
Current Tax	-	0.08
MAT Credit Entitlement	-	(3.78)
Excess Provision of Income Tax for earlier year written back	-	(3.39)
Profit (Loss) for the Year	(9,142.99)	(4.70)

#### 1.2 RESULTS OF OPERATIONS

Your Company had commenced its operations from October 01, 2014. During the first year of operation, your Company achieved a turnover of Rs.17,238.91 million and posted a loss of Rs.9,142.99 million mainly on account of interest cost, depreciation, inventory loss and low capacity utilisation. The capacity utilization for the period was about 60%.

#### 1.3 EXPORTS

During the year, your Company exported Para-xylene and Benzene worth about Rs.12,120.76 million and Rs.2,809.26 million, respectively.

#### 1.4 DIVIDEND AND TRANSFER TO RESERVES

In view of the losses incurred in the financial year 2014-15, your Board of Directors has not recommended any dividend for the financial year 2014-15 and no amount has been transferred to General Reserve during the financial year 2014-15.

#### 2. FINANCIAL ACCOUNTING

The Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) and in compliance with all applicable Accounting Standards (AS-1 to AS-30) and provisions of the Companies Act, 2013 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The financial statements have been prepared under the Schedule III format of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.



## ONGC Mangalore Petrochemicals Limited

### 3. LOANS, INVESTMENTS OR GUARANTEES

Your Company has not given any loans, made any investments or provided guarantee as required to be reported under section 186 of the Companies Act, 2013.

### 4. RELATED PARTY TRANSACTION

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 of Board's Report and placed at **Annexure-A**.

### 5. CHANGES IN SUBSCRIBED EQUITY SHARE CAPITAL

#### 5.1 ALLOTMENT OF SHARES IN LIEU OF ADVANCE AGAINST EQUITY

Pursuant applicable provisions of the Companies Act 2013, Companies Act 1956 and rules framed there under, the Board, in its 46<sup>th</sup> meeting held on 28<sup>th</sup> February 2015 had approved the allotment of 97,99,75,500 shares of Rs. 10 each at par aggregating Rs.979,97,55,000/- to M/s. Oil and Natural Gas Corporation Limited (ONGC) and M/s. Mangalore Refinery and Petrochemicals Limited (MRPL) in lieu of advance against equity.

#### 5.2 RIGHT ISSUE OF SHARES

Pursuant applicable provisions of the Companies Act 2013, Companies Act 1956 and rules framed there under, the Board, in its 46<sup>th</sup> meeting held on 28<sup>th</sup> February 2015 had approved allotment of 89,76,00,000 shares at Rs.14.20 per share (with a premium of Rs.4.20 per share) on Rights Basis aggregating Rs.1274,59,20,000/- to Mangalore Refinery and Petrochemicals Limited.

Consequent upon allotment of equity shares to ONGC and MRPL, your Company has become subsidiary of MRPL. The current shareholding of MRPL and ONGC in your Company is 51% and ~ 48.99%, respectively and as result your Company has become a Government Company in terms of Section 2(45) read with 2(87) of the Companies Act, 2013.

### 6. AMALGAMATION OF ONGC MANGALORE PETROCHEMICALS LIMITED 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 as it was opined that shareholders' value would be enhanced by integrating aromatic plant of the Company with refinery of MRPL to create greater synergies between 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.

The Board has also approved the share swap ratio of 100:513, i.e., for every 513 (five hundred thirteen) fully paid-up equity shares of Rs. 10 each held by a shareholder in the Company, 100 (one hundred) fully paid-up equity shares of Rs. 10 each of MRPL shall be issued upon sanction of the Scheme.

### 7. CREDIT PROFILE

Credit Analysis & Research Limited (CARE) has reaffirmed "A+" (pronounced **Single A plus**) rating assigned to the long-term facilities of your Company. ICRA has assigned "AA-" (pronounced **Double A minus**) to the long-term facilities and A1+ (pronounced **A One Plus**) for short term facilities of your Company.

### 8. FIXED DEPOSITS

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

### 9. INTERNAL CONTROL SYSTEM

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



## ONGC Mangalore Petrochemicals Limited

### 10. ENTERPRISE RISK MANAGEMENT SYSTEM

Your Directors have placed 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 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 clearly structured and defined the procedure for Risk Identification, Risk Assessment, Risk measuring and monitoring, Risk reporting and 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 its strategic objective of the Company. The Integrated Enterprise Risk Management System is designed to drive a common integrated view of risk and optimal risk mitigation.

### 11. VIGIL MECHANISM

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

### 12. CORPORATE SOCIAL RESPONSIBILITY (UNDER SECTION 135 OF THE COMPANIES ACT, 2013)

The provisions relating to Corporate Social Responsibility were not applicable to your Company for the year 2014-15.

### 13. DIRECTORS

#### 13.1 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 Gazette notification dated 05.06.2015 issued by Government of India, Ministry of Corporate Affairs.

#### 13.2 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 Gazette notification dated 05.06.2015 issued by Government of India, Ministry of Corporate Affairs.

#### 13.3 BOARD MEETINGS

Eight Board Meetings were held during the year ended on 31st March 2015.

#### 13.4 INDEPENDENT DIRECTORS

Shri. I.S.N. Prasad, Shri. G.M.Ramamurthy, Shri. Santosh Nautial and Shri.M.M.Chitale who were independent directors on the Board of the Company were appointed as Independent Directors under the Companies Act, 2013 with effect from 28.03.2015 for a period of one year. These Independent Directors have submitted declaration that they meet the criteria of Independence as per section 149(6) of the Companies Act, 2013. Approval for their appointment as independent directors is included as an item of business in the ensuing Annual General Meeting.

#### 13.5 APPOINTMENTS/CESSATION ETC

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

During the year under review, Shri.P P Upadhya and Shri. K S Jamestin resigned with effect from 31<sup>st</sup> July, 2014 and 1<sup>st</sup> August, 2014, respectively. Shri.H Kumar and Shri. Vishnu Agrawal were appointed as Additional Directors by the Board of Directors with effect from 16<sup>th</sup> August, 2014 and they were appointed as Directors at the 8<sup>th</sup> Annual General Meeting of the Company held on 13<sup>th</sup> September, 2014.

Shri.A.K.Banerjee resigned as a director of the Company with effect from 30.04.2015. Shri.Venkatesh Madhava Rao and Shri. Ashok Varma were appointed as Additional Directors with effect from 1<sup>st</sup> April, 2015, and 16<sup>th</sup> May, 2015, respectively.



## ONGC Mangalore Petrochemicals Limited

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

Shri S Ramachandran, Chief Executive Officer was appointed as Key Managerial Personnel w.e.f. 16.08.2014.

Shri. Sushil K Shenoy, Chief Financial Officer was appointed as Key Managerial Personnel w.e.f. 16.08.2014.

Shri. K B Shyam Kumar was appointed as Company Secretary w.e.f. 13.08.2014 and as Key Managerial Personnel w.e.f. 16.08.2014.

Shri.S.Ramachandran has demitted his office on completion of his term as at the end of June 2015. Shri. Sushil K. Shenoy was appointed as Chief Executive Officer of the Company in addition to his being the Chief Financial Officer.

### 14. 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.

### 15. HUMAN RESOURCES / PERSONNEL

During the year 2014-15, the Company has conducted 1,447 man-days for training, development and learning which includes functional, developmental and special training programmes through internal and external faculties.

As on 31<sup>st</sup> March 2015, strength of OMPL employees is 397 which includes 161 executives and 236 non-executives.

The Company has also absorbed total 221 candidates from Project Displaced Families (PDFs) so far, under Rehabilitation & Resettlement Policy of Government of Karnataka.

The Company has obtained ISO 9001-2008 certification for its Human Resource Department.

### 16. INSURANCE

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

### 17. 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 2014-15. M/s Ullas Kumar Melinamogaru & Associates, Practicing Company Secretaries have submitted the Report confirming compliance with the applicable provisions of Companies Act, 2013 and other rules and other regulatory authorities for corporate law with the exception of appointment of Independent Directors under the provisions of the Companies Act, 2013. The report in Form MR-3 is placed at **Annexure- B**.

As regards the observation of the secretarial auditor relating to the appointment of Independent Directors, the Board at its meeting held on March 28, 2015 has appointed existing independent directors as independent directors under the Companies Act, 2013 and approval of the members for the appointments is included as items in the business of the Annual General Meeting.

### 18. AUDITORS

M/s V. Sankar Aiyar & Co., Chartered Accountants, Mumbai, Statutory Auditors, hold office until the conclusion of the forthcoming Annual General Meeting of the Company.

Since Your Company has become a Government Company, it has requested the Comptroller and Auditor General of India (CAG) to appoint Statutory Auditors for the financial year 2015-16 as required for the Government Companies.

### 19. AUDITOR'S REPORT

The Auditor's 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.





## ONGC Mangalore Petrochemicals Limited

### 20. COSTAUDIT

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.

### 21. PARTICULARS OF EMPLOYEES

There are no employees in the Company whose particulars are required to be given under Section 197 of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

#### CONSERVATION OF ENERGY:

Your Company has been commissioned successfully in this financial year and a peak power load of 40 MW (approx.) was recorded. During the design stage, various conservation measures were taken and are now implemented effectively. Conservation measures considered as a part of construction of the plant, 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.

The plant has been in the process of stabilization and ramp up. Energy conservation shall be stepped up progressively.

#### TECHNOLOGY ABSORPTION AND ADAPTATION:

- 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 been absorbed.
  - b. The utility units i.e., CPP, Nitrogen, IA/PA, RWTP units etc have been absorbed along with the process complex.
- ii) Benefits derived as a result of the above effort, the unit complex has been operating, meeting the international standard of p-xylene and benzene quality.
- iii) 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

As the Company has commenced the commercial production from 1st October 2014, 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.14,929.82 million (Previous Year Nil)

Foreign Exchange Outgo: Rs.2,736.70 million (Previous Year Rs.933.91 million)



## ONGC Mangalore Petrochemicals Limited

### 23. 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, 2015 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; and
- (v) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating.
- (vi) 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-C**.

### 24. 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 and the Shareholders 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 Ltd.**

Dated: July 08, 2015  
Place: New Delhi

D K Sarraf  
Chairman

**Annexure - A**

## Form No. AOC-2

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

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

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



## ONGC Mangalore Petrochemicals Limited

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

(a) 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 as advances, if any
Mangalore Refinery and Petrochemicals Limited (Holding Company)	Term Sheet	Perpetual	Purchase of Product	27.03.2014	NIL
	Term Sheet	Perpetual	Sale of Product	27.03.2014	NIL
	Rights Issue	NA	Equity Subscription	28.02.2015	NIL
	NA	NA	Services Received	NA	NIL
	NA	NA	Reimbursement of expenses	NA	NIL
Oil and Natural Gas Corporation Limited (Investor)	Deputation	NA	Reimbursement of expenses	NA	NIL
Mangalore Special Economic Zone Limited (Associate of Investor)	Letter	One time	Advance for corridor	30.01.2012	300,000,000
	Agreement	Perpetual	Payment for marine outfall	08.02.2014	NIL
	Letter	Perpetual	Security Deposit for construction Power	NA	11,714,856
	Letter	Perpetual	Security Deposit for 10MVA Power	NA	15,400,000
	Agreement	Perpetual	Lease Rent	30.01.2012	NIL
Hindustan Petroleum Corporation Limited (Associate of Holding Company)	Contract	Periodic contract	Purchase of Product	21.10.2014 18.12.2014 07.02.2015	NIL

On behalf of the Board of Directors of  
**ONGC Mangalore Petrochemicals Ltd.**

D K Sarraf  
Chairman

**FORM NO.MR-3  
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2015

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

To,  
The Members,  
ONGC Mangalore Petrochemicals Ltd.  
Regd. Office: Mangalore Special Economic Zone  
Permude, Mangalore-574509

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ONGC Mangalore Petrochemicals Ltd (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the 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 31<sup>st</sup> March 2015 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 Ltd (“the Company”) for the financial year ended on 31<sup>st</sup> March 2015, 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 does not apply to the Company as it is an Unlisted Public Company
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder does not apply to the Company as it is an Unlisted Public Company;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) does not apply to the Company as it is an Unlisted Public Company:
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;



## ONGC Mangalore Petrochemicals Limited

- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. Factories Act,1948; Contract Labour (Regulation & Abolition) Act, 1970, Industrial Employment (Standing order) Act,1946, Payment of Wages Act,1936, Industrial Disputes Act, 1947 and Employees State Insurance Act,1948, Maternity Benefit Act,1961, Minimum Wages Act,1948, Payment of Bonus Act,1965, Payment of Gratuity Act,1972.
- vii. Provisions of Environment (Protection) Act, 1986, The Water (Prevention & Control of Pollution) Act, 1974 and The Air (Prevention & Control of Pollution) Act, 1981 and rules made thereunder.
- viii. Provisions of Special Economic Zone Act, 2005,The Petroleum Act, 1934, Explosives Act,1884.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India. (Not applicable to the Company during the audit period)
- ii. The Listing Agreements entered into by the Company with the Stock Exchanges does not apply to the Company as it is an Unlisted Public Company.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above with the exception of Appointment of Independent Director which is not as per the provisions of the Companies Act, 2013.

