



27TH ANNUAL REPORT 2014 - 15

SURGING TOWARDS A NEW ERA



MANGALORE REFINERY AND PETROCHEMICALS LTD.
(A subsidiary of ONGC)

www.mrpl.co.in



MANGALORE REFINERY AND PETROCHEMICALS LIMITED

(A subsidiary of Oil and Natural Gas Corporation Limited)

CIN: L85110KA1988GOI008959

BOARD OF DIRECTORS AS ON 01/07/2015

| | |
|-----------------------------|---------------------|
| Shri D. K. Sarraf | Chairman |
| Shri H Kumar | Managing Director |
| Shri Vishnu Agrawal | Director (Finance) |
| Shri M. Venkatesh | Director (Refinery) |
| Shri B. K. Namdeo | Director |
| Shri Nalin Kumar Srivastava | Director |
| Smt. Perin Devi | Director |

COMPANY SECRETARY

Shri Dinesh Mishra

SOLICITORS & ADVOCATES

M/s. Mulla & Mulla & Craigie Blunt & Caroe, Solicitors.

M/s. Alaya Legal, Advocates

JOINT STATUTORY AUDITORS

M/s. Gopalaiyer & Subramanian, Chartered Accountants

M/s. A. Raghavendra Rao & Associates, Chartered Accountants

SECRETARIAL AUDITORS

M/s Ullas Kumar Melinamogaru & Associates,
Company Secretaries

COST AUDITORS

M/s Bandyopadhyaya Bhaumik & Co,
Cost Accountants

BANKERS

State Bank of India, Bank of Baroda, Punjab National Bank,
United Bank of India, Canara Bank, IDBI Bank Limited,
Corporation Bank, Citibank N.A.

REGISTERED OFFICE AND INVESTOR RELATION CELL

MANGALORE REFINERY AND PETROCHEMICALS LIMITED

Mudapadav, Kuthethoor, P.O. Via Katipalla

Mangalore- 575030, Karnataka

Tel. : 0824-2270400 Fax : 0824-2273300

Website : www.mrpl.co.in

INVESTOR RELATION CELL

LGF, Mercantile House

15, K.G. Marg, New Delhi – 110001

Tel : 011-23463100 Fax : 011-23463201

E-mail: investor@mrpl.co.in

REGISTRARS & TRANSFER AGENT

M/s. LINK INTIME INDIA PVT.LTD

C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (West), Mumbai- 400 078

Tel. : 022-25963838 / 25946970 Fax No.: 022-25946969

E-mail: mrplirc@linkintime.co.in

Website : www.linkintime.co.in

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BOARD OF DIRECTORS



Shri D. K. Sarraf
Chairman



Shri H. Kumar
Managing Director



Shri Vishnu Agrawal
Director (Finance)



Shri M Venkatesh
Director (Refinery)



Shri B. K. Namdeo
Director (HPCL Nominee)



Shri Nalin Kumar Srivastava
Govt. Director



Smt. Perin Devi
Govt. Director



Board of Directors Meeting held on 22/05/2015

Chairman's Message to Stakeholders



Dear Stakeholder,

At the outset I thank you for your continued support and trust. Despite Global and Domestic challenges, your Company has sustained the unprecedented volatile business environment while consolidating its position in the industry. Let me highlight some of the major accomplishment during the year 2014-15, which would not have been possible without your support.

- During the year 2014-15, your Company has successfully commissioned all the Secondary Units of Phase-III Refinery Expansion and Upgradation Project.
- The Polypropylene (PP) unit was commissioned and started commercial production since June, 2015.
- Your Company have achieved 1250 accident free days as on 01/07/2015 with 13.2 million man hours worked.
- Both ICRA and CRISIL have re - affirmed highest Corporate Credit Rating to the your company in March, 2015.
- Crude processed at 14.65 MMT during the year 2014-15 against 14.55 MMT during the previous year 2013-14.

Your Company has retained its strong market presence in its Refinery zone for various petroleum products and also

been able to evacuate Petcoke and Sulphur on a consistent basis in domestic as well as international market.

Your Company has successfully commenced commercial production of Polypropylene from its Polypropylene (PP) Plant as part of its Phase III Refinery expansion and upgradation project w.e.f. 18th June, 2015. The plant has capacity to produce 4,40,000 TPA Polypropylene. The Feed Stock for the Polypropylene plant, polymer grade propylene, is produced from upstream Petrochemical Fluidised Catalytic Cracking Unit (PFCCU).

The deregulation of HSD pricing has opened up opportunities for recommencing the retail business. The first Dealer operated Retail Outlet at Mangalore was setup in December, 2014 and is in the process of setting up many more retail outlets.

Your Company is growing from strength to strength, notching benchmarks in the Indian Oil Industry across indices in production, turnover, capacity utilization, energy utilization, environment care, project implementation and quality management process.

With the successful commissioning of all the units of Phase-III, your Company is now capable of processing most difficult crudes from 18 API (blended) to 46 API gravity and light to heavy/sour to sweet crudes and also capable to handle High TAN Crudes.

The Management of your Company believes that in order to achieve sustainable growth, it is important to proactively invest in future and hence it was a strategic objective to build more capacity, bring in cutting edge technology and diversify along the hydrocarbon value chain.

Stakeholders are aware of the challenges that your Company faced during this phase of investment and consolidation. With your support, we have been able to achieve the initial part of the objective, i.e. building capacity with the latest technology and now the focus of your company will be on consolidation and value chain integration to create more value for the stakeholders.

Skilled, dedicated employees are an important anchor in your company for achieving the Vision of your company

i.e., To be a world-class Refining & Petrochemicals Company, with a strong emphasis on Productivity, Customer Satisfaction, Safety, Health & Environment Management, Corporate Social Responsibility and Care for Employees.

Your Company is committed towards:

- Sustain Leadership in energy conservation, efficiency, productivity and innovation.
- Capitalize on emerging opportunities in the domestic and international market.
- Strive to meet customers' requirements to their satisfaction.
- Maintain global standards in health, safety and environmental norms with a strong commitment towards community welfare.
- Continuing focus on employee welfare and employee relations.

We demand integrity and personal accountability at every level of the company with an unwavering commitment to safety and environmental stewardship.

We respect the laws, customs and cultural values of the communities where we operate, and work with stakeholders who share our commitment.

Safety continues to be a top priority for your company as it stands dedicated to the cause of Health Safety and Environment management system to prevent and minimize loss due to fires and other accidents and for the protection of the environment. Safeguarding our workers, communities and the environment is company wide commitment and fundamental to our philosophy.

Your Company is committed to continuing excellence in petroleum refining in harmony with Nature. The product portfolio comprises quality products, eco-friendly grades and the processing itself is carried out in an eco friendly and safe environment using sound/ efficient technologies. Efficient use of resource such as raw material, water and energy is compulsory. Therefore your Refinery is a certified ISO 14001: 2004 for Environment Management Systems by TUV Rheinland.

Your Company believes that businesses that address the needs and aspirations of consumers as well as social and environmental challenges will thrive in the long term. This is the foundation of what it means to be future ready.

The Corporate Social Responsibility / Sustainable Development objective of your Company are:

- To ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- To take up programs that benefit the communities in and around its operation for enhancing the quality of life and economic well being of the local community, with special care and attention to the weaker section of the society.
- To generate through its CSR initiatives, a community goodwill for your company and help reinforce a positive and socially responsible image.

Your Company remains deeply committed to socially inclusive sustainable development aimed improving the living conditions of under-privileged communities in the vicinity of the Refinery.

Your Company continues its focus on employee welfare and employee relations and continues to enjoy cordial and harmonious relations with the collectives and as evidence to the same not a single man-hour was lost on account of any industrial disturbance.

I would like to place on record my sincere appreciation to the Board of Directors for their support and guidance. I would also like to express my gratitude to all our stakeholders for their continued support, patronage, trust and confidence.

(D. K. Sarraf)
Chairman



Ushering in prosperity: Shri Dharmendra Pradhan, Hon'ble Minister of State (Independent charge) MoP&NG, GoI along with Shri Nalin Kumar Kateel, Hon'ble MP, Mangaluru lighting lamp at MRPL Head Office at Mangaluru, during his visit to MRPL.



Shri Dharmendra Pradhan, Hon'ble Minister of State, Petroleum & Natural Gas (Independent Charge) Addressing the stakeholders on the occasion of Inauguration of "POLYPROPYLENE" Unit of MRPL.



Shri Dharmendra Pradhan, Hon'ble Minister of State, Petroleum & Natural Gas (Independent Charge) along with Shri Nalin Kumar Kateel (Hon'ble MP Mangaluru) Inaugurated the "POLYPROPYLENE" Unit of MRPL.



Shri Pralhad V Joshi Chairman, Standing Committee, MoP&NG and Hon'ble M.P. Dharwad, flagged off First consignment of Polypropylene "MANGPOL" from Polypropylene Unit of MRPL.



ONGC Mangalore Petrochemicals Limited
(A subsidiary of MRPL)



OMPL Process Units



OMPL State-of-the-art Petrochemical Lab

BOARD'S REPORT

Dear Members,

On behalf of the Board of Directors, I take pleasure in presenting the Board's Report on the performance of your Company, together with the Audited Financial Statements and Auditors' Report and the Report of the C&AG of India for the financial year ended 31/03/2015.

1.0 THE STATEMENT OF COMPANY'S AFFAIRS:

1.1 PERFORMANCE AT A GLANCE

- Crude processed at 14.65 MMT during the year 2014-15 against 14.55 MMT during the previous year 2013-14.
- Turnover at ₹ 62,412 Crores during the year 2014-15 against ₹ 75,226 Crores for the previous year 2013-14.
- Export Turnover at ₹ 22,790 Crores during the year 2014-15 against ₹ 35,392 Crores for the previous year 2013-14.
- After Tax Loss ₹ 1,712 Crores during the year 2014-15 against Profit of ₹ 601 Crores for the previous year 2013-14

1.2 FINANCIAL PERFORMANCE

The Audited Standalone / consolidated financial performance for the year ended 31/03/2015 is summarized below:

(₹ In Crores)

| | Standalone | | Consolidated | |
|--|---|---|---|---|
| | Year ended 31 st March, 2015 | Year ended 31 st March, 2014 | Year ended 31 st March, 2015 | Year ended 31 st March, 2014 |
| Turnover | 62412 | 75226 | 62051 | 74952 |
| Profit before Depreciation Interest and Tax | (1250) | 1437 | (1325) | 1448 |
| Interest and Finance Charges | 407 | 321 | 448 | 323 |
| Gross Profit after interest but before Depreciation and Tax | (1657) | 1116 | (1773) | 1125 |
| Depreciation and Amortizations | 499 | 706 | 522 | 707 |
| Profit/(Loss) Before Tax | (2156) | 410 | (2295) | 418 |
| Provision for Taxation (deferred tax liability) | (444) | (191) | (442) | (188) |
| Profit/(Loss) after Tax | (1712) | 601 | (1853) | 606 |
| Balance of Profit/(Loss) brought forward from previous year | 4839 | 4238 | 4858 | 4252 |
| Surplus available for appropriation | 3075 | 4839 | 3003 | 4858 |

1.3 OPERATIONAL PERFORMANCE:

- Your Company had processed highest ever crude of 14.65 MMT during the financial year 2014-15 compared to 14.55 MMT during the previous year.
- The operating margin was 3.44 \$/bbl during 2014-15 as against 1.69 \$/bbl during 2013-14.

- Your Company has achieved export turnover of ₹ 22,790 Crores during the financial year 2014-15 by exporting products viz., Motor Spirit, Naphtha, Mixed Xylene, High Speed Diesel, Jet fuel and Fuel Oil.

1.4 DIVIDEND AND TRANSFER TO RESERVES:

During 2014-15, your Company has incurred loss of ₹ 1,712 Crores. Hence, your Directors have not recommended any dividend for FY 2014-15 and no amount has been transferred to General Reserve during the FY 2014-15.

1.5 DEPOSIT:

Your Company has not accepted any fixed deposit during the year from the public. As on 01/04/2014, certain customer advances remained unpaid which were classified as deemed deposits under the provisions of the Companies Act, 2013 and were refunded to customers during the year.

1.6 PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements. Full particulars of Loans given, Investments made and Guarantees given, and Securities provided are furnished in the notes to Financial Statements forms part of the Annual Report.

1.7 SHARE CAPITAL:

The Authorised Share Capital of the company has been increased from ₹ 2,000 Crores to ₹ 3,000 Crores. The Issued, Subscribed and Paid up Equity Share Capital of your Company as on 31/03/2015 stood at ₹ 1,753 Crores. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity as any kind of securities.

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

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

1.9 CREDIT PROFILE

- After Annual surveillance, the highest Corporate Credit Rating has been reaffirmed by both ICRA and CRISIL in March 2015.
- ICRA has reaffirmed "Irr AAA" to MRPL.
- "[ICRA] AAA" for ₹ 3,000 Cr. Fund- Based limits of MRPL.
- "[ICRA] A1+" to ₹ 4,000 Cr. Non-Fund based limits of MRPL.
- "[ICRA] A1+" to ₹ 900 Cr. Commercial Paper Programme to MRPL.
- CRISIL has reaffirmed the highest Corporate Credit Rating "[CCR AAA]" to MRPL.

2.0 MARKETING & BUSINESS DEVELOPMENT:

Your Company has retained its strong market presence in its Refinery zone for various petroleum products and also been able to get a good market reach for Petcoke. Company could evacuate Petcoke and Sulphur on a consistent basis in domestic as well as export market.

With entry of natural gas pipeline in North Karnataka & Goa, customers earlier using Fuel Oils are shifting to Gas, leading to shrinkage of liquid fuels market. However, due to commissioning of the Petcoke unit in MRPL, Company has carried good market development and has already attained market leadership for Petcoke sales in South India.

Your Company continues to expand its market spread in the direct sales segment of petroleum products in the state of Karnataka and its adjoining states. Your Company has significant market share and direct customer relations for products such as Bitumen, Fuel Oil, Sulphur, Diesel, Petcoke and Mixed Xylene in its refinery zone. The total sales volume of direct marketing products during the FY 2014-15 was 0.81 MMT with a sales value of ₹ 1,926 Crores compared to volume of 0.46 MMT and sales value of ₹ 2,291 Crores in the previous FY 2013-14.

The deregulation of HSD pricing has opened up opportunities for recommencing the retail business. Your company has significantly increased HSD sales in its refinery zone. Domestic sale of Sulphur has also increased considerably against previous year. Your Company has commissioned its first dealer operated Retail Outlet at Mangalore in December, 2014 and is in the process of setting up large number of retail outlets in its refinery zone.

Your Company has set up a Polypropylene plant of 440 KTPA capacity and company has already appointed required channel partners in initial primary target markets for marketing of Polypropylene. Detailed Market study has been completed and Sales are expected to commence soon. In addition, Your Company is also developing its own storage infrastructure for Polypropylene in Karnataka.

3.0 HEALTH, SAFETY AND ENVIRONMENT PERFORMANCE

Your Company have achieved 1212 accident free days as on 18/05/2015 with 12.10 million man hours worked. The various units of Phase - III Refinery Upgradation and Expansion Project and storage tanks were commissioned safely during the year.

Your Company is committed towards imparting continuous training in fire and safety practices. Regular Mock exercises were conducted considering the various emergency scenarios in plant and non plant areas.

Your Company believes in "Perform beyond Compliance" - that is to perform better than minimum required by statutes. The Refinery of your Company is a certified ISO

14001:2004 for Environment Management Systems by TUV Rheinland. The major achievements on the Environment Management and performance are summarized as under:

In Environment Management, the company's Philosophy is to perform beyond Compliance - that is to perform better than minimum required by statutes. The major Achievements on the Environment Management front include:

- Water Audit Study conducted in the Refinery by M/s. National Productivity Council, Hyderabad.
- Marine Quality Monitoring at Single Point Mooring (SPM) conducted by M/s. College of Fisheries, Mangalore.
- Utilization of Sewage Treatment Plant (STP) water as make-up to cooling towers carried out. This measure is directly resulted in reduction of fresh water consumption.
- A Sulphur Pastillation Unit is commissioned as a part of Phase - III Project to reduce the dust emissions.
- Inspection of Tier - I facility of SPM was carried out by OISD & Indian Coast Guard in the month of March, 2015.
- CTBD (Cooling Tower Blow Down) system of WWTP - III commissioned in the month of March, 2015.
- VOC Recovery system is commissioned in WWTP - III.
- SOx & NOx Stack Online Analyzer data of Phase - I & II units connected to CPCB server in the month of March, 2015.
- Hydrocarbon detectors at strategic locations in the refinery are provided.
- VOC Emission monitoring carried out in the refinery through reputed agency at 74000 points and corrective measures are taken to effectively minimize the same, wherever needed.
- Periodic Manual Stack Monitoring is being carried out by MoEF/KSPCB approved external agency.
- Ambient Air Quality Monitoring is carried out by MoEF/KSPCB approved external agency in and around the refinery at 9 location including 4 locations in Phase - III area as per revised National Ambient Air Quality Monitoring Standards published by Ministry of Environment & Forests.
- An advanced technology has been employed for cleaning Crude Tanks in the refinery which results in lower oil content in the Tank sludge.
- Environment Awareness Programmes was organized periodically in the neighboring villages in association with Karnataka State Pollution Control Board.
- 70-75% of the total treated Effluent is recycled back to the cooling towers.
- Continuous online monitoring of Analyzers installed to monitor Treated Effluents for parameters like pH, Sulphide, Dissolved Oxygen, Phenols, before discharged to sea.

- Treated effluents are monitored on a daily basis at both Refinery end & at APMC yard.
- A Fortnightly Marine Environment Impact Assessment study is being carried out through College of Fisheries, Mangalore from 7 monitoring stations set-up in the vicinity of Treated effluent Disposal point (at sea) & 3 Stations in the Seashore. The results indicate no adverse effect on the marine environment.
- The Company is meeting the stipulations of KSPCB with regard to the quality of treated effluent, which is well below the standards in every aspect, on a continuous basis.
- Ten Nos. of Ground Water monitoring stations in and around the Refinery have been set up and regular monitoring of ground water quality is being carried out along with Karnataka State Pollution Control Board (KSPCB).
- Low sulphur Fuel oil was being used in all the Refinery furnaces and boilers, simultaneously maximizing the usage of ultra low Sulphur fuel gas generated in the refinery process units.
- Sulphur Recovery Units (SRUs) are operated at efficiency greater than 99%.
- Annual Submarine pipeline inspection carried out by National Institute of Oceanography (NIO).

4.0 PROJECTS

4.1 Phase - III Refinery Upgradation and Expansion Project:

The commissioning of all the Secondary Process Units of Phase -III Refinery Upgradation and Expansion project were completed in September 2014, these units will increase the distillate yield and produce high value products viz Propylene, Gasoline from low value black oils. Crude Distillation Unit (CDU), Hydrogen Generation Unit (HGU) and Diesel Hydrotreater Unit (DHDT) were commissioned in the previous financial years. The delay in commissioning of the process units was mainly on account of non-availability of reliable steam and Power from CPP. The total expenditure incurred by your Company on Phase -III Refinery Upgradation and Expansion project is around ₹ 12,485 Crores as on 31/03/2015.

Your refinery is now capable of processing most difficult crudes from 18 API (blended) to 46 API gravity and light to heavy / sour to sweet crudes and also capable to handle High TAN Crudes also.

4.2 Single Point Mooring (SPM):

Your Company has setup SPM along with coastal booster pumping station within the port limits at a location of 16 Km from the shore having the draft availability of 32 M for handling Very Large Crude Carrier (VLCC), at a cost of ₹ 1,044 Crores (Actual cost as on 31/03/2015 is ₹ 807 Crores). The SPM is constantly unloading Suez Max (about 135,000T

of cargo) ships since commissioning in August, 2013. As on 31/03/2015, 108 ships has been unloaded at SPM, handling total crude cargo of approximately 14.5 Million Tonnes. This facility has also decongested existing berth at New Mangalore Port, during non-monsoon periods.

4.3 Polypropylene Unit:

The Polypropylene (PP) unit has been set up with the licensor M/s Novolen Technology, Germany in integration with the Phase - III Project at an estimated Capex of ₹ 1,804 Crores. The total expenditure incurred on this project is ₹ 1,227 Crores as on 31/03/2015. The feed-in has been achieved during March, 2015. The unit was inaugurated on 05/04/2015 by the Hon'ble Minister of Petroleum and Natural Gas (Independent Charge) and commercial production has been started since 18/06/2015.

5.0 AWARDS AND RECOGNITION:

- Won the "Export Excellence Award, 2014" in Best Exporter Award (Medium/large category) from the Federation of Karnataka Chamber of Commerce and Industry (FKCCI) for FY 2013-14 in recognition of its ₹ 35,392 Crores worth of export.
- Won the Silver at "Niryat Shree Award -2014" in the residual sector of the MSME at FIEO (Federation of Indian Export Organisation).
- MRPL has conferred the prestigious "Skoch Foundation Order -of-Merit Award" for the best project in the country.
- Shri Vishnu Agrawal, Director Finance of MRPL was adjudged winner of the 'BT-STAR Excellence Award in the category PSU- small,- DIRECTOR-FINANCE OF THE YEAR' post a rigorous evaluation process by the Jury of the BT-Star Excellence Awards, 2015.
- MRPL won the first prize for outstanding performance in the area of Hindi Implementation for the year 2014-15 for fourth consecutive year by TOLIC, Mangalore.

6.0 PERFORMANCE OF SUBSIDIARY/ JOINT VENTURES:

Pursuant to Section 129 (3) of the Companies Act, 2013 read with Rule (5) of the Companies (Accounts) Rules, 2014, the salient features of Financial statement of Subsidiary and Joint Ventures in Form AOC-1 is attached as **Annexure 'A'** which forms part of this report.

6.1 SUBSIDIARY COMPANY:

Your Company has adopted a Policy on determining Material Subsidiary, which is available at www.mrpl.co.in.

6.1.1 ONGC Mangalore Petrochemicals Limited (OMPL)

ONGC Mangalore Petrochemicals Limited (OMPL) is the only subsidiary company. Your company holds 51% of equity shares in OMPL since 28/02/2015 and the balance 49% held by parent company ONGC. OMPL has set up an Aromatic Complex with an annual capacity 914 KTPA of Para-xylene and 283 KTPA of Benzene in Mangalore Special Economic Zone as value chain integration project

of ONGC & MRPL. The total project cost is about ₹ 6,875 Crore and it has commenced commercial operation from 1st October, 2014. 0.26 MMT of Para-xylene and 0.06MMT of Benzene, have since been exported in the financial year, as the production is being ramped up.

The revenue for FY 2014-15 is ₹ 1,728.25 Crores (Previous Year ₹ 0.026 Crores) with Pre-tax loss of ₹ 914.30 Crores (Previous Year loss of ₹ 1.18 Crores) and post-tax loss of ₹ 914.30 Crores (Previous Year loss of ₹ 0.47 Crores).

6.2 JOINT VENTURE(S)

6.2.1 Shell MRPL Aviation Fuel Services Limited (SMAFSL)

MRPL Joint Venture (JV) with Shell B.V. Netherland known as Shell MRPL Aviation Fuel Services Limited (SMAFSL) supplies Aviation Turbine Fuel (ATF) to both domestic and international airlines at several Indian airports. The revenue for FY 2014-15 is ₹ 636 Crores (Previous Year ₹ 662 Crores) with Pre-tax profit of ₹ 10.69 Crores (Previous Year ₹ 18.40 Crores) and post-tax profit of ₹ 7.74 Crores (Previous Year ₹ 12.30 Crores).

6.2.2 Mangalam Retail Services Limited (MRSL)

Mangalam Retail Services Limited (MRSL) the Joint Venture (JV) Company with Ashok Leyland Project Services Limited (ALPSL) was incorporated on 03/05/2006 to set up commercial complexes for promoting retail plan of MRPL. In absence of any viable business plan, the continuance of the JV is being examined. The JV has not commenced any business activities. Hence there is no business transaction during the FY 2014-15. The Account of the JV was audited for the purpose of consolidation.

7.0 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO :

Information required to be disclosed pursuant to Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earnings & outgo are furnished in **Annexure 'B'** which forms part of this Report.

8.0 EXTRACT OF ANNUAL RETURN :

Information required to be disclosed pursuant to Section 134(3)(a) of The Companies Act, 2013 with respect to the details forming part of the extract of the Annual Return in form MGT-9 are furnished in **Annexure 'C'** which forms part of this Report.

9.0 MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES:

Your Company being a Govt. company is exempted to furnish information under Section 197 of the Companies Act, 2013 vide Ministry of Corporate Affairs (MCA) Notification dated 05/06/2015.

10.0 CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY DEVELOPMENT :

10.1 Corporate Social Responsibility (CSR):

Your Company's social welfare and community development initiatives focus on the key areas of education, health care and overall development of basic infrastructure in and around its operational areas. These projects are largely in accordance with Schedule VII of the Companies Act, 2013.

The CSR objective of your Company in line with DPE guidelines is promoted under the name of "SAMRAKSHAN". This captures the spirit and commitment to protect, preserve and promote the social, cultural and environmental heritage and wealth in and around the area of our business and to usher in sustainable development. Facilitating Midday Meal to support continuing Education, setting up of computer room, Anganwadi building, skill development training for youths, infrastructural development etc. is a part of the Samrakshan activities. In addition, your Company is committed to mission of "Swachh Vidhyalaya Abhiyan" and has undertaken construction of 50 toilets in Govt. schools.

Your Company has taken up the construction of One wing of Government Lady Goschen Hospital, Mangalore under its "CSR – SAMRAKSHAN" Programme, at a cost of ₹ 21.70 Crores.

Lady Goschen Hospital is a 162 year old hospital for Women, established in the year 1849 and is located at the heart of Mangalore City. It has 260 beds, mainly catering to the health care needs of patients from poorer section of society. About 75% of the patients who come for treatment to this hospital belong to Below Poverty Line (BPL) category.

Your company has spent ₹ 4.81 Crores (Previous Year ₹ 3.47 Crores) for various CSR activities during the year 2014-15. Pursuant to Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 the Annual Report on CSR activities is annexed herewith as **Annexure 'D'**.

10.2 Sustainability Development Performance:

- Sustainability efforts of your Company is centering on drawing action plans towards minimizing our carbon footprint through managing complex projects and operations, addressing risk and opportunity, and engaging externally. We also continue our focus on defining supplier expectations for business conduct, and on addressing related risks in our supply chain.
- We continue to work to reduce greenhouse gas emissions in our operations and to integrate climate change-related activities and goals into our business planning.
- The Plan further provides guidance regarding integrating sustainable development with our business operations. Your Company has laid down priority areas as well as short and long term actions to be undertaken for meeting the objectives of the plan. Key identified areas include:
 - Hydrocarbon value chain optimization

- Energy consumption optimization
- Water and Waste Management
- Customer development and growth partnership

Specific enablers have also been identified to facilitate the implementation of action plans developed for above four areas.

Your Company is consolidating its position in potential hydrocarbon value chain optimization avenues for sustainable development. The pivotal emphasis is on recovering value from low value hydrocarbons such as petcoke, refinery offgas and internal fuel oil.

After successful commissioning of the Phase-III major units such as Delayed Coker Unit, Petrochemical grade Fluidised Catalytic Cracking Unit (PFCCU), Diesel Hydrotreating Unit and the latest Polypropylene Unit, MRPL's product base has expanded to include Pet coke, Ultra Low sulfur Diesel and Polypropylene. Your Company is establishing value partners to expand market base and partner sustainable growth.

Your Company is also considering other sustainable options to utilize the pet coke for firing in utility boilers to produce steam for power generation along with capture of the associated pollutant - sulfur molecule. This is expected to not only help in production of cheaper power, but also ensure timely evacuation of this product from the refinery complex. Another advantage envisaged is the reduction in internal fuel oil consumption which is currently being fired in the boilers, for upgradation into various lighter molecules like Polypropylene, diesel etc. via the delayed coking route. In-house feasibility study of the project with support from potential technology suppliers is being taken-up.

Water and waste management is given top priority by Your Company to reduce refinery's impact on the environment. The refinery recycles more than 70% of its treated effluents and has also been maximizing intake of treated municipal sewage to reduce fresh water intake. The refinery has also commissioned its sludge processing facility to effectively address disposal concerns.

Your Company is also looking into the option of recovering valuable ethylene from low value PFCC off gas and supplying into downstream petrochemical complexes. Also, the recovered ethylene can be used as a co-monomer along with propylene to produce hetero-polymers of polypropylene for enhancing market value. The in-house viability study along with the potential increase in profitability estimations are being carried out with inputs from downstream petrochemical complexes and ethylene recovery technology suppliers.

The Phase-III Refinery Complex Captive power plant facilities and some of the process heaters are designed to burn Natural Gas as fuel. The Phase-III Hydrogen generation unit is also designed to consume Natural Gas as an alternate feedstock. The infrastructure to bring natural gas to Mangalore is being

assessed by various gas suppliers. Subject to economics, utilization of natural gas will not only reduce SO emissions but also open up the avenue of converting the low value internal fuel oil into high value hydrocarbons.

11.0 RELATED PARTY TRANSACTIONS :

All transactions entered with Related Parties for the year were on arm's length basis and in ordinary course of business. Further, there are no material related party transactions during the year with the Promoters, Directors or Key Managerial Personnel. The Company has adopted a Related Party policy and procedure, which is available at www.mrpl.co.in.

All Related Party Transactions are placed before the Audit Committee as also to the Board for approval. Omnibus approval was obtained on a quarterly basis for transactions which are of repetitive nature.

11.1 Particulars of contracts or arrangements with related parties:

The particulars of every contract or arrangements entered into by the Company with Related Parties referred in Section 188(1) of the Companies Act, 2013 disclosed in Form No. AOC - 2 attached as **Annexure 'E'**. MCA vide Notification dated 05/06/2015, has exempted the applicability of Section 188 (1) of the Companies Act, 2013 for a transaction entered into between two Government Companies.. In view of the same shareholders approval has not been solicited for the transactions with Govt. Companies.

12.0 HUMAN RESOURCES:

- Your Company continued to enjoy cordial and harmonious relations with the collectives and as evidence to the same not a single man-hour was lost on account of any industrial disturbance during the year 2014-15.
- During the year, your Company has recruited 33 employees comprising of 2 women employees and 15 Scheduled Caste (SC) / Scheduled Tribe (ST) employees
- Total employee strength as on 31/03/2015 was 1720 including 125 women employees, 202 SC/ST employees and 7 Physically Challenged employees. 742 employees belong to Management cadre whereas, 978 employees belong to Non-Management cadre.
- During the year 2014-15, Your Company devoted 4078 Mandays for Training, Development and Learning which amounted to an average of 2.39 Mandays per employee. This includes functional, developmental and special training programs covering the entire spectrum of employees.