### **I further report that**

The Board of Directors of the Company is constituted of Non-Executive Directors and Independent Directors. However the Independent Directors were not appointed by means of the Shareholders resolution as mandated in Section 149 of the Companies Act, 2013. The changes in the composition of the Board of Directors taken place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.

**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.



## ONGC Mangalore Petrochemicals Limited

**I further report that** during the audit period the Company has made Rights issue of shares to its members. Mangalore Refinery and Petrochemicals Limited (MRPL) holds 51% of the paid up capital of ONGC Mangalore Petrochemicals Limited (OMPL) pursuant to allotment of shares during the audit period.

For Ullas Kumar Melinamogaru & Associates  
Practising Company Secretaries

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

Date : June 18, 2015

Place : Mangalore

**Annexure - C**

### Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

**as on the financial year ended on 31<sup>st</sup> March 2015**

[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:- U40107KA2006PLC041258
- ii) Registration Date : 19<sup>th</sup> December 2006
- iii) Name of the Company: ONGC Mangalore Petrochemicals Limited
- iv) Category / Sub-Category of the Company : Government Company
- v) Address of the Registered office and contact details : MSEZ Permude, Mangalore-574509
- vi) Whether listed company : No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : In house secretarial department

#### 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	70.49 %
2	Benzene	19201	16.33 %
3	Paraffine Raffinate	19201	10.90 %

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No	NAME AND ADDRESS OF THE COMPANY	CIN/ <del>GLN</del>	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	M/s Mangalore Refinery and Petrochemicals Limited (MRPL)	L85110KA1988GOI008959	HOLDING	51%	2(87)(ii)
2	Oil and Natural Gas Corporation Limited (ONGC)	L74899DL1993GOI054155	ASSOCIATE	48.99%	2(6)

**ONGC Mangalore Petrochemicals Limited**
**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 Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF									
b) Central Govt									
c) State Govt									
d) Bodies Corp.	NIL	24500	24500	49	NIL	1877621500	1877621500	99.99	50.99
e) Banks / FI									
f) Any Other.									
<b>Sub-total (A)(1)</b>	NIL	24500	24500	49	NIL	1877621500	1877621500	99.99	50.99
<b>(2) Foreign</b>									
a) NRI-individual	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other Individual									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other.									
<b>Sub-total (A)(2)</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	NIL	24500	24500	49	NIL	1877621500	1877621500	99.99	50.99
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
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)									
<b>Sub-total (B)(1)</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

**ONGC Mangalore Petrochemicals Limited**

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 Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non Institutions</b>									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals shareholders holding nominal share capital upto Rs. 1 lakh	NIL	25500	25500	51	NIL	4000	4000	0.0002	-50.999
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
<b>Sub-total (B)(2)</b>	NIL	25500	25500	51	NIL	4000	4000	0.0002	-50.999
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	NIL	25500	25500	51	NIL	4000	4000	0.0002	-50.999
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Grand Total (A+B+C)</b>	<b>NIL</b>	<b>50000</b>	<b>50000</b>	<b>100</b>	<b>NIL</b>	<b>1877625500</b>	<b>1877625500</b>	<b>100</b>	

**(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	23000	46	—	920000000	48.99	—	2.99
2	Mangalore Refinery and Petrochemicals Limited	1500	3	—	957621500	51	—	48



**ONGC Mangalore Petrochemicals Limited**

**(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
<b>at the beginning of the year</b>							
1	Oil and Natural Gas Corporation Limited	01.04.2014		23,000	46.0000	23,000	46.0000
2	Mangalore Refinery and Petrochemicals Limited	01.04.2014		1,500	3.0000	1,500	3.0000
<b>Increase in shareholding during the year</b>							
1	Mangalore Refinery and Petrochemicals Limited	09.02.2015	Transfer of equity shares	21,000	51.0024	95,76,21,000	51.00173
2	Mangalore Refinery and Petrochemicals Limited	28.02.2015	Allotment of Equity Shares	5,99,98,500			
3	Mangalore Refinery and Petrochemicals Limited	28.02.2015	Right allotment of Equity Shares	89,76,00,000			
4	Oil and Natural Gas Corporation Limited	28.02.2015	Allotment of Equity Shares	91,99,77,000	48.9976	92,00,00,000	48.99805
<b>At the end of the year 31.03.2015</b>		Increase	Total	1,87,75,96,500	100	1,87,76,21,000	99.99978



## ONGC Mangalore Petrochemicals Limited

(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	
<b>at the beginning of the year</b>							
1	Shri. Sandeep Bahl	Equity Share		3,000	6.00	3,000	6.00
2	Shri. S Ramachandran	Equity Share		2,000	4.00	2,000	4.00
3	Shri K Sushil Shenoy	Equity Share		1,500	3.00	1,500	3.00
4	Shri Ramdas K R	Equity Share		1,500	3.00	1,500	3.00
5	Shri Manjunath K H	Equity Share		1,500	3.00	1,500	3.00
6	Shri S S Nayak	Equity Share		1,500	3.00	1,500	3.00
7	Shri Jaideep Sinha P Zala	Equity Share		1,500	3.00	1,500	3.00
8	Shri Shyam Prasad Kamat	Equity Share		1,500	3.00	1,500	3.00
9	Shri Nanda Kumar V	Equity Share		500	1.00	500	1.00
10	Shri Hariprasad	Equity Share		500	1.00	500	1.00
<b>Increase/decrease in shareholding during the year</b>							
1	Shri. Sandeep Bahl	Decrease in holding	Transfer	3,000	6.00	0	0
2	Shri. S Ramachandran	Decrease in holding	Transfer	2,000	4.00	0	0
3	Shri K Sushil Shenoy	Decrease in holding	Transfer	1,500	3.00	0	0
4	Shri Ramdas K R	Decrease in holding	Transfer	1,500	3.00	0	0
5	Shri Manjunath K H	Decrease in holding	Transfer	1,500	3.00	0	0
6	Shri S S Nayak	Decrease in holding	Transfer	1,500	3.00	0	0
7	Shri Jaideep Sinha P Zala	Decrease in holding	Transfer	1,500	3.00	0	0
8	Shri Shyam Prasad Kamat	Decrease in holding	Transfer	1,500	3.00	0	0
9	Shri Nanda Kumar V	Decrease in holding	Transfer	500	1.00	0	0
10	Shri Hariprasad	Decrease in holding	Transfer	500	1.00	0	0
<b>At the end of the year 31.03.2015</b>		Decrease in holding		15,000	30.00	0	0



## ONGC Mangalore Petrochemicals Limited

### (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
<b>For Directors</b>							
1	Shri D. K. Sarraf	Chirman		0	0.00	0	0.00
2	Shri Hariharan Kumar	Director		0	0.00	0	0.00
3	Shri Vishnu Agrawal	Director		0	0.00	0	0.00
4	Shri M. M. Chitale	Director		0	0.00	0	0.00
5	Shri G. M. Ramamurthy	Director		0	0.00	0	0.00
6	Shri Santosh Nautiyal	Director		0	0.00	0	0.00
7	Shri I. S. N. Prasad	Director		0	0.00	0	0.00
8	Shri P. P. Upadhyaya	Director		0	0.00	0	0.00
9	Shri K. S. Jamestin	Director		0	0.00	0	0.00
10	Shri A. K. Banerjee	Director		0	0.00	0	0.00
<b>Key Managerial Personnel</b>							
1	Shri. S Ramachandran	CEO	Equity Share	2,000	4.00	2,000	4.00
2	Shri K Sushil Shenoy	CFO	Equity Share	1,500	3.00	1,500	3.00
3	Shri. K B Shyam kumar	CS	Equity Share	0	0.00	0	0.00
<b>Increase/decrease in shareholding during the year</b>							
1	Shri. S Ramachandran	Decrease	Transfer	2,000	4.00	0	0.00
2	Shri K Sushil Shenoy	Decrease	Transfer	1,500	3.00	0	0.00
<b>At the end of the year 31.03.2015</b>							
		Decrease in holding		3,500	7.00		



## ONGC Mangalore Petrochemicals Limited

### (vi). *Indebtedness:*

Indebtedness of the Company including interest outstanding/accrued but not due for payment :- (Amount in ₹)

	Secured Loans / deposits	Unsecured Loan	Deposits	Total indebtedness
<b>Indebtedness at the beginning of the Financial year</b>				
i) Principal Amount	37,305,900,000	7,389,259,794	-	44,695,159,794
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	290,840,500	5,306,906	-	296,147,406
<b>Total (i+ii+iii)</b>	<b>37,596,740,500</b>	<b>7,394,566,700</b>	<b>-</b>	<b>44,991,307,200</b>
Change in indebtedness during the Financial year				
Addition *	10,070,181,442	26,083,934,900	-	36,154,116,342
Reduction	4,883,064,553	19,275,268,005	-	24,158,332,558
<b>Net Change</b>	<b>5,187,116,889</b>	<b>6,808,666,895</b>	<b>-</b>	<b>11,995,783,784</b>
<b>Indebtedness at the end of the Financial year</b>				
i) Principal Amount	42,493,016,889	14,197,926,688	-	56,690,943,578
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	413,977	2,927,141	-	3,341,118
<b>Total (i+ii+iii)</b>	<b>42,493,430,866</b>	<b>14,200,853,829</b>	<b>-</b>	<b>56,694,284,696</b>

\* Addition Secured Loans include an amount of Rs 800,852,547.54 on account of Exchange Rate Variation

\* Addition Unsecured Loans includes an amount of Rs 72,737,701.24 on account of Exchange Rate Variation

### (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.



## ONGC Mangalore Petrochemicals Limited

### B. Remuneration to other directors:

(Amount in ₹)

Sr.no.	Particulars of Remuneration	Name of Director				Total Amount
		Shri. .ISN Prasad	Shri. G.M Ramamurthy	Shri. Santhosh Nautiyal	Shri. M.M. Chitale	
1.	Independent Directors - Fee for attending board \ committee meetings - Commission - Others, please specify	NIL	1,70,000	1,50,000	10,000	3,30,000
	Total (1)	NIL	1,70,000	1,50,000	10,000	3,30,000
2.	Other Non-Executive Directors - Fee for attending board / committee meetings - Commission - Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL
	Total (B) (1+2)	NIL	1,70,000	1,50,000	10,000	3,30,000
	Total Managerial Remuneration					
	Overall Ceiling as per the Act	The sitting fees of Directors are not exceeding one lakh rupees per meeting, as required under Section 197(5) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014				

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

(Amount in ₹)

Sr.no.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Shri. S Ramachandran, CEO	Shri Sushil K Shenoy, CFO	Shri. K B Shyam Kumar, CS	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	52,33,411	46,66,568	11,44,570	1,10,44,549
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) of the 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	52,33,411	46,66,568	11,44,570	1,10,44,549

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



## **Corporate Governance Report for the year 2014-15**

### **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, honesty and ability. 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, 2015, the strength of the Board of Directors was eight. The Board comprises of four Promoter Directors and four Independent Directors. All the Board members are Non-Executive. The Board members possess the skills, experience and expertise necessary for the operations of the Company.

The composition of the Board as on 31st March 2015 is as under:

<b>Name of the Director</b>	<b>Business Relationship</b>	<b>Category of Directorship</b>
Shri D K Sarraf	Chairman	Non-Executive
Shri H Kumar	Director	Non-Executive
Shri Vishnu Agrawal	Director	Non-Executive
Shri A. K. Banerjee	Director	Non-Executive
Shri I. S. N. Prasad	Independent Director	Non-Executive
Shri G. M. Ramamurthy	Independent Director	Non-Executive
Shri Santosh Nautiyal	Independent Director	Non-Executive
Shri M. M. Chitale	Independent Director	Non-Executive

### **Changes in the Board of Directors during 2014-15**

1. Shri P. P. Upadhyia resigned as Director w.e.f. 31<sup>st</sup> July 2014.
2. Shri K. S. Jamestin resigned as Director w.e.f. 1<sup>st</sup> August 2014.
3. Shri H Kumar appointed as Director w.e.f. 16<sup>th</sup> August 2014.
4. Shri Vishnu Agrawal appointed as Director w.e.f. 16<sup>th</sup> August 2014.