13.0 OFFICIAL LANGUAGE:

Your Company is implementing Official Language Policy in

letter and spirit as per the Annual Programme prescribed by the Department of Official Language, Ministry of Home Affairs, Government of India. In order to propagate Hindi among the employees, Hindi Workshops are organised on a regular basis at Mangalore, Mumbai, Delhi & Bangalore Offices. Regular Hindi classes such as Prabodh, Praveen & Pragya in addition to Hindi Stenography are being conducted for employees. In order to increase the correspondence in Hindi, by the employees, special efforts are made to activate Unicode facilities on all the computers used in your Company. To motivate employees for Hindi usage, various incentive schemes are introduced such as Cash award & Personal Pay.

14.0 RIGHT TO INFORMATION ACT, 2005:

Your Company's RTI manual is available on its website www.mrpl.co.in which discloses all required information. During the year, 112 applications were received, out of which 96 were disposed off before 31/03/2015 and balance 16 applications were disposed off after 01/04/2015.

15.0 SECURITY MEASURES:

The Refinery security is designed and operated in compliance with guidelines given by Oil Sector Infrastructure Protection Plan (OSIPP) and the Security Audit recommendations given by the IB (MHA) from time to time.

The Refinery is completely secured and protected inside including newly expanded refinery operations area under Phase-III and the Refinery surrounding premises all the times through deployment of Central Industrial Security Force (CISF) personnel.

Refinery Security is on priority due to increased threats and it is ensured through emergency preparedness, conducting periodic mock drills by security personnel. In order to promote awareness on security issues among all stake holders, Security Awareness programmes along with government authorities are organized periodically.

16.0 VIGILANCE FUNCTION :

Your Company has developed a structured mechanism of vigilance functions and its practices are focused towards creation of value for all the stakeholders. The practices involve multi-layer checks and balances to improve transparency. Vigilance Awareness and Preventive vigilance activities were continuously carried out during the year. Guidelines of Central Vigilance Commission (CVC) are being followed. Officers in sensitive posts are rotated regularly.

Whistle Blower Policy for employees is in place which ensures that a genuine whistle blower is granted due protection from any victimization. In compliance with CVC instruction, your Company has implemented a complaint handling policy in which all complaints received from various sources can get recorded and can be examined by Vigilance. Further, in line with CVC instructions, your

Company has achieved high compliance level with regard to e-payment and e-tender.

Leveraging of technology to enhance transparency has been a thrust area of action in which vigilance has played a catalytic role. The website of the Company displays downloadable tender document, publication of information of works awarded on nomination basis, publication of post award information of contracts.

Full time Chief Vigilance Officer (CVO) is posted and he can be contacted at cvo@mrpl.co.in for any complaint having vigilance angle.

16.1 Whistle Blower Policy for Directors & Employees:

The Whistle Blower Policy is formulated to provide a vigil mechanism for Directors and Employees to raise genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. It also provides for adequate safeguard against victimisation of persons who use such mechanism.

The Policy provides necessary safeguards for protection of Directors and Employees who avail the vigil mechanism from reprisals or victimization, for whistle blowing in good faith and to provide opportunity to Directors and Employees for direct access to the Chairperson of the Audit Committee in exceptional cases. The policy is available on the Company's website www.mrpl.co.in.

17.0 DIRECTORS & DIRECTORS' RESPONSIBILITY STATEMENT

17.1 Following changes took place in Board of Directors and Key Managerial Personnel of your Company.

- Shri H. Kumar assumed the office of Managing Director w.e.f 14/08/2014 and elected as a Director in the 26th Annual General Meeting held on 13/09/2014.
- Shri M. Venkatesh has assumed the office of Director (Refinery) with effect from 1st April, 2015. He was appointed as Additional Director who vacates his office as Additional Director and being eligible offers himself for appointment as Director (Refinery) in the 27th Annual General Meeting.
- Shri Nalin Kumar Srivastava, Deputy Secretary, MoP&NG was appointed as Additional Director with effect from 5th March, 2015, who vacates his office as Additional Director and being eligible offers himself for appointment as Director in the 27th Annual General Meeting.
- Smt. Perin Devi, Director of MoP&NG was appointed as Additional Director with effect from 14th May, 2015, who vacates her office as Additional Director and being eligible offers herself for appointment as Director in the 27th Annual General Meeting..
- Shri Vishnu Agrawal who retires by rotation and being eligible offers himself for re-appointment as a Director.

- Shri V G Joshi, ceased to be a Director consequent upon his superannuation from the services of MRPL on 31st March, 2015.
- Shri P. Kalyanasundaram, ceased to be a Director w.e.f 4th March, 2015 consequent upon his superannuation from the services of Government of India.
- Shri C. L. Shah, Smt. Neela Gangadharan, Prof. Jayant M. Modak, Prof. Usha Kiran Rai and Capt. John Prasad Menezes ceased to be Additional Director w.e.f. 14/09/2014.

The Board places on record appreciation for the valuable contributions made by them during their tenure as Directors of the Company.

17.2 Directors' Responsibility Statement:

To the best of knowledge and belief and according to the information and explanations received, Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013.

The Board of Directors confirm as under for the Financial Year 2014-15:

- a) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts on a going concern basis;
- e) The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

17.3 Formal Annual Evaluation & Board Diversity:

Your company is Schedule "A" category -1 Miniratna Central Public Sector Enterprise (CPSE) governed by Department of Public Enterprise (DPE), Government of India and its Administrative Ministry i.e. Ministry of Petroleum & Natural

Gas (MoP&NG) Government of India. The Board Diversity is maintained as the Administrative Ministry i.e., MoP&NG appoints various categories of Directors on the Board. The evaluation of the Company is made by MoU signed with ONGC, the holding Company pursuant to DPE guidelines. The formal evaluation process is based on evaluation of MoU parameters for various operational and physical Parameters. MCA vide notification dated 05/06/2015, has exempted the Govt. Company from the formal annual evaluation by the Board on its own performance pursuant to Section 134(3) (p) of the Companies Act, 2013, as the Directors are evaluated by the Administrative Ministry i.e., MoP&NG, Govt. of India.

The Directors are appointed by the Govt. of India and terms and conditions of their service is also determined by Govt. of India. The detailed terms and conditions are furnished in the Corporate Governance Report.

18.0 NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

The Board of Directors of your Company had Nine (9) Meetings during the FY 2014-15. Details of the Board Meetings held for the year 2014-15 have been furnished in the Corporate Governance Report and forms part of this Report.

19.0 AUDIT COMMITTEE:

The Audit Committee was constituted on the terms of reference as prescribed under Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014, Clause 49 of the Listing Agreement with the Stock Exchanges and Guidelines on Corporate Governance for Central Public Sector Enterprise issued by Department of Public Enterprise, Government of India. The detail of Audit Committee is disclosed in the Corporate Governance Report which forms part of this Report.

20.0 NOMINATION AND REMUNERATION POLICY:

MRPL is a 'Schedule A' category-1 Miniratna Central Public Sector Enterprise (CPSE). The appointment, terms, conditions and remuneration of Managing Director and Functional Directors (Whole-time Directors) are fixed by the Department of Public Enterprises (DPE), Govt. of India.

Pursuant to Clause 49 of the Listing Agreement and DPE guidelines on Corporate Governance for CPSE, your Company has constituted a Nomination and Remuneration Committee. The details on the Nomination and Remuneration committee is disclosed in Corporate Governance Report which forms part of this report.

21.0 RISK MANAGEMENT POLICY:

Your Company has a well-defined policy framework for Enterprise Risk Management formulated by M/s. Deloitte, Risk Managers are continuously monitoring the Risks pertaining to their area. Risk Management Committee was

reconstituted consisting of majority of Directors pursuant to Clause 49 (VI) of Listing Agreement which monitors and evaluates the risk overview document once in quarter and recommends the same to the Audit Committee for evaluation. The Risk Management Committee's overview document is duly reviewed by the Audit Committee and placed before the Board on quarterly basis.

22.0 SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

23.0 CORPORATE GOVERNANCE:

- Your company has complied with all the mandatory provisions of Clause 49 of the Listing Agreement relating to the Corporate Governance requirements and mandatory guidelines on Corporate Governance for CPSEs issued by DPE, Government of India, except the Composition of Board of Directors, in relation to requisite number of Independent Directors.
- The Annual Report contains a separate section on Corporate Governance, which forms part of this Report.
- Pursuant to Clause 55 of Listing Agreement, Annual Business Responsibility Report (ABRR) has been prepared for the financial year and the same has been uploaded on the website of the company www.mrpl.co.in
- Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, your Company has obtained the Certificate from the Joint Statutory Auditors of the Company, towards Compliance of Corporate Governance which forms part of this report.

24.0 MANAGEMENT DISCUSSION AND ANALYSIS:

In terms of Clause 49 (VIII) (D) of the Listing Agreement with the Stock Exchanges, the Management Discussion and Analysis Report for the FY 2014-15 duly reviewed by Audit Committee and approved by Board and forms part of this Report.

25.0 INTERNAL FINANCIAL CONTROL:

Your Company has a well established Internal Control system to ensure an effective internal control environment that provides assurance on the efficiency of conducting business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. The Internal Auditor certifies on the assurance of adequacy of Internal Control System on quarterly basis which are regularly

reviewed by the Audit Committee. Details on the Internal Control System is disclosed in the MDA which forms part of this report.

26.0 AUDITORS:

26.1 Joint Statutory Auditors:

M/s Gopalaiyer and Subramanian, Coimbatore and M/s A Raghavendra Rao and Associates, Mangalore have been appointed as Joint Statutory Auditors of the Company for the FY 2014-15 by Comptroller & Auditor General of India (C&AG). They have audited the Financial Statements and along with Balance Sheet for the Financial Year ended 31/03/2015 and submitted their report which forms part of this report.

26.2 Comptroller and Auditor General (C&AG) Report:

The Comptroller and Auditor General (C&AG) have submitted their report which forms part of this report.

26.3 Secretarial Auditors:

Your Company has engaged M/s Ullas Kumar Melinamogaru & Associates, Practicing Company Secretaries, Mangalore for conducting Annual Secretarial Audit for the year 2014-15 pursuant to Section 204 of the Companies Act, 2013. M/s Ullas Kumar Melinamogaru & Associates, Practicing Company Secretaries, Mangalore have issued Annual Secretarial Audit Report (Form MR-3) for the year 2014-15 which forms part of this report and is furnished as **Annexure 'F'**.

26.4 Cost Auditors:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost accounts maintained by the company for the FY 2014 -15 are being audited by Cost Auditors M/s. Bandyopadhyaya Bhaumik & Co., Kolkata with approval of Ministry of Corporate Affairs, Government of India.

27.0 ACKNOWLEDGEMENT:

27.1 Your Directors sincerely thank the Government of India (GoI), Ministry of Petroleum and Natural Gas (MoP&NG), Ministry of Finance (MoF), Ministry of Corporate Affairs (MCA), Department of Public Enterprise (DPE), Ministry of Environment and Forest (MoEF), Ministry of External Affairs (MEA), Ministry of Shipping (MoS), Ministry of Home Affairs (MHA), other Ministries and Departments of the Central Government and the Government of Karnataka, for their valuable support, guidance and continued co-operation.

27.2 Your Directors gratefully acknowledge support and direction provided by the parent company, Oil and

Mangalore Refinery and Petrochemicals Limited

Natural Gas Corporation Limited (ONGC) and the support of Hindustan Petroleum Corporation Limited (HPCL), the Promoters of the company.

- 27.3** Your Directors wish to thank the shareholders for the continued confidence reposed on their Company.
- 27.4** Your Directors acknowledge the continuing co-operation and support received from New Mangalore Port Trust, Financial Institutions, Banks and all other stakeholder such as suppliers of crude oil, vendors, contractors, transporters.
- 27.5** Your Directors recognize the patronage extended by the valued customers for the products of the Company and promise to provide them the best satisfaction.

27.6 Your Directors wish to place on record their sincere appreciation of the sustained and dedicated efforts put in by all the employees collectively and concertedly as a Team known as "Team MRPL".

For and on behalf of the Board



(Dinesh Kumar Sarraf)
Chairman

Place: New Delhi
Date: 09/07/2015

ANNEXURE 'A'

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures as on 31.03.2015

Part "A": Subsidiary

(₹ in Million)

| For the year 2014-15 | | |
|----------------------|--|---------------------------------------|
| Sl. No. | Particulars | |
| 1. | Name of the subsidiary | ONGC Mangalore Petrochemicals Limited |
| 2. | Reporting period for the subsidiary | 01.04.14 to 31.03.15 |
| 3. | Reporting currency and Exchange rate | INR |
| 4. | Share capital as on 31/03/2015 | 18,776.26 |
| 5. | Reserves & surplus as on 31/03/2015 | (5,320.61) |
| 6. | Total assets as on 31/03/2015 | 77,929.97 |
| 7. | Total Liabilities as on 31/03/2015 | 64,474.32 |
| 8. | Details of Investment* as on 31/03/2015 | 4.80 |
| 9. | Turnover from 01/03/2015 to 31/03/2015 | 3,386.23 |
| 10. | Profit/ (Loss) before taxation from 01/03/2015 to 31/03/2015 | (1,011.76) |
| 11. | Provision for taxation from 01/03/2015 to 31/03/2015 | - |
| 12. | Profit/ (Loss) after taxation from 01/03/2015 to 31/03/2015 | (1,011.76) |
| 13. | Proposed Dividend | - |
| 14. | % of shareholding | 51.00% |

* 480,000 Equity Shares of ₹ 10 each of Mangalore SEZ Ltd.

- Names of subsidiary which are yet to commence operations:** Nil
- Names of subsidiary which have been liquidated during the year 2014-15:** Nil
- The company has acquired 51.0017% Equity Shares of ONGC Mangalore Petrochemicals Ltd (OMPL) during the year and consequentially OMPL has become subsidiary company and a Government Company w.ef. 28-02-2015.

Part "B": Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Name of Joint Ventures (Indian Company) | Shell MRPL Aviation Fuels & Services Limited | Mangalam Retail Services Limited |
|--|--|----------------------------------|
| 1. Latest audited Balance Sheet Date | 31.03.2015 | 31.03.2015 |
| 2. Shares of Associate / Joint Ventures held by the company on the year end | | |
| Number of Shares | 150,00,000 | 49,960 |
| Amount of Investment in Joint Venture | 150.00 | 0.50 |
| Extend of Holding % | 50.00% | 49.98% |
| 3. Description of how there is significant influence | NA | NA |
| 4. Reason why the Joint Venture is not consolidated | NA | NA |
| 5. Net worth attributable to Shareholding as per latest audited Balance Sheet | 356.33 | 0.57 |
| 6. Profit / (Loss) for the year attributable to Shareholding | 38.69 | - |
| i. Considered in Consolidation | YES | YES |

1. Names of joint ventures which are yet to commence operations:

Mangalam Retail Services Limited

2. Names of joint ventures which have been liquidated or sold during the year 2014-15: NIL

As per our report of even date attached

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants
Firm Registration : 0009605

For **A. RAGHAVENDRA RAO & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 0033245

CA K. R. SURESH
Partner
Membership No. 025453

CA.GOPALAKRISHNA BHAT T.M
Partner
Membership No. 019798

New Delhi : 22nd May, 2015

For and on behalf of the Board

H KUMAR
Managing Director

VISHNU AGRAWAL
Director (Finance)

DINESH MISHRA
Company Secretary

ANNEXURE 'B'

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A. CONSERVATION OF ENERGY

The company continued its emphasis on energy conservation through Process Optimization, Continuous monitoring and Implementation of several Energy Conservation modifications

Major Energy Conservation measures taken during the year

- i) Recycle Splitter heater Air Preheater replacement in Hydrocracker-1
- ii) Commissioning of Cooling Tower-1 Steam Driven Pump
- iii) Crude and Vacuum Heater Online Chemical Cleaning in Crude Distillation Units-1&2
- iv) Recycle Splitter optimization in Hydrocracker-1
- v) Heavy Naphtha pump impeller trimming in Crude Distillation Unit-1
- vi) Impeller trimming for HGO pump and (-) 370 cut pump in Crude Distillation Unit-1
- vii) Gas Oil Hydro Desulfurization product Pump impeller trimming
- viii) Shifting of underutilized VSD from CCR-2 to CCR-1 for NHT charge pump
- ix) Air Preheater replacement in Visbreaker-2

Additional investments and proposals being implemented/ under consideration for reduction of consumption of energy / resources

- i) Air Preheater replacement in Hydrocracker-2
- ii) Compressed Air and Nitrogen network leak survey and arresting.
- iii) Introduction of Diesel Pump around in Hydrocracker - 1&2 Recycle Splitter Column
- iv) Heat recovery from Hydrocracker-1/2 Unconverted Oil by Cold DM Water
- v) Crude Distillation Unit-1/2 Heater Online Cleaning
- vi) Crude Distillation Unit-3 Crude Charge pump VSD installation
- vii) Proposal for routing of Amine Regeneration Unit-3 Flash drum off gas to incinerator for recovering heat of combustion.

The measures (a) above resulted in Energy consumption reduction by approx. 5070 SRFT/Year, equivalent to a net saving of approx. ₹ 17 Crore/year, with an investment of approximately ₹ 4.8 Crore.

Fuel & Loss in the Refinery for the year 2014-15 was 10.09 % on Net Crude whereas it was 7.88 % in 2013-14.

The Refinery achieved the Highest Crude processed with Energy index (MBTU/BBL/NRGF) of 67.45 for the year

2014-15. The increased capacity of the refinery upon commissioning of the Delayed Coker Unit, PFCC and CHT enabled the refinery to produce more valuable lighter products. The fuel consumption / Energy Index has shown a natural increase due to the increased energy requirement for producing more valuable products from these units.

Energy consumption per unit of Production:

| A) Power and Fuel Consumption | Current Year 2014-15 | Previous Year 2013-14 |
|---|-------------------------|--------------------------|
| 1. Electricity | | |
| a) Purchased | | |
| Unit (Million KWH) | 42.61 | 47.96 |
| Total Amount (₹ Million) | 301.09 | 303.00 |
| Rate / Unit (₹./KWH) * | 7.07 | 6.32 |
| * Includes demand charges of ₹ 40.75 Million (₹ 38.67 Million for 2014-15) | | |
| The unit cost per KWH excluding Demand charges is ₹ 5.81 (₹ 5.51 for 2013-14) | | |
| b) Own Generation | | |
| i) Through Diesel Generator (at Sarpady) | | |
| Unit (Million KWH) | 0.05 | 0.18 |
| Unit per ltr. Of Diesel (KWH/ltr.) | 2.82 | 3.23 |
| Cost / Unit (₹./KWH) | 18.62 | 15.77 |
| ii) Through Steam turbine generator | | |
| Unit (Million KWH) | 785.37 | 746.51 |
| Unit per liter Of Fuel Oil Equivalent (KWH/ltr) | 2.77 | 3.02 |
| Cost / Unit (₹./KWH) | 12.03 | 12.60 |
| iii) Gas turbine Generator | | |
| Unit(Million KWH) | 200.73 | 43.38 |
| Unit per liter Of Fuel Equivalent (KWH/ltr) | 4.73 | 2.11 |
| Cost / Unit (₹./KWH) | 8.36 | 23.16 |
| 2. Fuel Oil | | |
| Quantity (MT) (Oil + Gas+LGO+LCO) | 1348884 | 984501.00 |
| Total Amount (₹ In Million) | 44347.65 | 39038.64 |
| Average Rate (₹/MT) | 32877 | 39653.20 |
| 3. Others / Internal Generation | | |
| Diesel (at Sarapady) | | |
| Quantity (KL) | 18.32 | 56.74 |

| A) Power and Fuel Consumption | Current Year 2014-15 | Previous Year 2013-14 |
|--|-------------------------|--------------------------|
| Total Cost (₹ Million) | 0.963 | 2.89 |
| Rate (₹/KL) | 52570 | 50873 |
| 4. Consumption per unit production | | |
| Total crude processed (TPA) | 14647823 | 14546787 |
| Total Fuel Consumed (TPA) (includes fuel and loss) | 1399980 | 1040206 |
| Total Electricity (Million KWH) (after deducting external supply) | 1021.88 | 843.85 |
| Fuel Consumption, MT/ MT of Crude processed (%) | 9.56 | 7.15 |
| Electricity Consumption, KWH / MT of Crude processed (Fuel consumption cost includes Electricity cost generated within the refinery) | 69.76 | 58.01 |

MRPL's Energy performance during the last four years is as follows

| Year | Crude throughput, MMTPA (Net Crude Basis) | Complexity, NRGF (CHT method) | Energy Index, MBN (MBTU/Bbl/NRGF) |
|---------|---|-------------------------------|-----------------------------------|
| 2014-15 | 14.648 | 6.980 | 67.45 |
| 2013-14 | 14.547 | 5.354 | 60.89 |
| 2012-13 | 14.403 | 4.895 | 61.01 |
| 2011-12 | 12.818 | 5.487 | 57.92 |

B. RESEARCH AND DEVELOPMENT (R&D)

1. Specific Areas in which R&D carried out by the company 2014-15:

- Bitumen Emulsion:
Bitumen emulsions having high storage stability developed in pilot scale using high shear emulsion mill.
- Crude Assay
Crude Assay was carried out for the below indicated crude oils using TBP apparatus:
Zafiro
Escalente
DCO
Arab Heavy
Nowruz
Djeno

Das Blend

Kuwait

- Distribution of Total Acid number (TAN) and Metal content in different fractions of High TAN crude – TAN and Nickel and Vanadium content, in different fractions of Dalia crude and Hungo crude was studied.
 - Additives Evaluation:
Anti-Oxidants were evaluated for Motor gasoline.
2. Benefits derived as a result of the above R&D:
- Bitumen emulsion development helps to develop value added product from Bitumen.
 - Assay of various crude helped Operation to optimize unit-operating conditions to maximize product yield and product quality.
 - Determination of Total Acid number in various fractions of High TAN crude oil helped for monitoring the over-head corrosion and optimizing the corrosion inhibitor dosage.
 - Anti-Oxidant additive evaluation has helped operation units to optimize the motor gasoline blending to include high olefinic PFCC naphtha streams.
3. Future plan of Action:
- To develop nano-catalyst based treatment system for spent caustics.
 - Performance evaluation of PFCC E-catalyst.
4. Expenditure on R&D:
- Capital: ₹ 438.23 lakhs
 - Revenue: ₹ 61.50 lakhs
 - Total: ₹ 499.73 lakhs
- C. TECHNOLOGY ABSORPTION:
- i) Efforts in brief, made towards technology absorption.
 - a) Technologies for process units of Phase3 units, HGU-3, DHDT, PFCC, DCU, CHT, have been absorbed.
 - b) Crude Distillation Unit-1 unit had been revamped with pre-flash column to enhance unit capacity from 3.69 to 4.8 MMTPA without changing the furnace duty. The revamped unit was commissioned in October 2011.
 - c) Hydrocracker-1& Hydrocracker-2 units have been revamped, for enabling once-through mode operation to feed upcoming PFCC unit in Phase-3 and were re-commissioned in October 2011 and April-2012 respectively.
 - d) Gas Oil Hydro-desulfurisation unit capacity revamp completed which increased plant capacity by 30% during 2009 April.

Mangalore Refinery and Petrochemicals Limited

- ii) Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.
Refinery throughput sustained at 14.647 MMTPA while meeting Clean Fuel specifications, which required higher complexity operations.
GOHDS/DHDT unit capacity revamp has improved the Refinery capability of producing Euro – III & Euro-IV grade Diesel.
- b) Year of import
2008-09, 2010-11, 2013-14, 2014-2015
- c) Has technology been fully absorbed?
Yes.
- d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.
Not applicable.

D) FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ In Crores)

- iii) In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year), following information may be furnished.

- a) Technology imported
GOHDS unit capacity revamp, HCU-1 & HCU2 revamp to once-through mode, HGU3 and DHDT in 2013, PFCC, CHT & DCU in 2014

| | Financial Year 2014- 15 | Previous Year 2013- 14 |
|---|----------------------------|---------------------------|
| Foreign Exchange Earnings – (FOB value of exports) | 19508 | 33952 |
| Foreign Exchange Outgo | 49131 | 65678 |

ANNEXURE 'C'

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2015

[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 : L85110KA1988GOI008959
- ii) Registration Date : 07/03/1988
- iii) Name of the Company : Mangalore Refinery and Petrochemicals Limited
- iv) Category / Sub-Category of the Company : Schedule "A" Mini Ratna category 1 PSU
- v) Address of the Registered office and contact details : Mudapadav, Kuthethoor, P.O Via- Katipalla,
Mangalore-575 030 Ph: 0824 - 2270400
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : M/s. Link Intime India Pvt. Ltd,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai- 400 078
Tel.: 022-25963838 / 25946970 Fax No.: 022-25946969
E-mail: mrplirc@linkintime.co.in
Website: www.linkintime.co.in

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. | Refinery | 192 - Manufacturing of Refined Petroleum Products | 100 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE / JOINT VENTURE COMPANIES :

| Sl. No. | Name and Address of the Company | CIN | Holding/ Subsidiary/ Associate | % of equity shares held | Applicable Section of the Companies Act, 2013 |
|---------|---|-----------------------|--------------------------------|-------------------------|---|
| 1 | Oil and Natural Gas Corporation Limited | L74899DL1993GOI054155 | Holding | 71.628 | 2(46) |
| 2 | ONGC Mangalore Petrochemicals Limited (OMPL) | U40107KA2006PLC041258 | Subsidiary | 51.002 | 2(87) |
| 3 | Shell MRPL Aviation Fuels and Services Limited (SMAFSL) | U51909KA2008PLC045558 | Jt. Venture/ Associates | 50.00 | 2(6) |
| 4 | Mangalam Retail Services Limited (MRSL) | U51909TN2006PLC059710 | Jt. Venture/ Associates | 49.99 | 2(6) |
| 5 | Mangalore SEZ Limited | U45209KA2006PLC038590 | Associate | NIL | 2(6) |
| 6 | Petronet MHB Limited | U85110KA1998PLC024020 | Associate | NIL | 2(6) |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) as on 31/03/2015:

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 | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| b) Central Govt. or State Govt. | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| c) Bodies Corporates | 1552507615 | 0 | 1552507615 | 88.583 | 1552507615 | 0 | 1552507615 | 88.583 | 0.000 |
| d) Bank/FI | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| e) Any other | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| SUB TOTAL:(A) (1) | 1552507615 | 0 | 1552507615 | 88.583 | 1552507615 | 0 | 1552507615 | 88.583 | 0.000 |
| (2) Foreign | | | | | | | | | |
| a) NRI- Individuals | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| b) Other Individuals | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| c) Bodies Corp. | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| d) Banks/FI | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| e) Any other... | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| SUB TOTAL (A) (2) | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | 1552507615 | 0 | 1552507615 | 88.583 | 1552507615 | 0 | 1552507615 | 88.583 | 0.000 |

Mangalore Refinery and 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. PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 8095878 | 145658 | 8241536 | 0.470 | 21025356 | 145358 | 21170714 | 1.208 | 0.736 |
| b) Banks/FI | 44718878 | 47050 | 44765928 | 2.554 | 40209896 | 46950 | 40256846 | 2.290 | -0.257 |
| c) Central govt | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| d) State Govt. | 2700 | 0 | 2700 | 0.000 | 2700 | 0 | 2700 | 0.000 | 0.000 |
| e) Venture Capital Fund | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| f) Insurance Companies | 448453 | 0 | 448453 | 0.026 | 448453 | 0 | 448453 | 0.026 | 0.000 |
| g) FIIS | 8869764 | 100 | 8869864 | 0.506 | 12866845 | 100 | 12866945 | 0.734 | 0.228 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| i) Unit Trust of India | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| SUB TOTAL (B)(1): | 62135673 | 192808 | 62328481 | 3.556 | 74553250 | 192408 | 74745658 | 4.265 | 0.708 |
| (2) Non Institutions | | | | | | | | | |
| a) Bodies corporates | | | | | | | | | |
| i) Indian | 17066937 | 132352 | 17199289 | 0.984 | 14162898 | 129452 | 14292350 | 0.816 | -0.166 |
| ii) Overseas | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹1 lakhs | 68454960 | 36607411 | 105062371 | 5.995 | 62036010 | 35504705 | 97540715 | 5.566 | -0.429 |
| ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs | 7011631 | 102900 | 7114531 | 0.400 | 5635130 | 80000 | 5715130 | 0.326 | -0.080 |
| c) Others (specify) | | | | | | | | | |
| Non Resident Indians (Repat) | 2934113 | 5420350 | 8354463 | 0.477 | 2452017 | 5283650 | 7735667 | 0.441 | -0.035 |
| Non Resident Indians (Non Repat) | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| Foreign Nationals | 1900 | 0 | 1900 | 0.000 | 1900 | 0 | 1900 | 0.000 | 0.000 |
| Foreign Portfolio Investor (Corporate) | 0 | 0 | 0 | 0.000 | 30717 | 0 | 30717 | 0.002 | 0.002 |
| Hindu Undivided Family | 0 | 0 | 0 | 0.000 | 0 | 100 | 100 | 0.000 | 0.000 |
| Directors / Relatives | 9800 | 0 | 9800 | 0.001 | 8500 | 0 | 8500 | 0.001 | 0.000 |
| Trust | 19202 | 1125 | 20327 | 0.001 | 19300 | 1125 | 20425 | 0.001 | 0.000 |
| SUB TOTAL (B)(2): | 95498543 | 42264138 | 137762681 | 7.861 | 84346472 | 40999032 | 125345504 | 7.152 | -0.706 |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 157634216 | 42456946 | 200091162 | 11.417 | 158899722 | 41191440 | 200091162 | 11.417 | 0.000 |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| Grand Total (A+B+C) | 1710141831 | 42456946 | 1752598777 | 100.000 | 1711407337 | 41191440 | 1752598777 | 100.000 | 0.000 |

ii) Shareholding of Promoters

| Sl. No | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding during 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 | |
| 1 | OIL AND NATURAL GAS CORPORATION LIMITED | 1255354097 | 71.628 | NIL | 1255354097 | 71.628 | 1255354097 | 0.00 |
| 2 | HINDUSTAN PETROLEUM CORPORATION LIMITED | 297153518 | 16.955 | NIL | 297153518 | 16.955 | 297153518 | 0.00 |
| | | 1552507615 | 88.583 | | 1552507615 | 88.583 | 1552507615 | |

(iii) Change in Promoters' Shareholding

| Sl. No | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 1552507615 | 88.583 | 1552507615 | 88.583 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): | NIL | NA | NIL | NA |
| | At the End of the year | 1552507615 | 88.583 | 1552507615 | 88.583 |