### **Changes in the Board of Directors after 31/03/2015**

1. Shri. M Venkatesh was appointed as an additional director w.e.f. 1<sup>st</sup> April 2015.
2. Shri. A.K.Banerjee resigned as director w.e.f 30<sup>th</sup> April, 2015.
3. Shri. Ashok Varma was appointed as an additional director w.e.f. 16<sup>th</sup> May 2015.

### **Board Meetings held during the year 2014-15.**

During the year ended on 31st March 2015, eight Board Meetings were held as under:-

<b>Date of Meeting</b>	<b>Place of Meeting</b>	<b>Date of Meeting</b>	<b>Place of Meeting</b>
19 <sup>th</sup> May 2014	New Delhi	09 <sup>th</sup> February 2015	New Delhi
16 <sup>th</sup> August 2014	New Delhi	13 <sup>th</sup> February 2015	New Delhi
14 <sup>th</sup> September 2014	Mangalore	28 <sup>th</sup> February 2015	New Delhi
20 <sup>th</sup> October 2014	New Delhi	28 <sup>th</sup> March 2015	New Delhi



## ONGC Mangalore Petrochemicals Limited

### Attendance of Directors at the Board meeting held during the year 2014-15

The attendance at the Board Meetings held during the year ended on 31st March 2015 and at the last Annual General Meeting are as under:-

Name of the Director	No. of Board Meetings Attended(Held = 8)	Attended last AGM
Shri D. K. Sarraf	8	Yes
Shri A. K. Banerjee	8	Yes
Shri H Kumar	7	Yes
Shri Vishnu Agrawal	7	Yes
Shri P. P. Upadhyaya	0	No
Shri K. S. Jamestin	0	No
Shri I. S. N. Prasad	1	No
Shri M. M. Chitale	1	No
Shri G. M. Ramamurthy	6	No
Shri Santosh Nautiyal	7	No

### Audit & Ethics Committee

Pursuant to Section 177 of the Companies Act 2013, the Company has an Audit & Ethics Committee (Audit Committee) which was originally constituted on 1<sup>st</sup> 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.

The information pertaining to composition of the Audit Committee, number of meetings held and attendances there by the Members of the Audit Committee meetings held in 2014-15 have provided herein below:

Name of Director	Designation	No. of Meeting Held During Year	No. of Meeting Attended
Shri G. M. Ramamurthy, Independent Director	In-chair	4	4
Shri Vishnu Agrawal, Director	Member	4	2
Shri Santosh Nautiyal, Independent Director	Member	4	4

The Members of the Audit Committee elect Chairman of the meeting. All the Members are Non- Executive Directors.

Four meetings of the Audit Committee were held during the year 2014-15:

Date of Meeting	Place of meeting
19th May 2014	New Delhi
16th August 2014	New Delhi
18th December 2014	Mangalore
12th February 2015	New Delhi

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.



## ONGC Mangalore Petrochemicals Limited

### Nomination and Remuneration Committee

The Company has constituted Nomination and Remuneration Committee on 28<sup>th</sup> 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 Nomination and Remuneration Committee, number of meetings held and attendances there by the Members of the Nomination and Remuneration Committee meeting held in 2014-15 have provided herein below:

Name of Director	Designation	No. of Meeting Held During Year	No. of Meeting Attended
Shri G. M. Ramamurthy, Independent Director	Member	0	0
Shri H Kumar, Director	Member	0	0
Shri Santosh Nautiyal, Independent Director	Member	0	0

The Members of the Nomination and Remuneration Committee are authorised to elect Chairman of the meeting. All the Members are Non- Executive Directors. The Committee has not met during 2014-15, as it was constituted only on 28.03.2015. The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

### Committee of Directors

The Board of Directors of the Company constituted a Committee of Directors on 26<sup>th</sup> 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:





## ONGC Mangalore Petrochemicals Limited

Name of Director	Designation	No. of Meetings held	No. of meetings attended during the year
Shri Santosh Nautiyal	Member	4	3
Shri G M Ramamurthy	Member	4	4
Shri Vishnu Agrawal	Member	3	2
Shri H Kumar	Member	3	3
Shri P P Upadhya	Member	1	1
Shri K S Jamestin	Member	1	1

The Members of the Committee of Directors elect Chairman of the meeting. All the Members of the Committee of Directors are Non- Executive Directors.

Four meetings of the Committee of Directors were held during the year 2014-15 as under:

Date of Meeting	Place of meeting
-----------------	------------------

17 <sup>th</sup> June 2014	New Delhi
20 <sup>th</sup> October 2014	New Delhi
18 <sup>th</sup> December 2014	Mangalore
07 <sup>th</sup> February 2015	Mangalore

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

### Other Committees

In addition to the Audit & Ethics Committee, Nomination and Remuneration Committee and Committee of Directors, which are permanent committees, the Board of Directors also constitutes Committee of Directors for deliberation and recommendation to the Board on specific matters. During the previous year 2014-15, the Board of Directors constituted Remuneration Committee. One meeting of the Remuneration Committee was held in 2014-15.

The Company Secretary acts as the Secretary to the Sub-committee of Directors constituted by the Board from time to time.

### Remuneration to Directors

All the Directors on the Board of Directors of the Company are Non-executive Directors. Sitting fees of Rs.10,000/- for each meeting were paid for attending the meetings of the Board of Directors and Committee meetings to Independent Directors.

Details of Sitting Fees paid during the year 2014-15 are as follows:

Directors	Sitting Fees
Shri I S N Prasad	NIL
Shri G M Ramamurthy	Rs.1,70,000/-
Shri Santosh Nautiyal	Rs.1,50,000/-
Shri M M Chitale	Rs. 10,000/-



## ONGC Mangalore Petrochemicals Limited

### 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
31 <sup>st</sup> March 2014	13 <sup>th</sup> September 2014	12.30 p.m.	Registered office at Permude, Mangalore
31 <sup>st</sup> March 2013	23 <sup>rd</sup> September 2013	12.00 Noon.	Registered office at Permude, Mangalore
31 <sup>st</sup> March 2012	15 <sup>th</sup> September 2012	04.30 p.m.	Registered office at Permude, Mangalore

### General Shareholder Information

The Annual General Meeting is scheduled to be held on: 8<sup>th</sup> August, 2015.

Financial Calendar: April 2014 to March 2015

Book Closure: None

Registrars/Transfer Agents: In-house by Secretarial Department

### Shareholding Pattern as on 31st March 2015:

Sr. No.	Name of Shareholder	No. of Shares	% of Shareholding
1	M/s Oil and Natural Gas Corporation Limited (ONGC)	92,00,00,000	48.9981
2	M/s Mangalore Refinery and Petrochemicals Limited (MRPL)	95,76,21,500	51.0017
3	Others (Individuals)	4,000	0.0002
	TOTAL	187,76,25,500	100

### 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. 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 125 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.

### 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 management or their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.



## ONGC Mangalore Petrochemicals Limited

### 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, MANGALORE FOR THE YEAR ENDED 31 MARCH 2015

The preparation of financial statements of ONGC Mangalore Petrochemicals Limited, Mangalore, for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statement under section 143 of the Act based on independent audit in accordance with 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 16.05.2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statement of ONGC Mangalore Petrochemicals Limited, Mangalore for the year ended 31 March 2015. 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 audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

**For and on the behalf of the  
Comptroller & Auditor General of India**

**(G.SUDHARMINI)  
Principal Director of Commercial Audit &  
Ex Officio Member Audit Board**

Place : Chennai  
Date : 07.07.2015



## ONGC Mangalore Petrochemicals Limited

### INDEPENDENT AUDITOR'S REPORT

#### TO THE MEMBERS OF ONGC MANGALORE PETROCHEMICALS LIMITED

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **ONGC MANGALORE PETROCHEMICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### 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 Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

#### Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.



## ONGC Mangalore Petrochemicals Limited

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) 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, 2015, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. We refer to our audit report dated 16.05.2015 already issued on the above referred Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement. Subsequent to this we are in receipt of letter Ref. PDCA/R.II/10-90(B)/2015-16/7 dated 10.06.2015 from Indian Audit and Accounts Department, Office of the Principal Director of Commercial Audit and Ex-Officio Member Audit Board, Comptroller and Auditor General of India, Chennai, seeking our report on the Directions issued in terms of Sec 143(5) of the Companies Act, 2013. Accordingly, the said report is suitably amended to comply with the observations of the Comptroller and Auditor General of India. There is no change in the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement referred in our report dated 16.05.2015.

In accordance with the requirement, we give below a report on the Directions issued by the Comptroller and Auditor General of India in terms of Sec 143(5) of the Companies Act, 2013:

1. The Company has not been selected for disinvestment and hence reporting on this direction does not arise.
2. There are no cases of waiver/write off of debts, loans/ interest, etc.
3. The Company does not have any inventories lying with third parties. No assets have been received by the Company as gift from Government or other authorities.
4. The Company is not having any pending legal/arbitration cases.

**For V. SANKAR AIYAR & CO**  
**Chartered Accountants**  
**(Firm's Registration No.109208W)**

Place: Mumbai  
Date: 03<sup>rd</sup> July 2015

**(G. Sankar)**  
**Partner**  
**Membership No. 46050**



## ONGC Mangalore Petrochemicals Limited

### ANNEXURE REFERRED TO IN THE AUDITOR'S REPORT TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items, which in our opinion, is reasonable having regard to company and nature of assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the books, records and the physical inventory has been noticed.
2. a) As explained to us, physical verification of inventories has been conducted by the management at reasonable intervals.  
  
b) 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.  
  
c) In our opinion and according to the information and explanation given to us, the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. According to the information and explanations given to us, the company has not granted any loans to companies, firms or other parties covered in the register maintained under section 189 of the Act and hence reporting under clause 4(iii) does not arise.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of fixed assets and inventories and sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, there are no instances of major weaknesses in the aforesaid internal control system.
5. 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 there under.
6. The Central Government has prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of products manufactured by the company. We have broadly reviewed the cost records maintained by the company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of these records with a view to determine whether they are accurate or complete.
7. (a) According to the information and explanations given to us the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues as applicable to the Company with the appropriate authorities. As explained to us, there are no undisputed statutory dues outstanding for more than six months as at 31st March 2015 from the date they became payable.  
  
(b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited on account of any dispute.  
  
(c) According to the information and explanations given to us and the records of the company, there are no amounts which are required to be transferred to investor education and protection fund.



## ONGC Mangalore Petrochemicals Limited

8. The accumulated losses at the end of the financial year are not more than fifty percent of the net worth of the Company. The company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
9. According to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution or banks. The company has not issued any debentures as at the balance sheet date.
10. In our opinion and according to information and explanation given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions during the year.
11. According to information and explanations given to us, term loans availed by the company have been utilized for the purposes for which such loans were obtained. However, pending utilization, the same had been temporarily invested in mutual funds or fixed deposits with banks.
12. According to the information and explanations given to us, and based on the audit procedures performed and the representations obtained from the management, we report that no fraud on or by the Company having a material misstatement on the financial statements, has been noticed or reported during the period under audit.