No change in promoter holding during 2014-15

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

| Sl. No | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | LIFE INSURANCE CORPORATION OF INDIA | | | | |
| | At the beginning of the year | 42369074 | 2.4175 | 42369074 | 2.4175 |
| | 23/05/2014 (Market Sell) | -251069 | -0.0143 | 42118005 | 2.4032 |
| | 30/05/2014 (Market Sell) | -179833 | -0.0103 | 41938172 | 2.3929 |
| | 06/06/2014 (Market Sell) | -765604 | -0.0437 | 41172568 | 2.3492 |
| | 13/06/2014 (Market Sell) | -793660 | -0.0453 | 40378908 | 2.3039 |
| | 20/06/2014 (Market Sell) | -97151 | -0.0055 | 40281757 | 2.2984 |
| | 30/06/2014 (Market Sell) | -85855 | -0.0049 | 40195902 | 2.2935 |
| | 04/07/2014 (Market Sell) | -239825 | -0.0137 | 39956077 | 2.2798 |
| | 11/07/2014 (Market Sell) | -86436 | -0.0049 | 39869641 | 2.2749 |
| | 18/07/2014 (Market Sell) | -134500 | -0.0077 | 39735141 | 2.2672 |
| | 17/10/2014 (Market Sell) | -6189 | -0.0004 | 39728952 | 2.2669 |
| | 31/10/2014 (Market Sell) | -10000 | -0.0006 | 39718952 | 2.2663 |
| | 14/11/2014 (Market Sell) | -765 | 0.0000 | 39718187 | 2.2662 |
| | 31/03/2015 | 0 | 0.0000 | 39718187 | 2.2662 |
| | At the end of the year | | | 39718187 | 2.2662 |

Mangalore Refinery and Petrochemicals Limited

| Sl. No | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 2 | HDFC STANDARD LIFE INSURANCE COMPANY LIMITED | | | | |
| | At the beginning of the year | 9190277 | 0.5244 | 9190277 | 0.5244 |
| | 25/04/2014 (Market Sell) | -33746 | -0.0019 | 9156531 | 0.5225 |
| | 23/05/2014 (Market Sell) | -128376 | -0.0073 | 9028155 | 0.5151 |
| | 05/12/2014 (Market Purchase) | 69 | 0.0000 | 9028224 | 0.5151 |
| | 12/12/2014 (Market Purchase) | 14 | 0.0000 | 9028238 | 0.5151 |
| | 19/12/2014 (Market Purchase) | 13 | 0.0000 | 9028251 | 0.5151 |
| | 31/12/2014 (Market Purchase) | 23 | 0.0000 | 9028274 | 0.5151 |
| | 02/01/2015 (Market Purchase) | 51 | 0.0000 | 9028325 | 0.5151 |
| | 16/01/2015 (Market Purchase) | 16 | 0.0000 | 9028341 | 0.5151 |
| | 20/02/2015 (Market Sell) | -291010 | -0.0166 | 8737331 | 0.4985 |
| | 27/02/2015 (Market Sell) | -894570 | -0.0510 | 7842761 | 0.4475 |
| | 13/03/2015 (Market Purchase) | 86 | 0.0000 | 7842847 | 0.4475 |
| | 20/03/2015 (Market Sell) | -1000000 | -0.0571 | 6842847 | 0.3904 |
| | 31/03/2015 | 0 | 0.0000 | 6842847 | 0.3904 |
| | At the end of the year | | | 6842847 | 0.3904 |
| 3 | RELIANCE CAPITAL TRUSTEE CO. LTD | | | | |
| | At the beginning of the year | 0 | 0.0000 | 0 | 0.0000 |
| | 27/02/2015 (Market Purchase) | 3333500 | 0.1902 | 3333500 | 0.1902 |
| | 06/03/2015 (Market Purchase) | 113152 | 0.0065 | 3446652 | 0.1967 |
| | 13/03/2015 (Market Purchase) | 1095885 | 0.0625 | 4542537 | 0.2592 |
| | 20/03/2015 (Market Purchase) | 47189 | 0.0027 | 4589726 | 0.2619 |
| | 27/03/2015 (Market Purchase) | 1030815 | 0.0588 | 5620541 | 0.3207 |
| | 31/03/2015 (Market Purchase) | 106346 | 0.0061 | 5726887 | 0.3268 |
| | At the end of the year | | | 5726887 | 0.3268 |
| 4 | UTI | | | | |
| | At the beginning of the year | 0 | 0.0000 | 0 | 0.0000 |
| | 13/06/2014 (Market Purchase) | 1350000 | 0.0770 | 1350000 | 0.0770 |
| | 20/06/2014 (Market Purchase) | 122252 | 0.0070 | 1472252 | 0.0840 |
| | 30/06/2014 (Market Purchase) | 150000 | 0.0086 | 1622252 | 0.0926 |
| | 04/07/2014 (Market Purchase) | 60000 | 0.0034 | 1682252 | 0.0960 |
| | 11/07/2014 (Market Purchase) | 550000 | 0.0314 | 2232252 | 0.1274 |
| | 25/07/2014 (Market Purchase) | 210000 | 0.0120 | 2442252 | 0.1394 |
| | 22/08/2014 (Market Purchase) | 108755 | 0.0062 | 2551007 | 0.1456 |
| | 12/09/2014 (Market Purchase) | 2549 | 0.0001 | 2553556 | 0.1457 |
| | 19/09/2014 (Market Purchase) | 500000 | 0.0285 | 3053556 | 0.1742 |
| | 30/09/2014 (Market Purchase) | 603718 | 0.0344 | 3657274 | 0.2087 |
| | 03/10/2014 (Market Purchase) | 87576 | 0.0050 | 3744850 | 0.2137 |
| | 10/10/2014 (Market Purchase) | 49400 | 0.0028 | 3794250 | 0.2165 |
| | 24/10/2014 (Market Purchase) | 130000 | 0.0074 | 3924250 | 0.2239 |
| | 21/11/2014 (Market Sell) | -1622 | -0.0001 | 3922628 | 0.2238 |
| | 06/03/2015 (Market Purchase) | 160000 | 0.0091 | 4082628 | 0.2329 |
| | 13/03/2015 (Market Purchase) | 14314 | 0.0008 | 4096942 | 0.2338 |
| | 20/03/2015 (Market Purchase) | 35686 | 0.0020 | 4132628 | 0.2358 |
| | 31/03/2015 | 0 | 0.0000 | 4132628 | 0.2358 |
| | At the end of the year | | | 4132628 | 0.2358 |
| 5 | ICICI PRUDENTIAL TAX PLAN | | | | |
| | At the beginning of the year | 0 | 0.0000 | 0 | 0.0000 |
| | 12/09/2014 (Market Purchase) | 286325 | 0.0163 | 286325 | 0.0163 |
| | 19/09/2014 (Market Purchase) | 1713675 | 0.0978 | 2000000 | 0.1141 |
| | 30/09/2014 (Market Purchase) | 2000000 | 0.1141 | 4000000 | 0.2282 |
| | 31/03/2015 | 0 | 0.0000 | 4000000 | 0.2282 |
| | At the end of the year | | | 4000000 | 0.2282 |

| Sl. No | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------------------------------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 6 | VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUND | | | | |
| | At the beginning of the year | 3711949 | 0.2118 | 3711949 | 0.2118 |
| | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | 0 | 0.0000 | 0 | 0.0000 |
| | At the end of the year | | | 3711949 | 0.2118 |
| 7 | FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA PRIMA FUND | | | | |
| | At the beginning of the year | 0 | 0.0000 | 0 | 0.0000 |
| | 27/02/2015 (Market Purchase) | 78655 | 0.0045 | 78655 | 0.0045 |
| | 06/03/2015 (Market Purchase) | 1151718 | 0.0657 | 1230373 | 0.0702 |
| | 20/03/2015 (Market Purchase) | 1061944 | 0.0606 | 2292317 | 0.1308 |
| | 31/03/2015 (Market Purchase) | 38374 | 0.0022 | 2330691 | 0.1330 |
| | At the end of the year (or on the date of separation, if separated during the year) | | | 2330691 | 0.1330 |
| 8 | IDFC EQUITY OPPORTUNITY SERIES 2 | | | | |
| | At the beginning of the year | 1100000 | 0.0628 | 1100000 | 0.0628 |
| | 02/05/2014 (Market Purchase) | 700000 | 0.0399 | 1800000 | 0.1027 |
| | 31/03/2015 | 0 | 0.0000 | 1800000 | 0.1027 |
| | At the end of the year | | | 1800000 | 0.1027 |
| 9 | VANGUARD ENERGY FUND, A SERIES OF VANGUARD SPECIALIZED FUNDS | | | | |
| | At the beginning of the year | 0 | 0.0000 | 0 | 0.0000 |
| | 23/05/2014 (Market Purchase) | 236778 | 0.0135 | 236778 | 0.0135 |
| | 06/06/2014 (Market Purchase) | 264229 | 0.0151 | 501007 | 0.0286 |
| | 13/06/2014 (Market Purchase) | 165000 | 0.0094 | 666007 | 0.0380 |
| | 20/06/2014 (Market Purchase) | 176997 | 0.0101 | 843004 | 0.0481 |
| | 11/07/2014 (Market Purchase) | 56500 | 0.0032 | 899504 | 0.0513 |
| | 18/07/2014 (Market Purchase) | 172172 | 0.0098 | 1071676 | 0.0611 |
| | 08/08/2014 (Market Purchase) | 69821 | 0.0040 | 1141497 | 0.0651 |
| | 15/08/2014 (Market Purchase) | 55568 | 0.0032 | 1197065 | 0.0683 |
| | 05/12/2014 (Market Purchase) | 81795 | 0.0047 | 1278860 | 0.0730 |
| | 13/02/2015 (Market Purchase) | 84074 | 0.0048 | 1362934 | 0.0778 |
| | 13/03/2015 (Market Purchase) | 114024 | 0.0065 | 1476958 | 0.0843 |
| 27/03/2015 (Market Purchase) | 48080 | 0.0027 | 1525038 | 0.0870 | |
| 31/03/2015 (Market Purchase) | 65940 | 0.0038 | 1590978 | 0.0908 | |
| | At the end of the year | | | 1590978 | 0.0908 |
| 10 | THE EMERGING MARKETS SMALL CAP SERIES OF THE DFA INVESTMENT TRUST COMPANY | | | | |
| | At the beginning of the year | 197899 | 0 | 197899 | 197899 |
| | 30/06/2014 (Market Purchase) | 48513 | 0.0028 | 246412 | 0.0141 |
| | 04/07/2014 (Market Purchase) | 27610 | 0.0016 | 274022 | 0.0156 |
| | 11/07/2014 (Market Purchase) | 31173 | 0.0018 | 305195 | 0.0174 |
| | 18/07/2014 (Market Purchase) | 68449 | 0.0039 | 373644 | 0.0213 |
| | 25/07/2014 (Market Purchase) | 53211 | 0.0030 | 426855 | 0.0244 |
| | 01/08/2014 (Market Purchase) | 26014 | 0.0015 | 452869 | 0.0258 |
| | 08/08/2014 (Market Purchase) | 58712 | 0.0033 | 511581 | 0.0292 |

Mangalore Refinery and Petrochemicals Limited

| Sl. No | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|-------------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No of shares | % of total shares of the company |
| | 22/08/2014 (Market Purchase) | 35038 | 0.0020 | 546619 | 0.0312 |
| | 29/08/2014 (Market Purchase) | 46241 | 0.0026 | 592860 | 0.0338 |
| | 05/09/2014 (Market Purchase) | 88692 | 0.0051 | 681552 | 0.0389 |
| | 12/09/2014 (Market Purchase) | 98339 | 0.0056 | 779891 | 0.0445 |
| | 19/09/2014 (Market Purchase) | 146665 | 0.0084 | 926556 | 0.0529 |
| | 30/09/2014 (Market Purchase) | 66618 | 0.0038 | 993174 | 0.0567 |
| | 03/10/2014 (Market Purchase) | 17130 | 0.0010 | 1010304 | 0.0576 |
| | 10/10/2014 (Market Purchase) | 51868 | 0.0030 | 1062172 | 0.0606 |
| | 17/10/2014 (Market Purchase) | 47882 | 0.0027 | 1110054 | 0.0633 |
| | 24/10/2014 (Market Purchase) | 49864 | 0.0028 | 1159918 | 0.0662 |
| | 31/10/2014 (Market Purchase) | 26145 | 0.0015 | 1186063 | 0.0677 |
| | 07/11/2014 (Market Purchase) | 14681 | 0.0008 | 1200744 | 0.0685 |
| | 14/11/2014 (Market Purchase) | 42618 | 0.0024 | 1243362 | 0.0709 |
| | 27/02/2015 (Market Purchase) | 75075 | 0.0043 | 1318437 | 0.0752 |
| | 06/03/2015 (Market Purchase) | 68432 | 0.0039 | 1386869 | 0.0791 |
| | 13/03/2015 (Market Purchase) | 57344 | 0.0033 | 1444213 | 0.0824 |
| | 20/03/2015 (Market Purchase) | 59494 | 0.0034 | 1503707 | 0.0858 |
| | 27/03/2015 (Market Purchase) | 19935 | 0.0011 | 1523642 | 0.0869 |
| | 31/03/2015 | 0 | 0.0000 | 1523642 | 0.0869 |
| | At the end of the year | | | 1523642 | 0.0869 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | D K SARRAF, Chairman At the beginning of the year | 100 | 0.00 | 100 | 0.00 |
| | No transaction / transfer/bonus/sweat equity etc | 0 | 0 | 0 | 0 |
| | At the end of the year | | | 100 | 0.00 |
| 2 | H KUMAR, Managing Director At the beginning of the year | 200 | 0.00 | 200 | 0.00 |
| | No transaction / transfer/bonus/sweat equity etc | 0 | 0 | 0 | 0 |
| | At the end of the year | | | 200 | 0.00 |
| 3 | VISHNU AGRAWAL, Director (Finance) At the beginning of the year | 50 | 0.00 | 50 | 0.00 |
| | No transaction / transfer/bonus/sweat equity etc | 0 | 0 | 0 | 0 |
| | At the end of the year | | | 50 | 0.00 |
| 4 | V. G. JOSHI, Director (Refinery) At the beginning of the year | 0 | 0.00 | 0 | 0.00 |
| | No transaction / transfer/bonus/sweat equity etc | 0 | 0 | 0 | 0 |
| | At the end of the year | | | 0 | 0.00 |
| 5 | NALIN KUMAR SRIVASTAVA, Director At the beginning of the year | 0 | 0.00 | 0 | 0.00 |
| | No transaction / transfer/bonus/sweat equity etc | 0 | 0 | 0 | 0 |
| | At the end of the year | | | 0 | 0.00 |
| 6 | B K NAMDEO, Director At the beginning of the year | 200 | 0.00 | 200 | 0.00 |
| | No transaction / transfer/bonus/sweat equity etc | 0 | 0 | 0 | 0 |
| | At the end of the year | | | 200 | 0.00 |
| 7 | DINESH MISHRA, Company Secretary At the beginning of the year | 0 | 0.00 | 0 | 0.00 |
| | No transaction / transfer/bonus/sweat equity etc | 0 | 0 | 0 | 0 |
| | At the end of the year | | | 0 | 0.00 |

V. INDEBTEDNESS

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

(₹ in Million)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|--|--------------------|--------------|-----------------------|
| Indebtedness at the beginning of the financial year | | | # | |
| i) Principal Amount | 38948.00 | 58979.21 | 3.92 | 97927.21 |
| ii) Interest due but not paid | 00.00 | 0.00 | - | 0.00 |
| iii) Interest accrued but not due | 303.65 | 0.00 | - | 303.65 |
| Total (i+ii+iii) | 39251.65 | 58979.21 | 3.92 | 98230.86 |
| Change in Indebtedness during the financial year | | | | |
| • Addition * | 1680.25 | 0.00 | 0.80 | 1680.25 |
| • Reduction | 0.00 | 9391.54 | 4.72 | 9391.54 |
| Net Change | 1680.25 | 9391.54 | 5.52 | 11071.79 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 40628.25 | 49587.67 | - | 90215.92 |
| ii) Interest due but not paid | 0.00 | 0.00 | - | 0.00 |
| iii) Interest accrued but not due | 312.15 | 0.00 | - | 312.15 |
| Total (i+ii+iii) | 40940.40 | 49587.67 | 00.00 | 90528.07 |

(* Addition on account of exchange realization)

Deposits under Rule 28 of Companies (acceptance of deposits) Rules, 2014

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director & Whole-time Directors :

(In ₹)

| Sl. no | Particulars of Remuneration | Name of MD/WTD | | | | Total Amount |
|--------|---|--|---|--|--|--------------------|
| | | Shri. H Kumar, MD (w.e.f. 14/08/2014) | Shri. P.P. Upadhyay MD (upto 31/07/2014) | Shri. Vishnu Agrawal Director (Finance) | Shri. Vijay G Joshi Director (Refinery) | |
| 1. | Gross salary | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 18,64,385 | 34,57,199 | 41,66,737 | 27,57,296 | 1,22,45,617 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 1,16,803 | NIL | - | 1,75,053 | 2,91,856 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | NIL | | | NIL | NIL |
| 2. | Stock Option | NIL | NIL | NIL | NIL | NIL |
| 3. | Sweat Equity | NIL | NIL | NIL | NIL | NIL |
| 4. | Commission | NIL | NIL | NIL | NIL | NIL |
| | - as % of profit | NA | NA | NA | NA | NA |
| | Total | 19,81,188 | 34,57,199 | 41,66,737 | 29,32,349 | 1,25,37,473 |

Remuneration is well within the overall Ceiling as per the Companies Act, 2013.

Mangalore Refinery and Petrochemicals Limited

B. Remuneration to other directors:

(In ₹)

| Particulars of Remuneration | Name of the Directors | | | | | Total Amount |
|--|-----------------------|-------------------|-----------------|---------------------|-----------------|-----------------|
| | C L Shah | Neela Gangadharan | Usha kiran Rai | John Prasad Menezes | Jayant Modak | |
| Independent Directors | | | | | | |
| • Fee for attending board / committee meetings | 1,35,000 | 1,50,000 | 1,05,000 | 75,000 | 1,20,000 | 5,85,000 |
| • Commission | NIL | NIL | NIL | NIL | NIL | NIL |
| • Others, please specify | NIL | NIL | NIL | NIL | NIL | NIL |
| Total (1) | 1,35,000 | 1,50,000 | 1,05,000 | 75,000 | 1,20,000 | 5,85,000 |
| Other Non-Executive Directors | | | | | | |
| • Fee for attending board / committee meetings | NIL | NIL | NIL | NIL | NIL | NIL |
| • Commission | NIL | NIL | NIL | NIL | NIL | NIL |
| • Others, please specify | NIL | NIL | NIL | NIL | NIL | NIL |
| Total (2) | NIL | NIL | NIL | NIL | NIL | NIL |
| Total=(1+2) | 1,35,000 | 1,50,000 | 1,05,000 | 75,000 | 1,20,000 | 5,85,000 |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD & WHOLE TIME DIRECTOR

(In ₹)

| Sl. no | Particulars of Remuneration | Dinesh Mishra (Company Secretary) |
|--------|---|--------------------------------------|
| 1. | Gross salary | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 23,73,241 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 1,58,210 |
| | (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961 | NIL |
| 2. | Stock Option | NIL |
| 3. | Sweat Equity | NIL |
| 4. | Others | NIL |
| | Total | 25,31,451 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|----------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| Penalty | | | NIL | NIL | NIL |
| Punishment | | | NIL | NIL | NIL |
| Compounding | | | NIL | NIL | NIL |
| OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | NIL | NIL | NIL |
| Punishment | | | NIL | NIL | NIL |
| Compounding | | | NIL | NIL | NIL |

ANNEXURE 'D'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Act and Rule 8(l) of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the company's CSR & SD policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR & SD policy and projects or programs.

Mangalore Refinery & Petrochemicals Limited (MRPL) is a Miniratna Schedule A, Central Public Sector Enterprise (CPSE), subsidiary of Oil & Natural Gas Corporation Limited (ONGC), delivering outstanding performance in Indian hydrocarbon downstream sector year after year. Right from the inception, MRPL has been undertaking Corporate Social Responsibility (CSR) activities under the name "Samrakshan". Pursuant to the introduction of the Companies Act 2013, followed by release of Company (Corporate Social Responsibility Policy) Rules, 2014 by Ministry of Corporate Affairs & Guidelines on CSR & Sustainable Development (SD) for CPSEs by Dept of Public Enterprises (DPE), MRPL is rededicating itself to ensuring sustainable and equitable development through a well orchestrated CSR program. The following CSR & SD policy of the Company is in line with the provisions of the Companies Act 2013, Company (Corporate Social Responsibility Policy) Rules, 2014 & Guidelines on CSR & SD for CPSEs by DPE, available at www.mrpl.co.in.

• CSR Vision Statement :

"To be a world-class Refining and Petrochemicals Company, with a strong emphasis on Productivity, Customer Satisfaction, Safety, Health and Environment Management, Corporate Social Responsibility and Care for Employees".

• Mission of the Company is as follows:

- Sustain Leadership in energy conservation, efficiency, productivity and innovation.
- Capitalize on emerging opportunities in the domestic and international market
- Strive to meet customers' requirements to their satisfaction.
- Maintain global standards in health, safety and environmental norms with a strong commitment towards community welfare.
- Continuing focus on employee welfare and employee relations.

1. The Company through its CSR initiatives, will focus on strong commitment towards welfare of the community

in which it operates, through its services, conduct & initiatives, so as to promote growth for the society and community, in its role as a socially responsible Corporate, with environmental concern.

2. Objective of CSR & SD Policy :

- 2.1 To ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- 2.2 To take up programs that benefit the communities in and around its offices and results over a period of time, in enhancing the quality of life & economic well being of the local populace, with special care and attention to the weaker section of the society.
- 2.3 To generate through its CSR initiatives, a community goodwill for MRPL and help reinforce a positive & socially responsible image of the Company as a corporate entity.

3. The Brand Name of Mrpl CSR Activities:

The Company's CSR activities are promoted under the brand name of "Samrakshan" which captures the spirit and commitment of the Company's CSR policy, that is to "protect, preserve and promote" the social, cultural and environmental heritage and wealth, in and around the area of our businesses and to usher in sustainable and equitable development

2. Composition of CSR&SD Committee As On 31/03/2015:

| Members of CSR & SD Committee | Category |
|--|----------|
| Shri Nalin Kumar Srivastava | Chairman |
| Shri. B. K.Namdeo | Member |
| Shri. H. Kumar, Managing Director | Member |
| Shri. Vishnu Agrawal, Director (Finance) | Member |
| Shri. M.Venkatesh, Director (Refinery) | Member |

3. Average net profit of the company for last three financial years.

(₹ Crores)

| | |
|---|----------|
| Net Profit (PBT) | |
| PBT : FY 2011-12 | 1320.20 |
| PBT : FY 2012-13 | (476.85) |
| PBT : FY 2013-14 | 409.70 |
| Total | 1253.05 |
| Average | 417.68 |
| CSR budget for FY 14-15 (2% of net profit of preceding 3 years) | 8.36 |
| Carry forward form FY 2013-14 | 0.49 |
| Available CSR budget | 8.85 |

Mangalore Refinery and Petrochemicals Limited

4. Details of CSR spent during the financial year

- Total amount to be spent for the financial year : ₹ 8.85 Crores
- Amount spent during the year: ₹ 4.81 Crores .
- Amount carried forward to 2015-16 : ₹ 4.04 Crores

Note: The details of CSR Schemes and expenses incurred scheme wise is appended with this Annexure.

5. Reason for unspent balance of ₹ 4.04 Crores.

The CSR budget (unspent) to the tune of ₹ 4.04 Crores due to non-submission of bills by various vendors working on the CSR schemes and spillover of Construction of toilets under Swachh Bharat Scheme Scheduled to be Completed by June, 2015.

6. A Responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the company.

The CSR and SD Committee at its 4th Meeting held on 20/12/2014 has reviewed the CSR Schemes, expenditure

on schemes and recommended the CSR Budget of ₹ 8.85 Crores to the Board for the FY 2014-15.

To ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.

To take up programs that benefit the communities in and around its offices and results over a period of time, in enhancing the quality of life & economic well being of the local populace.

To generate through its CSR initiatives, a community goodwill for MRPL and help reinforce a positive & socially responsible image of the Company as a corporate entity.

(Managing Director) (Chairman CSR & SD Committee)

APPENDED:

(Pursuant to clause (o) of Sub-Section (3) of Section, 134 of the Act, Rule 8 (I) of the Companies (Corporate Social Responsibility) Rule, 2014 and Rule, 9 of the Companies (Accounts) Rule, 2014)

Manner in which the amount spent during the financial year is detailed below.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--------------------|--|--|---|---|--|---|---|
| Sl.No | CSR project / activity identified | Sector in which the project is covered | Projects / Programs 1. Local area / others 2. Specify the state district where the program was undertaken | Amount Outlay (budget) project / program wise (Rs.Crores) | Amount spent on the project / preprogram subheads : 1. Direct expenditure on project 2. Overheads (Rs. Crores) | Cumulative expenditure upto the reporting period (₹ Crores) | Amount spent : Direct / through implementing agency (₹ Crores) |
| MOU targets | | | | | | | |
| 1 | Employment enhancing vocational skills : Conducting training programs to poor & unemployed youth & women | Promoting education | 1. Local area 2. D.K District, Karnataka State | 0.25 | Same as (5). Direct expenditure, no overheads | 0.11 | Payment made direct to the Karnataka Govt. Polytechnic |
| 2 | Promotion of education : Providing scholarship to poor/ girl / SC / ST students | -do- | -do- | 0.350 | -do- | 0.320 | Scholarship amount credited directly to individual student SB account through ECS |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|--|-----------------------|------|-------|------|-------|--|
| 3.a Internal KRA targets Ongoing / Committed projects from earlier years | | | | | | | |
| 3.a.1 | Construction of Community Hall | Community development | -do- | 0.020 | -do- | 0.020 | Payment release to SP Office Mangalore |
| 3.a.2 | Construction of 3 rd & 4 th Floor of Bharatiya Vidya Bhavan, Bangalore | Promoting education | -do- | 0.040 | -do- | 0.000 | Payment released to Bharatiya Vidhya Bhavan Bangalore |
| 3.a.3 | Construction of class rooms for University Govt College, Mangalore | -do- | -do- | 0.150 | -do- | 0.000 | N/a |
| 3.a.4 | Construction of Anganwadi Bldg for Sarapady Grama Panchayath, Sarapady village, Bantwal Tq | -do- | -do- | 0.030 | -do- | 0.020 | Payment release to Sarpady Grama Panchayat |
| 3.a.5 | Renovation of Surathkal Revenue Inspectors Office Building | Community development | -do- | 0.060 | -do- | 0.040 | Payment released to Dakshina Kannada Nirmithi Kendra Surathkal |
| 3.a.6 | Construction of 1 st floor class rooms for DKZP High School, Palthady. Puttur Tq | Promoting education | -do- | 0.030 | -do- | 0.000 | N/a |
| 3.a.7 | Office Bldg & Community Bldg for Bala Grama Panchayath | Community development | -do- | 0.010 | -do- | 0.005 | Payment released to Bala Grama Panchaayt |
| 3.a.8 | Development of Benkinatheshwara Temple | Community development | -do- | 0.000 | -do- | 0.059 | Payment released to Trustee, Benkinatheshwara Temple |
| 3.a.9 | Providing Wooden Bench and Kneeler to Kulur Church | Community development | -do- | 0.000 | -do- | 0.050 | Payment released to Kulur Church |
| 3.a.10 | Construction of Toilet Blocks at BC Road, Bantwal – Ref. By Lions Club | Community development | -do- | 0.000 | -do- | 0.030 | Payment released to the contractor |
| 3.a.11 | Miscellaneous Expenses – Garden Maintenance at Custom House, Mangalore | Community development | -do- | 0.000 | -do- | 0.035 | |

Mangalore Refinery and Petrochemicals Limited

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--|--|-----------------------|--|-------------|------|-------------|--|
| 3.b Yearly recurring / committed CSR projects | | | | | | | |
| 3.b.1 | Mid Day Meals at a School in Padubidri | Promoting education | -do- | 0.040 | -do- | 0.012 | Payment released to School SB account |
| 3.b.2 | Artificial Limb Camp | Promoting health care | Beneficiaries are from Karnataka & Kerala State | 0.030 | -do- | 0.011 | Camp was organised at MRPL and payment made on actual number of artificial limbs provided to the needy |
| 3.b.3 | School Uniform & Books to Kalavar School | Promoting education | -do- | 0.010 | -do- | 0.003 | Uniform and note purchased by MRPL and handed over to school authority |
| 3.b.4 | Running a free PHC at Chellairu Rehab Colony of MRPL | Promoting health care | -do- | 0.010 | -do- | 0.015 | Payment made direct to Doctor. Medicines directly purchased by MRPL & supplied to PHC |
| 3.b.5 | Painting DG Shed, Kitchen repair at Samudaya Bhavan, MRPL Rehab Colony | Community development | -do- | 0.100 | -do- | 0.000 | N/a |
| 4 | Funding of construction of one wing of Govt Ladygoschen Hospital Mangalore | Promoting health care | -do- | 4.100 | -do- | 3.980 | Payment released to a joint a/c operated by Addl.D.C, D.K District & Med.Suptd of Ladygoschen Hosptial |
| 4.1 | Amount spent in anticipation of funding from ONGC | -do- | -do- | 1.770 | -do- | 0.000 | Spent in the FY13-14 |
| 5 | Construction of toilets in Govt schools as per Swacch Vidyalaya Abhiyan, as per directive of MoPNG | Promoting sanitation | 1. Local area + 2 other neighbouring districts 2. D.K, Udupi & Chikmagaluru District, Karnataka State | 1.85 | -do- | 0.100 | Direct to Contractor |
| Total | | | | 8.85 | | 4.81 | |

ANNEXURE 'E'

Form AOC-2

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

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

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

| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Justification for entering into such contracts or arrangements or transactions | Date(s) of approval by the Board | Amount paid as advances, if any | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 |
|---|---|---|--|--|----------------------------------|---------------------------------|---|
| Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

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

| | Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board | Amount paid as advances, if any |
|---|---|--|---|--|----------------------------------|---------------------------------|
| 1 | ONGC Mangalore Petrochemicals Limited - (Subsidiary)* | Transfer of Feed stock from MRPL and return streams from OMPL. Providing facilitation services to OMPL. | Board approved Term sheet. | Transfer of Feed stock from MRPL and return streams from OMPL and providing facilitation services to OMPL at mutually agreed price. | 08/02/2014 | Nil |
| 2 | ONGC* | Crude Oil Sale Agreement | 01/04/2015 to 31/03/2016 | Purchase of crude oil from ONGC at the delivery point of the quantity allocated at prices fixed as per price built up formula. | # | Nil |
| 3 | ONGC* | Interest on Term Loans | 7 years upto 31/12/2021 | Long terms loan for Phase-3 & Polypropylene Project. Rate of interest is SBAR minus 385 basic points. | # | Nil |
| 4 | Hindustan Petroleum Corporation Limited (HPCL)* -Promoter Company | MOU between ONGC & HPCL for Product Sale-Purchase, Providing Infrastructure services and Co-operation in Energy & Related fields | Ongoing contract | (1) Product sale-purchase, providing infrastructure services and co-operation in Energy and related fields. Pricing for products (MS/HSD/SKO/ATF/LPG) shall be in line with PSU OMC's existing terms as prevailing from time to time, unless otherwise mutually agreed. However both parties shall endeavor to finalise the pricing mechanism for non motor fuels. (2) HPCL shall offer Road and Rail terminalling services under hospitality arrangements from HPCL's Mangalore, Hassan and Devangunthi Terminals to ONGC for supplies to ROs/ Customers. | # | Nil |

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| | Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board | Amount paid as advances, if any |
|---|---|---|---|---|----------------------------------|---------------------------------|
| 5 | Shell MRPL Aviation Fuels & Services Ltd. | Jet Fuel Sale Purchase & Infrastructure s h a r i n g Agreement | O n g o i n g contract | Sale and purchase of Jet fuel in line with the domestic sale to Oil Marketing company in India and sharing of infrastructure at prices fixed as per price built up formula. | # | Nil |

* Government Companies

Not applicable

Note: MCA vide its Notification dated 05.06.2015 and Clause 49 of the Listing Agreement exempts the related party transactions between two Govt. Companies for reporting

ANNEXURE 'F'

FORM NO.MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST 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,
Mangalore Refinery and Petrochemicals Ltd.
Regd. Office: Mudapadav, Kuthethoor,
Post office via Katipalla,
Mangalore-575030.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mangalore Refinery and 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 31st 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 Mangalore Refinery and Petrochemicals Limited ("the Company") for the financial year ended on 31st 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;

- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - 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. The Factories Act,1948; The Contract Labour (Regulation & Abolition) Act, 1970, The Industrial Employment(Standing order) Act,1946, The Payment of Wages Act,1936, Industrial Disputes Act, 1947 and The Employees State Insurance Act,1948.