**For V. Sankar Aiyar & Co.,  
Chartered Accountants  
(Firm's Registration No. 109208W)**

Place: Mumbai  
Date 3<sup>rd</sup> July 2015

**(G SANKAR)  
Partner  
Membership No. 46050**



## ONGC Mangalore Petrochemicals Limited

### BALANCE SHEET AS AT 31ST MARCH 2015

	Note No.	As at 31st March 2015 ₹ in Millions	As at 31st March 2014 ₹ in Millions
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	2	18,776.26	0.50
Reserves and Surplus	3	<u>-5,320.61</u>	<u>75.01</u>
		13,455.65	75.51
<b>Advance against share capital</b>	4	-	9,799.76
<b>Non Current Liabilities</b>			
Long-Term Borrowings	5	38,845.44	35,912.50
Other Long Term liabilities	6	953.10	793.94
Long-term Provisions	7	<u>19.45</u>	<u>7.93</u>
		39,817.99	36,714.37
<b>Current Liabilities</b>			
Short-term borrowings	8	15,367.10	7,389.26
Trade Payables	9	2,365.79	463.61
Other Current Liabilities	10	6,921.81	4,013.98
Short-term Provisions	11	<u>1.63</u>	<u>1.33</u>
		24,656.33	11,868.18
<b>TOTAL</b>		<b><u>77,929.97</u></b>	<b><u>58,457.82</u></b>
<b><u>ASSETS</u></b>			
<b>Non-current Assets</b>			
<b>Fixed Assets</b>			
Tangible assets	12(i)	69,243.71	2,556.02
Intangible assets	12(ii)	80.81	0.34
Capital Work-in-Progress	14	<u>111.84</u>	<u>51,803.69</u>
		69,436.36	54,360.05
Non-current investments	15	4.80	4.80
Long-term loans and advances	16	<u>1,566.22</u>	<u>1,342.31</u>
		71,007.38	55,707.16
<b>Current Assets</b>			
Current investments	17	-	665.00
Inventories	18	4,234.17	1,354.11
Trade Receivables	19	626.17	-
Cash & Cash Equivalents	20	1.19	394.59
Short-term loans and advances	21	<u>2,061.06</u>	<u>336.96</u>
		6,922.59	2,750.66
<b>TOTAL</b>		<b><u>77,929.97</u></b>	<b><u>58,457.82</u></b>
Contingent Liabilities and Commitments	22		
Significant Accounting Policies	1		

See accompanying notes to the Financial Statements

For ONGC Mangalore Petrochemicals Limited

As per our report attached  
For V Sankar Aiyar & Co  
Chartered Accountants  
(Firm's registration no. 109208W)

**H. Kumar**  
Director

**D. K. Sarraf**  
Chairman

**G Sankar**  
Partner  
Membership No. 46050

**K. B. Shyam Kumar**  
Company Secretary

**Sushil K. Shenoy**  
Chief Financial Officer

**S. Ramachandran**  
Chief Executive Officer

Place: Mumbai  
Date: 16th May 2015

Place: New Delhi  
Date: 16th May 2015





## ONGC Mangalore Petrochemicals Limited

### STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2015

	Note No.	For the year ended 31st March 2015 ₹ in Millions	For the year ended 31st March 2014 ₹ in Millions
<b>Revenue</b>			
Revenue from Operations	25	17,238.91	-
Other Income	26	43.59	0.26
<b>TOTAL REVENUE</b>		<b>17,282.50</b>	<b>0.26</b>
<b>Expenses</b>			
Cost of Materials Consumed	27	18,737.49	-
Increase(-)/Decrease in Stock	28	102.49	-
Employee Benefits Expense	29	138.29	3.69
Finance Cost	30	2,557.94	-
Other Expenses	31	3,535.77	8.36
Depreciation and Amortisation	32	1,353.51	-
<b>TOTAL EXPENSES</b>		<b>26,425.49</b>	<b>12.05</b>
<b>Profit/(Loss) Before Taxes and Prior Period Adjustments</b>		<b>(9,142.99)</b>	<b>(11.79)</b>
Prior Period Adjustments		-	-
<b>Profit/(Loss) before taxes</b>		<b>(9,142.99)</b>	<b>(11.79)</b>
Tax expenses:			
Current Tax	13	-	0.08
MAT Credit Entitlement		-	(3.78)
Excess Provision of Income Tax for Previous Year written back		-	(3.39)
Deferred Tax		-	-
<b>Profit/(Loss) for the period</b>		<b>(9,142.99)</b>	<b>(4.70)</b>
Earning per share (basic / diluted )(in ₹)	33	-8.67	-93.93
Face value per equity share (in ₹)		10.00	10.00

See accompanying notes to the Financial Statements

For ONGC Mangalore Petrochemicals Limited

As per our report attached  
For V Sankar Aiyar & Co  
Chartered Accountants  
(Firm's registration no. 109208W)

**H. Kumar**  
Director

**D. K. Sarraf**  
Chairman

**G Sankar**  
Partner  
Membership No. 46050

**K. B. Shyam Kumar**  
Company Secretary

**Sushil K. Shenoy**  
Chief Financial Officer

**S. Ramachandran**  
Chief Executive Officer

Place: Mumbai  
Date: 16th May 2015

Place: New Delhi  
Date: 16th May 2015



## ONGC Mangalore Petrochemicals Limited

### CASHFLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2015

	For the year ended 31st March 2015 ₹ in Millions	For the year ended 31st March 2014 ₹ in Millions
<b>A. Profit before tax</b>	<b>(9,142.99)</b>	<b>(11.79)</b>
<b>Adjustments for :</b>		
Depreciation /Amortisation	1,353.51	-
Interest Expense	2,556.77	-
Interest Income	(12.39)	(0.26)
Dividend income	(10.58)	-
Foreign Currency Translation - Net	257.17	-
Prior Period Adjustment	-	-
<b>Adjustments for :</b>		
Trade Receivables	(626.17)	-
Trade Payables	1,902.19	463.61
Inventories	(2,880.06)	(1,354.11)
Cash generated / (used in)	(6,602.55)	(902.55)
Direct Taxes paid (net)	(1.78)	14.26
<b>Net cash flow from / (used in)</b>	<b>(6,604.33)</b>	<b>(888.29)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Dividend income received	10.58	2.20
Interest Income Received	14.63	1,318.95
Purchase of Fixed Assets	(16,091.74)	(8,842.35)
Sale of Fixed Assets	0.05	-
<b>Net cash flow from / (used in) investing activities</b>	<b>(16,066.48)</b>	<b>(7,521.20)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Equity	12,723.37	-
Proceeds from External Commercial Borrowing	1,840.74	3,695.80
Proceeds from Rupee Term Loan	3,043.55	8,687.30
Proceeds from Short Term Loan	27,180.37	3,911.60
Repayment of Buyers Credit	(743.94)	44.58
Repayment of External Commercial Borrowing	(1,116.16)	-
Repayment of Short Term Loan	(18,465.94)	(4,213.66)
Interest and finance charges paid	(2,849.58)	(2,703.39)
<b>Net cash flow from / (used in) financing activities</b>	<b>21,612.41</b>	<b>9,422.23</b>
<b>Net Increase/ (Decrease) in cash and cash equivalents</b>	<b>(1,058.40)</b>	<b>1,012.74</b>
Cash and cash equivalent at the beginning of the year	1,059.59	46.85
<b>Cash and cash equivalent at the end of the year</b>	<b>1.19</b>	<b>1,059.59</b>

#### NOTES:

- Cash Flow statement has been prepared under the Indirect Method as set out in the Accounting Standard 3; "Cash Flow Statement" as per Companies (Accounting Standard) Rules, 2006.
- Purchase of fixed assets includes movement of Capital Work-in-progress and Project Expenses during the year.
- Cash and cash equivalents include cash and bank balances and short-term highly liquid investments.
- Previous year figures have been re-grouped / re-classified wherever necessary to conform to the current year's presentation.

**For ONGC Mangalore Petrochemicals Limited**

As per our report attached  
For V Sankar Aiyar & Co  
Chartered Accountants  
(Firm's registration no. 109208W)

**H. Kumar**  
Director

**D. K. Sarraf**  
Chairman

**G Sankar**  
Partner  
Membership No. 46050

**K. B. Shyam Kumar**  
Company Secretary

**Sushil K. Shenoy**  
Chief Financial Officer

**S. Ramachandran**  
Chief Executive Officer

Place: Mumbai  
Date: 16th May 2015

Place: New Delhi  
Date: 16th May 2015

## NOTES ACCOMPANYING FINANCIAL STATEMENTS

### 1. Significant Accounting Policies

#### a) Accounting Conventions and Basis of Presentation/Accounting

- i) The Financial Statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles and Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2013. The Company follows historical cost conventions in the preparation of accounts and the accounts have been on a going concern basis following accrual basis of accounting.
- ii) All income and expenses to the extent considered receivable/payable with reasonable certainty are accounted for on accrual basis.

#### b) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

#### c) Cash flow statement

Cash Flow Statement has been prepared in accordance with the indirect method prescribed in Accounting Standard-3 specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2013.

#### d) Fixed assets

- i) Tangible Assets
  - a. Leasehold Land is stated at historical cost less amortisation.
  - b. Other Fixed Assets are stated at historical cost less accumulated depreciation amortisation and impairment.
  - c. Spares received along with the Plant or Equipment and those purchased subsequently for specific machinery and having irregular use are capitalised
  - d. During the period of construction, directly identifiable expenses are capitalised at the first instance and all other allocable expenses are capitalised proportionately on the basis of the value of assets.
  - e. Cost for this purpose includes purchase prices, taxes and duties (net of cenvat), incidental expenses, erection/commissioning expenses, technical knowhow fee, professional fee, interest upto the date the asset is put to use and exchange rate differences arising on long term foreign currency monetary items in so far as they relate to the acquisition of depreciable assets, etc.
- ii) Intangible assets

Cost incurred on intangible asset, resulting in future economic benefits are capitalised as intangible assets and amortised on equated basis over the estimated useful life of such assets.

#### e) Impairment

Impairment of cash generating units/assets is ascertained and considered where the carrying cost exceeds the recoverable amount being the higher of net realisable amount and value in use.

#### f) Depreciation and amortization

- i) Depreciation on Fixed Assets (including those taken on lease) is provided on Straight Line Method, at the rates and in the manner specified in Schedule II to the Companies Act, 2013. Depreciation for additions to / deductions from tangible assets is calculated pro-rata from/to the month of additions / deductions.
- ii) Cost of leasehold land is amortised over the lease period.
- iii) Depreciation on amounts capitalized on account of foreign exchange fluctuation is provided prospectively over residual life of the assets.

## ONGC Mangalore Petrochemicals Limited

- iv) Depreciation on spares, having irregular use and purchased subsequent to the installation of specific machinery is provided prospectively over residual life of the specific machinery and written down value of the spare is charged to Statement of Profit and Loss as and when replaced.
- v) Intangible assets are amortized on Straight Line Method (SLM) over the useful life not exceeding three years from the month of capitalisation.

### g) **Investments**

- i. Long term investments are valued at cost. Provision for diminution is made to recognise a decline, other than temporary in value of long term investments and is determined separately for each individual investment.
- ii. Current investments are valued at lower of cost and fair value.

### h) **Inventories**

Inventories are valued at lower of cost and net realisable 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:

1. Raw material - on First in First out (FIFO) basis.
2. Finished Products – at Raw material, Conversion Cost.
3. Stock-in-Process – at Raw Material and Proportionate Conversion Cost.
4. Stores, Spares & Chemicals and other trading Goods- on weighted average cost.

### i) **Revenue Recognition**

- i) Sales are recognised on transfer of custody to customers and includes all statutory levies except Value added Tax (VAT) and is net of discounts.
- ii) Dividend income is recognized when the right to receive is established.
- iii) Interest income is recognised at agreed rates on time proportion basis.
- iv) Revenue from sale of scrap are recognized on transfer of custody of goods to customers.
- v) Revenue in respect of Liquidated Damages from contractors/suppliers is recognized when determined as not payable.

### j) **Leases**

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss except lease rentals paid during construction / implementation period of the project which are included as project expenses.

### k) **Taxes on income**

- i. Current tax is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income-tax Act, 1961.
- ii. Deferred tax is recognized on timing differences between the taxable and accounting income/expenditure that originates in one period and are capable of reversal in one or more subsequent period(s) for the period and quantified using the tax rates and laws enacted or substantively enacted as at the Balance Sheet date. Deferred Tax Asset is recognised on the basis of virtual/reasonable certainty about its realisability, as applicable.
- iii. The Carrying amount of Deferred Tax Assets is reviewed at each Balance Sheet date.

### l) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities, if material, are disclosed by way of notes. Contingent assets are neither recognised nor disclosed. Provisions, Contingent liabilities and Contingent assets are reviewed at each Balance Sheet date.

### m) **Foreign Currency Transactions**

- i) Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transactions.



## ONGC Mangalore Petrochemicals Limited

- ii) The foreign currency monetary assets/liabilities are translated using the exchange rates prevailing at the reporting date.
- iii) The exchange differences on settlement/translation of foreign currency transaction on the reporting date are recognised as income or expenses and adjusted to the statement of profit and loss except the exchange difference arising on reporting of long term foreign currency monetary items relating to the acquisition of depreciable capital assets, which are adjusted to the cost of the assets.

### n) **Employee Benefits**

- i) All Short Term Employee Benefits i.e., company's contribution to Provident Fund scheme is treated as defined contribution plan. The contribution paid / payable under these schemes / contractual obligations are recognized during the period in which the employees render the related services. The contributions are made to the funds managed and administered by Government of India. The Company's contribution to the extent related to project is charged to the project expenses in the Balance Sheet and others in the Statement of Profit and Loss.
- ii) Employee benefits under defined benefit plans comprising of Gratuity and Compensated Absences are recognized based on the present value of Defined Benefit Obligation, which is computed on the basis of actuarial valuation using the Projected Unit Credit Method. Actuarial liability in excess of respective plan assets in respect of gratuity is recognised during the year.
- iii) Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

### o) **Borrowing Costs**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying asset are capitalized as part of the cost of such asset, till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time (generally twelve months) to get ready for its intended use or sale. All other borrowing costs are charged to the Statement of Profit and Loss.

### p) **Share Issue Expenses**

Expenses incurred on share issue are debited to Securities Premium Account.

## 2) **Share Capital**

- a) Particulars of authorised, issued, subscribed and paid up share capital.

Particulars	As at 31st March 2015	As at 31st March 2014
	₹ in Millions	₹ in Millions
<b>Authorised Share Capital</b>		
200,00,00,000 Equity Shares of ₹10 each	20,000.00	20,000.00
<b>Issued Share Capital</b>		
200,00,00,000 Equity Shares of ₹10 each	20,000.00	20,000.00
<b>Subscribed &amp; Paid up Share Capital</b>		
1877,625,500 (50,000) Equity Shares of ₹ 10 each fully paid up	<b>18,776.26</b>	<b>0.50</b>

- b) The Company has issued only one class of Equity Shares and no securities have been issued with the right / option to convert the same into equity.

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

The shares issued carry equal rights and voting power.

All the shares issued carry equal right of dividend declared by the company and no restrictions are attached to any specific shareholder.



## ONGC Mangalore Petrochemicals Limited

### c) Movement of Share Capital

Particulars	Equity Shares	
	Number	in ₹
Shares outstanding at the beginning of the year	50,000	5,00,000
Shares Issued during the year	1,877,575,500	1877,57,55,000
Shares bought back during the year	-	-
Shares outstanding at the end of the year	1,877,625,500	1877,62,55,000

### d) Shareholding pattern – Details of shareholders holding more than 5% shareholding in the Company are as under

Name of Shareholder	As at 31st March 2015		As at 31st March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mangalore Refinery and Petrochemicals Ltd.	957,621,500	51%	1,500	3%
Oil and Natural Gas Corporation Ltd.	920,000,000	49%	23,000	46%
Shri Sandeep Bahl	-	0%	3,000	6%

## 3. Reserves and Surplus

### a) Securities Premium Account

Particulars	As at 31st March 2015	As at 31st March 2014
	₹ in Millions	₹ in Millions
Balance as at the beginning of the year	-	-
Add : Premium received during the year	3,769.92	-
Less: Utilised towards share issue expense	22.55	-
Balance as at the end of the year	3,747.37	-

### b) Statement of Profit and Loss

Particulars	As at 31st March 2015	As at 31st March 2014
	₹ in Millions	₹ in Millions
Surplus	(9,067.98)	75.01
<b>Total</b>	<b>(5,320.61)</b>	<b>75.01</b>

### c) Movement of Reserves and surplus

Particulars	As at 31st March 2015	As at 31st March 2014
	₹ in Millions	₹ in Millions
<b>Surplus</b>		
Balance as at the beginning of the year	75.01	79.71
Transfer from Statement of Profit and Loss	(9,142.99)	(4.70)
Balance as at the end of the year	(9,067.98)	75.01

## 4. Advances against share capital represents Current Year Nil (previous year ₹ 9,799.76 Million) received from the promoters.



## ONGC Mangalore Petrochemicals Limited

### 5. Long Term Borrowings

Particulars	As at 31st March 2015	As at 31st March 2014
	₹ in Millions	₹ in Millions
Secured Term Loan from Banks		
External Commercial Borrowings-I (Refer Notes Below)	13,054.89	15,015.00
External Commercial Borrowings-II (Refer Notes Below)	3,802.80	3,603.60
External Commercial Borrowings-III(Refer Notes Below)	1,351.26	-
Rupee Term Loan (Refer Notes Below)	18,636.49	17,293.90
Unsecured Term Loan from Banks	2,000.00	-
<b>Total</b>	<b>38,845.44</b>	<b>35,912.50</b>

- a) The Company has entered into an External Commercial Borrowing (ECB) arrangement for USD 331.32 Million. Entire ECB of USD 331.32 Million is availed out of which USD 21.32 Million availed during the period.
- b) The ECB-I is repayable in 14 equal half yearly instalments commencing from 1st April 2015. The rate of interest for ECB is six month LIBOR + 3.13% reset on the last day of the six monthly interest period. The ECB-II is repayable in 14 equal half yearly instalments commencing from 31st October 2015. The rate of interest for ECB is six month LIBOR + 3.15% reset on the last day of the six monthly interest period. The ECB-III is repayable in 14 equal half yearly instalments commencing from 31st October 2016. The rate of interest for ECB is six month LIBOR + 3.15% reset on the last day of the six monthly interest period.
- c) The Secured RTL of ₹19,561.20 Million with various bankers is repayable in 36 equal quarterly instalments, with first repayment on December 31st, 2015. The rate of interest for RTL is SBI Base Rate + 1.25% payable on the monthly basis.
- d) The above mentioned in (a), (b) and (c) are secured by the first charge on land and all other fixed assets of the company and second charge by way of hypothecation on all project assets equipments, movable machinery and all other accessories & equipment, all rights, title, interest, benefit, claims & demands of the Company in respect of the Material Project Contracts including clearances relating to project, LC, guarantee, performance bond, clearance, all rights, benefits in respect of Insurance contracts, bank a/c, reserves including Trust & Retention A/c, investments, receivables, securities & all other assets, all amount owing to & received by the Company and all rights, benefits, claims & demands of the Company in respect of all amount owing to the Company for the project including uncalled share capital and all current assets including cash, investments, custom / excise duties book debts, stock in trade, raw material, consumable stores & spares.
- e) Corporate loan of Rs. 1,200 Million from SBI, is secured by way of second charge on the entire fixed assets of the Company both present and future and first charge on entire inventory, WIP, receivables, book debts and other current assets both present and future.
- f) The Unsecured RTL is repayable in 2 equal installments, with first repayment on August 2016. The rate of interest is Axis Base Rate + 0.50% payable on monthly basis.
- g) There has been no default in payment of interest during the period

### 6. Other Long Term Liabilities

Particulars	As at 31st March 2015	As at 31st March 2014
	₹ in Millions	₹ in Millions
Deferred Payment Liabilities	953.10	793.94
<b>Total</b>	<b>953.10</b>	<b>793.94</b>



## ONGC Mangalore Petrochemicals Limited

### 7. Long Term Provisions

Particulars	As at 31st March 2015	As at 31st March 2014
	₹ in Millions	₹ in Millions
<b>Provision for employee benefits</b>		
Gratuity	6.60	2.86
Compensated Absence	12.85	5.07
<b>Total</b>	<b>19.45</b>	<b>7.93</b>

### 8. Short Term Borrowings

Particulars	As at 31st March 2015	As at 31st March 2014
	₹ in Millions	₹ in Millions
Secured		
Short Term Loan from Banks : Working Capital	3,168.01	-
Secured by way of hypothecation of Company's stocks of raw materials, finished goods, stock-in-process, stores, spares, components, book debts, outstanding monies receivable, claim, bills, contracts, engagements, securities, both present and future secured by second ranking pari passu charge against Company's immovable and movable Fixed Assets both present and future		
Unsecured		
Short Term Loan repayable on demand from Banks	10,524.72	4,978.30
Buyers' Credit repayable on demand from Banks	1,674.37	2,410.96
<b>Total</b>	<b>15,367.10</b>	<b>7,389.26</b>

### 9. Trade Payables

Particulars	As at 31st March 2015	As at 31st March 2014
	₹ in Millions	₹ in Millions
Related Party	1,480.89	463.61
Others	884.90	-
<b>Total</b>	<b>2,365.79</b>	<b>463.61</b>

### 10. Other Current Liabilities

Particulars	As at 31st March 2015	As at 31st March 2014
	₹ in Millions	₹ in Millions
Statutory dues and liabilities	167.81	86.69
Security deposit	31.39	26.42
Retention - Capital Goods	249.84	65.72
Interest accrued but not due on Long Term Loans	-	290.84
Interest Accrued but not due Short Term Loans	3.34	5.31
Intallment of Rupee Term Loan due within 1 year	1,094.36	1,393.40
Intallment of ECB-I & II due within 1 year	1,384.04	-
Related Parties	45.50	233.65
Advance from Contractors	-	0.30
Capital Goods (includes dues to Micro and Small Enterprises - refer note below)	3,683.74	1,909.40
Others (includes dues to Micro and Small Enterprises - refer note below)	261.79	2.25
<b>Total</b>	<b>6,921.81</b>	<b>4,013.98</b>





## ONGC Mangalore Petrochemicals Limited

- Retention represents amount withheld from various suppliers and contractors as per the terms of the contract / purchase order repayable within twelve months upon fulfilment of certain conditions.
- Due to related party represents amount payable to M/s ONGC, MRPL and Mangalore SEZ Limited, towards services provided and reimbursement of expenses
- Creditor balances are subject to confirmation
- Disclosure relating to dues to micro and small enterprises

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	₹ in Millions	₹ in Millions
a) Principal amount remaining unpaid but not due as at year end to micro and small Enterprises	6.81	5.82
b) Interest due thereon as at year end	-	-
c) Interest paid by the Company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) Interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
e) Interest accrued and remaining unpaid as at year end	-	-
f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

### 11. Short Term Provisions

Particulars	As at 31st March 2015	As at 31st March 2014
	₹ in Millions	₹ in Millions
<b>Provision for employee benefits</b>		
Gratuity	0.05	0.02
Compensated Absence	1.58	1.23
<b>Provision for Income Tax</b>	-	0.08
Total	<b>1.63</b>	<b>1.33</b>

Notes accompanying financial statements

12. Fixed Assets

₹ in Millions

	GROSS BLOCK (AT COST)			DEPRECIATION /AMORTISATION			NET BLOCK				
	As at 1/4/2014	Additions	Deductions	As at 31/3/2015	Up to 31/3/2014	For the year	Deductions	Up to 31/3/2015	As at 31/3/2014	As at 31/3/2015	
<b>i. TANGIBLE ASSETS</b>											
Land - leasehold (Refer note (a) below)	2,639.79	-	-	2,639.79	114.62	55.19	-	169.81	2,525.17	2,469.98	
Buildings	12.05	626.98	-	639.03	8.81	5.02	-	13.83	3.24	625.20	
Roads	-	191.17	-	191.17	-	18.16	-	18.16	-	173.01	
Office Equipments	36.91	560.70	0.05	597.56	12.28	63.09	0.03	75.34	24.63	522.22	
Plant & Machinery	-	66,550.02	-	66,550.02	-	1,242.98	-	1,242.98	-	65,307.04	
Furniture and Fixtures	9.22	21.36	-	30.58	6.24	1.98	-	8.22	2.98	22.36	
Motor Vehicles	-	129.05	-	129.05	-	5.15	-	5.15	-	123.90	
<b>Total - A</b>	<b>2,697.97</b>	<b>68,079.28</b>	<b>0.05</b>	<b>70,777.20</b>	<b>141.95</b>	<b>1,391.57</b>	<b>0.03</b>	<b>1,533.49</b>		<b>69,243.71</b>	
<i>Previous year</i>	2,680.26	17.70	-	2,697.96	78.02	63.93	-	141.95		2,556.02	
<b>ii. INTANGIBLE ASSETS</b>											
Specialised Software	1.88	115.71	-	117.59	1.63	36.84	-	38.47	0.25	79.12	
Others	0.23	2.30	-	2.53	0.14	0.71	-	0.84	0.09	1.69	
<b>Total - B</b>	<b>2.11</b>	<b>118.01</b>	-	<b>120.12</b>	<b>1.77</b>	<b>37.55</b>	-	<b>39.31</b>		<b>80.81</b>	
<i>Previous year</i>	2.11	-	-	2.11	1.61	0.15	-	1.77		0.34	
<b>Total (A+B)</b>	<b>2,700.08</b>	<b>68,197.29</b>	<b>0.05</b>	<b>70,897.32</b>	<b>143.72</b>	<b>1,429.12</b>	<b>0.03</b>	<b>1,572.80</b>		<b>69,324.52</b>	
<i>Previous year</i>	2,682.37	17.70	-	2,700.07	79.63	64.09	-	143.72		2,556.36	
Capital work-in-progress										<b>111.84</b>	51,803.69

Note:

- a. Land - leasehold represent 441.438 acres of land taken on lease for a period of 47 years and 10 months i.e., from 29-03-2012 to 26-01-2060 from Mangalore SEZ Limited.
- b. Depreciation for year includes an amount of ₹75.61 Million being depreciation for the period 1st April 2014 to 30th September 2014 which has been capitalised.
- c. Gross Block includes ₹267.20 Million of forex amount being Capitalised on 31st March 2015.