- vii. Provisions of The Water (Prevention & Control of Pollution) Act, 1974 and The Air (Prevention & Control of Pollution) Act, 1981 and rules made thereunder.
- viii. Provisions of Static and Mobile Pressure Vessels (unfired) Rules, Gas Cylinder Rules, Petroleum Rules and Indian Boiler Regulations and Indian Boiler Act.
- ix. DPE Guidelines on Corporate Governance for CPSE.

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 National Stock Exchange of India Ltd and Bombay Stock Exchange Ltd.

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

- i. The Company has not complied with the laws/rules/guidelines with regard to Overtime working hours required under the Factories Act, 1948.
- ii. The Company has not complied with the Requisite number of Independent Directors and Woman Director on the Board and Board Sub- committees of the Company pursuant to the provisions of the Companies Act, 2013, Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance for CPSEs and further has not complied with clause 49(V) of the Listing Agreement.
- iii. The Shareholders in the 26th Annual General Meeting of the Company held on 13th September, 2014 have approved the increase in Authorised Share Capital of the Company by passing an Ordinary Resolution. As per the table of fees pursuant to Rule 12 of the Companies (Registration Offices and Fees) Rules, 2014, the Company had to pay ₹ 50,00,000/- (Fifty lakhs) towards stamp duty to the State of Karnataka at the MCA portal and ₹ 2,50,00,000/- (Two Crores Fifty Lakh) towards maximum fees payable by the company to MCA for the increase of Authorised Share Capital. However, the Company was able to pay ₹ 50,00,000/- (Fifty lakhs) towards stamp duty to the State of Karnataka at the MCA portal. MCA portal did not allow the Company to pay ₹ 2,50,00,000/- (Two Crores Fifty Lakh) towards maximum fees payable by the Company. Hence the Company has filed e-Form SH-7 with an undertaking to pay ₹ 2,50,00,000/- (Two Crores Fifty Lakh) to MCA on demand. The e-Form SH-7 filed by the Company has been approved by MCA. On verification with the Registrar of Companies,

Karnataka, on this regard it has been informed that as per the instructions of the Ministry, e-Form SH-7 has been approved and demand if any, arising in the future, for payment of ₹ 2,50,00,000/- (Two Crores Fifty Lakh), would be sent to the Company.

I further report that

The Board of Directors of the Company is constituted of Executive Directors, Non-Executive Directors with the Exception of the Requisite number of Independent Directors and Woman Director, as the Ministry of Petroleum & Natural Gas (MoP&NG), Government of India, the administrative Ministry has not appointed requisite number of Independent Directors and Woman Director on the Board of MRPL as on 31st March, 2015. However, Ministry of Petroleum & Natural Gas (MoP&NG), Government of India, the administrative Ministry vide its order dated May 14, 2015 has nominated a Government Director on the Board of MRPL, who fulfills the requirement of one Woman Director on the Board. The changes in the composition of the Board of Directors taken place during the period under review were carried out in compliance with the aforesaid provisions.

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.

All the decisions of the Board during the year are in conformity with the shareholders agreement between ONGC and HPCL, the promoters of the Company.

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.

I further report that during the audit period the Company has increased its holding in the Equity share Capital of ONGC Mangalore Petrochemicals Limited (OMPL) and is presently holding 51.002% of the paid up capital of OMPL.

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

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

Date : June 3, 2015

Place : Mangalore

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1.0 ECONOMY OVERVIEW

1.1 World economy

The world economy is now more interconnected than ever. Financial markets are heavily regulated while capital markets are expanding in Asia, Africa and Latin America. Europe seems to be back in the game, with Germany leading the recovery of the continent. The US is still the world's most competitive economy, according to the IMD World Competitiveness Ranking. The process of deleveraging the balance sheets of governments and companies is under way. Interest rates and government bond yields are at historical lows and stock markets have recovered to pre-crisis levels.

Oil prices in U.S. dollars have declined by about 55 percent since September, 2014. The decline is partly due to unexpected demand weakness in some major economies, in particular, emerging market economies also reflected in declines in industrial metal prices. But the much larger decline in oil prices suggests an important contribution of oil supply factors, including the decision of the Organization of the Petroleum Exporting Countries (OPEC) to maintain current production levels despite the steady rise in production from non-OPEC producers, especially the United States. Oil future prices point to a partial recovery in oil prices in coming years, consistent with the expected negative impact of lower oil prices on investment and future capacity growth in the oil sector.

The recovery in the United States was stronger than expected, while economic performance in all other major economies most notably Japan fell short of expectations. The weaker than expected growth in these economies is largely seen as reflecting ongoing, protracted adjustment to diminished expectations regarding medium-term growth prospects. During the year the U.S. dollar has appreciated the Euro and the Yen have depreciated and many emerging market currencies have weakened, particularly those of commodity exporters. The interest rates and risk spreads have risen in many emerging market economies, notably commodity exporters, and risk spreads on high-yield bonds and other products exposed to energy prices have also widened.

The decline in oil prices driven by supply factors are expected to reverse only gradually and partially will boost global growth over the next two years or so by lifting purchasing power and private demand in oil importers. The impact is forecasted to be stronger in advanced economy oil importers, where the pass-through to end-user prices is expected to be higher than in emerging market and developing oil importers. However, the boost from lower oil prices is expected to be more than offset by an adjustment to lower medium-term growth in most major economies other than the United States.

Investment growth in China declined in the third quarter of 2014, and leading indicators point to a further slowdown. The authorities are now expected to put greater weight on reducing vulnerabilities from recent rapid credit and investment growth and hence, the forecast assumes less of a policy response to the underlying moderation. Slower growth in China will also have important regional effects, which partly explains the downward revisions to growth in much of emerging Asia.

Oil exporters, for which oil receipts typically contribute to a sizable share of fiscal revenues, are experiencing larger shocks in proportion to their economies. Those that have accumulated substantial funds from past higher prices and have fiscal space can let fiscal deficits increase and draw on these funds to allow for a more gradual adjustment of public spending to the lower prices.

1.2 Indian economy

In India, the growth forecast is broadly unchanged, however, as weaker external demand is offset by the boost to the terms of trade from lower oil prices and a pickup in industrial and investment activity after policy reforms.

As per the latest GDP growth estimates, Indian economy grew by 7.3% in FY15 compared to 6.9% in FY14, mostly driven by improved economic fundamentals and revision of GDP methodology calculation. Even inflation showed signs of moderation therefore reduced inflation, falling crude oil prices, improved purchasing power and consumer spending, higher capital inflow supported by the government policy reforms have already put India on an accelerating growth track and improved the business outlook.

The Government envisages GDP growth upto 8% in FY16 driven by strengthening macroeconomic fundamentals and implementation of policy reforms recently announced will be critical growth enablers to de-bottleneck stalled projects, improve the investment outlook and the ease of doing business in the country. Reforms currently underway such as GST implementation, Amendment on Land Acquisition Bill, Labour Reforms, etc. are expected to provide the requisite thrust for growth in the medium-term.

The petroleum product demand in India would continue to grow in near future. India is one of the fastest growing economies in the world. Since economic growth and demand for energy and oil are positively correlated, the high economic growth in near and medium term would increase the demand for petroleum products. The demand for petroleum products in the country is growing at a rate of around 3% p.a. Despite the increasing petroleum products demand, India's per capita consumption of oil

is 0.8 barrels per year which is very low vis-a-vis the world average of approximately 4.5 barrels of oil per year. There is a large section of Indian population which does not have access to petro products. The high economic growth will increase the per capita consumption of petro products in India.

2.0 INDUSTRY OVERVIEW

2.1 Global Scenario

Global primary energy consumption has increased over last years. Oil continues to enjoy its pre-eminent position as the largest constituent of the primary energy consumption basket.

USA was the largest consumer of total global oil consumption. However, emerging countries like India & China have shown an enormous appetite for oil in recent times commensurate with their economic growth over the past decade.

According to the International Energy Outlook of US Government, the global consumption of liquid fuels is expected to increase to 110.6 mb/d by 2035. China and India are expected to be the major demand centres in the near future with Indian imports expected to increase up to 550 kb/d by 2015 while China's crude oil imports are also expected to be ramped up by another 400 kb/d. Further, with increased focus on pollution curbing mechanisms the demand for middle and lighter distillates which are EURO IV and above compliant is expected to increase.

Renewable fuel sources are increasingly in demand for environmental concerns, depleting reserves and the desire for reduced reliance on Middle Eastern oil become ever more pressing concerns. Despite renewable energy's attractive environmental and political attributes, expectation of the share of the proportion of energy that will be derived from renewable sources in developed economies over the next 20 years is limited and would not be able to meet incremental demand.

The Middle East and North African regions (MENA) have significant oil reserves and are expected to continue their dominance in global oil production in the near future. The rising crude oil supply requirement in near future would be met mainly by OPEC nations. OPEC which accounts for about 40% of Global oil output.

Crude oil demand is low because of weak economic activity, increased efficiency, and a growing switch away from oil to other fuels. The Saudis and their Gulf allies have decided not to sacrifice their own market share to restore the price. They could curb production sharply, but the main benefits would go to Iran and Russia. Saudi Arabia can tolerate lower oil prices quite easily, as it has

\$900 billion in reserves. The turmoil in Iraq and Libya two big oil producers with nearly 4m barrels a day combined has not affected their output and the market is more concerned about geopolitical risk. Finally, America has become the world's largest oil producer. Though it does not export crude oil, it now imports much less, creating a lot of spare supply.

The oil market was funded in a major way in the last few years by cheap dollars flowing out of the Federal Reserve's quantitative easing programme, with interest rates at near zero, surplus funds flowed into the commodity markets, notably crude oil, driving their prices upwards. With the Fed winding up its stimulus programme and an interest rate hike in the U.S. possibly just round the corner, funds are now flowing out of commodities, driving their prices down. It is not a coincidence that oil prices started falling at around the same time that the Fed first indicated the possibility of a rate hike in the near term.

Oil prices are likely to stay soft for at least the rest of this year though periodic minor spikes cannot be ruled out. This is, as said at the beginning of this piece, good news for the world economy and also India's. Cheaper fuel prices will put more money in the hands of consumers which will, in turn, be either invested or spent elsewhere.

2.2 Indian Scenario

The crude oil refining companies in India can be categorized as pure refiners like MRPL, CPCL, NRL, etc. and integrated refining and marketing companies like IOCL, HPCL, and BPCL and private sector companies such as Reliance and Essar. India is becoming a refining hub with huge potential to cater to its rising local and regional demand. Presently, there are total of 22 refineries in the country comprising 17 refineries in the public sector and 5 in the private sector and JV sector with Refinery capacity of 215 MMTPA (approx).

Further, the refinery sector which was dominated by the PSU refiners in the mid-1990s is witnessing gradual shift towards private refiners with setting up of refineries by Reliance and Essar.

During the next few years, additional refinery capacity of 89.6 MMTPA is expected, thereby increasing the total capacity to 304.66 MMTPA.

The petroleum product demand in India has increased from 100 MMTPA in 2001-02 to 158 MMTPA in 2013-14. The high economic growth in India has resulted in a strong demand for refinery products. The main growth driver has been the transportation sector which has witnessed a major boom over the past few years. The product wise breakdown of demand for past 5 years as under:

(MMT)

| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|----------------------|----------------|----------------|----------------|----------------|----------------|
| LPG | 13,135 | 14,331 | 15,350 | 15601 | 16336 |
| SKO | 9,304 | 8,928 | 8,229 | 7502 | 7165 |
| HSD | 56,242 | 60,071 | 64,750 | 69080 | 68369 |
| MS | 12,818 | 14,194 | 14,992 | 15744 | 17128 |
| Naptha+NGL | 10,134 | 10,676 | 11,222 | 12289 | 11454 |
| ATF | 4,627 | 5,078 | 5,536 | 5271 | 5505 |
| LDO | 457 | 455 | 415 | 399 | 386 |
| Lubricants & Greases | 2,539 | 2,429 | 2,633 | 3196 | 2891 |
| FO & LSHS | 11,629 | 10,789 | 9,307 | 7656 | 6193 |
| Bitumen | 4,934 | 4,536 | 4,638 | 4676 | 4938 |
| Petroleum coke | 6,586 | 4,982 | 6,138 | 10,135 | 11,651 |
| Others | 5,400 | 4,569 | 4,924 | 5,509 | 6,182 |
| Total | 137,808 | 141,038 | 148,132 | 157,057 | 158,197 |

(Source: PPAC)

Indian demand for petroleum products is growing rapidly. In 2014, Indian petroleum product demand was approximately 158 MMTPA. Demand is expected to grow at up to 4% per year in the next 2 years i.e. in 2016 demand is forecasted to approach 170 MMTPA.

HSD accounts for around 43% of the overall sales in the domestic market while MS accounts for around 11% share. During the period, MS registered a growth of 6% CAGR whereas the demand for HSD has grown by around 4%. As India's economic growth gathers more momentum in the coming years, the demand for high value refining products like LPG, MS, and HSD would grow at faster pace than other petroleum products.

India's consumption & production pattern of petroleum products during 2014-15.

('000 MT)

| | Consumption | | Production | |
|--------------|----------------|----------------|----------------|----------------|
| | 2014-15 | 2013-14 | 2014-15 | 2013-14 |
| LPG | 18,019 | 16,336 | 9,840 | 10,115 |
| MS | 19,075 | 17,128 | 32,233 | 30,267 |
| NAPHTHA | 10,939 | 11,454 | 17,465 | 18,420 |
| ATF | 5,578 | 5,505 | 11,086 | 11,237 |
| SKO | 7,087 | 7,165 | 7,634 | 7,412 |
| HSD | 69,404 | 68,369 | 94,338 | 93,749 |
| F.O & LSHS | 6,017 | 6,193 | 12,054 | 13,423 |
| PET COKE | 14,408 | 11,651 | 11,678 | 11,261 |
| TOTAL | 150,527 | 141,038 | 196,328 | 195,884 |

Source: (PPAC)

The consumption of petroleum products in the financial year 2014-15 has increased by 6,726 TMT compared to financial year 2013-14 while the Production has increased by 444 TMT in financial year 2014-15 compared to financial year 2013-14.

Export of Petro Products

India is rapidly emerging as a global refining hub due to the following enabling factors:

- Refining capacity in US and Europe is almost stagnant or on decline due to stringent environmental norms which has increased their reliance on imports from developing markets
- Indian refiners have competitive advantage on account of lower capital and operational costs
- Proactive government policies are boosting investment in Indian refining sector
- New Indian coastal refineries have high complexity which helps them to make products like Euro IV and Euro V which meets the emission standards of the developed markets and thus helping them earn better margins

India is a net exporter of petroleum products with gross exports of 67.9 MMTPA and net exports of 51.1 MMTPA in FY 2013-14. During the past 6 years, the net exports from India have increased from 15.96 MMTPA in 2006-07 to 51.15 MMTPA in 2013-14. The major export markets of India include USA, Western Europe, China and Japan which are net importers of petroleum products.

Exports of petroleum products during 2014-15

('000 MT)

| PRODUCTS | INDIA | MRPL |
|--------------|---------------|-------------|
| MS | 16,048 | 147 |
| NAPHTHA | 6,753 | 971 |
| ATF | 5,520 | 1075 |
| DIESEL | 25,559 | 904 |
| FUEL OIL | 4,762 | 1731 |
| TOTAL | 58,642 | 4828 |

Source (PPAC)

With production exceeding consumption, India continues to be an exporter of petroleum products. Indian Refiners are investing in upgrading the product quality to International standards and convert low value products to high value products.

The high complexity of the new refineries being set up and up-gradation of existing refineries enable them to process heavy and sour crudes into lighter and middle distillates which help them realize better refining margins. Further, the demand for superior quality fuels has been growing due to stringent vehicle emission norms. Older and smaller refineries in the West cannot upgrade to high quality fuels as it is not economically feasible for them. In view of this, new refineries coming

up in India with state of art technologies and appropriate product slate will have opportunities to tap export markets in the future.

Crude Imports by India:

The crude oil import in the country over the years has been on increasing trend in line refining capacity growth. India has imported about 192 Million Tonne crude oil during the year (2014-15) in comparison to 189 Million Tonne during 2013-14.

Crude oil import in 2013-14 was \$165 billion, about 36 per cent of the total import bill. In April-November 2014, it was \$90.3 billion, about 28.3 per cent of the total import. India also exports petroleum products and in FY14-15 till November, these were \$42.6 billion or fifth of total export.

International crude oil prices have fallen rapidly during the year. Brent and Dubai Crude oil price averaged to \$85 per barrel and \$83 per barrel during 2014-15, a sharp decline of 20 % from previous year prices of \$108 and \$105 per barrel. During the year, Crude Price fell to lowest in last six year, This decline (on annual average basis) is the sharpest decline in more than a decade. The declining trend got aggravated during last few months when Brent Crude Price fell to around \$ 45 per barrel, the lowest in last six years.

Your Company sources its crude oil requirement from various National Oil Companies of crude oil exporting countries on term basis and from open market on spot basis. During 2014-15, MRPL procured 14.24 million tonnes of crude oil out of which 13.02 million tone was imported and balance was sourced from indigenous sources like Bombay High & Ravva from ONGC/ (Iran) Cairn India. Import of crude oil was from various source including National Oil Company like Saudi Aramco (2.8 mmt), ADNOC (1.75 mmt), Kuwait Petroleum Corporation (2 mmt) and Sonangol EP (0.50 mmt). To meet the LSHS requirement / shortfall in crude requirement MRPL also imported crude oil (0.80 mmt) through spot Tender during the year.

During 2014-15, your Company has processed various opportunity crude, which has to expand its crude basket during 2015-16 as well. To explore the new sources of crude oil and look for optimize, Your Company is in discussion with prospective / new term crude oil suppliers from countries / sources like Colombia, Mexico, Venezuela, etc for supply of crude oil in addition to enhancement of volumes from current suppliers. With the commissioning of Phase-III, the Company has started processing heavier crude oil(s).

Crude Oil Import from Iran:

Ongoing Iran issues related crude oil import from Iran, News report have reported some progress in the negotiations between (permanent members of UN Security Council + Germany) with Iran to resolve the issue. The sanctions relief includes Iran's crude oil sales, enabling Iran's current customers to purchase their current average amounts of crude oil and repatriate agreed amount of revenue held abroad.

As the Joint Comprehensive Plan of Action has only provided limited sanctions relief relating to certain activities only, many of the problems and issues faced by MRPL in the aftermath of the Iran sanctions still continue like non availability of vessels to perform Iranian voyages, lack of marine insurance for transportation of Iranian cargoes, insertion of exclusion clause by insurance companies in Mega Risk insurance policy of MRPL refinery etc. In view of the same, presently, crude oil import from Iran is being carried out on CIF basis

Production by MRPL during the financial year 2014-15

| PRODUCT | ('000 MT) |
|--------------|------------------|
| HYDROGEN | 1.13 |
| LPG | 502.38 |
| FUEL GAS | 0.48 |
| MS | 1,157.33 |
| MIXED XYLENE | 163.49 |
| NAPHTHA | 1,331.88 |
| SKO | 537.34 |
| HSD | 5,682.55 |
| ATF | 1,214.04 |
| VGO | 99.23 |
| F.O | 1,873.49 |
| ASPHALT | 148.17 |
| CRMB | 1.04 |
| SULPHUR | 108.08 |
| PETCOKE | 367.49 |
| TOTAL | 13,188.12 |

3.0 OPPORTUNITIES & THREAT :

Lower oil prices also offer an opportunity to reform energy subsidies and taxes for both oil exporters and importers. An oil importers, the saving from the removal of general energy subsidies should be used toward more targeted transfers, to lower budget deficits where relevant, and to increase public infrastructure if conditions are right.

Sizable uncertainty about the oil price path in the future and the underlying drivers of the price decline has added a new risk dimension to the global growth outlook. On the upside, the boost to global demand from lower oil prices could be greater than is currently factored into the projections, especially in advanced economies. But oil prices could also have overshot on the downside and could rebound earlier or more than expected if the supply response to lower prices is stronger than forecast. Important other downside risks remain. In global financial markets, risks related to shifts in markets and bouts of volatility are still elevated. Potential triggers could be surprises in activity in major economies or surprises in the path of monetary policy normalization in the United States in the context of a continued uneven global expansion. Emerging market economies are particularly exposed, as they could face a reversal in capital flows. With the sharp fall in oil prices, these risks have risen in oil exporters, where external and balance sheet vulnerabilities have increased, while oil importers have gained buffers. In the euro area, inflation has declined further, and adverse shocks domestic or external could lead to persistently lower inflation or price declines, as monetary policy remains slow to respond. In many major economies, there are still some downside risks to prospective potential output, which would feed into near-term demand. Geopolitical risks are expected to remain high, although related risks of global oil market disruptions have been downgraded in view of ample net flow supply

Oil refinery business is US Dollar (USD) dominated. The prices for both the crude oil and products are based on international quotes, exchange fluctuation in Rupee vs Dollar rate are automatically factored and provides a natural hedge against exchange rate volatility in normal course. However, sudden and high fluctuation may causes impact. Any fluctuation in the international crude prices gets captured in the sale price to a large extent so long as the prices of the products follow the same pattern as that of fluctuation in crude oil prices.

Your Company imports as well exports, which provides a natural hedge against exchange fluctuation. Efforts are made to match the exposure in USD to the extent possible, thereby mitigating to a large extent. Volatility in crude and product prices impacting refining margins. Your Company imports around 80% of its requirement of crude oil and exporting approximately 47% of the total production, where sale proceeds are realized in USD. Even in case of domestic sales the sale prices are based on trade/ import parity prices in International market which provides a natural hedge to a large extent. Your Company exports its major products like HSD, ATF and MX on average of the monthly prices, which reduces the risk of intra month price fluctuations. However sudden

fluctuations in crude and product prices will have significant effect on the margins of your Company.

4.0 RISKS & CONCERNS :

Your Company operates in a business environment that is characterized by increasing globalization, intensifying competition and more complex technologies, which have their own sets of risks and concerns impacting the business. We, at MRPL have identified the following risks inherent to its business and also outline how these risks are mitigated.

- **Crude supply risk:**

Refineries are susceptible to the risk of timely supply of crude oil for smooth production to avoid shortage of crude which may result into reduction in throughput. Because of the nature of its operations Crude supply risk may be caused due to any stressed geo-political situation with the supplier nations, non-availability of suitable vessels and reduction of crude supply by Organization of the Petroleum Exporting Countries (OPEC).

Your Company has been continuously diversifying the sources of procurement of crude by adding additional countries as well as grades of crude. Your Company initially had only term contract with NIOC (National Iranian Oil Company of Iran) but presently term contracts for procurement of crude with various suppliers like SAUDI ARAMCO (National Oil Company of Kingdom of Saudi Arabia), ADNOC (National Oil Company of Government of Abu Dhabi), KPCL (Kuwait Petroleum Corporation) and Sonangol (National Oil Company of Angola). Your Company is proposing to increase imports through term contract with additional suppliers. Your Company has also supply agreement with ONGC Group for procurement of crude from its various oil fields like Bombay High, Ravva, Nile Blend, and Sakhalin on arm's length basis. Your Company has also plans to procure approximately 15-20% crude in International spot markets for taking advantage of flexible pricing through spot tender.

- **Price risk**

This risk relates to the fluctuation of crude oil prices and refined petroleum product prices in the international market. With oil's stature as a high-demand global commodity comes the possibility that major fluctuations in price can have a significant economic impact. The two primary factors that impact the price of oil are supply & demand and market sentiment. In oil trade, demand refer to consumption pattern of oil by world's major economies and supply means

output of crude oil from OPEC (Organisation of Petroleum Countries) & other oil Production. While market sentiment is attributed to geo-political situation like tensions as we have at present in the Middle East, Africa and Ukraine.

The Refinery profitability is dependent on the margin between crude oil prices and refined petroleum product prices for profitability. Your Company has adopted a conscious business strategy for procurement of crude oil by keeping proportion of spot/ trial crude oils at optimal levels to have cost effective crude purchase in the projected market scenario.

To mitigate price risks, your Company enters into long-term contracts as well as open international markets to source crude oil at competitive prices. Management prepare the rolling plan three months ahead to identify any changes in the profile of price risk and takes appropriate action on a timely basis. Other approaches to drive down costs include an increase in the use of cheaper tough crudes and use of blending to improve the product slate. The volatility to the Foreign Exchange hedging is not resorted in the Company.

- **Foreign exchange risk**

This risk relates to the impact of foreign exchange fluctuations because of the Company's exposure to foreign currency imports/exports as part of its normal operations.

Foreign exchange fluctuations are managed in accordance with the guidelines and limitations defined in the "Risk Management Policy" approved by the Board of Directors. Your Company has already constituted a Risk Management Committee to look into the risk overview of your Company periodically reviews the exchange fluctuations.

Your Company has engaged the consultant to advise on the Foreign Exchange fluctuation risk and measures for mitigating the same. However, looking into the higher hedge cost as compared to the volatility in the Foreign Exchange market. Hedge is not resorted by the Company.

- **Refinery margin risk**

Operating efficiency and access to crude oil of the required quantity, quality and price has a significant impact on the Company's performance. While refined product normally tracks changes in feedstock prices, there is a lag which can impact short-term working capital requirements and profitability.

Increased production efficiency through technological advances and reliable operation

is another ongoing mitigating factor. Business Process Optimization meetings are held internally to analyse the trends and way forward for the following months to optimize the margins.

- **Marine insurance cover risk**

Marine Insurance cover for import of Iranian crude is presently arranged through the National Iranian Oil Company (NIOC). Your Company is in the process of having alternative arrangement for sourcing crude in case the US and European Union sanctions are fully made operational and sourcing of crude from Iran becomes difficult. However, your Company has taken a comprehensive mega risk insurance cover for its assets to safeguard them from these unforeseen risks as well as loss of profit due to business interruptions which of course carries exclusion of Sanctions clause.

- **Reputational risk**

This risk relates to the potential commercial and reputational damage that could result from a health, safety or environmental incident or conflicts with local communities, terrorism, or the geo-political location of refinery. The Company is at risk given the nature of its operations.

The Company has a Health, Safety and Environmental (HSE) policy and other HSE Management Systems (HSEMS) in place. These are communicated to employees and training is provided on a regular basis. Necessary tools are in place to monitor emissions in plants/ refineries and medical expertise and support is available at all locations. Regular reviews are carried out to ensure compliance with HSE policy/ HSEMS and adherence to regulatory requirements. The Company engages and works closely with local communities to maintain relationships and to ensure that concerns are heard and acted upon in a timely manner.

- **Other unforeseen Natural risk**

Your Company is also concerned on various negative factors like shortage of water, depleted water reservoirs due to poor monsoon and other natural calamities which could impact the operation of the refinery.

However, your Company has formulated a well-defined policy framework including implementation procedure and monitoring mechanism for the risk management system. Risk Managers are evaluating the identified risks on monthly basis and also identifying new risks with the mitigation measures and reporting directly to the Chief Risk Manager, Director (Refinery). The

enterprise risk management overview document is placed before the Audit Committee and Board on quarterly basis.

5.0 STRATEGIC BUSINESS PURSUITS & FUTURE OUTLOOK

Your Company have signed an MoU with Government of Karnataka for setting up a Linear Alkyl Benzene (LAB) Plant (for producing raw materials to manufacture detergent) and to expand its Refining capacity to 18/21 MMTPA subject to techno economic viability and availability of required infrastructure at Mangalore with an approximate investment of ₹ 8,500 Cr.

You are aware that your Company has implemented mega expansion and Upgradation project with huge capital investment. The facilities coming up will not only provide opportunities to your Company to process wide range of crudes but also source them at a cheaper cost. The new units will increase the distillate yield of the refinery to around 80% and also produce value added products viz Propylene. The Propylene produced will be converted to Polypropylene in its Polypropylene unit. Your Company being the only company in south India to produce Polypropylene, it will be able to channelise this product in the South market. Petcoke another product which is growing at the rate of 8.63 %, CAGR will find an easy way in this demand driven market. The product quality of entire MS and HSD will be upgraded to Euro standards in line with the directions of Government of India thereby which will meet countries demand and also get a good price in the international markets. The evacuation of Petcoke in the domestic market is the challenge for your company and non evacuation could impact the continuous operation of DCU (Delayed Coker Unit).

6.0 INTERNAL CONTROL SYSTEMS:

Your Company has a well established internal control review mechanism which assures effective internal control environment to the Audit committee and Board of Directors.

Your Company is constantly improving and upgrading its system of internal control, towards ensuring management effectiveness and efficiency, reliable reporting on operations and finances and to secure high-level legal compliance and risk management. Your Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use or losses, executing transactions

with proper authorization and ensuring compliance of corporate policies.

The Internal Audit Department is supervised by the Audit Committee and it continuously monitors the effectiveness of the internal control with an objective to provide to the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organization's risk management, control and governance processes. The Internal Audit Department assesses opportunities for improvement in business processes, systems and controls; provides recommendations designed to add value to the organization and follows up on the implementation of corrective actions and improvements in business processes after review by the Audit Committee and the Senior Management.

7.0 PERFORMANCE:

During the financial year 2014-15 your Company has achieved new heights of performance both on physical and financial parameters and surpassed its past performance by setting up a new bench mark.

Your Company has processed crude of 14.65 MMT during the year against 14.55 MMT during the previous year, and posted the turnover of ₹ 62,412 Crores as against ₹ 75,226 Crores in the previous year and Export Turnover of ₹ 22,790 Crores against ₹ 35,392 Crores during the previous year. The turnover is however lower due to lower price in the International market.

8.0 HUMAN RESOURCES :

During the year 2014-15, your Company continued to enjoy cordial and harmonious relations with the collectives and as evidence to the same not a single man-hour was lost on account of any industrial disturbance.

Total employee strength as on 31/03/2015 was 1720 including 125 women employees, 202 SC/ST employees and 7 Physically Challenged employees. 742 employees belong to Management cadre whereas, 978 employees belong to Non-Management cadre.