## ONGC Mangalore Petrochemicals Limited

### 13 Tax Expenses

- Provision for current taxes has not been made since the Company does not have any taxable income during the year.
- No provision has been made for wealth tax in the absence of taxable wealth as per the provisions of Wealth Tax Act, 1957.
- The deferred tax asset has been recognized only to the extent of timing differences (deferred tax liability), the reversal of which will result in sufficient taxable income and the remaining deferred tax asset amounting to ₹ 2761.81 Million arising mainly on account of unabsorbed business loss / depreciation would be accounted for in the subsequent years considering the requirements of Accounting Standard 22 "Accounting for Taxes on Income" regarding virtual certainty.

The year end position is given below:

Particulars	As at 31st March 2015	As at 31st March 2014
	₹ in Millions	₹ in Millions
Deferred Tax Liability		
Difference in Net Block of Fixed Assets	6,832.05	-
Deferred Tax Asset		
Disallowance u/s 43B of the Income Tax Act, 1961 including employee benefits	3.68	-
Unabsorbed Depreciation and Unabsorbed Business loss	6,828.37	-
Total Deferred Tax Asset	6,832.05	-
Net Deferred Tax Asset	-	-

### 14. Capital Work in Progress

Particulars	As at 31st March 2015	As at 31st March 2014
	₹ in Millions	₹ in Millions
<b>Capital Work in Progress :</b>		
-Buildings	1,407.91	562.71
-Plant & Machinery	54,581.11	42,460.76
-Project Development Expenditure	12,035.30	8,780.22
Total	68,024.32	51,803.69
Less : Amount Capitalised to Fixed Assets during the year	67,912.48	-
Net Capital Work-in-Progress		
-Buildings	29.89	-
-Plant & Machinery	81.95	-
Total	<b>111.84</b>	<b>51,803.69</b>

### 15. Non-Current Investments

Particulars	As at 31st March 2015	As at 31st March 2014
	₹ in Millions	₹ in Millions
Unquoted - Non Trade Investment 4,80,000 equity shares of Rs. 10 each of Mangalore SEZ Ltd. an associate company	4.80	4.80
Total	<b>4.80</b>	<b>4.80</b>



## ONGC Mangalore Petrochemicals Limited

### 16. Long term Loans and advances

Particulars	As at 31st March 2015	As at 31st March 2014
	₹ in Millions	₹ in Millions
<b>Unsecured, considered good</b>		
Capital Advance		
to Related Party	800.00	500.00
to Others	732.59	835.01
Security Deposit	29.85	3.52
MAT Credit Entitlement	3.78	3.78
Total	<b>1,566.22</b>	<b>1,342.31</b>

- a) Capital advance to Related Party represents amount paid to Mangalore SEZ Limited for Development of Pipeline corridor infrastructure & Marine Outfall facility.
- b) Capital advance to others represents Mobilisation Advance and other capital advances paid to various contractors and suppliers as per the terms of contract or work order.

### 17. Current Investments

Particulars	As at 31st March 2015	As at 31st March 2014
	₹ in Millions	₹ in Millions
<b>Unquoted, Non Trade, Investment in Mutual Funds</b>		
UTI Liquid Cash Plan	-	25.00
UTI Treasury Advantage Fund	-	640.00
Total	-	<b>665.00</b>

### 18. Inventories

Particulars	As at 31st March 2015	As at 31st March 2014
	₹ in Millions	₹ in Millions
Raw Materials	939.50	1,333.76
Raw Materials in Transit	487.20	-
Work- in-progress	288.75	-
Finished Goods	2,208.74	-
Stores, Spares and Chemicals	309.98	20.35
Total	<b>4,234.17</b>	<b>1,354.11</b>

### 19. Trade Receivables

Particulars	As at 31st March 2015	As at 31st March 2014
	₹ in Millions	₹ in Millions
Related Party	107.90	-
Foreign	518.27	-
Total	<b>626.17</b>	-



## ONGC Mangalore Petrochemicals Limited

### 20. Cash and Cash Equivalents

Particulars	As at 31st March 2015	As at 31st March 2014
	₹ in Millions	₹ in Millions
Cash on Hand	0.04	-
Balances with banks in current account	1.15	43.74
Balances with banks in Term Deposit Accounts	-	350.85
<b>Total</b>	<b>1.19</b>	<b>394.59</b>

### 21. Short Term Loans and Advances

Particulars	As at 31st March 2015	As at 31st March 2014
	₹ in Millions	₹ in Millions
<b>Unsecured, Considered good</b>		
Balance with service tax, value added & tax authorities	1,507.14	176.83
Advance Tax (Net of Provisions)	13.01	11.22
Advance receivable in cash or kind	430.02	138.63
Interest Accrued but Not Due	-	2.24
Others	110.89	8.04
<b>Total</b>	<b>2,061.06</b>	<b>336.96</b>

### 22. Contingent Liabilities and Commitments

Particulars	As at 31st March 2015	As at 31st March 2014
	₹ in Millions	₹ in Millions
A. Contingent Liabilities	-	-
B. Commitments		
Estimated amount of Contracts remaining to be executed on Capital account and not provided for	34.20	3,137.10
<b>Total</b>	<b>34.20</b>	<b>3,137.10</b>

The company has taken 441.438 acres of land taken on lease for a period of 47 years and 10 months i.e., from 29-03-2012 to 26-01-2060 from Mangalore SEZ Limited. The annual lease rental payable to Mangalore SEZ Ltd is ₹ 23.40 Million

23. a) The Company does not have any pending litigations which would impact its financial position.
- b) The Company does not have any foreseeable losses on long term contracts including derivative cobntracts.
- c) There were no amounts which were required to be transferred to the Investor Education & Protection Fund by the Company.
24. The Company has commenced commercial operations from 1st October 2014. Expenses incurred in relation to the Project including Trial Run and Start-up and other related expenses upto 30th September 2014 has been Capitalised.



## ONGC Mangalore Petrochemicals Limited

### 25. Revenue from Operations

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	₹ in Millions	₹ in Millions
Sale of Products	17,195.03	-
Sale of Services	43.88	-
Total	<b>17,238.91</b>	-

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	₹ in Millions	₹ in Millions
Sale of Products		
<i>Export</i>		
Paraxylene	12,120.76	-
Benzene	2,809.06	-
<i>Domestic</i>		
Paraffinic Raffinate	1,874.51	-
Hydrogen	390.70	-
Total	<b>17,195.03</b>	-

### 26. Other Income

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	₹ in Millions	₹ in Millions
Dividend from current investments	10.58	-
Interest on Income tax refund	-	0.26
Interest on Deposits with Banks	12.39	-
Interest - Others	20.62	-
Total	<b>43.59</b>	<b>0.26</b>

### 27. Cost of Materials Consumed

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	₹ in Millions	₹ in Millions
Opening Stock	2,878.14	-
Add: Purchases	16,806.70	-
	19,684.84	-
Less: Closing Stock	947.35	-
Total	<b>18,737.49</b>	-



## ONGC Mangalore Petrochemicals Limited

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	₹ in Millions	₹ in Millions
Raw Material		
Imported	-	-
Indegenous		-
Naphtha Stream	11,423.98	-
Aromatic Stream	7,313.51	-
<b>Total</b>	<b>18,737.49</b>	<b>-</b>

### 28. Increase(-)/Decrease in Stock

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	₹ in Millions	₹ in Millions
<b>Closing Stock of :</b>		
Finished Goods	2,208.74	-
Stock-in-Process	288.75	-
<b>Total Closing Stock</b>	<b>2,497.49</b>	<b>-</b>
<b>Opening Stock as on 1st Oct, 2014 of :</b>		
Finished Goods	694.97	-
Stock-in-Process	1,905.01	-
<b>Total Opening Stock</b>	<b>2,599.98</b>	<b>-</b>
<b>Increase(-)/Decrease in Stock</b>	<b>102.49</b>	<b>-</b>

### 29. Employee Benefit Expenses

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	₹ in Millions	₹ in Millions
Salaries & Allowances	108.65	3.49
Contribution to provident and other funds	7.09	0.20
Cost of services	3.96	-
Staff Welfare Expenses	6.70	-
Leave Provision	8.13	-
Gratuity Provision	3.76	-
<b>Total</b>	<b>138.29</b>	<b>3.69</b>

### 30. Finance Costs

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	₹ in Millions	₹ in Millions
Interest Expenses	2,524.70	-
Other Borrowing Costs	32.07	-
Net Exchange (gain)/loss on Foreign Currency Transactions	1.17	-
<b>Total</b>	<b>2,557.94</b>	<b>-</b>



## ONGC Mangalore Petrochemicals Limited

### 31. Other Expenses

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	₹ in Millions	₹ in Millions
Power & Fuel	3,274.88	-
Stores, Spares & Chemicals Consumed	27.43	-
Rent	13.38	-
Electricity charges	1.08	-
Repair and maintenance	58.54	-
Insurance charges	33.98	-
Rates and taxes	0.71	-
Payment to Auditors		
Audit Fees	0.30	0.20
Certification Fees	0.05	0.11
Auditor's out of pocket expenses	0.01	-
Legal, Professional & Consultancy charges	23.66	4.62
Directors' sitting fees	0.34	0.40
Publicity Expenses	2.78	2.22
Travelling Expenses	0.40	-
Miscellaneous expenses	98.23	0.81
<b>Total</b>	<b>3,535.77</b>	<b>8.36</b>

### 32. Depreciation and Amortisation

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	₹ in Millions	₹ in Millions
On Tangible Assets	1,315.96	-
On Intangibles Assets	37.55	-
	<b>1,353.51</b>	-
Capitalised during the year	75.61	-
<b>Total</b>	<b>1,429.12</b>	-

### 33. Earnings Per Share (EPS)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Numerator - Net Profit for the year after tax (₹ in Millions)	(9,142.99)	(4.70)
Denominator - Average number of equity shares outstanding during the year	1,877,625,500	50,000
Denominator - Weighted Average number of equity shares outstanding during the year	1,054,825,500	-
Earnings Per Share - Basic & Diluted (₹)	(8.67)	(93.93)
Face value per equity share (₹)	10	10





## ONGC Mangalore Petrochemicals Limited

34. Effect of changes in Foreign Exchange Rates (AS 11): Pursuant to Notification Number G.S.R. (914)E dated 29th December 2011, issued by MCA, the company has opted to adjust exchange differences arising on reporting of long term foreign currency monetary items, in so far as they relate to the acquisition of depreciable assets, against the cost of such assets and depreciate the said adjustment over the balance life of the asset. Had the option not been exercised, the difference amounting to ₹ 267.20 Million (previous year ₹394.00 Million) on long term foreign currency monetary items relating to depreciable assets would have been charged to Profit and Loss Account and Fixed Assets would have been lesser to that extent.
35. The Company during the year, revised the useful life of its Fixed Assets to comply with the requirement of Schedule II of the Companies Act 2013. This change in estimation of useful life has resulted in the depreciation charged in the current year being lower by ₹360.40 Million
36. Disclosure as required under Accounting Standard 15 (revised) – “Employee Benefits” is given below:

**A) Defined Contribution Plans are as under:**

Eligible employees of the Company receive benefits under the Provident Fund Scheme, wherein both employee and the Company make monthly contributions equal to the specified percentage of employee salary.

**B) Defined Benefit Plans:**

a) Compensated absences

(1) Earned Leave Benefit (EL)

Accrual – 30 days per year

Accumulation up to 300 days allowed

Leave Encashment on resignation shall be paid upto 50% of accumulated credit subject to maximum of 150 days.