9.0 CAUTIONARY STATEMENT :

Statements in the Management Discussion and Analysis Report and Board's Report describing the Company's objectives, projections and estimates, are forward-looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2014-15

Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency and fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and societal expectations. The Corporate Governance framework of your Company enjoys the highest standards of ethical and responsible conduct of business to create value for all its stakeholders. Your Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and ethics, in all facets of its operations, with the primary objective of enhancing shareholder value.

The Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance across various geographies. The Company emphasises the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. Corporate governance is the acceptance by management of the inalienable rights of shareholders as the true owners of the corporation and of their own role as trustees on behalf of the stakeholders. It is about commitment to values, about ethical business conduct and about making a distinction between personal and corporate funds in the management of a company.

Our Corporate Governance framework is based on the following principles:

- Protecting and facilitating the exercise of shareholder's rights;
- Committed to a transparent system and values; which recognize the rights of the stakeholders and encourage co-operation between Company and the Stakeholders;
- Timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company;
- Operating in a sound system of internal control with a thrust on integrity and accountability;
- Ensuring timely and adequate disclosure of all material information to all Stakeholders;
- Ensuring compliance of applicable laws, guidelines, rules and regulations;
- Committed for equitable and fair treatment to all its stakeholders and society at large;
- Effective Whistle Blower Policy mechanism is provided for the Stakeholders.

1) BOARD OF DIRECTORS:

The Board of Directors function within the purview of Corporate Governance norms in transparent and effective manner. The Company has an exhaustive Book of Delegated Powers (BDP) and other manuals like Material Management, Works manual etc, which spell out the processes and defines the level (Board / Executive Committee / Functional Director) at which any decision is to be made and are reviewed from time to time to ensure that they are updated and meet the needs of the organization. The company has 7 committees of the Board which deliberate upon various important matters and advise the Board on the course of action to be taken.

A) COMPOSITION OF DIRECTORS AS ON 31/03/2015

Executive Directors : 3
Non Executive Directors : 3

Since the Chairman is a Non-executive Director nominated by promoter and the present Board consists of only 6 Non Independent Directors, the Board should have 6 Non-official Part-time Directors (Independent Directors) in addition.

(i) BOARD OF DIRECTORS AS ON 31/03/2015

| Director | Executive/ Non-Executive | Category | No. of Board meeting attended (Held = 9) | Attended the AGM | No. of other Directorship | | No. of outside Committee | |
|--------------------------------|-----------------------------|----------------------------|---|---------------------|------------------------------|---------|-----------------------------|----------|
| | | | | | Public | Private | Member | Chairman |
| Shri D. K. Sarraf | Non-Executive | Chairman | 9 | YES | 8 | - | 2 | - |
| Shri H.Kumar | Executive | Managing Director | 6 | YES | 3 | - | - | - |
| Shri Vishnu Agrawal | Executive | Director (Finance) | 9 | YES | 3 | - | 2 | - |
| Shri V. G. Joshi | Executive | Director (Refinery) | 8 | YES | - | - | - | - |
| Shri B. K. Namdeo | Non-Executive | (HPCL) Nominee Director | 7 | NO | 5 | - | - | - |
| Shri Nalin Kumar Srivastava | Non-Executive | Government Director | NA | NA | 1 | - | 1 | - |

Mangalore Refinery and Petrochemicals Limited

(ii) PARTICULARS OF APPOINTMENT OF A NEW DIRECTOR OR RE-APPOINTMENT OF A DIRECTOR IN TERMS OF CLAUSE 49 (VIII)(E) OF THE LISTING AGREEMENT

Brief resume of following Directors proposed to be appointed or re-appointed mentioning qualification, expertise, names of the companies in which they hold Chairmanship/ Directorship in the Board and Chairmanship/ Directorship in the Board sub-committees, shareholding in these companies and relationship between director inter-se pursuant to Clause 49 (VIII)(E) of Listing Agreement with Stock Exchanges are provided in the notice for the 27th Annual General Meeting which forms part of the Annual Report.

- Shri M. Venkatesh (DIN: 07025342) was appointed as an Additional Director and designated as Director (Refinery) is proposed for appointment as Director.
- Shri Nalin Kumar Srivastava (DIN: 06682842) was appointed as an Additional Director is proposed for appointment as Director.
- Smt Perin Devi (DIN: 07145051) was appointed as an Additional Director is proposed for appointment as Director.
- Shri Vishnu Agrawal (DIN: 03127566) designated as Director (Finance) retires from office by rotation and being eligible offers himself for re-appointment as a Director.

(iii) PAST DIRECTORS

| Director | Executive/ Non-Executive | Category | No. of other Directorship | | No. of outside Committee | |
|---------------------------|-----------------------------|----------------------|------------------------------|---------|-----------------------------|----------|
| | | | Public | Private | Member | Chairman |
| Shri P.P. Upadhya | Executive | Managing Director | 8 | - | 1 | - |
| Shri P. Kalyanasunderam | Non-Executive | Government Director | 1 | - | 2 | - |
| Shri C. L. Shah | Non-Executive | Independent Director | - | - | - | - |
| Smt. Neela Gangadharan | Non-Executive | Independent Director | 1 | - | 1 | 1 |
| Prof. Jayant M. Modak | Non-Executive | Independent Director | 1 | - | - | - |
| Prof. Usha Kiran Rai | Non-Executive | Independent Director | 1 | - | - | - |
| Capt. John Prasad Menezes | Non-Executive | Independent Director | - | - | - | - |

(iv) CHANGES IN THE BOARD OF DIRECTORS DURING 2014-15

| Director | Date of Appointment | Date of Cessation | Remarks |
|-----------------------------|---------------------|-------------------|--|
| Shri H. Kumar | 14/08/2014 | NA | Appointed as Managing Director |
| Shri Nalin Kumar Srivastava | 05/03/2015 | NA | Appointed as Government Director by Ministry of Petroleum & Natural Gas. |
| Shri P.P. Upadhya | 01/07/2012 | 31/07/2014 | Ceased to be a Director consequent upon superannuation from the services of the Company. |
| Shri P. Kalyanasundaram | 15/04/2013 | 04/03/2015 | Ceased to be a Director consequent upon his superannuation from Government services. |
| Shri C. L. Shah | 22/10/2013 | 14/09/2014 | Ceased to be an Additional Director |
| Smt. Neela Gangadharan | 22/10/2013 | 14/09/2014 | Ceased to be an Additional Director |
| Prof. Jayant M. Modak | 22/10/2013 | 14/09/2014 | Ceased to be an Additional Director |
| Prof. Usha Kiran Rai | 22/10/2013 | 14/09/2014 | Ceased to be an Additional Director |
| Capt. John Prasad Menezes | 22/10/2013 | 14/09/2014 | Ceased to be an Additional Director |

(v) CHANGES IN THE BOARD OF DIRECTORS AFTER 31/03/2015

- Pursuant to MoP&NG order, Shri M Venkatesh GGM (I/c Refinery) assumed the office of Director (Refinery) on 1st April, 2015 consequent upon the superannuation of Shri V. G. Joshi Director (Refinery) from the services of the Company on 31st March, 2015.
- Smt. Perin Devi, Director, MoP&NG, has been nominated as Government Director by Ministry of Petroleum & Natural Gas (MoP&NG), Government of India w.e.f 14/05/2015. The Company fulfills the requirement of Woman Director pursuant to Section 149 (1) of Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to Clause 49 of Listing Agreement for FY 2014-15.

B) ATTENDANCE OF DIRECTORS AT THE BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2014-15 AND 26th ANNUAL GENERAL MEETING HELD ON 13/09/2014

(i) DETAILS OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2014-15.

| Sl No. | Date of meeting | Meeting No. | Place |
|--------|-----------------|-------------|-----------|
| 1 | 20/05/2014 | 187 | New Delhi |
| 2 | 16/07/2014 | 188 | New Delhi |
| 3 | 11/08/2014 | 189 | New Delhi |
| 4 | 14/09/2014 | 190 | Mangalore |
| 5 | 13/11/2014 | 191 | New Delhi |
| 6 | 30/12/2014 | 192 | New Delhi |
| 7 | 09/02/2015 | 193 | New Delhi |
| 8 | 13/02/2015 | 194 | New Delhi |
| 9 | 24/02/2015 | 195 | New Delhi |

Note:

During the year 2014-15, Nine (9) Board Meetings were held.

(ii) ATTENDANCE OF DIRECTORS DURING THE YEAR 2014-15

| Director | No. of Board Meetings attended | Attended Last AGM |
|-----------------------------|--------------------------------|-------------------|
| Shri D. K. Sarraf | 9 | YES |
| Shri H. Kumar | 6 | YES |
| Shri Vishnu Agrawal | 9 | YES |
| Shri V. G. Joshi | 8 | YES |
| Shri B.K. Namdeo | 7 | NO |
| Shri Nalin Kumar Srivastava | NA | NA |

(iii) ATTENDANCE OF THE PAST DIRECTORS DURING THE YEAR 2014-15

| Director | No. of Board Meetings attended | Attended Last AGM |
|-----------------------------|--------------------------------|-------------------|
| Shri P.P. Upadhyia | 2 | NA* |
| Shri P. Kalyanasundaram | 5 | NO |
| Shri C. L. Shah | 3 | NO |
| Smt. Neela Gangadharan | 3 | NO |
| Prof. Jayant M. Modak | 3 | NO |
| Shri B.K. Namdeo | 7 | NO |
| Shri Nalin Kumar Srivastava | NA | NA |

* Shri P.P.Upadhyia has been superannuated from the service w.e.f 31/07/2014.

2) AUDIT COMMITTEE

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Clause 49 of the Listing Agreement. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. However, as no Independent Directors have been appointed, Company is pursuing with Ministry of Petroleum & Natural Gas (MoP&NG) for the appointment of requisite number of Independent Directors.

(i) TERMS OF REFERENCE:

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal controls system, discussion on quarterly, half-yearly and annual financial results, interaction with Statutory and Internal Auditors. Review and recommend appointment of Cost Auditors/Internal Auditors and their remuneration, review of Business Risk Management Plan, review of Forex policy, Management Discussions & Analysis, review of Internal Audit Reports, significant related party transactions. The Board has framed the Audit Committee Charter for the purpose of effective compliance of provisions of Section 177 of the Companies Act, 2013, Clause 49 of the Listing Agreement and DPE guidelines on Corporate Governance for CPSEs. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

Mangalore Refinery and Petrochemicals Limited

(ii) COMPOSITION OF AUDIT COMMITTEE AS ON 31/03/2015

| Members of Audit Committee | Category |
|-----------------------------|----------|
| Shri Nalin Kumar Srivastava | Chairman |
| Shri B.K.Namdeo | Member |
| Shri V.G.Joshi | Member |

Note:

- The Company has not complied with the requirement of Clause 49(III)(A) of the Listing Agreement as regards to constitution of the Audit Committee with requisite number of Independent Directors. However, the Company is pursuing with MoP&NG for appointment of requisite number of Independent Directors.
- Director (Finance) and Internal Auditor are the Invitees to the Audit Committee Meetings.
- Company Secretary is the Secretary to the Audit Committee.
- Joint Statutory Auditors are Special Invitees while reviewing the financial statements by the Audit Committee.

(iii) DETAILS OF THE AUDIT COMMITTEE MEETING HELD DURING THE FINANCIAL YEAR 2014-15

| Date of Meeting | Meeting No. | No. of members attended |
|-----------------|-------------|-------------------------|
| 19/05/2014 | 65 | 3 |
| 24/06/2014 | 66 | 2 |
| 16/07/2014 | 67 | 3 |
| 11/08/2014 | 68 | 3 |
| 12/11/2014 | 69 | 3 |
| 29/11/2014 | 70 | 3 |
| 20/12/2014 | 71 | 3 |
| 13/02/2015 | 72 | 2 |

Note: During the year 2014-15, Eight (8) Audit Committee Meetings were held.

(iv) ATTENDANCE IN AUDIT COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2014-15.

| Members of Audit Committee | No. of Meetings attended | Remarks |
|-----------------------------|--------------------------|-------------|
| Shri Nalin Kumar Srivastava | NA | - |
| Shri P.Kalyanasundaram | 3 | Past Member |
| Shri B.K. Namdeo | 4 | - |
| Shri V.G. Joshi | 3 | - |
| Shri C.L. Shah | 4 | Past Member |
| Shri Neela Gangadharan | 3 | Past Member |
| Shri Jayant M. Modak | 4 | Past Member |

3) RISK MANAGEMENT COMMITTEE (RMC) :

The company has constituted a Risk Management Committee (RMC) in accordance with Clause 49(VI)(C) of the Listing Agreement. The Risk Management Committee consists of majority of members of the Board of Directors. The Risk Management Committee shall review and monitor the risk overview document of the Company on a quarterly basis in accordance with the Board approved Enterprises Risk Management policy of the Company and submit a report to the Audit Committee.

4) NOMINATION AND REMUNERATION COMMITTEE:

MRPL is a 'Schedule A' Central Public Sector Enterprise (CPSE). The appointment, terms, conditions and remuneration of Managing Director and Functional Directors (Whole-time Directors) are fixed by the Department of Public Enterprises (DPE), Govt. of India.

Pursuant to Clause 49 of the Listing Agreement and DPE guidelines on Corporate Governance for CPSE, the Company has constituted a Remuneration Committee in April, 2009. The Committee was reconstituted with revised terms of reference as Nomination and Remuneration Committee pursuant to Sec 178 of the Companies Act, 2013 read with Companies (Meetings of Board and its powers) Rule, 2014 and pursuant to Clause 49(IV)(A) of the Listing Agreement.

(i) TERMS OF REFERENCE:

The Company has not complied with the requirement of Clause 49(IV)(A) of the Listing Agreement as regards to constitution of Nomination and Remuneration Committee with requisite number of Independent Directors. However, the Company is pursuing with MoP&NG for appointment of requisite number of Independent Directors.

(ii) COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE AS ON 31/03/2015

| Members | Category |
|-----------------------------|----------|
| Shri Nalin Kumar Srivastava | Chairman |
| Shri B.K.Namdeo | Member |

(iii) DETAILS OF NOMINATION AND REMUNERATION COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2014-15

| Date of Meeting | Meeting No. | No. of members attended |
|-----------------|-----------------|-------------------------|
| 23/06/2014 | 8 th | 2 |
| 20/10/2014 | 9 th | 2 |

(iv) ATTENDANCE IN NOMINATION AND REMUNERATION COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2014-15.

| Members | No. of Meetings attended | Remarks |
|-----------------------------|--------------------------|-------------|
| Shri Nalin Kumar Srivastava | NA | - |
| Shri B.K. Namdeo | 1 | - |
| Shri P. Kalyanasundaram | 2 | Past Member |
| Prof. Usha kiran Rai | 1 | Past Member |

(v) REMUNERATION POLICY :

The Remuneration paid to Directors and other Managerial persons are regulated by the guidelines issued by Department of Public Enterprises, Government of India as the Company is a Schedule – “A” Central Public Sector Enterprise. The remuneration policy of the company is as per the guidelines issued by the Department of Public Enterprises, Government of India.

(vi) DETAILS OF REMUNERATION (SITTING FEES) PAID TO INDEPENDENT DIRECTORS DURING THE FINANCIAL YEAR 2014 – 15:

| SI No. | Independent Directors | Sitting Fees (₹) |
|--------|------------------------|------------------|
| 1 | Shri. C. L. Shah | 1,35,000 |
| 2 | Smt. Neela Gangadharan | 1,50,000 |

Terms of service contract:

| Particulars | Managing Director | Director (Finance) | Director (Refinery) |
|--|--|--|--|
| Tenure | 5 years from the date of appointment or till the date of superannuation or until further orders, whichever is earlier. | 5 years from the date of appointment or till the date of superannuation or until further orders, whichever is earlier. | 5 years from the date of appointment or till the date of superannuation or until further orders, whichever is earlier. |
| Notice period | Three Months Notice or on payment of three months salary in lieu thereof. | Three Months Notice or on payment of three months salary in lieu thereof. | Three Months Notice or on payment of three months salary in lieu thereof. |
| Severance fees | Not Applicable | Not Applicable | Not Applicable |
| Stock Options details (if any) | Not Applicable | Not Applicable | Not Applicable |
| Whether issued at discount | Not Applicable | Not Applicable | Not Applicable |
| Period over which it is accrued and is exercisable | Not Applicable | Not Applicable | Not Applicable |

(viii) DIRECTOR'S SHAREHOLDING:

Directors are holding Equity shares of the Company as on 31/03/2015 as under:

| Name of the Director | No. of Shares held |
|---|--------------------|
| Shri D. K. Sarraf (Jointly with Spouse) | 100 |
| Shri H.Kumar (Jointly with Spouse) | 200 |
| Shri Vishnu Agrawal | 50 |
| Shri B.K. Namdeo | 200 |

| SI No. | Independent Directors | Sitting Fees (₹) |
|--------|-----------------------|------------------|
| 3 | Prof. Jayant M Modak | 1,20,000 |
| 4 | Prof. Usha Kiran Rai | 1,05,000 |
| 5 | Capt. John P. Menezes | 75,000 |

(vii) DETAILS OF REMUNERATION PAID TO MANAGING DIRECTOR, DIRECTOR (FINANCE) AND DIRECTOR (REFINERY) DURING FY 2014-15 :

(Amount in ₹)

| Particulars | Managing Director | Director (Finance) | Director (Refinery) | Total |
|----------------------------------|-------------------|--------------------|---------------------|--------------------|
| Salaries and Allowances | 48,30,267 | 36,79,858 | 23,11,398 | 1,08,21,523 |
| Contribution to PF & Other Funds | 4,91,317 | 4,86,879 | 4,45,898 | 14,24,094 |
| Other Perquisites & Benefits | 1,16,803 | - | 1,75,053 | 2,91,856 |
| Total | 54,38,387 | 41,66,737 | 29,32,349 | 1,25,37,473 |

- o Shri P.P.Upadhya, Managing Director superannuated w.e.f. 31/07/2014
- o Shri H. Kumar assumed the office of Managing Director w.e.f. 14/08/2014

5) STAKEHOLDERS' RELATIONSHIP COMMITTEE

- (i) The Company has reconstituted Stakeholders' Relationship Committee with revised terms of reference pursuant to Section 178 of the Companies Act, 2013 read with Revised Clause 49 of Listing Agreement and Guidelines issued by SEBI in the 185th meeting of the Board held on 8th February, 2014.

(ii) TERMS OF REFERENCE:

- To consider and resolve the grievances of Stakeholders of the company.
- To look into the redressal of stakeholders complaints/ grievances relating to transfer of shares, Non-receipt of Balance Sheet, Non-receipt of Dividend etc.
- To protect the rights of the Stakeholders and ensure timely and accurate disclosure of information and transparency.

(iii) COMPOSITION OF STAKEHOLDERS’ RELATIONSHIP COMMITTEE AS ON 31/03/2015.

| Members of Stakeholders’ Relationship Committee | Category |
|---|----------|
| Shri B.K. Namdeo | Chairman |
| Shri H. Kumar | Member |
| Shri Vishnu Agrawal | Member |
| Shri V.G. Joshi | Member |

6) SHARE TRANSFER COMMITTEE (STC)

- (i) Pursuant to the provisions of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules 2014, a Committee of Directors (Share Transfer Committee) is constituted for approving transfer of shares, transmission of shares and issue of duplicate share certificates.
- (ii) Pursuant to Rule 6(2)(a) of the Companies (Share Capital and Debentures) Rules, 2014 duplicate share certificates are issued in lieu of those that are lost or destroyed with the approval of Share Transfer Committee, as the Board has delegated the Powers to STC pursuant to MCA General Circular No.19/2014 dated 12th June, 2014 to issue duplicate share certificates.
- (iii) The Share Transfer Committee consists of Managing Director, Director (Finance) and Director (Refinery) for approving transfer of shares, transmission of shares and issue of Duplicate Share Certificates and matter incidental thereto. The Quorum of the committee shall be any two Directors.

Note:

- Name and Designation of the Compliance officer: **Shri Dinesh Mishra, Company Secretary & Compliance Officer.**
 - No. of Shareholder’s complaints received during the FY 2014-15 : 59
 - No. of complaints remains unresolved during the FY 2014 – 15 : 1*
 - No. of pending share transfers as on 31/03/2015 : **NIL**
- * Subsequently resolved.

7) DETAILS OF ANNUAL GENERAL BODY MEETING

- (i) Location, place and time of last 3 AGMs held

| Year | Location | Date | Time |
|------------------------------|--|------------|-----------|
| 2014 26 th AGM | Registered Office of the Company Mudapadav, Kuthethoor P.O.Via Katipalla, Mangalore –575 030 | 13/09/2014 | 4:00 p.m. |
| 2013 25 th AGM | Registered Office of the Company Mudapadav, Kuthethoor P.O.Via Katipalla, Mangalore –575 030 | 23/09/2013 | 4:00 p.m. |
| 2012 24 th AGM | Registered Office of the Company Mudapadav, Kuthethoor P.O.Via Katipalla, Mangalore –575 030 | 15/09/2012 | 4:00 p.m. |

- (ii) Whether any special resolutions passed in the previous 3 AGMs?

Yes. One special resolution was passed in the 24th AGM pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and Article 27(1) of Articles of Association of the Company with regard to Buy-back of shares.

- (iii) Any special resolutions were put through Postal ballot last year:

No special resolutions were put through postal ballot in the last AGM.

- (iv) Persons who conducted the Postal Ballot exercise:

Not Applicable.

- (v) Whether any special resolution is proposed to be conducted through postal ballot.

No.

- (vi) Procedure for Postal Ballot:

Not Applicable.

- (vii) Policy on Material Subsidiaries:

Pursuant to Clause 49(V)(D) of the Listing Agreement, the Company has formulated a policy for determining Material Subsidiaries and the policy is available in company website www.mrpl.co.in.

8) DISCLOSURE & TRANSPARENCY:

The Company ensures timely and complete dissemination of information on all matters which require to be made public. The website of the company and the Annual Report of the company contain exhaustive information regarding every aspect of the functioning, financial health, ownership and governance of MRPL.

All disclosures by Company are strictly in accordance with the formats prescribed by the concerned regulatory authority in respect of accounting, financial and non-financial matters.

MRPL disseminates information through press releases, on its website, to the Stock Exchanges etc. Access to all these modes is free for all users.

The Company maintains records of the proceedings of all meetings (Board / Committees/ General meetings, etc.).

The company follows the accounting standards in letter and spirit. The annual audit is conducted by Joint Statutory Auditors appointed by the C&AG. MRPL is further subject to supplementary audit by C&AG. Internal Audit Department reports to the Audit Committee, apart from periodical oversight by the Government of India and Parliamentary Committees.

Members of the Board and Key Managerial Personnel disclose to the board whether they directly, indirectly or on behalf of third parties, have a material interest in any transaction or matters directly affecting the company.

It is the endeavor of the Board of Directors and the top management of MRPL to ensure that the stakeholders are aware of all important developments, while ensuring confidentiality of relevant information.

(i) MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

- 1.0 The transactions with Related Parties are governed by Clause 49 of the Listing Agreement, and the provisions of Section 188 of the Companies Act, 2013 and rules made thereunder along with the circulars and notifications issued by SEBI and MCA from time to time.
- 2.0 Pursuant to SEBI circular dated 17/04/2014 and 15/09/2014 and Clause 49 of the Listing Agreement, the Company has adopted Related Party Transaction Policy and procedures and the same is displayed in the website of the company i.e. www.mrpl.co.in.

(ii) Key Management Personnel:

1. Shri H.Kumar : Managing Director
2. Shri Vishnu Agrawal : Director (Finance)
3. Shri M.Venkatesh : Director (Refinery)
4. Shri Dinesh Mishra : Company Secretary

There is no transaction with Key Management Personnel during the financial year 2014-15 except for the remuneration paid. The remuneration of Key Management Personnel has been disclosed under Clause (VI) of MGT – 9 to the Board's Report.

(iii) Enterprises in which significant influence is exercised:

| Name | Relationship | Nature of Transaction |
|--|---------------|---|
| ONGC Mangalore Petrochemicals Limited | Subsidiary | Details furnished in Note-13 and 14 of Accounts 2014-15 |
| Shell MRPL Aviation Fuel & Services Limited. | Joint Venture | |
| M/s Mangalam Retail Services Limited | Joint Venture | |

(iv) Details of non-compliance by the company, penalties, strictures imposed by the Stock Exchange or SEBI or any authority on any matter related to capital markets during last 3 years: Nil

(v) NON - MANDATORY REQUIREMENTS:

- a) The Company maintains a Chairman's office at its expense.
- b) MRPL is a 'Schedule A' Central Public Sector Enterprise. The appointment, terms, conditions and remuneration of Managing Director and Functional Directors (Whole-time Directors) are fixed by the Department of Public Enterprises (DPE), Govt. of India.
- c) As the Company's Quarterly / Half Yearly Financial results are displayed on the website of the company and Published in the Newspaper, the half-yearly report is not sent to each Shareholder's residence.
- d) There are no qualifications in the Auditor's report on the financial statements to the shareholders of the Company.
- e) A formal policy for training of the Board Members of the Company has been formulated and the same is displayed in the website of the company i.e. www.mrpl.co.in. The directors are sponsored for various seminars, training, workshops and orientation programmes depending on the suitability and convenience.
- f) The Company has adopted Whistle Blower Policy for employees and Directors. The company has not denied any employee and Directors access to the Competent Authority. Policy which is available at company website www.mrpl.co.in.

(vi) CODE OF CONDUCT FOR MEMBERS OF THE BOARD AND SENIOR MANAGEMENT

A Code of Conduct for Members of the Board and Senior Management is a comprehensive code applicable to Executive and Non-executive Directors as well as members of the Senior Management i.e. Managerial Personnel at the level of Group General Manager and above of the Company.

The Code of conduct is available on the Company's website www.mrpl.co.in

The Managing Director has declared that all the members of the Board and Senior Management have affirmed that they have complied with the code of conduct for the financial year 2014-15.

(vii) CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING :

- 1.0 "Code of Conduct for Prevention of Insider Trading" for the Company was approved by the Board at its 89th meeting held on 22nd June, 2002 pursuant to SEBI (Insider Trading) (Amendment) Regulations, 2002. The same was amended by the Board at its 135th meeting held on 20th January, 2009 in view of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2008.
- 2.0 SEBI has notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 on 15th January, 2015 repealing SEBI (Insider Trading) Regulations, 1992 applicable to all the listed companies with effect from 15/05/2015. Accordingly company has adopted code of internal procedures and conduct for prohibition of insider trading, as amended, in dealing with the securities of the company and the same is displayed in the website of the company i.e. www.mrpl.co.in.

(viii) CEO & CFO CERTIFICATION :

In terms of Clause 49(IX) of the Listing Agreement, the certification by the CEO & CFO on the financial statements and internal controls relating to financial reporting has been presented before Audit Committee for review on quarterly basis and the same is also placed before the Board for information.

(ix) WHISTLE BLOWER POLICY:

The Company has adopted a Whistle Blower Policy for Directors and Employees of the company and the same is displayed in the website of the company i.e. www.mrpl.co.in.

(x) BUSINESS RESPONSIBILITY REPORT (BRR) :

Pursuant to Clause 55 of the Listing Agreement, a BRR for the year 2014-15 has been made which forms part of the Annual Report. As a measure of Green Initiative, Stock Exchange has permitted the Company to upload the BRR in the Company's website with a reference to the link printed in the Annual Report. Accordingly, the BRR could be viewed at www.mrpl.co.in. The BRR Annexure is not sent along with the Annual Report. Any member who is interested to have a hard copy of the BRR may write to the Company or its Registrars & Transfer Agent, Link Intime (India) Limited.

(xi) DEMATERIALISATION OF SHARES AND LIQUIDITY

97.65% of the equity shares of the Company have been dematerialized (NSDL – 44.76% and CDSL 52.89%) as on March 31, 2015. The Company has entered into agreements

with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialize their shares with either of the Depositories and cast their electronic vote.

(xii) RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

(xiii) NOMINATION

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination form can be obtained from the Company's Registrar and Share Transfer Agent.

(xiv) SERVICE OF DOCUMENTS THROUGH ELECTRONIC MODE

As a part of Green initiatives, the members who wish to receive the notice /documents through e-mail, may kindly intimate their e-mail address to the Company's Registrar and Transfer Agent, Link Intime India Private Limited, to their dedicated e-mail id i.e. investor@mrpl.co.in.

9) MEANS OF COMMUNICATION:

- | | | |
|------|---|---|
| i) | Quarterly Results | Quarterly Results of the Company are published in English and Vernacular Newspaper and are also displayed in the Company's website www.mrpl.co.in |
| ii) | News Releases, Presentations etc | Official news releases and Official Media Releases are available on the website of the Company. |
| iii) | Presentation to Institutional Investors / Analysts. | Yes |
| iv) | Website | The Company's website www.mrpl.co.in contains a separate dedicated section 'Stakeholders' where shareholders information is available. The Annual Report of the Company is also available on the website. |

| | |
|--|---|
| <p>v) Annual Report</p> | <p>Annual Report containing the Audited Annual Financial Statements, Directors' Report, Auditors' Report, Corporate Governance Report is sent to the shareholders. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report and is also displayed on the Company's website www.mrpl.co.in</p> |
| <p>vi) Chairman's Communique</p> | <p>Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meeting. The same is placed on the website of the Company and sent to Stock Exchanges and published in leading Newspapers.</p> |
| <p>vii) Reminders to investors</p> | <p>Reminders for unclaimed physical share certificates were sent to the shareholders. Several reminders were sent to the shareholders for e-mail updation for communicating through e-mail.</p> |
| <p>viii) Corporate Filing and Dissemination System(CFDS)</p> | <p>The CFDS portal jointly owned, managed and maintained by BSE and NSE is a single source to view information filed by listed companies. All disclosures and communications to BSE & NSE are filed electronically through CFDS portal and hard copies of the said disclosures and correspondences are also filed</p> |
| <p>ix) NSE Electronic Application Processing System (NEAPS)</p> | <p>The NEAPS is web based application designed by NSE for corporates. The Shareholding Pattern and Corporate Governance Report are also filed electronically on NEAPS.</p> |
| <p>x) SEBI Complaints Redressal System (SCORES)</p> | <p>The investor complaints are redressed in a centralized web based complaints redressal system provided by SEBI.</p> |
| <p>xi) Designated Exclusive email-id</p> | <p>Company has designated the following e-mail-id exclusively for investor servicing. investor@mrpl.co.in</p> |

10) GENERAL SHAREHOLDERS INFORMATION

27th ANNUAL GENERAL MEETING

| | |
|--|--|
| <p>(i) Company Registration Details</p> | <p>The Company is registered in the State of Karnataka, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L85110KA1988GOI008959</p> |
| <p>(ii) Day, Date, Time and Venue</p> | <p>Saturday 8th August, 2015 at 16:30 hrs, Registered Office: Mudapadav, Kuthethoor P.O.Via Katipalla, Mangalore -575 030</p> |
| <p>(iii) Financial Year</p> | <p>01/04/2014 to 31/03/2015</p> |
| <p>(iv) Date of Book Closure</p> | <p>03/08/2015 to 08/08/2015 (both days inclusive)</p> |
| <p>(v) Dividend Payment Date</p> | <p>Not applicable</p> |
| <p>(vi) E-voting :</p> | <p>The company has provided for remote e-voting facility to the shareholders in accordance with Clause 35B of Listing Agreement, Provisions of the Companies Act, 2013 and the Rules made there under.</p> |
| <p>(vii) Listing on Stock Exchange</p> | <p>A) Equity Shares : 1) Bombay Stock Exchange Limited ISIN: INE103A01014 Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 Scrip Code : 500109</p> <p>2) The National Stock Exchange of India Limited Exchange Plaza, Bandra (E), Mumbai - 400 051 Trading Symbol : MRPL</p> |
| <p>B) Payment of Listing Fees</p> | <p>Annual listing fee for the year 2015-16 has been paid by the Company to BSE and NSE.</p> |
| <p>C) Payment of Depository Fees</p> | <p>Annual Custody fees for the year 2015-16 are pending due to non receipt of bill from the Depositories.</p> |

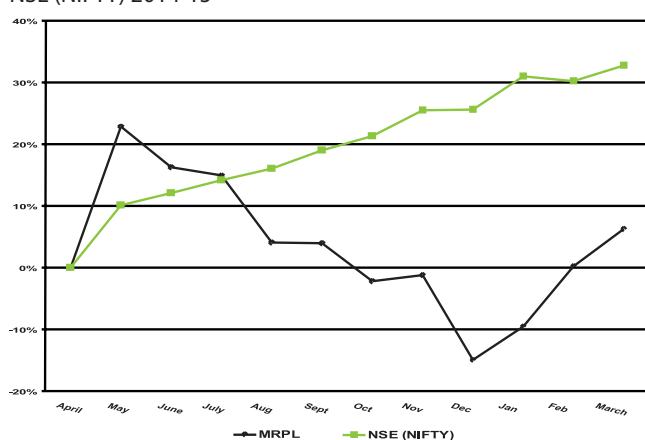
Mangalore Refinery and Petrochemicals Limited

(viii) Market Price Data

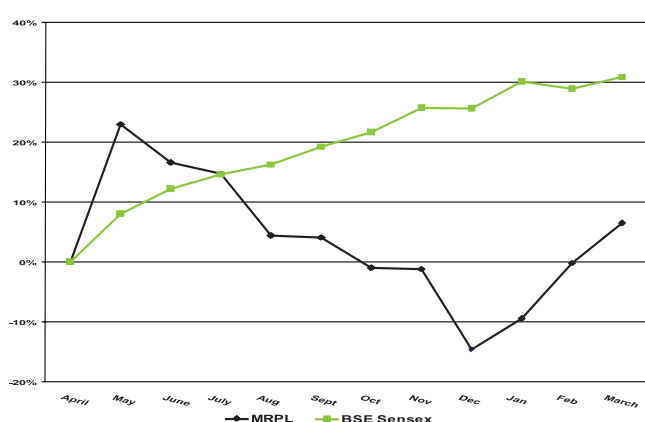
| Month | Bombay Stock Exchange | | National Stock Exchange of India Limited | |
|-----------|-----------------------|-------|--|-------|
| | High | Low | High | Low |
| | (₹) | (₹) | (₹) | (₹) |
| (2014-15) | | | | |
| Apr-14 | 65.70 | 46.10 | 65.75 | 46.50 |
| May-14 | 80.65 | 55.10 | 80.80 | 55.25 |
| Jun-14 | 76.45 | 63.30 | 76.40 | 63.30 |
| Jul-14 | 75.25 | 65.00 | 75.60 | 64.55 |
| Aug-14 | 68.45 | 59.10 | 68.40 | 58.60 |
| Sep-14 | 68.25 | 59.95 | 68.35 | 59.85 |
| Oct-14 | 64.90 | 57.90 | 64.30 | 58.00 |
| Nov-14 | 64.80 | 50.40 | 64.95 | 50.05 |
| Dec-14 | 56.00 | 45.10 | 55.95 | 45.10 |
| Jan-15 | 59.35 | 45.90 | 59.45 | 46.05 |
| Feb-15 | 65.85 | 53.10 | 65.90 | 52.70 |
| Mar-15 | 69.80 | 62.35 | 69.85 | 62.10 |

(ix) Performance in comparison to NSE NIFTY and BSE Sensex:

NSE (NIFTY) 2014-15



BSE SENSEX 2014-15



(x) Registrar and Transfer Agent: M/s Link Intime India Private Limited., C - 13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (W), Mumbai - 400 078

(xi) Share transfer system:

The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Agreement with the Stock Exchanges, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

(xii) Distribution of Shareholding as on 31/03/2015.

| No. of Equity Shares held | No. of shareholders holding shares in | | No. of shares held in | | % of Equity capital held in | |
|---------------------------|---------------------------------------|---------------|-----------------------|-------------------|-----------------------------|---------------|
| | Physical Form | Demat Form | Physical Form | Demat Form | Physical Form | Demat Form |
| 1 - 500 | 224681 | 208414 | 39711850 | 36451343 | 2.266 | 2.080 |
| 501 - 1000 | 916 | 13235 | 699825 | 10612477 | 0.040 | 0.606 |
| 1001 - 2000 | 159 | 4872 | 231157 | 7373564 | 0.013 | 0.421 |
| 2001 - 3000 | 23 | 1289 | 58525 | 3300558 | 0.003 | 0.188 |
| 3001 - 4000 | 7 | 542 | 25008 | 1957469 | 0.001 | 0.112 |
| 4001 - 5000 | 14 | 436 | 65450 | 2063672 | 0.004 | 0.118 |
| 5001 - 10000 | 13 | 581 | 96425 | 4185187 | 0.006 | 0.239 |
| 10001 & above | 8 | 397 | 303200 | 1645463067 | 0.017 | 93.887 |
| Total | 225821 | 229766 | 41191440 | 1711407337 | 2.350 | 97.650 |

(xiii) Shareholding Pattern as on 31/03/2015.

| Particulars | No. of Shares | Percentage |
|---|-------------------|----------------|
| Oil and Natural Gas Corporation Ltd. | 1255354097 | 71.628 |
| Hindustan Petroleum Corporation Ltd. | 297153518 | 16.955 |
| Resident Individuals | 103264445 | 5.892 |
| Non Resident Individuals | 7737567 | 0.441 |
| Domestic Companies | 14292350 | 0.816 |
| Foreign Inst. Investor / Foreign Portfolio Investor (Corporate) | 12897662 | 0.736 |
| GIC & Subsidiaries/ Banks/Foreign Bank & Financial Institutions/ Insurance/Mutual Funds | 61876013 | 3.531 |
| Central/State Govt. Institutions | 2700 | 0.000 |
| Trusts | 20425 | 0.001 |
| Total | 1752598777 | 100.000 |

(xiv) Dematerialization of Shares and liquidity :

As on 31st March, 2015, 171,14,07,337 equity shares representing 97.65%, are in dematerialized form. Both the promoters, ONGC and HPCL are holding shares in dematerialized form.

(xv) Unclaimed/Undelivered Shares as on 31/03/2015.

| Sl. No | Particulars | No. of shareholders | No. of shares |
|--------|---|---------------------|---------------|
| 1 | Aggregate number of shareholders whose shares were lying undelivered / unclaimed at the beginning of the year. | 9044 | 1019325 |
| 2 | Addition - Number of shareholders whose shares lying undelivered / unclaimed during the year (April, 2014 to March, 2015). | 41 | 8800 |
| 3 | Number of shareholders who approached the company for their undelivered shares during the year and share issued. | 34 | 6300 |
| 4 | Aggregate number of shareholders and the outstanding shares in the "Unclaimed Suspense Account" lying at the end of the year. | 9051 | 1021825 |

(xvi) Outstanding GDR/ ADR/ Warrants or any convertible instruments, conversion date and impact on equity: **NIL**

(xvii) Refinery Location: Mangalore Refinery and

Petrochemicals Limited
Mudapadav,
Kuthethoor P.O.Via Katipalla,
Mangalore - 575 030, Karnataka, India.

(xviii) Address for Correspondence:

REGISTERED OFFICE/ COMPANY'S INVESTOR

RELATIONS CELL:

- Shri. Dinesh Mishra
Company Secretary, Compliance Officer & Chief Investor Relation Officer
Mudapadav, Kuthethoor, P.O.Via Katipalla,
Mangalore-575 030. Karnataka.
Tel.: 0824-2270400
Email: investor@mrpl.co.in Website: www.mrpl.co.in
- LGF, Mercantile House,
15, K. G. Marg, New Delhi-110001.
Tel.: 011-23463100 Email: irc.mrpl.co.in
- **M/s. LINK INTIME INDIA (PVT) LTD.,** (R&T Agent)
UNIT: MRPL
C-13 Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup (West), Mumbai- 400 078
Tel.: 022-25963838 / 25946970 Fax No.: 022-25946969
E-mail: mrplirc@linkintime.co.in
Website: www.linkintime.co.in

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

The Members,
Mangalore Refinery and Petrochemicals Limited
Mangalore.

We have examined the compliance of conditions of Corporate Governance by Mangalore Refinery and Petrochemicals Limited for the year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement except that relating to appointment of Independent Directors on the Board of the company, which is being pursued with the Ministry of Petroleum and Natural Gas, Government of India.

We state that no investor grievance is pending with the company as at 31st March, 2015 for a period exceeding one month against the Company as per the records maintained and certified by the Company/Registrar and Transfer Agents of the Company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

As per our report of even date attached

For **GOPALAIYER AND SUBRAMANIAN** Chartered Accountants
Firm Registration No. : 0009605

For **A. RAGHAVENDRA RAO & ASSOCIATES** Chartered Accountants
Firm Registration No. : 0033245

CA K. R. SURESH
Partner
Membership No. 025453

CA.GOPALAKRISHNA BHAT T.M
Partner
Membership No. 019798

Mangalore : 15th June, 2015

Mangalore Refinery and 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 MANGALORE REFINERY AND PETROCHEMICALS LIMITED MANGALORE FOR THE YEAR ENDED 31 MARCH 2015

The preparation of financial statements of Mangalore Refinery and 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 statements 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 22.05.2015.

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 statements of Mangalore Refinery and 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

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MANGALORE REFINERY AND PETROCHEMICALS LIMITED FOR THE YEAR ENDED 31 MARCH 2015

The preparation of consolidated financial statements of Mangalore Refinery and Petrochemicals Limited 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) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 22.05.2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of Mangalore Refinery and Petrochemicals Limited for the year ended 31 March 2015. We conducted a supplementary audit of the financial statements of Mangalore Refinery and Petrochemicals Limited and ONGC Mangalore Petrochemicals Limited, but did not conduct supplementary audit of the financial statements of Mangalam Retail Services Limited and Shell MRPL Aviation Fuels & Services Limited for the year ended on that date. 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.

This supplementary audit would not cover Mangalam Retail Services Limited and Shell MRPL Aviation Fuels & Services Limited, being the joint venture companies.

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 and
Ex-Officio Member Audit Board, Chennai

Place : Chennai
Date : 07/07/2015

INDEPENDENT AUDITORS' REPORT

To the members of **MANGALORE REFINERY AND PETROCHEMICALS LIMITED** Report on the Standalone Financial Statements.

We have audited the accompanying standalone financial statements of **MANGALORE REFINERY AND 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. 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.

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 have given in Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. Based on the verification of Records of the Company and based on information and explanations given to us, 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...
 - a) The Company has not been selected for disinvestment and hence reporting on this direction does not arise.
 - b) There are no cases of waiver/write off of debts, loans/ interest etc other than Central Sales Tax on sales to PSU Oil Marketing Companies amounting to ₹ 1930.80 million which are being expensed to the Profit & Loss Account, which has arisen on account of prevailing industry practice.
 - c) The Company has maintained adequate records in respect of inventories lying with third parties. No assets have been received by the Company as gift from Government or other authorities.

- d) A report on age wise analysis of pending legal/arbitration cases is given as Annexure 2 to this report. We report that the Company has in place an adequate monitoring mechanism for tracking expenditure on such legal cases
3. As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, 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, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31.14.03 and 31.14.04 to the financial statements;
- ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- As per our report of even date attached**
- | | |
|---|--|
| For GOPALAIYER AND SUBRAMANIAN Chartered Accountants Firm Registration No. : 0009605 | For A. RAGHAVENDRA RAO & ASSOCIATES Chartered Accountants Firm Registration No. : 0033245 |
| CA K. R. SURESH Partner Membership No. 025453 | CA.GOPALAKRISHNA BHAT T.M Partner Membership No. 019798 |
- New Delhi : 22nd May, 2015

Annexure 1 referred to under paragraph 1 of the Report on Other Legal and Regulatory Requirements of the Auditors' Report

Re: Mangalore Refinery and Petrochemicals Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the Assets have not been physically verified by the management during the year ,but there is a regular programme of verification, which, in our opinion is reasonable having regard to the size of the Company and nature of its assets. As per the reports submitted by the Company, no material discrepancies have been noticed on such verification
- (ii) (a) We are informed that the inventory of stores and spares are physically verified during the year by the management on a continuous basis as per programme of perpetual inventory. Inventories of other items have been physically verified at the year end., the frequency of which, in our opinion is reasonable, having regard to the size of the Company and nature of its business.
- (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) The Company is maintaining proper records of inventory. The discrepancies noticed on verification by the Management between the physical stock and book records have been properly dealt with in the books of account and were not material.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business, with regard to the purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.

- (v) The Company has complied with the provisions of section 73 to 76 and the rules framed there under with regard to filing of statutory Returns as required under these provisions and the relevant rules, subject however to delay in filing Return.
- (vi) We have broadly reviewed the cost records maintained by the Company and report that the directions specified by the Central Government under sub-section (1) of section 148 of the Companies Act, with regard to maintenance of Cost Records have been complied with.
- (vii) (a) According to the information and explanations given to us and as per the records of the Company, the Company has been generally regular in depositing

undisputed statutory dues including Provident fund, Income tax, Wealth tax, service tax, Duty of Customs, Duty of Excise, Value added tax, cess and other statutory dues with appropriate authorities during the year. There are no arrears of undisputed statutory dues of material nature outstanding for a period of more than six months, from the date on which they became payable.

- (b) According to information and explanations given to us and as per our verification of records of the Company, the disputed dues of tax which are not deposited with appropriate authorities as at 31st March, 2015 are as follows.

| Name of the Statute | Nature of the Dues | Total Demand (₹ Millions) | Total Amt Paid under protest/ adjusted (₹ Millions) | Period to which the Amount Relates (Financial Year) | Forum Where the dispute is pending |
|--|---------------------------------|------------------------------|---|--|---|
| The Karnataka Sales Tax Act 1957/ Central Sales Tax Act, 1956 | Central Sales Tax – Penalty | 4.53 | Nil | 2009-10 | Karnataka Appellate Tribunal |
| | Central Sales Tax – Interest | 18.33 | 12.10 | 2009-10 | Karnataka Appellate Tribunal |
| | Value Added Tax – Interest | 0.43 | 0.21 | 2006-07 | Appellate Authority – Mangalore |
| | Value Added Tax – Interest | 0.13 | 0.13 | 2009-10 | Karnataka Appellate Tribunal |
| | Value Added Tax – Interest | 0.66 | 0.66 | 2010-11 | Karnataka Appellate Tribunal |
| | Value Added Tax – Penalty | 3.48 | Nil | 2011-12 | Appellate Authority – Mangalore |
| | Value Added Tax – Interest | 4.80 | 2.48 | 2011-12 | Appellate Authority – Mangalore |
| Income Tax Act, 1961 | Income Tax / Interest / Penalty | 296.30 | 296.30 | AY 1993-03 | Mumbai High Court |
| | | 10.93 | 10.93 | AY 2003-04 | Income Tax Appellate Tribunal – Mumbai |
| | | 233.58 | 111.10 | AY 2006-07 | Income Tax Appellate Tribunal – Mumbai |
| | | 129.39 | 129.39 | AY 2007-08 | Income Tax Appellate Tribunal – Mumbai |
| | | 362.49 | 362.49 | AY 2008-09 | Income Tax Appellate Tribunal – Mumbai |
| | | 1014.82 | 1014.82 | AY 2009-10 | Income Tax Appellate Tribunal – Mumbai |
| | | 126.72 | Nil | AY 2008-09 | Commissioner of Income Tax (Appeals) – Mumbai |
| | | 754.77 | 698.02 | AY 2010-11 | Commissioner of Income Tax (Appeals) – Mumbai |
| | | 594.02 | 297.01 | AY 2011-12 | Commissioner of Income Tax (Appeals) – Mumbai |

Mangalore Refinery and Petrochemicals Limited

| Name of the Statute | Nature of the Dues | Total Demand (₹ Millions) | Total Amt Paid under protest/ adjusted (₹ Millions) | Period to which the Amount Relates (Financial Year) | Forum Where the dispute is pending |
|--------------------------|--|---------------------------|---|---|------------------------------------|
| The Customs Act, 1962 | Custom Duty / Interest / Penalty | 101.53 | Nil | 1996-2006 | Supreme Court Of India |
| | | 645.97 | Nil | 1997-2008 | CESTAT – Bangalore |
| Central Excise Act, 1944 | Central Excise Duty / Service Tax / Interest / Penalty | 10.37 | Nil | 2011-12 to 2013-14 | Commissioner (Appeals) – Mangalore |
| | | 248.18 | 23.07 | 1996-97 to 2012-13 | CESTAT – Bangalore |
| | | 1.24 | 0.72 | 2002-03 to 2012-13 | Joint Secretary, MOF |
| | | 54.59 | Nil | 1999-2000 to 2012-13 | Commissioner – Mangalore |
| Total | | 4617.26 | 2959.43 | | |

(viii) The Company does not have accumulated losses as the end of the financial year. It has however incurred a cash loss during the financial year, but for the immediately preceding financial year, it has made a cash profit..

(ix) According to the information and explanations given to us and as per our verification of the records of the Company, the Company has not defaulted in repayment of dues to financial Institution or Bank or debenture holders.

(x) According to the information and explanations given to us, the Terms and Conditions of the guarantees given by the Company, for the Loans taken by others from Banks and Financial Institutions are not prejudicial to the interests of the Company.

(xi) According to the information and explanations given to us, the Term Loans have been applied for the purpose for

which the Loans were obtained except ₹ 11704.73 Million which were invested in deposits with banks.

(xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

As per our report of even date attached

For **GOPALAIYER AND SUBRAMANIAN** Chartered Accountants Firm Registration No. : 000960S

For **A. RAGHAVENDRA RAO & ASSOCIATES** Chartered Accountants Firm Registration No. : 003324S

CA K. R. SURESH
Partner
Membership No. 025453

CA.GOPALAKRISHNA BHAT T.M
Partner
Membership No. 019798

New Delhi : 22nd May, 2015

ANNEXURE 2 – AGE-WISE ANALYSIS OF PENDING LEGAL / ARBITRATION CASES

| Sl No. | Ageing of pending cases | No of cases | Amount involved (₹ in Million) | Legal Expenses (₹ in Million) | Reasons for pendency/ Present Position |
|--------|-------------------------|-------------|--------------------------------|-------------------------------|--|
| 1 | 0 – 3 years | Nil | Nil | Nil | NA |
| 2 | 4 – 6 years | Nil | Nil | Nil | NA |
| 3 | 7 – 10 years | 6 | 224.77 | 11.33 | The delay is attributable to adjournments in Court / legal matters / other court related matters |
| 4 | Above 10 years | 1 | 154.19 | 2.49 | Awaiting Listing for final hearing at High Court |

*The legal expenses are approved by the Board of Directors along with other expenses in revenue budget. Further whenever payments are made the appropriate approvals are obtained as per the delegation of Authority in place. Engagement of Advocate and all payments above ₹ 25,000/- (₹ twenty five thousand only) are to be approved by D(F) and Functional Director.

MANGALORE REFINERY AND PETROCHEMICALS LIMITED

(A subsidiary of Oil and Natural Gas Corporation Limited - ONGC)

Regd. Office : Mudapadav, Kuthethoor P.O., Via Katipalla, Mangalore - 575 030, Karnataka.

CIN: L85110KA1988GO1008959

STATEMENT OF CHANGES IN EQUITY AS ON 31ST MARCH, 2015

(₹ in million)

| | Attributables to Equity Holders | | | | | Total Equity |
|---|---------------------------------|----------------------------|--------------------|-----------------|------------------|------------------|
| | Paid-up Share Capital | Capital redemption Reserve | Securities Premium | General Reserve | Surplus | |
| Balance as on 01.04.2013 | 17,526.64 | 91.86 | 3,490.53 | 1,192.00 | 42,375.87 | 64,676.90 |
| Profit / (Loss) for the year | - | - | - | - | 6,011.82 | 6,011.82 |
| Balance as on 31.03.2014 | 17,526.64 | 91.86 | 3,490.53 | 1,192.00 | 48,387.69 | 70,688.72 |
| Balance as on 01.04.2014 | 17,526.64 | 91.86 | 3,490.53 | 1,192.00 | 48,387.69 | 70,688.72 |
| Profit / (Loss) for the year | - | - | - | - | (17,122.34) | (17,122.34) |
| Adjustment Pursuant to Schedule II to the Companies Act, 2013 (Refer note no. 3 of Financial Statement) | - | - | - | - | (516.79) | (516.79) |
| Balance as on 31.03.2015 | 17,526.64 | 91.86 | 3,490.53 | 1,192.00 | 30,748.56 | 53,049.59 |

As per our report of even date attached

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants
Firm Registration : 0009605

For **A. RAGHAVENDRA RAO & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 0033245

CA K. R. SURESH
Partner
Membership No. 025453

CA.GOPALAKRISHNA BHAT T.M
Partner
Membership No. 019798

New Delhi : 22nd May, 2015

For and on behalf of the Board

H KUMAR
Managing Director

VISHNU AGRAWAL
Director (Finance)

DINESH MISHRA
Company Secretary

BALANCE SHEET AS AT 31ST MARCH, 2015

₹ in Million

| Particulars | Note | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|------|------------------------------------|------------------------------------|
| I EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| (a) Share capital | 2 | 17,526.64 | 17,526.64 |
| (b) Reserves and surplus | 3 | 35,522.95 | 53,162.08 |
| 2 Non-current liabilities | | | |
| (a) Long-term borrowings | 4 | 78,646.53 | 88,535.67 |
| (b) Deferred tax liabilities (Net) | 5 | - | 4,702.69 |
| (c) Other Long term liabilities | 6 | 0.13 | 19.03 |
| (d) Long-term provisions | 7 | 346.27 | 466.95 |
| 3 Current liabilities | | | |
| (a) Short-term borrowings | 8 | 108.73 | - |
| (b) Trade payables | 9 | 183,369.46 | 210,311.71 |
| (c) Other current liabilities | 10 | 25,739.11 | 19,237.63 |
| (d) Short-term provisions | 11 | 2,097.39 | 1,214.35 |
| TOTAL | | 343,357.21 | 395,176.75 |
| II ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Fixed assets | 12 | | |
| (i) Tangible assets | | 141,087.06 | 59,896.13 |
| (ii) Intangible assets | | 5.42 | 18.08 |
| (iii) Capital work-in-progress | | 13,775.10 | 85,515.47 |
| (b) Non-current investments | 13 | 13,496.73 | 150.02 |
| (c) Long-term loans and advances | 14 | 3,583.25 | 2,736.57 |
| (d) Other non-current assets | 15 | 2,614.19 | 2,694.84 |
| 2 Current assets | | | |
| (a) Inventories | 16 | 33,996.05 | 84,489.61 |
| (b) Trade receivables | 17 | 23,588.16 | 44,811.45 |
| (c) Cash and Bank balances | 18 | 102,687.12 | 106,723.29 |
| (d) Short-term loans and advances | 19 | 6,899.97 | 7,231.36 |
| (e) Other current assets | 20 | 1,624.16 | 909.93 |
| TOTAL | | 343,357.21 | 395,176.75 |
| Significant Accounting Policies | 1 | | |
| Other Disclosure | 31 | | |

See accompanying notes to the Financial Statements

As per our report of even date attached

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants
Firm Registration : 0009605

For **A. RAGHAVENDRA RAO & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 0033245

CA K. R. SURESH
Partner
Membership No. 025453

CA.GOPALAKRISHNA BHAT T.M
Partner
Membership No. 019798

New Delhi : 22nd May, 2015

For and on behalf of the Board

H KUMAR
Managing Director

VISHNU AGRAWAL
Director (Finance)

DINESH MISHRA
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

| Particulars | Note | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|---|------|--|--|
| I. Revenue from operations | | 624,171.42 | 752,304.11 |
| Less: Excise Duty | 21 | 49,546.09 | 34,156.19 |
| Net Revenue from Operations | | 574,625.33 | 718,147.92 |
| II. Other income | | 8,049.92 | 3,201.71 |
| III. Total Revenue (I + II) | 22 | 582,675.25 | 721,349.63 |
| IV. Expenses: | | | |
| Cost of materials consumed | | 559,615.14 | 708,525.17 |
| Increase (-) / decrease In stock | 23 | 18,861.34 | -6,740.75 |
| Employee benefits expenses | 24 | 2,407.42 | 2,154.74 |
| Finance costs | 25 | 4,070.88 | 3,214.41 |
| Depreciation and amortisation expense | 26 | 4,986.10 | 7,064.17 |
| Other expenses | 27 | 14,627.76 | 4,153.78 |
| Total expenses | 28 | 604,568.64 | 718,371.52 |
| V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV) | | -21,893.39 | 2,978.11 |
| VI. Exceptional items (Income)/Expenses: Net | | -334.47 | -1,118.85 |
| VII. Profit/(Loss) before extraordinary items and tax (V - VI) | 29 | -21,558.92 | 4,096.96 |
| VIII. Extraordinary Items | | - | - |
| IX. Profit/(Loss) before tax (VII- VIII) | | -21,558.92 | 4,096.96 |
| X Tax expenses: | | | |
| (1) Current / MAT tax | | - | 725.73 |
| (2) Prior Year's Tax adjustments | | - | - |
| (3) Deferred tax (Refer note 31.11) | | -4,436.58 | -2,640.59 |
| XI Profit/(Loss) after tax for the year (IX - X) | | -17,122.34 | 6,011.82 |
| XII Earnings per equity share: | | | |
| (1) Basic | 30 | -9.77 | 3.43 |
| (2) Diluted | | -9.77 | 3.43 |
| Significant Accounting Policies | 1 | | |
| Other Disclosure | 31 | | |

See accompanying notes to the Financial Statements

As per our report of even date attached

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants
Firm Registration : 0009605

For **A. RAGHAVENDRA RAO & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 0033245

CA K. R. SURESH
Partner
Membership No. 025453

CA.GOPALAKRISHNA BHAT T.M
Partner
Membership No. 019798

New Delhi : 22nd May, 2015

For and on behalf of the Board

H KUMAR
Managing Director

VISHNU AGRAWAL
Director (Finance)

DINESH MISHRA
Company Secretary

Mangalore Refinery and Petrochemicals Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

| | | ₹ in Million | |
|--|---------|--|--|
| Particulars | | for the year ended 31 st March, 2015 | for the year ended 31 st March, 2014 |
| A CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit Before Tax | | -21,558.92 | 4,096.96 |
| Adjustments for : | | | |
| - Depreciation / Amortisation | | 5,005.27 | 7,060.15 |
| - Loss/ (Profit) on sale of Fixed Assets | | -3.44 | 15.29 |
| - Provisions/ Liability Written back | | -67.04 | -51.60 |
| - Provision for Doubtful Debts/ Advances / Deposits and write offs | | 212.21 | 164.54 |
| - Foreign Currency translation- Net | | 4,947.59 | -4,519.62 |
| - Interest Expenses | | 4,070.88 | 3,214.41 |
| - Interest/ Dividend Incomes | | -7,904.55 | -3,085.79 |
| Operating Profit before Working Capital changes | | -15,298.00 | 6,894.34 |
| Adjustment for : | | | |
| - Trade and other receivables | | -9,516.91 | -8,205.91 |
| - Inventories | | 50,493.56 | -17,337.00 |
| - Trade payable and provisions | | -30,537.24 | 105,946.61 |
| Cash generated from operations | | -4,858.59 | 87,298.04 |
| - Direct taxes paid (net of refunds) | | -894.27 | -1,381.00 |
| Cash flow before Prior Period items | | -5,752.86 | 85,917.04 |
| - Prior Period items (cash items) | | -5.51 | 104.54 |
| Net Cash flow from Operating Activities | (a) | -5,758.37 | 86,021.58 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Fixed assets | | -8,922.21 | -12,126.29 |
| Sale of Fixed assets | | 12.68 | 21.48 |
| Interest/ Dividend Income received | | 8,333.18 | 3,205.46 |
| Tax Paid on Interest/ Royalty Income | | -756.56 | -308.37 |
| Investments (Net) | | -12,746.22 | 0.02 |
| Net Cash flow from Investing Activities | (b) | -14,079.13 | -9,207.70 |
| C CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds/ (Repayment) from Issue of Share Capital: Net | | - | - |
| Proceeds/ (Repayment) from Long Term Borrowings: Net | | -9,391.54 | 32,630.35 |
| Proceeds/ (Repayment) from Short Term Borrowings: Net | | 108.73 | -11,990.03 |
| Interest and Finance charges paid | | -5,748.08 | -6,775.18 |
| Dividend and Dividend tax paid | | - | - |
| Net Cash flow from Financing Activities | (c) | -15,030.89 | 13,865.14 |
| Net Increase / (Decrease) in Cash and Cash Equivalents | (a+b+c) | -34,868.39 | 90,679.02 |
| Cash and Cash Equivalents as at the beginning of the year | | 106,558.94 | 15,879.92 |
| Cash and Cash Equivalents as at the end of the year | | 71,690.55 | 106,558.94 |
| | | -34,868.39 | 90,679.02 |
| 1 Cash and Cash Equivalents | | | |
| Cash balances including imprest | | 1.78 | 1.53 |
| Bank Balances with Schedule Banks** | | 71,688.77 | 106,557.41 |
| | | 71,690.55 | 106,558.94 |

** Excludes balances in current accounts/deposit accounts pertaining to interest warrant, under lien, pledged with banks / Govt. authorities ₹ 30,996.57 Million (Previous Year ₹ 164.35 Million)

2 Previous Year's figures have been re-grouped/ re-classified wherever necessary to confirm to the current year's presentation.

As per our report of even date attached

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants
Firm Registration : 0009605

For **A. RAGHAVENDRA RAO & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 0033245

CA K. R. SURESH
Partner
Membership No. 025453

CA.GOPALAKRISHNA BHAT T.M
Partner
Membership No. 019798

New Delhi : 22nd May, 2015

For and on behalf of the Board

H KUMAR
Managing Director

VISHNU AGRAWAL
Director (Finance)

DINESH MISHRA
Company Secretary

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

1 Accounting Conventions and Basis of Presentation / Accounting

- 1.1 The financial statements are prepared under the historical cost convention, in accordance with the Generally Accepted Accounting Principles (GAAP), the provisions of the Companies Act, 2013 including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 1.2 All income and expenses to the extent considered receivable / payable with reasonable certainty are accounted for on accrual basis.