(2) Sick Leave (SL):

Accrual – 10 days per year

Encashment while in service is not allowed

Encashment on retirement is permitted and entire accumulation is allowed for encashment

b) Gratuity:

15 days salary for every completed year of service. Vesting period is 5 years and the payment is restricted to maximum of ₹ 10,00,000/-

**C) The following are the contributions to provident fund (defined contributions plan) during the year:**

Particulars	For the year ended	For the year ended
	31st March 2015	31st March 2014
	₹ in Millions	₹ in Millions
Employer's contribution to provident fund:		
Charged to statement of profit and loss	7.09	0.20
Included in project expenses	-	6.72
Total	<b>7.09</b>	<b>6.92</b>



## ONGC Mangalore Petrochemicals Limited

### D) Defined benefit plan – Gratuity

a) The amount recognised in the Balance Sheet for post employment benefit plan in respect of Gratuity is as under:

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	₹ in Millions	₹ in Millions
Present Value of funded Obligation	-	-
Fair Value of Plan Assets	-	-
Present Value of Unfunded Obligation	6.65	2.89
Unrecognised Past Service Cost	-	-
Net Liability	6.65	2.89

b) Reconciliation showing the movements during the year in the net liability recognised in the balance sheet:

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	₹ in Millions	₹ in Millions
Opening defined benefit obligation	2.89	1.24
Service Cost	1.84	0.92
Interest Cost	0.27	0.10
Actuarial losses (gains)	1.65	0.63
Exchange differences on foreign plans	-	-
Liability transfer in/out	-	-
Benefits paid	-	-
Closing defined benefit obligation	6.65	2.89

c) The total expenses recognised in the statement of Project Expenses are as follows:

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	₹ in Millions	₹ in Millions
Current Service Cost	1.84	0.92
Interest on obligation	0.27	0.10
Expected return on plan assets	-	-
Net actuarial losses / (gains) recognised in the year	1.65	0.63
Past Service Cost	-	-
Losses / (Gains) on curtailments and settlements	-	-
Total included in 'employee benefit expenses'	3.76	1.65
Actual return on plan assets	-	-

d) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	Discount Rate	8.85%
Expected return on plan assets previous	-	-
Expected return on plan assets Current	-	-
Annual Increase in Premium of Med claim policy	-	-
Annual increase in Salary	5.00%	5.00%



## ONGC Mangalore Petrochemicals Limited

### 37. Value of Imports on C.I.F. Basis

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	₹ in Millions	₹ in Millions
Capital Goods	125.14	919.97

### 38. Expenditure in foreign currency:

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	₹ in Millions	₹ in Millions
Foreign Travel Expenses	0.15	0.13
Legal & Professional Charges	4.85	5.72
Project Engineering and License Fee	798.65	172.34
Finance charges	1,029.64	570.94
<b>Total</b>	<b>1,833.29</b>	<b>749.13</b>

39. The Company has taken certain residential / office premises under cancellable operating leases. These lease agreements are normally renewed on expiry. The lease rental paid during the year ₹ 4.32 Million (previous year ₹ 5.03 Million)

### 40. Segment Reporting (AS 17)

Segment wise Revenue, Results and Capital Employed

Sl No.	Particulars	For the year ended 31st March 2015 ₹ in Millions
1	Segment Revenue	
	A. Domestic Sale	2,265.21
	B. Export Sale	14,973.70
	Net Sale / Income from Operations	17,238.91
2	Segment Result Profit / (Loss) before tax and interest from each segment	
	A. Domestic	(1,519.52)
	B. Export	(5,109.12)
	TOTAL	(6,628.64)
	Less:	
	i. Interest Payment	2,557.94
	ii. Other unallocable expenditure net of unallocable income	(43.59)
	Profit / (Loss) before Tax	(9,142.99)
3	Capital Employed (Segments Assets-Segment Liabilities)	
	A. Domestic Sale	107.90
	B. Export Sale	518.27
	TOTAL	626.17
	Unallocated	12,829.47
	Total Capital Employed	13,455.64
	Capital Expenditure	16,505.40
	Depreciation & Amortisation	1,429.12
	Other Non Cash Expenses	257.17



## ONGC Mangalore Petrochemicals Limited

### 41. Disclosure of related parties / related party transactions:

#### (i) List of related parties with whom the Company had transactions:

Name of the related party	Relationship
Mangalore SEZ Ltd. (MSEZL)	Associate of Investor

The Company is a state controlled enterprise and the transactions with other state controlled enterprises are not required to be disclosed as per AS-18

#### (ii) Nature of transactions and amounts due to and due from related parties:

₹ in Millions

Nature of transaction	Name	Amount of transactions during the year	Due from	Due to
Reimbursement of expenses	MSEZL	149.41 (100.93)	- -	20.31 (12.44)
Advance for corridor	MSEZL	300.00 (150.00)	800.00 (500.00)	- -
Payment for Marine Outfall	MSEZL	107.40	107.40	-
Security Deposit for Construction Power	MSEZL	11.71	11.71	-
Security Deposit for 110MVA Power	MSEZL	15.40	15.40	-
Lease Rent	MSEZL	23.40 (23.40)	- -	- -
Remuneration paid to Key Managerial Personnel;				
Shri S. Ramachandran, Chief Executive Officer		5.10	-	-
Shri Sushil K. Shenoy, Chief Financial Officer	KMP	4.84	-	-
Shri Hitesh Jain, Company Secretary [upto 11th May 2014]		0.29	-	-
Shri K. B. Shyam Kumar, Company Secretary [from 13th August 2014]		1.22	-	-

The figures in the brackets represent previous year figures.

(iii) No amounts pertaining to related parties have been written off or written back during the year.

### 42. The Company has reclassified / regrouped the previous year figures wherever necessary

**For ONGC Mangalore Petrochemicals Limited**

As per our report attached  
For V Sankar Aiyar & Co  
Chartered Accountants  
(Firm's registration no. 109208W)

**H. Kumar**  
Director

**D. K. Sarraf**  
Chairman

**G Sankar**  
Partner  
Membership No. 46050

**K. B. Shyam Kumar**  
Company Secretary

**Sushil K. Shenoy**  
Chief Financial Officer

**S. Ramachandran**  
Chief Executive Officer

Place: Mumbai  
Date: 16th May 2015

Place: New Delhi  
Date: 16th May 2015



## ONGC Mangalore Petrochemicals Limited

### NOTICE

NOTICE IS HEREBY GIVEN THAT THE NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ONGC MANGALORE PETROCHEMICALS LIMITED (THE COMPANY) WILL BE HELD ON SATURDAY, THE 8<sup>TH</sup> AUGUST 2015 AT 14.30 HRS. AT THE REGISTERED OFFICE, MANGALORE SPECIAL ECONOMIC ZONE, PERMUDE, MANGALORE - 574 509 TO TRANSACT THE FOLLOWING BUSINESSES:

#### Ordinary Business:

##### 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, 2015, together with the Reports of the Board of Directors and the Auditors thereon.

##### Agenda No.2 – Re-appointment of Shri Vishnu Agrawal

To appoint Director in place of Shri Vishnu Agrawal, 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 2015-16, 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 **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 2015-16.”

#### Special Business:

##### Agenda No.4 – Appointment of Shri M Venkatesh 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** Shri M Venkatesh (DIN:07025342), who was appointed as an Additional Director on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and provisions of the Articles of Association of the Company and who holds office up to the date of the ensuing Annual General Meeting, and in respect of whom a Notice has been received in writing, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”



## ONGC Mangalore Petrochemicals Limited

### Agenda No.5 – To appoint/approve the appointment of Shri ISN Prasad as an Independent 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 Sections 149, 150(2) and 152(2) read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) Shri I S N Prasad (DIN:01469651), who qualifies for being appointed as an Independent Director and appointed as such by the Board of Directors at its meeting held on 28.03.2015 and to hold office for 1 (one) year for a term up to March 27, 2016, be and is hereby approved/appointed as an Independent Director of the Company.”

### Agenda No.6 – To appoint/approve Shri G M Ramamurthy as an Independent 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 Sections 149, 150(2) and 152(2) read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) Shri G M Ramamurthy (DIN:00064358), who qualifies for being appointed as an Independent Director and appointed as such by the Board of Directors at its meeting held on 28.03.2015 and to hold office for 1 (one) year for a term up to March 27, 2016, be and is hereby approved/appointed as an Independent Director of the Company.”

### Agenda No.7 – To appoint/approve Shri Santosh Nautiyal as an Independent 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 Sections 149, 150(2) and 152(2) read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) Shri Santosh Nautiyal (DIN:01127740), who qualifies for being appointed as an Independent Director and appointed as such by the Board of Directors at its meeting held on 28.03.2015 and to hold office for 1 (one) year for a term up to March 27, 2016, be and is hereby approved/ appointed as an Independent Director of the Company.”

### Agenda No.8 – To appoint/approve Shri M M Chitale as an Independent 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 Sections 149, 150(2) and 152(2) read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) Shri M M Chitale (DIN:00101004), who qualifies for being appointed as an Independent Director and appointed as such by the Board of Directors at its meeting held on 28.03.2015 and to hold office for 1 (one) year for a term up to March 27, 2016, be and is hereby approved/appointed as an Independent Director of the Company.”



## ONGC Mangalore Petrochemicals Limited

### Agenda No. 9 – Offer or invitation for subscription for Non-Convertible Debentures (NCDs) aggregating to Rs. 2,500 Crore on private placement.

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

**“RESOLVED THAT** subject to the provisions of Section 42 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, or any other statutory authorities from time to time, including any amendment, modification, variation or re-enactment thereof, the approval of the Members of the Company is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “the Board” which term shall be deemed to include any Committee thereof) and the Board is hereby authorised to offer or invite/issue subscription for Non-Convertible Debentures (NCDs) upto an amount of Rs.2,500 Crore (Rupees Two Thousand Five Hundred Crore only) on private placement basis, in one or more tranches, during the period of one year commencing from the date of this meeting.

**FURTHER RESOLVED THAT** the Board of Directors of the Company are hereby authorised to take decision(s) about the timing of the issue(s) of such securities including the above said Non-Convertible Debentures, number of securities, number of tranche(s), to be issued under each such tranche, tenure, coupon rate(s), pricing of the issue, date(s) of opening and closing of the offers/invitations for subscription for such securities, deemed date(s) of allotment, exercise ‘PUT’ and ‘CALL’ option, securities for the issue, if any, redemption and all other terms and conditions relating to the issue of the said securities on private placement basis or delegate the above powers to Committee(s) of the Board or such other Committee(s) duly constituted for the purpose.

**FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution, the Board is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary in relation thereto including delegation of all or any of the powers herein to director(s) and/or officers(s) of the Company.

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

Place: New Delhi  
Dated: July 08, 2015

K B Shyam Kumar  
Company Secretary



## ONGC Mangalore Petrochemicals Limited

### NOTES:

- 1 The statement pursuant to Section 102(1) of the Companies Act, 2013 in respect to special business set out in the Notice is annexed.
- 2 **A member entitled to attend and vote at the annual general meeting (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. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty eight hours before the commencement of the Meeting.**
- 3 Corporate member intending to send its authorised representative to attend the Meeting is requested to send to the Company an authority letter authorising their representative to attend and vote on its behalf at the Meeting together with a certified copy of the Board Resolution passed by it.
- 4 Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
- 5 Members are requested to inform the Company, immediately of change in their particulars, including their residential status.
- 6 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.
- 8 The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- 9 The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- 10 In terms of the Articles of Association of the Company, read with Section 152 of the Companies Act, 2013, Shri Vishnu Agrawal, 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:

Shri Vishnu Agrawal is a Fellow Member of the Institute of Chartered Accountants of India and has over 34 years of functional experience in Finance and Accounts, Commercial, International Trade, Treasury, Corporate Finance, Marketing, Management Information Systems – Primarily in Oil Sector (both in downstream and upstream sector). He is instrumental in achieving many mile-stones in IOCL and ONGC. He joined MRPL in April, 2011 as Director (Finance). He has got credit to his account in contributing development of various systems and procedures and various system software for upgraded computerization. He joined OMPL in August 2014.





## ONGC Mangalore Petrochemicals Limited

### Statement pursuant to Section 102(1) of the Companies Act, 2013

#### Item No.4

The Board, at its meeting held on March 28, 2015, appointed Shri M Venkatesh as an Additional Director of the Company with effect from April 01, 2015, 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 M Venkatesh 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 a member along with a deposit of Rs.1,00,000/- proposing the candidature of Shri M Venkatesh for the office of director.

The Company has received from Shri M Venkatesh (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, and (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

Shri M Venkatesh, is a Chemical Engineer having expertise in Refinery across all functions. He is also a director on the Board of Mangalore Refinery and Petrochemicals Limited and Petronet MHB Limited.

No director, key managerial personnel or their relatives, except Shri M Venkatesh, 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

In accordance with the provisions of Section 149, 150(2) and 152(2) read with Schedule IV to the Act, an Independent Director shall be appointed by the company in general meeting/ his appointment is required to be approved by the company in general meeting. The Board of Directors at its meeting held on 28.03.2015 has appointed Shri I S N Prasad as an Independent Director of the Company for a period of one year from 28.03.2015.

The appointment of Shri I S N Prasad is required to be approved by the members in the Meeting.

Shri I S N Prasad is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Shri I S N Prasad that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. In the opinion of the Board, Shri I S N Prasad fulfils the conditions for his appointment as an Independent Director as specified in the Act. Shri I S N Prasad is independent of the management and possesses appropriate skills, experience and knowledge.

#### **Brief resume of Shri I S N Prasad**

Shri I.S.N. Prasad, is Indian Administrative Service (IAS) – 1986 - Karnataka Cadre. He has academic background of BE (Civil), Delhi College of Engineering, Delhi and Master in Development Management, Asian Institute of Management, Manila, Philippines.