2 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.

3 Cash Flow Statement

Cash Flow Statement has been prepared under Indirect Method as set out in the Accounting Standard - 3 specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and as required by the Securities and Exchange Board of India.

4 Fixed Assets

- 4.1 Land is stated at historical cost less amortisation wherever applicable.
- 4.2 Other Fixed assets are stated at historical cost less accumulated depreciation/ amortisation and impairment.
- 4.3 Spares received along with the Plant or Equipment and those purchased subsequently for specific machinery and having irregular use are capitalised.
- 4.4 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 the assets.
- 4.5 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.

5 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.

6 Depreciation / Amortisation

- 6.1 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.

- 6.2 Cost of leasehold land is amortised over the lease period. Cost of leasehold lands where the transfer of ownership to the company on expiry of the lease period is eventually certain are not amortised.

- 6.3 Depreciation on amounts capitalised on account of foreign exchange fluctuation is provided prospectively over residual life of the assets.

- 6.4 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.

7 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.

8 Investments

- 8.1 Long term investments are valued at cost. Provision is made in the accounts for any diminution, other than temporary in nature.
- 8.2 Current Investments are valued at lower of cost and fair value.

9 Inventories

Inventories are valued at lower of cost or 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:

- 9.1 Raw material - on First in First out (FIFO) basis.
- 9.2 Finished Products - at Raw material, Conversion cost and excise duty.
- 9.3 Stock-in-Process - at Raw material and Proportionate Conversion cost.
- 9.4 Stores, Spares and other trading Goods - on weighted average cost basis

10 Revenue Recognition

- 10.1 Sales are recognised on transfer of custody of goods to customers and includes all statutory levies except Value Added Tax (VAT) and is net of discounts.
- 10.2 Dividend income is recognised when the right to receive the dividend is established.
- 10.3 Interest income is recognised on a time proportion basis
- 10.4 Revenue from sale of scrap are recognised on transfer of custody of goods to customers.
- 10.5 Revenue in respect of Liquidated Damages from contractors/suppliers is recognised when determined as not payable.
- 10.6 Excise duty recovery from customer is deducted from Turnover (gross). Excise duty differential between closing and opening stock of excisable goods is included under other expenses.

11 Claims

- 11.1 Claims/Surrenders on/to Petroleum Planning and Analysis Cell, Government of India are booked on 'in principle acceptance' thereof on the basis of

available instructions/clarifications subject to final adjustments, as stipulated.

11.2 Insurance Claims

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

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

11.2.3 As and when claims are finally received from the insurance company, the difference, if any, between the claim receivable from insurance company and claims received is adjusted to statement of Profit and Loss

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

12 Foreign Currency Transactions

12.1 Foreign Currency Transactions are accounted for at the exchange rates prevailing on the date of the transactions.

12.2 The foreign currency assets / liabilities of monetary items are translated using the exchange rates prevailing on the reporting date.

12.3 The exchange differences on translation of foreign currency transactions on the reporting date are recognised as income or expense and adjusted to the statement of profit and loss except exchange differences arising on reporting of long term foreign currency monetary items in so far as they relate to the acquisition of depreciable capital assets are added to /or deducted from cost of the assets.

12.4 The mark to market losses (net) in respect of un-expired forward contracts entered into to hedge the risk of changes in foreign currency exchange rates on future export sales against the existing contract are recognised in the statement of profit and loss .

13 Employee Benefits

13.1 All short term employee benefits are recognised at their undiscounted amount in the accounting period in which they are incurred. Employee Benefits under defined contribution plans comprising provident fund and superannuation fund are recognised on the undiscounted obligations of the company to contribute to the plan. The same is paid to Provident Fund Trust authorities and to Life Insurance Corporation of India respectively, which are expensed during the year

13.2 Employee benefits under defined benefit plans comprising of Gratuity, leave encashment, long

service emblem, post retirement medical benefits and other long term retirement benefits are recognised 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.

13.3 Actuarial gains and losses are recognised in the statement of Profit and Loss as income or expenses.

13.4 Undiscounted amount of short-term liability on account of un-availed leave is determined and provided for at the year end.

13.5 Provision for Gratuity as per actuarial valuation is funded with a separate trust.

14 Leases

14.1 Lease rentals in respect of finance lease are segregated into cost of assets and interest component by applying the implicit rate of return.

14.2 Assets acquired on lease 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 on accrual basis.

15 Borrowing Costs

Borrowing costs that are attributable to acquisition, construction or production of qualifying assets, are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to the statement of Profit and Loss.

16 Research and Development expenditure

Capital expenditure on Research and Development is capitalised under the respective fixed assets. Revenue expenditure thereon is charged to statement of Profit and Loss.

17 Taxes on Income

17.1 Current tax is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

17.2 Deferred tax is recognised on timing differences between taxable and accounting income/expenditure that originates in one period and are capable of reversal in one or more subsequent period(s). Deferred Tax Asset is recognised on the basis of virtual/reasonable certainty about its realisability, as applicable.

17.3 The Carrying amount of Deferred tax assets are reviewed at each balance Sheet date.

18 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 in the financial statements. .

NOTE 2 SHARE CAPITAL

2.1 Details of Authorised, Issued and Subscribed and Paid up share capital

| 2.1.1 Share Capital | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|--|------------------------------------|------------------|------------------------------------|------------------|
| | Number | ₹ in Million | Number | ₹ in Million |
| Authorised | | | | |
| Equity Shares of ₹ 10 each (Previous Year ₹ 10 each) | 2,900,000,000 | 29,000.00 | 1,900,000,000 | 19,000.00 |
| Redeemable Preference Shares ₹ 10 each (Previous Year ₹ 10 each) | 100,000,000 | 1,000.00 | 100,000,000 | 1,000.00 |
| Total | 3,000,000,000 | 30,000.00 | 2,000,000,000 | 20,000.00 |
| 2.1.2 Equity Share Capital | | | | |
| Issued Subscribed & Paid up | | | | |
| Equity Shares of ₹ 10 each (Previous Year ₹ 10 each) | 1,752,598,777 | 17,525.99 | 1,752,598,777 | 17,525.99 |
| Forfeited Shares | - | 0.65 | - | 0.65 |
| Total | 1,752,598,777 | 17,526.64 | 1,752,598,777 | 17,526.64 |
| 2.2 Reconciliation of shares | | | | |
| Equity Shares | | | | |
| Shares outstanding at the beginning of the year | 1,752,598,777 | 17,525.99 | 1,752,598,777 | 17,525.99 |
| Changes during the year | - | - | - | - |
| Shares outstanding at the end of the year | 1,752,598,777 | 17,525.99 | 1,752,598,777 | 17,525.99 |

2.3 Rights, preferences and restrictions attached

| Particulars | Equity Shares |
|--------------------------|------------------------------------|
| Distribution of Dividend | As approved by Shareholders in AGM |
| Repayment of Capital | Not Applicable |

2.4 Shares held by holding or ultimate holding company or its subsidiaries or associates

1,255,354,097 Equity Shares (1,255,354,097 Equity Shares) are held by ONGC Limited, the holding company.

2.5 Details of shareholders holding more than 5% of total shares

Equity Shares

| Name of Shareholder | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|---|------------------------------------|--------------|------------------------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Oil and Natural Gas Corporation Limited | 1,255,354,097 | 71.63% | 1,255,354,097 | 71.63% |
| Hindustan Petroleum Corporation Limited | 297,153,518 | 16.96% | 297,153,518 | 16.96% |

2.6 No shares are reserved for issue under options and contracts/commitments for the sale of shares/disinvestment

2.7 Forfeited Shares

| As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|------------------------------------|-----------------------------|------------------------------------|-----------------------------|
| No. of Shares Forfeited | Amount paid up in ₹ Million | No. of Shares Forfeited | Amount paid up in ₹ Million |
| - | 0.65 | - | 0.65 |

Mangalore Refinery and Petrochemicals Limited

NOTE 3 RESERVES AND SURPLUS

₹ in Million

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|------------------------------------|------------------------------------|
| 3.1 Capital Redemption Reserve (Refer Note a below) | | |
| As per Last Balance Sheet | 91.86 | 91.86 |
| Transfer from Profit and Loss account | - | - |
| Closing Balance | 91.86 | 91.86 |
| 3.2 Securities Premium Account | | |
| As per Last Balance Sheet | 3,490.53 | 3,490.53 |
| Transfer during the year | - | - |
| Closing Balance | 3,490.53 | 3,490.53 |
| 3.3 General Reserve | | |
| As per Last Balance Sheet | 1,192.00 | 1,192.00 |
| Add : Current Year transfer | - | - |
| Closing Balance | 1,192.00 | 1,192.00 |
| 3.4 Surplus | | |
| As per Last Balance Sheet | 48,387.69 | 42,375.87 |
| Add : Profit / (Loss) for the year | (17,122.34) | 6,011.82 |
| Less : Adjustment Pursuant to Schedule II to the Companies Act, 2013 (net of Tax) (Refer Note 31.04) | 516.79 | - |
| Closing Balance | 30,748.56 | 48,387.69 |
| Total | 35,522.95 | 53,162.08 |

Notes

- a Capital Redemption Reserve created on Redemption of Preference share capital of ₹ 91.86 Million during 2011-12 and 2012-13.

NOTE 4 LONG TERM BORROWINGS

₹ in Million

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|------------------------------------|------------------------------------|
| 4.1 SECURED | | |
| Term loans : From Banks | | |
| 4.1.1 External Commercial Borrowing (ECB) (Refer Note a below) | 39,221.89 | 38,948.00 |
| (Secured by first pari passu Charge over immovable fixed assets and first ranking pari passu charge over movable fixed assets both present and future). | | |
| Terms of Repayment: | | |
| During 2015-16 : ₹ 1,406.36 Million | | |
| During 2016-17 : ₹ 2,578.33 Million | | |
| During 2017-18 : ₹ 9,688.28 Million | | |
| During 2018-19 : ₹ 25,548.91 Million | | |
| During 2019-20 : ₹ 937.58 Million | | |
| During 2020-21 : ₹ 468.79 Million | | |
| | 39,221.89 | 38,948.00 |

₹ in Million

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|------------------------------------|------------------------------------|
| 4.2 UNSECURED | | |
| 4.2.1 From Others : Term Loan from OADB (Refer Note b below) | 5,250.00 | 8,000.00 |
| Terms of Repayment: | | |
| During 2015-16 : ₹ 2,750.00 Million | | |
| During 2016-17 : ₹ 2,750.00 Million | | |
| During 2017-18 : ₹ 1,750.00 Million | | |
| During 2018-19 : ₹ 750.00 Million | | |
| 4.2.2 Deferred payment liabilities (Refer Note c below) | 1,603.34 | 2,159.17 |
| Terms of Repayment: | | |
| During 2015-16 : ₹ 555.83 Million | | |
| During 2016-17 : ₹ 458.17 Million | | |
| During 2017-18 : ₹ 526.54 Million | | |
| During 2018-19 : ₹ 400.00 Million | | |
| During 2019-20 : ₹ 218.63 Million | | |
| 4.2.3 Loans and advances from related parties (Refer Note d below) | | |
| Terms of Repayment: | 32,571.30 | 39,428.50 |
| During 2015-16 : ₹ 6,857.20 Million | | |
| During 2016-17 : ₹ 6,857.20 Million | | |
| During 2017-18 : ₹ 6,857.20 Million | | |
| During 2018-19 : ₹ 6,857.20 Million | | |
| During 2019-20 : ₹ 6,857.20 Million | | |
| During 2020-21 : ₹ 5,142.50 Million | | |
| Total | 39,424.64 | 49,587.67 |
| | 78,646.53 | 88,535.67 |

Notes:

- The interest rate for ECB are based on 6 month LIBOR plus spread. Effective Interest rates are 3.2247%, 3.7019%, 2.7957%, 2.4157% and 2.8641% on ₹ 6,250.50 Million, ₹ 9,375.75 Million, ₹ 18,751.50 Million, ₹ 3,125.25 Million and ₹ 3,125.25 Million respectively.
- The interest rate for OADB term loan are 8.89 %,9.04%, 8.73%, 8.98%, 8.94%, 9.27%, 9.06% and 9.15% on ₹ 1,825.00 Million, ₹ 175.00 Million, ₹ 937.50 Million, ₹ 2,062.50 Million, ₹ 87.90 Million, ₹ 2,230.00 Million, ₹ 399.60 Million and ₹ 282.50 Million respectively.
- Deferred Payment liability representing Sales Tax deferment is with Nil Interest rate .
- The interest rate on Term loan from related Parties i.e ONGC is 10.90 % (SBAR minus 3.85%) on ₹ 39,428.50 Million .
- ₹ 11,569.39 Million - Secured and Unsecured (Previous year ₹ 9,391.54 Million only unsecured) is repayable within one year and the same has been shown as "Current Maturities of Long Term Debts" under Note 10.

NOTE 5 RESERVES AND SURPLUS

The Company has Deferred Tax Liabilities as at 31st March, 2015 of Nil (Previous Year ₹ 4,702.69 Million). The Breakup of Deferred Tax Liabilities is as under:

₹ in Million

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|------------------------------------|------------------------------------|
| 5.1 Deferred Tax Liabilities (Refer Note 31.11) | | |
| WDV Difference on Assets | 18,360.96 | 7,759.67 |
| Less: Tax effect on depreciation charges against opening balance of retained earning (Refer Note 31.04) | 266.11 | - |
| Total 5.1 | 18,094.85 | 7,759.67 |

Mangalore Refinery and Petrochemicals Limited

₹ in Million

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|---------------------------------------|---------------------------------------|
| 5.2 Deferred Tax Assets (Refer Note 31.11) | | |
| 43B Disallowances | 10.68 | 11.38 |
| Carry Forward Losses/ Depreciation | 17,678.45 | 2,711.79 |
| Others | 405.72 | 333.81 |
| Total 5.2 | 18,094.85 | 3,056.98 |
| Net Deferred Tax Liabilities (5.1-5.2) | - | 4,702.69 |

NOTE 6 OTHER LONG TERM LIABILITIES

₹ in Million

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|-------------------|---------------------------------------|---------------------------------------|
| Other Liabilities | 0.13 | 19.03 |
| Total | 0.13 | 19.03 |

NOTE 7 LONG TERM PROVISIONS

₹ in Million

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|---------------------------------------|---------------------------------------|
| Provision for Employee Benefits | | |
| Leave Encashment (unfunded) (Refer Note 31.14.02) | 287.76 | 374.03 |
| Post retirement Medical and Other Benefits (Unfunded) (Refer Note 31.14.02) | 58.51 | 92.92 |
| Total | 346.27 | 466.95 |

NOTE 8 SHORT TERM BORROWINGS

₹ in Million

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| Secured | | |
| Short term Loan From Banks : Working Capital (Secured by way of hypothecation of Company's stocks of raw materials, finished goods, stock-in-process, stores, spares, components, book debts, outstanding moneys receivable, claim, bills, contracts, engagements, securities, both present and future and further secured by second ranking pari passu charge against Company's immovable and movable Fixed Assets both present and future.) | 108.73 | - |
| Total | 108.73 | - |

NOTE 9 TRADE PAYABLES

₹ in Million

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| Trade Payables | | |
| Outstanding dues to Micro & Small Enterprises (Refer Note 31.23) | 8.46 | 0.70 |
| Outstanding dues to other than Micro & Small Enterprises (Refer Note a below and Note 31.16) | 183,361.00 | 210,311.01 |
| Total | 183,369.46 | 210,311.71 |

Notes

- a Includes ₹ 3,282.95 Million (Previous year ₹ 7,353.15 Million) backed by Parent company Guarantee - ONGC.

NOTE 10 OTHER CURRENT LIABILITIES

| Particulars | ₹ in Million | |
|--|------------------------------------|------------------------------------|
| | As at 31 st March, 2015 | As at 31 st March, 2014 |
| Current maturities of long-term debt (Secured) (Refer Note 4.1.1) | 1,406.36 | - |
| Current maturities of long-term debt (UnSecured) (Refer note 4.2.1, 4.2.2 & 4.2.3) | 10,163.03 | 9,391.54 |
| Unpaid dividends (Refer Note a below) | 124.49 | 140.92 |
| Interest on Matured Debentures (Refer Note b below) | 0.19 | 0.19 |
| Deposits from Suppliers/Contractors/Others | 141.24 | 112.28 |
| Liability for Gratuity (Refer note c below) | 24.98 | 18.22 |
| Payable against Capital goods (Refer Note 31.24) | 8,468.68 | 4,698.74 |
| Liability for Statutory Payments | 988.70 | 839.66 |
| Liability for Employees | 164.73 | 226.58 |
| Interest Accrued but not due | 343.79 | 334.72 |
| Payable to Oil Companies on refund from Commercial taxes | 2,884.48 | 2,884.48 |
| Others payables | 1,028.44 | 590.30 |
| Total | 25,739.11 | 19,237.63 |

Notes

- a No amount is due for payment to Investor Education Protection Fund.
b Provision for Interest towards disputed Claims
c Net of amount receivable/ payable from/to Gratuity trust

NOTE 11 SHORT TERM PROVISIONS

| Particulars | ₹ in Million | |
|---|------------------------------------|------------------------------------|
| | As at 31 st March, 2015 | As at 31 st March, 2014 |
| 11.1 Provision for Employee Benefits | | |
| For Leave (Unfunded) (Refer Note 31.14.02) | 33.10 | 46.30 |
| For Post retirement Medical and Other Benefits (Unfunded) (Refer Note 31.14.02) | 1.92 | 7.91 |
| 11.2 Others | | |
| Others (Refer Note a below) | 2,062.37 | 1,160.14 |
| Total | 2,097.39 | 1,214.35 |

Notes

- a The company had recognised liability based on substantial degree of estimation for excise duty payable on clearance of goods lying in stock as on 31st March, 2015 and for 31st March, 2014 for ₹ 2,057.60 Million and ₹ 1,155.18 Million respectively.

NOTE 12 FIXED ASSETS

| Fixed Assets | Refer Note | Useful Life in Years | Gross Block | | | Depreciation/ Amortisation | | | Net Block | | | |
|--------------------------------------|------------|----------------------|-----------------------------------|--|---|------------------------------------|-----------------------------------|---------------------|---------------------------------|---|------------------------------------|------------------------------------|
| | | | As at 1 st April, 2014 | Additions/ adjustments during the year | Deductions/ Adjustments during the year | As at 31 st March, 2015 | As at 1 st April, 2014 | Charge for the year | Transferred to retained earning | Deductions/ Adjustments during the year | As at 31 st March, 2015 | As at 31 st March, 2014 |
| | | | ₹ in Million | ₹ in Million | ₹ in Million | ₹ in Million | ₹ in Million | ₹ in Million | ₹ in Million | ₹ in Million | ₹ in Million | ₹ in Million |
| 12.1 Tangible Assets | | | | | | | | | | | | |
| Land : Freehold | | | 17.65 | - | - | 17.65 | - | - | - | 17.65 | 17.65 | |
| Land under lease | a, b | | 257.70 | - | 0.08 | 257.70 | 0.08 | - | 0.77 | 256.93 | 257.01 | |
| Buildings | | | 3,764.93 | 418.15 | - | 4,183.08 | 151.09 | 695.62 | 1,727.21 | 2,455.87 | 2,884.43 | |
| Plant and Equipment | c, d | | 117,960.55 | 86,524.20 | 24.52 | 204,460.23 | 61,389.18 | 62.72 | 20.26 | 138,226.10 | 56,571.37 | |
| Office Equipment | | | 101.08 | 0.85 | 6.59 | 95.34 | 50.74 | 17.97 | 5.95 | 25.06 | 50.34 | |
| Furniture and Fixtures | d | | 166.95 | 27.13 | 2.81 | 191.27 | 84.43 | 2.55 | 2.35 | 90.68 | 82.52 | |
| Vehicles | d | | 56.32 | 7.12 | 37.48 | 25.96 | 23.51 | 0.34 | 33.60 | 14.77 | 32.81 | |
| Total Tangible Assets | | | 122,325.18 | 86,977.45 | 71.40 | 209,231.23 | 62,429.05 | 779.20 | 62.16 | 141,087.06 | 59,896.13 | |
| 12.2 Intangible Assets | | | | | | | | | | | | |
| Goodwill | e | 10 | 20.13 | - | - | 20.13 | 14.08 | - | - | 16.09 | 4.04 | |
| Computer software | | 10 | 4.47 | - | - | 4.47 | 2.79 | - | - | 3.24 | 1.23 | |
| Computer software | | 3 | 95.28 | - | - | 95.28 | 85.38 | 3.49 | - | 95.25 | 0.03 | |
| Computer software | | 7 | 0.81 | - | - | 0.81 | 0.57 | - | - | 0.69 | 0.12 | |
| Computer software | | 4 | 7.39 | - | - | 7.39 | 7.18 | 0.21 | - | 7.39 | - | |
| Licenses and franchise | | 3 | 56.50 | - | - | 56.50 | 56.50 | - | - | 56.50 | - | |
| Total Intangible Assets | | | 184.58 | - | - | 184.58 | 166.50 | 3.70 | - | 179.16 | 5.42 | |
| Total | | | 122,509.76 | 86,977.45 | 71.40 | 209,415.81 | 62,595.55 | 782.90 | 62.16 | 141,092.48 | 59,914.21 | |
| Previous Year | | | 113,384.63 | 9,205.88 | 80.75 | 122,509.76 | 55,578.31 | - | 45.04 | 62,595.55 | 57,806.32 | |
| 12.3 Capital Work In Progress | | | | | | | | | | | | |
| | | | | | | | | | | | 85,515.47 | |

Notes

- Includes ₹ 249.96 Million (Previous Year ₹ 249.96 Million) which has not been amortised in view of the fact that eventually the ownership will get transferred to the Company on expiry of the lease period,
- Includes land value ₹ 28.82 Million (Previous Year ₹ 36.56 Million), which is in possession of the company towards which formal lease deeds are yet to be executed. Net Block ₹ 28.82 Million (Previous Year ₹ 36.56 Million)
- Includes ₹ 782.98 Million (Previous Year ₹ 782.98 Million) being Company's share of an asset jointly owned with another Company. Net Block ₹ 39.15 Million (Previous Year ₹ 39.15 Million).
- Includes Assets whose life is other than life specified in Schedule II of the Companies Act, 2013 and is based on the company policy. Had the company followed Schedule II rates, depreciation for the period would have been higher by ₹ 7.94 Million with the consequential impact on the Fixed Assets and Profit/(loss) for the period.

| Type of Assets | Life Considered | Gross Value ₹ in Million | WDV ₹ in Million |
|--|-----------------|-----------------------------|---------------------|
| Plant and Equipment (Employee Scheme Computers) | 7 Years | 94.95 | 42.07 |
| Furniture and Fixtures (Employee Scheme Furniture) | 7 Years | 12.69 | 6.38 |
| Vehicles (Employee Scheme Vehicles) | 5 Years | 3.04 | 2.54 |

- e Represents consideration for purchase of business (Nitrogen Plant) in excess of book value of net assets acquired.
- f The Company capitalises the borrowing cost and Exchange differences in the capital work in Progress (CWIP) and the amount capitalised during the year ended 31st March, 2015 are ₹ 1,686.27 Million (Previous year ₹ 3,778.55 Million) and ₹ 1,680.25 Million (Previous year ₹ 1,710.35 Million) respectively. Borrowing cost and Exchange differences capitalised are disclosed in the " Additions/ adjustments during the year" column of different class of Assets. Asset-wise details of the same are included in the cost of Major heads of fixed Assets as given below:

| Year | 2014-15 | | 2013-14 | |
|--------------------------------------|---------------------|-----------------|---------------------|-----------------|
| | Exchange Difference | Borrowing Cost | Exchange Difference | Borrowing Cost |
| Buildings | 12.22 | 8.33 | 9.43 | 1.65 |
| Plant and Equipment | 1,479.04 | 1,112.58 | 400.45 | 250.59 |
| Allocated to different heads of CWIP | 188.99 | 565.36 | 1,300.47 | 3,526.31 |
| Total | 1,680.25 | 1,686.27 | 1,710.35 | 3,778.55 |

- g Capital Work In Progress (Including Project expenses to be Capitalised appropriately)

| Particulars | ₹ in Million | | | |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | As at 31 st March, 2015 | As at 31 st March, 2015 | As at 31 st March, 2014 | As at 31 st March, 2014 |
| Capital Work-in-Progress | | 100,649.52 | | 83,351.57 |
| Project expenditure to be Capitalised appropriately | | | | |
| Salaries, Wages & Gratuity | - | | 706.32 | |
| Contribution to P.F & Superannuation Fund | - | | 89.20 | |
| Staff Welfare Expenses | - | | 0.41 | |
| Rates & Taxes | - | | 4.05 | |
| Insurance | - | | 558.29 | |
| Interest & Finance cost | - | | 6,985.79 | |
| Exchange Loss (+)/ (Gain) (-) | - | | 1,277.19 | |
| Miscellaneous Expenses | - | | 1,638.61 | |
| Depreciation | - | - | 12.23 | 11,272.09 |
| Total (a+b) | | 100,649.52 | | 94,623.66 |
| Less : Amount Capitalised to Fixed assets during the year | | 86,874.42 | | 9,108.19 |
| Net Capital Work-in-Progress | | 13,775.10 | | 85,515.47 |

- h Change in depreciation policy (Refer note 31.04)
- i Depreciation/amortisation of Tangible and Intangible Assets for the year is allocated as given below:

| Sl. No | Particulars | ₹ in Million | |
|--------|---|-----------------------------|-----------------------------|
| | | 31 st March 2015 | 31 st March 2014 |
| i | Charged to Statement of Profit & Loss | 4,986.10 | 7,064.17 |
| | Less: Charged to Statement of Profit & Loss as Fixed Assets held for Sale | - | 0.31 |
| ii | Transferred to expenditure during construction period (net) | 1.77 | 2.44 |
| iii | Adjustments related to Prior Period (Net) | 19.17 | -4.02 |
| | Total | 5,007.04 | 7,062.28 |

- j Assets not in use and held for sale are shown under Other current Assets.

Mangalore Refinery and Petrochemicals Limited

NOTE 13 NON CURRENT INVESTMENTS

₹ in Million

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|------------------------------------|------------------------------------|
| Trade Investments (Long term Investments) | | |
| Investment in Equity instruments : Unquoted at Cost | | |
| Investment In Subsidiary | | |
| ONGC Mangalore Petrochemicals Ltd. (957,621,500 Equity Shares fully paid (Previous year 1,500 Shares ₹ 10 each)) (Refer Note a & d below) | 13,346.23 | 0.02 |
| Investment in Joint Venture Companies | | |
| Shell MRPL Aviation Fuels and Services Limited. (1,50,00,000 Equity Shares of ₹ 10 each fully paid (Previous year 1,50,00,000 Equity Shares of ₹ 10 each)) (Refer Note b below) | 150.00 | 150.00 |
| Mangalam Retail Services Limited (49,960 Equity Shares of ₹ 10 each fully paid (Previous year Nil)) (Refer Note c below) | 0.50 | - |
| Total | 13,496.73 | 150.02 |

Notes

| Name of the Company | No of Equity Shares | Face value per Share in ₹ | Total (₹ In Million) |
|---|---------------------|---------------------------|----------------------|
| a ONGC Mangalore Petrochemicals Ltd. | 957,621,500 | 10.00 | 13,346.23 |
| b Shell MRPL Aviation Fuels and Services Limited. | 15,000,000 | 10.00 | 150.00 |
| c Mangalam Retail Services Limited | 49,960 | 10.00 | 0.50 |

- d The company has acquired 51.0017% Equity Shares of ONGC Mangalore Petrochemicals Ltd (OMPL) during the year and consequently OMPL has become subsidiary company effective 28th February, 2015. Details as below:

| Particulars | No of Shares | Total (₹ in Million) |
|---|--------------|----------------------|
| Equity acquisition at premium of ₹ 4.94 per share from Individual Shareholders | 21,000 | 0.31 |
| Equity Shares held as beneficial Interest. | 500 | - |
| Equity Allotment against advance against equity. | 59,998,500 | 599.99 |
| Equity subscription against right issue at a premium of ₹ 4.20 per share including 438,611,475 equity shares from unsubscribed equity shares. | 897,600,000 | 12,745.92 |

- e Aggregate Value of Unquoted Investments ₹ 13,496.73 Million (Previous Year ₹ 150.02 Million)

NOTE 14 LONG TERM LOANS AND ADVANCES

(Unsecured and Considered good unless otherwise stated)

₹ in Million

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2015 | As at 31 st March, 2014 | As at 31 st March, 2014 |
|-------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| 14.1 To related Party | | | | |
| Advance towards Equity share | | | | |
| ONGC Mangalore Petrochemicals Ltd. | - | - | 599.99 | |
| Mangalam Retail Services Limited | - | - | 0.50 | 600.49 |
| Mangalore SEZ Limited | | | | |
| Capital Advance | 131.50 | | 131.50 | |
| Deposit | 5.27 | 136.77 | - | 131.50 |

₹ in Million

| Particulars | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|---|------------------------------------|-----------------|------------------------------------|-----------------|
| | | | | |
| 14.2 Others | | | | |
| Capital Advance | 718.15 | | 1,039.32 | |
| Unsecured, considered doubtful | 3.40 | | 3.40 | |
| Less: Provision for doubtful loans and advances | 3.40 | 718.15 | 3.40 | 1,039.32 |
| Employee Advance (Refer note a below) | | 254.96 | | 236.09 |
| Deposits with Custom, Port etc | | 0.01 | | 0.01 |
| Income Tax Paid (Net of Provision) | | 1,975.35 | | 254.87 |
| Deposit with Others | | 498.01 | | 474.29 |
| Total | | 3,583.25 | | 2,736.57 |

Notes

- a Includes loans having repayment schedule of more than 7 years

Employee Advance stated above includes :

₹ in Million

| Name of the Company | As at 31 st March, 2015 | As at 31 st March, 2014 |
|-------------------------------|------------------------------------|------------------------------------|
| Directors | - | - |
| Other Officers of the company | 0.26 | 0.30 |
| | 0.26 | 0.30 |

NOTE 15 OTHER NON CURRENT ASSETS

₹ in Million

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|------------------------------------|------------------------------------|
| Accrued Interest On Employees Loan scheme | 34.94 | 33.26 |
| Income Tax Paid Under Disputes | 2,579.25 | 2,661.58 |
| Total | 2,614.19 | 2,694.84 |

NOTE 16 INVENTORIES *

₹ in Million

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2015 | As at 31 st March, 2014 | As at 31 st March, 2014 |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Raw Materials | 6,383.37 | | 27,133.05 | |
| Raw Materials in transit | 4,785.51 | 11,168.88 | 15,486.42 | 42,619.47 |
| Stock -in- Process | | 3,757.27 | | 4,661.66 |
| Finished goods | 17,173.02 | | 35,129.97 | |
| Less : Provision for Stock Loss | 5.91 | 17,167.11 | 5.91 | 35,124.06 |
| Stores and spares | 1,765.06 | | 2,005.19 | |
| Stores and spares in transit | 223.21 | | 164.71 | |
| Less : Provision for Slow/Non Moving Inventories | 85.48 | 1,902.79 | 85.48 | 2,084.42 |
| Total | | 33,996.05 | | 84,489.61 |