## **ONGC Mangalore Petrochemicals Limited**

Shri Prasad held posting at various levels as Assistant Commissioner, Deputy Secretary, Chief Executive Officer, Joint Commissioner, Chief Project Officer and also as Managing Director & CEO with various Government Departments. Shri Prasad was promoted as Principal Secretary to Chief Minister, Govt. of Karnataka with effect from 1st January 2011 and Principal Secretary to Government, Department of Information Technology, Biotechnology and Science & Technology from 9th July 2012. Shri. I S N Prasad joined the Board of ONGC Mangalore Petrochemicals Limited as an independent director from 20th March 2008.

He does not hold any shares of the Company in his name.

Copy of the draft letter for appointment of Shri I S N Prasad as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

Save and except Shri I S N Prasad and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

### **Item No.6**

In accordance with the provisions of Section 149, 150(2) and 152(2) read with Schedule IV to the Act, an Independent Director shall be appointed by the company in general meeting/ his appointment is required to be approved by the company in general meeting. The Board of Directors at its meeting held on 28.03.2015 has appointed Shri G M Ramamurthy as an Independent Director of the Company for a period of one year from 28.03.2015.

The appointment of Shri G M Ramamurthy is required to be approved by the members in the Meeting.

Shri G M Ramamurthy is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Shri G M Ramamurthy that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. In the opinion of the Board, Shri G M Ramamurthy fulfils the conditions for his appointment as an Independent Director as specified in the Act. Shri G M Ramamurthy is independent of the management and possesses appropriate skills, experience and knowledge.

### **Brief resume of Shri G M Ramamurthy**

Shri. G. M. Ramamurthy, a law graduate and a qualified company secretary, served IDBI for over 27 years and retired as Executive Director. He practiced law for over eight years in civil courts. Before assuming charge as Executive Director, he worked at different levels in the legal department of IDBI and handled all legal issues relating to lending and recovery of loans. During his tenure he also effectively handled the NPA Recovery portfolio in addition to catering to corporate legal affairs, the performing loan portfolio. Shri. G M Ramamurthy was a member of the Empowered Committee of IDBI, which accorded approval for financial assistance up to Rs. 10 crore and negotiated settlements/ one- time settlement of outstanding financial assistance with defaulting borrowers.

Shri. G M Ramamurthy was chairman of Secondary Market Operations Committees that dealt with short term investments in the stock market.



## **ONGC Mangalore Petrochemicals Limited**

Shri. G M Ramamurthy also served as Chairman of the Corporate Debt Restructuring Empowered Group (CDREG), set up under the Corporate Debt Restructuring Mechanism by the Reserve bank of India. He had been director on the board of companies engaged in the business of depository, custodian, registrar and transfer agent, real estate financing, asset reconstruction and manufacturing.

Shri. G. M. Ramamurthy was a member of the High Powered Committee constituted by the Central Government to examine the law related to insolvency of companies (popularly known as Eradi Committee).

Shri. G. M. Ramamurthy is also an independent director on the Board of the JM Financial Asset Management Limited.

Shri. G. M. Ramamurthy joined ONGC Mangalore Petrochemicals Limited from 26th November 2009

He does not hold any shares of the Company in his name.

Copy of the draft letter for appointment of Shri G M Ramamurthy as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

Save and except Shri G M Ramamurthy and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

### **Item No.7**

In accordance with the provisions of Section 149, 150(2) and 152(2) read with Schedule IV to the Act, an Independent Director shall be appointed by the company in general meeting/ his appointment is required to be approved by the company in general meeting. The Board of Directors at its meeting held on 28.03.2015 has appointed Shri Santosh Nautiyal as an Independent Director of the Company for a period of one year from 28.03.2015.

The appointment of Shri Santosh Nautiyal is required to be approved by the members in the Meeting.

Shri Santosh Nautiyal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Shri Santosh Nautiyal that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. In the opinion of the Board, Shri Santosh Nautiyal fulfils the conditions for his appointment as an Independent Director as specified in the Act. Shri Santosh Nautiyal is independent of the management and possesses appropriate skills, experience and knowledge.

### **Brief resume of Shri Santosh Nautiyal**

Shri Santosh Nautiyal was a member of the Indian Administrative Service (IAS). He retired from the post of Chairman of the National Highways Authority of India (NHAI) which is engaged in implementation of the monumental National Highways Development Project (NHDP). He has also held many other important positions under both, the Central Government as well as the State Government (Orissa). These include Managing Director of the Industrial Promotion & Investment Corporation of Orissa Ltd (IPICOL), and later, Principal Secretary, Industries Department in the State Government.



## ONGC Mangalore Petrochemicals Limited

Shri Santosh Nautiyal was Joint Secretary in the Steel Ministry for a period of five years. With these varied and important postings, he has acquired a good insight into the industrial and infrastructure sectors. During his tenure as Chairman NHAI, Shri Santosh Nautiyal gained valuable experience of successful implementation of large projects in the highways sector in the PPP (Public Private Participation) mode. He has also served as Independent Director in the Board of Directors of prestigious PSUs like ONGC and NTPC.

Shri. Santosh Nautiyal joined ONGC Mangalore Petrochemicals Limited from 29th November 2009.

He does not hold any shares of the Company in his name.

Copy of the draft letter for appointment of Shri Santosh Nautiyal as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

Save and except Shri Santosh Nautiyal and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the members.

### **Item No.8**

In accordance with the provisions of Section 149, 150(2) and 152(2) read with Schedule IV to the Act, an Independent Director shall be appointed by the company in general meeting/ his appointment is required to be approved by the company in general meeting. The Board of Directors at its meeting held on 28.03.2015 has appointed Shri M M Chitale as an Independent Director of the Company for a period of one year from 28.03.2015.

The appointment of Shri M M Chitale is required to be approved by the members in the Meeting.

Shri M M Chitale is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Shri M M Chitale that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. In the opinion of the Board, Shri M M Chitale fulfils the conditions for his appointment as an Independent Director as specified in the Act. Shri M M Chitale is independent of the management and possesses appropriate skills, experience and knowledge.

### **Brief resume of Shri M M Chitale**

Shri M M Chitale is Managing Partner of Mukund M. Chitale & Co. He has more than 45 years of experience on advising companies on their business, financial & strategic matters.

Shri M M Chitale was the Chairman of the National Advisory Committee on Accounting Standards (NACAS), constituted by the Government of India.

Shri M M Chitale was the President of the Institute of Chartered Accountants of India (ICAI) during 1997-98; and a member of Central Council of ICAI during 1985-1998. He was Chairman of Western India Regional Council of ICAI during 1984-85. He was a member of The International Auditing Practices Committee of the International Federation of Accountants during January 1998 to June 2000.



## ONGC Mangalore Petrochemicals Limited

Shri M M Chitale joined ONGC Mangalore Petrochemicals Limited from 20th March 2008.

He does not hold any shares of the Company in his name.

Copy of the draft letter for appointment of Shri M M Chitale as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

Save and except Shri M M Chitale and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the members.

### Item No.9

In terms of Section 42 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) a Company may, subject to the provisions of that Section, make an offer or invitation for subscription for securities including Non-Convertible Debentures (NCDs) by way of private placement.

Further, in terms of Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable provisions, if any, of the said Act, Directions/Guidelines by the Regulators or any other statutory authorities issued from time to time, a company shall not make a private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the shareholders of the Company by a Special Resolution, for each of the offers or invitations. In case of an offer or invitation for subscription to the NCDs, it shall be sufficient if the Company passes a previous Special Resolution only once in a year for all the offers or invitation for such debentures during the year.

Keeping in view the alternative sources of funding and cost of each of the sources, your Company intends to issue NCDs for an amount aggregating to Rs.2,500 Crore (Rupees Two Thousand Five Hundred Crore only), on private placement basis for a period of one year from the conclusion of this Meeting depending upon the requirement of funds from time to time.

Further, subject to the provisions of Section 42 of Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable provisions, if any, of the said Act, Directions/Guidelines by the Regulators or any other statutory authorities issued from time to time, your Company intends to offer or invite subscription for NCDs upto an amount of Rs.2,500 Crore (Rupees Two thousand Five hundred Crore only) on private placement basis for a period of one year from the conclusion of this Meeting in one or more tranches, subject to the condition that the amount accepted in the form of the said NCDs together with the existing borrowings and future borrowings would be within the limits specified by the members under section 180(1)(c) of the Act.

The terms of issue of the above NCDs would depend upon the requirement of the funds, time of issue, market conditions and alternative sources of funds available to the Company and would be decided in consultation with the merchant bankers to be appointed by the Company for the purpose. All the required details/disclosures relating to the issue would be made available in the respective information memorandum.

In order to issue NCDs by way of an offer or invitation for subscription on private placement and in terms of the above mentioned provisions of the Act and rules, subject to Directions/Guidelines by the Regulators or any other statutory authorities issued from time to time, the prior consent of the members is sought by way of a Special Resolution.



## **ONGC Mangalore Petrochemicals Limited**

---

Your Directors therefore, recommend the passing of the resolution proposed at Agenda No.9 of the Notice.

No Director or any key managerial personnel or the relatives of the directors or key managerial personnel is in any way concerned or interested, financially or otherwise, in the said resolution.

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

Place: New Delhi  
Dated: July 08, 2015

K B Shyam Kumar  
Company Secretary

**ONGC Mangalore Petrochemicals Limited**  
**CIN: U40107KA2006PLC041258**  
**Reg. office: Mangalore Special Economic Zone, Permude, Mangalore- 574 509**  
**web site : www.ompl.co.in**

**Proxy form**

Name of the member (s):  
Registered address:  
E-mail Id:  
Folio No:

I/We, being the member (s) of ..... shares of the above named company, hereby appoint  
1. ....of .....having e-mail Id .....or failing him  
2. ....of .....having e-mail Id .....or failing him  
3. ....of .....having e-mail Id .....or failing him

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 09<sup>th</sup> Annual General Meeting of the company, to be held on Saturday, 8th August 2015 at 14.30 hrs., at the Registered Office, Mangalore Special Economic Zone, Permude, Mangalore – 574 509 and at any adjournment thereof in respect of such resolutions as are indicated below:

SI No.	RESOLUTIONS	Vote		
		(Please mention no. of shares)		
ORDINARY BUSINESS		For	Against	Abstain
1	To consider and adopt the Audited Financial Statements of the Company as at 31 March, 2015, together with the Board's Report, the Report of Auditors' thereon.			
2	To re-appointment of Shri Vishnu Agrawal(DIN:03127566) as director, who retires by rotation and being eligible for re-appointment.			
3	To Authorise Board to fix remuneration of the Statutory Auditor for financial year 2015-16.			
SPECIAL BUSINESS				
4	To appoint Shri M Venkatesh (DIN:07025342) as an Additional Director.			
5	To appoint/approve the appointment of Shri I S N Prasad (DIN:01469651) as an Independent Director.			
6	To appoint/approve the appointment of Shri G M Ramamurthy (DIN:00064358) as an Independent Director.			
7	To appoint/approve the appointment of Shri Santosh Nautiyal (DIN:01127740) as an Independent Director.			
8	To appoint/approve for the appointment of Shri M M Chitale (DIN:00101004) as an Independent Director.			
9	To approve offer or invitation for subscription of Non-Convertible Debentures (NCDs) aggregating to Rs. 2,500 crore on private placement			

Signed this..... day of..... 2015

Signature of shareholder

Affix revenue stamp of ₹1

Signature of first Proxy holder

Signature of second Proxy holder

Signature of third Proxy holder

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



**ONGC Mangalore Petrochemicals Limited**  
**CIN: U40107KA2006PLC041258**  
**Reg. office: Mangalore Special Economic Zone, Permude, Mangalore- 574 509**  
**web site : www.ompl.co.in**

**Attendance Slip**

Please fill in this attendance slip and hand it over at the entrance of the meeting venue.

Folio No.....

No. of share(s) held .....

I certify that I am a member/proxy for the member of the Company.  
I hereby record my presence at the 9th Annual general Meeting of the ONGC Mangalore Petrochemicals Limited held on 8th August 2015 at 14.30 hrs., at the Registered Office, Mangalore Special Economic Zone, Permude, Mangalore – 574 509.

Members/proxy's name in Block Letters

Signature of Member/Proxy



**Visit of Shri Dharmendra Pradhan  
Hon'ble Minister of State (Independent Charge)  
MoP & NG, GOI on 5-4-2015**



**Chosen as Second Best Executed Project  
by Project Management Institute**



**Process Units**



**Captive Power Plant**



**Master Control Room**



**Fire Station**





## **ONGC MANGALORE PETROCHEMICALS LIMITED**

**(A subsidiary of Mangalore Refinery and Petrochemicals Limited)**

**CIN: U40107KA2006PLC041258**

**REGISTERED OFFICE**

**Mangalore Special Economic Zone,**

**Permude, Mangalore- 574 509**

**Web site : [www.ompl.co.in](http://www.ompl.co.in)**