* Valued as per accounting policy no. 9

Mangalore Refinery and Petrochemicals Limited

NOTE 17 TRADE RECEIVABLES

₹ in Million

| Trade Receivables (Unsecured) | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|------------------------------------|------------------------------------|
| Outstanding for a period less than six months | | |
| Considered good (Refer note a) | 23,588.16 | 44,811.45 |
| Considered doubtful | 177.51 | 120.23 |
| Less: Provision for doubtful debts | 177.51 | 120.23 |
| | 23,588.16 | 44,811.45 |
| Outstanding for a period exceeding six months | | |
| Considered good | - | - |
| Considered doubtful | 913.65 | 758.72 |
| Less: Provision for doubtful debts | 913.65 | 758.72 |
| Total | 23,588.16 | 44,811.45 |

Notes

- a Above includes ₹ 515.50 Million (Previous year ₹ 733.78 Million) backed by Bank Guarantee.
Trade Receivable stated above include debts due by:

₹ in Million

| | | |
|--|-----------------|-----------------|
| Company in which Director of the company is a Director | | |
| ONGC Mangalore Petrochemicals Ltd. | 1,483.65 | 668.94 |
| Shell MRPL Aviation Fuels and Services Limited | 289.57 | 622.69 |
| Total | 1,773.22 | 1,291.63 |

NOTE 18 CASH AND BANK BALANCES

₹ in Million

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2015 | As at 31 st March, 2014 | As at 31 st March, 2014 |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| 18.1 Cash & Cash Equivalents | | | | |
| Balances With Banks | | | | |
| Current Accounts | 3.24 | | 10.96 | |
| Deposit Accounts : Upto 3 Months Maturity (Refer Note a below) | 41,134.63 | 41,137.87 | 99,572.25 | 99,583.21 |
| Cash on Hand (including Imprest) & Gold Coin (Refer Note b below) | | 1.78 | | 1.53 |
| 18.2 Other Bank balances | | | | |
| Deposit Accounts : 3 to 12 Months Maturity (Refer Note a below) | 30,550.90 | | 6,974.20 | |
| Unpaid Interest on debentures Account | 0.19 | | 0.19 | |
| Unpaid Dividend Account | 124.49 | | 140.91 | |
| Employee Benevolent Fund | 7.27 | | 6.43 | |
| Deposit with banks as lien against overdraft facility and Statutory Authorities as security deposit. | 30,864.62 | 61,547.47 | 16.82 | 7,138.55 |
| Total | | 102,687.12 | | 106,723.29 |

Notes

- a The deposits maintained by the company with banks can be withdrawn by the company at any point without prior notice or penalty on the principal.
- b Includes Gold Coins valued ₹ 0.94 Million (Previous year ₹ 0.59 Million)

NOTE 19 SHORT TERM LOANS AND ADVANCES

₹ in Million

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2015 | As at 31 st March, 2014 | As at 31 st March, 2014 |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| 19.1 To related party | | | | |
| ONGC Mangalore Petrochemicals Ltd. | 17.19 | | 14.53 | |
| Mangalore SEZ Limited | 0.47 | | 1.17 | |
| Shell MRPL Aviation Fuels and Services Limited | 0.01 | | 0.28 | |
| Mangalam Retail Services Limited | 0.05 | | 0.04 | |
| Petronet MHB Limited | 2.54 | 20.26 | 6.59 | 22.61 |
| 19.2 To others | | | | |
| Balance with Custom, Port, Trust etc. | | 3,632.12 | | 3,220.37 |
| Security Deposits with Customer | | | | |
| Considered doubtful | 6.87 | | 7.52 | |
| Less: Provision for doubtful Deposits | 6.87 | - | 7.52 | - |
| Advance to Employees | 43.61 | | 34.86 | |
| Less: Provision for doubtful Advances | 0.81 | 42.80 | 0.81 | 34.05 |
| Other Advances Recoverable in cash or in kind or value to be received and Deposits (Refer Note a below) | | 3,204.79 | | 3,954.33 |
| Total | | 6,899.97 | | 7,231.36 |

Notes

- a Includes an amount of Nil (Previous Year 2,367.70 Million) as Inter Corporate Deposit to Public Sector Undertakings

₹ in Million

| | | |
|-------------------------------|-------------|-------------|
| Directors | - | 1.13 |
| Other officers of the Company | 0.04 | 0.04 |
| Total | 0.04 | 1.17 |

NOTE 20 OTHER CURRENT ASSETS

₹ in Million

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|---------------------------------------|---------------------------------------|
| Interest Accrued but not due on Bank Deposits | 1,546.15 | 831.92 |
| Claim Receivable from Insurance Company | 0.05 | 0.05 |
| Fixed Assets held for sale (Refer Note a & b below) | 77.96 | 77.96 |
| Total | 1,624.16 | 909.93 |

Notes

- a Includes Plant and Machinery and Other depreciable Assets which have been fully depreciated and freehold land at cost.
- b Fixed Assets held for sale are valued at lower of cost or estimated realisable value.

Mangalore Refinery and Petrochemicals Limited

NOTE 21 REVENUE FROM OPERATIONS

₹ in Million

| Particulars | For the Year ended 31 st March, 2015 | For the Year ended 31 st March, 2014 |
|--------------------------------------|--|--|
| 21.1 Sale of products | - | - |
| Domestic Sales | 396,221.23 | 398,341.55 |
| Export Sales | 227,898.55 | 353,919.60 |
| 21.2 Other operating revenues | | |
| Sale Of Scrap | 22.13 | 34.15 |
| Facilitation Charges | 3.03 | - |
| Liquidated Damages | 26.48 | 8.81 |
| | 51.64 | 42.96 |
| Total | 624,171.42 | 752,304.11 |

NOTE 22 OTHER INCOME

₹ in Million

| Particulars | For the Year ended 31 st March, 2015 | For the Year ended 31 st March, 2014 |
|---|--|--|
| 22.1 Interest Income | | |
| On Bank Deposit (Tax Deducted at Source ₹ 635.47 Million (Previous Year ₹ 174.35 Million) | 6,212.43 | 1,789.36 |
| On Inter Corporate Deposit (Tax Deducted at Source ₹ 18.26 Million (Previous Year ₹ 32.42 Million) | 182.56 | 331.70 |
| From Direct Marketing Customers | 62.17 | 70.55 |
| On Contractor Mobilisation Advance | 10.43 | 44.54 |
| On Employees Loan Scheme | 13.95 | 13.41 |
| On Others | 30.74 | 2.53 |
| Total | 6,512.28 | 2,252.09 |
| 22.2 Dividend Income | | |
| Dividend received on Mutual Fund Investments (Short Term Investments) | 1,377.27 | 821.70 |
| Dividend received on Shell Investment (Long Term Investment) | 15.00 | 12.00 |
| 22.3 Other non-operating Income | | |
| Royalty Income (Tax Deducted at Source ₹ 0.53 Million (Previous Year Nil) | 9.99 | - |
| Liability no longer required written back | 66.39 | 36.84 |
| Excess Provisions written back | 0.65 | 14.76 |
| Tender form Sale | 1.21 | 0.39 |
| Hire Charges | 4.81 | 3.67 |
| Recoveries from Employees | 8.04 | 5.52 |
| Miscellaneous Receipts | 54.28 | 54.74 |
| Total | 145.37 | 115.92 |
| Total | 8,049.92 | 3,201.71 |

NOTE 23 COST OF MATERIALS CONSUMED

₹ in Million

| Particulars | For the Year ended 31 st March, 2015 | For the Year ended 31 st March, 2014 |
|--------------------------------|--|--|
| Raw Material: Crude Oil | | |
| Imported | 508,507.75 | 640,281.06 |
| Indigenous | 48,052.34 | 68,214.41 |
| Raw Material: Others | | |
| Imported | | |
| Hydrogen | 428.93 | - |
| Paraffin Raffinate | 2,622.99 | - |
| Indigenous | | |
| CRMB Modifier | 2.57 | 29.27 |
| Trading Goods | | |
| Indigenous | 0.56 | 0.43 |
| Total | 559,615.14 | 708,525.17 |

NOTE 24 INCREASE (-) / DECREASE IN STOCK

₹ in Million

| Particulars | For the Year ended 31 st March, 2015 | For the Year ended 31 st March, 2014 |
|---|--|--|
| 24.1 Closing Stock of: | | |
| Finished Goods | 17,173.02 | 35,129.97 |
| Stock -in- Process | 3,757.27 | 4,661.66 |
| Total Closing Stock | 20,930.29 | 39,791.63 |
| 24.2 Opening Stock of: | | |
| Finished Goods | 35,129.97 | 30,699.58 |
| Stock -in- Process | 4,661.66 | 2,351.30 |
| Total Opening Stock | 39,791.63 | 33,050.88 |
| Increase (-) / Decrease in Stock | 18,861.34 | -6,740.75 |

NOTE 25 EMPLOYEE BENEFITS EXPENSES

₹ in Million

| Particulars | For the Year ended 31 st March, 2015 | For the Year ended 31 st March, 2014 |
|---|--|--|
| Salaries and Wages | 1,855.64 | 1,748.16 |
| Contribution to Provident and Other Funds | 225.52 | 196.99 |
| Staff Welfare Expenses | 102.54 | 84.68 |
| Provision for Leave | 181.48 | 94.98 |
| Provision for Gratuity | 31.68 | 19.68 |
| Provision for Post - Retirement, Medical and other long term benefits | 10.56 | 10.25 |
| Total | 2,407.42 | 2,154.74 |

Mangalore Refinery and Petrochemicals Limited

NOTE 26 FINANCE COSTS

₹ in Million

| Particulars | For the Year ended 31 st March, 2015 | For the Year ended 31 st March, 2014 |
|--|--|--|
| Interest expenses | 4,062.71 | 2,345.88 |
| Other borrowing costs | 8.17 | 64.48 |
| Net(Gain)/ Loss on Foreign Currency transactions and translation | | |
| Exchange (gain)/ loss (net) | - | 804.05 |
| Total | 4,070.88 | 3,214.41 |

NOTE 27 DEPRECIATION AND AMORTISATION EXPENSE

₹ in Million

| Particulars | For the Year ended 31 st March, 2015 | For the Year ended 31 st March, 2014 |
|----------------------|--|--|
| On Tangible Assets | 4,977.53 | 7,044.83 |
| On Intangible Assets | 8.57 | 19.34 |
| Total | 4,986.10 | 7,064.17 |

NOTE 28 OTHER EXPENSES

₹ in Million

| Particulars | For the Year ended 31 st March, 2015 | | For the Year ended 31 st March, 2014 | |
|--|--|------------------|--|-----------------|
| 28.1 Other Expenses | | | | |
| Power & Fuel | 45,054.69 | | 39,363.43 | |
| Less : Own Consumption | 44,347.65 | 707.04 | 39,038.64 | 324.79 |
| Repairs and Maintenance | | | | |
| Plant and Machinery | 1,651.02 | | 975.92 | |
| Building | 3.37 | | 11.27 | |
| Others | 222.64 | 1,877.03 | 212.94 | 1,200.13 |
| Stores, Spares and Chemical Consumed | 1,316.02 | | 700.03 | |
| Less : Shown Under Other Heads | 505.99 | | 512.40 | |
| Less : Advance Licence Benefit availed | - | 810.03 | 202.51 | -14.88 |
| Packing Material Consumed | | 52.04 | | 56.54 |
| Rent | | 72.48 | | 65.99 |
| Insurance | | 226.99 | | 179.06 |
| Rates and Taxes | | 1,951.08 | | 776.12 |
| Excise Duty on Stock (Net) | | 916.85 | | 199.63 |
| Exchange Rate Fluctuation Loss | | 6,835.01 | | 19.03 |
| Director's Sitting Fees | | 0.59 | | 0.98 |
| Loss on Sale of Fixed Assets | | 4.11 | | 16.12 |
| Payment to Auditors | | | | |
| Audit Fees | 1.90 | | 1.70 | |
| For Taxation Matters | 0.50 | | 0.55 | |
| For Certification Fees | 1.30 | | 1.20 | |
| Reimbursement of Expenses | 1.00 | 4.70 | 1.05 | 4.50 |
| Corporate Social Responsibility Expenses | | 48.10 | | 34.71 |
| Miscellaneous Expenses | | 895.84 | | 1,026.00 |
| Total | | 14,401.89 | | 3,888.72 |

₹ in Million

| Particulars | For the Year ended 31 st March, 2015 | | For the Year ended 31 st March, 2014 | |
|--|--|------------------|--|-----------------|
| 28.2 Provision | | | | |
| For Doubtful Debts | | 212.21 | | 164.52 |
| Total | | 212.21 | | 164.52 |
| 28.3 Write Offs | | | | |
| For Doubtful Advances | | - | | 0.02 |
| Total | | - | | 0.02 |
| 28.4 Prior Period Items (Net) | | | | |
| Depreciation(Net) | | 19.17 | | -4.02 |
| Cost of Materials Consumed | | - | | 73.86 |
| Repairs and Maintenance | | -3.48 | | -4.81 |
| Employee Benefits Expenses | | -2.42 | | 0.62 |
| Miscellaneous Expenses | | - | | 10.16 |
| Others | | 0.39 | | 24.71 |
| Total | | 13.66 | | 100.52 |
| Grand Total (28.1+28.2+28.3+28.4) | | 14,627.76 | | 4,153.78 |

NOTE 29 EXCEPTIONAL ITEMS (Refer Note 31.03)

₹ in Million

| Particulars | For the Year ended 31 st March, 2015 | For the Year ended 31 st March, 2014 |
|----------------------------|--|--|
| Cost of materials consumed | -754.59 | -1,118.85 |
| Rebate on Sales | 192.24 | - |
| Miscellaneous Expenses | 227.88 | - |
| Total | -334.47 | -1,118.85 |

NOTE 30 EARNINGS PER EQUITY SHARE

₹ in Million

| Particulars | For the Year ended 31 st March, 2015 | For the Year ended 31 st March, 2014 |
|--|--|--|
| Numerator : Net Profit (₹ in Million) | | |
| Basic | -17,122.34 | 6,011.82 |
| Diluted | -17,122.34 | 6,011.82 |
| Denominator : Average number of Equity Shares outstanding during the year | | |
| Basic | 1,752,598,777 | 1,752,598,777 |
| Diluted | 1,752,598,777 | 1,752,598,777 |
| Nominal value Per Share | | |
| Earnings Per Share (in ₹) | | |
| Basic / Diluted (₹) | -9.77 | 3.43 |
| Reconciliation of Basic and Diluted Earnings Per Share | | |
| Net Profit (₹ in Million) | -17,122.34 | 6,011.82 |
| Add : Interest on diluted portion of loans (Net of Tax) (₹ in Million) | - | - |
| Total | -17,122.34 | 6,011.82 |
| Average No of Equity Shares | 1,752,598,777 | 1,752,598,777 |
| Number of Share in respect of loans having conversion clause | - | - |
| Average No of Equity Shares for Diluted Earnings per share | 1,752,598,777 | 1,752,598,777 |

NOTE 31 OTHER DISCLOSURES

31.01 Valuation of Inventories (Finished Products) (AS-2)

The overall gross margin percentage for all joint products is subtracted from the final net realisable value of each product to arrive at the total cost of each product which is taken as the basis for valuation of closing stock of finished products (Refer Policy No. 9.2 in Note 1 - "Statement of significant accounting policies").

31.02 Cash Flow Statements (AS-3)

Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS-3) issued by "The Institute of Chartered Accountants of India".

31.03 Exceptional Items (AS-5)

The exceptional items consists of ₹ 867.23 million income arising from Commercial Tax refund relating to Phase III project w.e.f 01.04.2012 pursuant to notification of Govt. of Karnataka, expenses of ₹ 383.68 million arising out of discount on sales and obligation on dispute settlement and ₹ 149.08 million expenses arising out of differential wharfage payable as per notification of TAMP.

31.04 Depreciation Accounting (AS-6)

Pursuant to applicability of Companies Act 2013 ("The Act") with effect from April 1, 2014, the Company has computed depreciation based on the useful life of the assets as specified in part "C" of the Schedule II of the Act (Refer Policy No. 6 in Note 1 - "Statement of significant accounting policies"). Accordingly, the carrying amount of the assets as on April 1, 2014 has been depreciated over the remaining useful life of the fixed assets. Consequently, the depreciation charge for the year is lower and profit before tax is higher to the extent of ₹ 3,779.12 Million for the year ended 31st March, 2015.

Further an amount of ₹ 782.90 million (net of tax - ₹ 516.79 Million) representing the carrying amount of fixed assets whose useful life is Nil as at April 1, 2014 has been charged to the opening balance of surplus as on April 1, 2014 as required in Schedule II to the Act.

31.05 The Effects of changes in Foreign Exchange Rates (AS-11)

Pursuant to Notification no GSR (914)E dated 29th December, 2011 issued by MCA, the Company has opted, from the financial year ending 31st March 2012, to adjust exchange difference 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 assets.

Pursuant to Notification No. 17/133/2008-CL-V dated 9th August, 2012 issued by MCA, the Company capitalised the exchange differences including for the period subsequent to the capitalisation of assets. Had this not been followed, the exchange differences amounting to ₹ 1,116.87 Million (Previous Year ₹ 397.36 million) relating to capitalized assets would have been debited to Statement of Profit and Loss Account and Fixed Assets would have been lower to that extent for the year ended 31st March, 2015."

31.06 Employee Benefits (AS-15)

31.06.01 Brief Description: A general description on the type of Defined Benefit Plans are as follows:

a Earned Leave Benefit (EL):

Accrual – 32 days per year

Accumulation up to 300 days allowed

EL accumulated in excess of 15 days is allowed for encashment while in service provided the EL encashed is not less than 5 days.

b Half Pay Leave (HPL)

Accrual – 20 days per year

Encashment while in service is not allowed

Encashment on retirement is permitted ; restricted upto 300 days along with Earned leave.

c Gratuity:

15 days salary for every completed year of service. Vesting period is 5 years and the payment is restricted to ₹ 1 million.

d Post Retirement Medical Benefits:

After retirement, on payment of one time lump sum contribution, the superannuated employee and his/ her dependent spouse and dependent parents will be covered for medical benefit as per the rules of the Company.

e Retirement Benefits:

At the time of superannuation, employees are entitled for reimbursement of expenses towards travel, transportation of personal effects from their place of retirement to the new location upto certain limits depending on the designation of the employee at the time of retirement and one month's salary as settling allowance.

31.06.02 The following contributions to Defined Contributions Plans are treated as expenses during the year 2014-15:

₹ in Million

| Defined Contribution Plan | Total Expenses recognised | Contribution to Key Management Personnel |
|--|--------------------------------|--|
| Employer's contribution to Provident Fund | 138.64 (123.20) [105.05] | 0.78 (0.63) [0.38] |
| Employer's contribution to Superannuation Fund | 84.03 (71.40) [58.73] | 0.92 (0.79) [0.48] |

31.06.03 **The amount recognised in the Balance Sheet for post employment benefit plans are as under:**

₹ in Million

| SI No. | Particulars | Gratuity (Funded) | Post Retirement Medical Benefit (Unfunded) | Other Retirement Benefits (Unfunded) |
|--------|--------------------------------------|-------------------|--|--------------------------------------|
| 1 | Present value of Funded Obligation | 508.85 | - | - |
| | | (448.64) | | |
| | | [402.28] | | |
| 2 | Fair Value of Plan Asset | 477.16 | - | - |
| | | (428.96) | | |
| | | [307.22] | | |
| 3 | Present Value of Unfunded Obligation | - | 51.06 | 9.37 |
| | | | (44.85) | (8.52) |
| | | | [43.61] | [8.55] |
| 4 | Unrecognised Past Service Cost | - | - | - |
| 5 | Net Liability | 31.69 | 51.06 | 9.37 |
| | | (19.68) | (44.85) | (8.52) |
| | | [95.06] | [43.61] | [8.55] |

₹ in Million

| SI No. | Particulars | Gratuity (Funded) | Post Retirement Medical Benefits | Other Retirement Benefits |
|--------|------------------------------------|-------------------|----------------------------------|---------------------------|
| 3 | Interest Cost | 39.26 | 3.92 | 0.75 |
| | | (33.19) | (3.60) | (0.71) |
| | | [25.74] | [3.11] | [0.58] |
| 4 | Actuarial Losses/(Gains) | 13.39 | 1.22 | 0.53 |
| | | (-2.66) | (-3.17) | (-1.04) |
| | | [70.61] | [5.75] | [1.37] |
| 5 | Liability transfer in | 0.07 | - | - |
| | | (Nil) | | |
| | | [Nil] | | |
| 6 | Benefits paid | -18.31 | -1.97 | -1.52 |
| | | (-9.37) | (-2.11) | (-0.50) |
| | | [-11.10] | [-2.95] | [-0.75] |
| 7 | Closing defined benefit obligation | 508.85 | 51.06 | 9.37 |
| | | (448.65) | (44.85) | (8.52) |
| | | [402.28] | [43.61] | [8.55] |

31.06.06 **The total expenses recognised in the statement of profit and loss are as follows:**

₹ in Million

31.06.04 **The amounts included in the fair value of plan assets of gratuity fund are as follows:**

| Defined Contribution Plan | 2014-15 | 2013-14 | 2012-13 |
|--|---------|---------|---------|
| Reporting Enterprise's own financial instruments | Nil | Nil | Nil |
| Any Property occupied by, or other assets used by the reporting enterprise | Nil | Nil | Nil |

31.06.05 **Reconciliation showing the movements during the period in the net liability recognised in the balance sheet:**

₹ in Million

| SI No. | Particulars | Gratuity (Funded) | Post Retirement Medical Benefits | Other Retirement Benefits |
|--------|------------------------------------|-------------------|----------------------------------|---------------------------|
| 1 | Opening defined benefit obligation | 448.65 | 44.85 | 8.52 |
| | | (402.28) | (43.61) | (8.55) |
| | | [294.21] | [35.60] | [6.61] |
| 2 | Service Cost | 25.79 | 3.04 | 1.09 |
| | | (25.21) | (2.92) | (0.80) |
| | | [22.82] | [2.10] | [0.74] |

| SI No. | Particulars | Gratuity (Funded) | Post Retirement Medical Benefits | Other Retirement Benefits |
|--------|---|-------------------|----------------------------------|---------------------------|
| 1 | Current Service Cost | 25.79 | 3.04 | 1.09 |
| | | (25.21) | (2.92) | (0.80) |
| | | [22.82] | [2.10] | [0.74] |
| 2 | Interest on obligation | 39.26 | 3.92 | 0.75 |
| | | (33.19) | (3.60) | (0.71) |
| | | [25.74] | [3.11] | [0.58] |
| 3 | Expected return on plan assets | -37.32 | - | - |
| | | (-26.73) | | |
| | | [-23.54] | | |
| 4 | Net actuarial losses / (gains) recognised in the year | 9.19 | 1.22 | 0.53 |
| | | (-10.60) | (-3.17) | (-1.04) |
| | | [69.47] | [5.75] | [1.37] |
| 5 | Past Service Cost | - | 0 | - |
| | | (-) | (-) | (-) |
| | | [-] | [-] | [-] |
| 6 | Losses / (Gains) on curtailments and settlements | - | - | - |
| 7 | Total included in 'employee benefit expenses' | 36.92 | 8.18 | 2.37 |
| | | (21.07) | (3.35) | (0.47) |
| | | [94.49] | [10.96] | [2.69] |
| 8 | Actual return on plan assets | 41.51 | - | - |
| | | (34.67) | | |
| | | [24.69] | | |

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31.06.07 Statement of Reconciliation of balance of Fair value of Plan Assets in respect of Gratuity :-

₹ in Million

| SI No. | Particulars | 31 st March, 2015 | 31 st March, 2014 | 31 st March, 2013 |
|--------|--|------------------------------|------------------------------|------------------------------|
| 1 | Fair Value of Plan Assets at the beginning of the period | 428.96 | 307.22 | 261.55 |
| 2 | Expected return on plan assets | 37.32 | 26.73 | 23.54 |
| 3 | Contributions | 18.22 | 96.44 | 32.08 |
| 4 | Transfer from other Company | 0.07 | Nil | Nil |
| 5 | (Transfer to other Company) | Nil | Nil | Nil |
| 6 | (Benefit Paid) | -11.60 | -9.37 | -11.10 |
| 7 | Actuarial gains/ (losses) on Plan Assets | 4.19 | 7.94 | 1.15 |
| 8 | Fair Value of Plan Assets at the end of the period | 477.16 | 428.96 | 307.22 |

31.06.08 Other disclosures

₹ in Million

| Gratuity | 31 st March, 2015 | 31 st March, 2014 | 31 st March, 2013 | 31 st March, 2012 | 31 st March, 2011 |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Present value of Funded obligation as at the end of the period | 508.85 | 448.64 | 402.28 | 294.21 | 254.34 |
| Fair value of plan assets as at the end of the period | 477.16 | 428.96 | 307.22 | 261.55 | 183.09 |
| Surplus/ (Deficit) | (31.69) | (19.68) | (95.06) | (32.66) | (71.25) |
| Experience Adjustment on plan liabilities loss/ (gains) | 0.02 | 22.23 | 10.12 | 24.33 | 65.37 |
| Experience Adjustment on plan assets (loss) / gains | 4.19 | 7.94 | 1.15 | 4.07 | 0.14 |
| Post retirement Medical Benefits | | | | | |
| Present value of Unfunded obligation as at the end of the period | 51.06 | 44.85 | 43.61 | 35.60 | 16.74 |
| Experience Adjustment on plan liabilities (loss)/gain | -0.51 | 0.11 | 1.65 | 1.29 | (0.28) |

| Other Retirement Benefits | 31 st March, 2015 | 31 st March, 2014 | 31 st March, 2013 | 31 st March, 2012 | 31 st March, 2011 |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Present value of Unfunded obligation as at the end of the period | 9.37 | 8.52 | 8.55 | 6.61 | 6.04 |
| Experience Adjustment on plan liabilities (loss)/gain | -0.21 | (0.45) | 1.10 | 0.28 | 0.56 |

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

| SI No. | Particulars | Gratuity (Funded) | Post Retirement Medical Benefits | Other Retirement Benefits |
|--------|--|-------------------|----------------------------------|---------------------------|
| 1 | Discount Rate | 8.50% | 8.50% | 8.50% |
| | | (8.75%) | (8.75%) | (8.75%) |
| | | [8.25%] | [8.25%] | [8.25%] |
| 2 | Expected return on plan assets previous | 8.50% | - | - |
| | | (8.70%) | | |
| | | [9.00%] | | |
| 3 | Annual increase in premium of med claim policy | - | (NA) | - |
| | | | (NA) | |
| | | | [NA] | |
| 4 | Annual increase in Salary | 6.00% | - | 6.00% |
| | | (6.00%) | | (6.00%) |
| | | [6.00%] | | [6.00%] |

31.06.10 Gratuity (Funded) Defined Benefit Obligation - Category of Plan Assets

₹ in Million

| SI No. | Particulars | 31 st March 2015 | 31 st March 2014 | 31 st March 2013 |
|--------|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| 1 | Government of India Bonds | 153.49 | 153.48 | 154.28 |
| | | 32.17% | 35.78% | 50.21% |
| 2 | Corporate Bonds | 122.99 | 122.52 | 139.01 |
| | | 25.77% | 28.56% | 45.25% |
| 3 | Others * | 200.68 | 152.96 | 13.94 |
| | | 42.06% | 35.66% | 4.54% |
| 4 | Total | 477.16 | 428.96 | 307.23 |
| | | 100.00% | 100.00% | 100.00% |

* Includes investments in Insurance Companies and Mutual funds ₹ 199.64 million (Previous Year 138.12 Million)

31.06.11 Sensitivity of Post Retirement Medical Expenses

₹ in Million

| SI No. | Particulars | 2014-15 | 2013-14 | 2012-13 |
|--------|---|---------|---------|---------|
| 1 | Change in Liability for 1% increase in discount rate | -6.42 | -5.62 | -5.75 |
| 2 | Change in Liability for 1% decrease in discount rate | 7.93 | 6.94 | 7.15 |
| 3 | Change in Service Cost for 1% increase in discount rate | - | - | - |
| 4 | Change in Service Cost for 1% decrease in discount rate | - | - | - |

Note: Figures in parenthesis () represent figure of 2013-14 and [] represent figures of 2012-13

31.07 Borrowing Costs (AS-16)

Amount of borrowing costs capitalised during the year ended 31st March, 2015 is ₹ 1,686.27 million (Previous year ₹ 3,778.55 million)

31.08 Segment Reporting (AS 17)

Segment wise Revenue, Results and Capital Employed

₹ in Million

| SI No. | Particulars | Year ended | Year ended |
|--------|--|------------------------------|------------------------------|
| | | 31 st March, 2015 | 31 st March, 2014 |
| | | Audited | Audited |
| 1 | Segment Revenue | | |
| | A. Domestic Sale | 346,675.14 | 364,185.36 |
| | B. Export Sale | 227,898.55 | 353,919.60 |
| | Net Sales / Income from Operations | 574,573.69 | 718,104.96 |
| 2 | Segment Result Profit / (Loss) before tax and interest from each segment | | |
| | A. Domestic | -6,646.20 | 2,664.80 |
| | B. Export | -10,585.00 | 2,714.20 |
| | Total | -17,231.20 | 5,379.00 |
| | Less: | | |
| | i. Interest Payment | 4,070.88 | 3,214.41 |
| | ii. Other unallocable expenditure net of unallocable income | 256.84 | -1,932.37 |
| | Profit / (loss) before Tax and Extraordinary Items | -21,558.92 | 4,096.96 |
| | Extraordinary Items | - | - |
| | Profit / (loss) before Tax | -21,558.92 | 4,096.96 |
| 3 | Capital Employed (Segments Assets-Segment Liabilities) | | |
| | A. Domestic Sale | 16,909.95 | 24,395.35 |
| | B. Export Sale | 6,678.21 | 20,416.10 |
| | Total | 23,588.16 | 44,811.45 |
| | Unallocated | 29,461.43 | 25,877.27 |

| SI No. | Particulars | Year ended | Year ended |
|--------|-----------------------------|------------------------------|------------------------------|
| | | 31 st March, 2015 | 31 st March, 2014 |
| | | Audited | Audited |
| | Total Capital Employed | 53,049.59 | 70,688.72 |
| | Capital Expenditure | 15,143.01 | 19,093.25 |
| | Depreciation & Amortisation | 5,007.04 | 7,062.59 |
| | Other Non cash Expenses | 5,089.32 | -4,391.39 |

31.09 Related Party Disclosure (AS-18)

31.09.01 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.

31.09.02 Key Management Personnel:

- Shri H.Kumar, Managing Director - Remuneration from 14th August, 2014 to March, 2015 ₹ 1.98 Million
- Shri Vishnu Agrawal, Director (Finance) - Remuneration from April 2014 to March 2015- ₹ 4.17 Million
- Shri V.G.Joshi, Director (Refinery) - Remuneration from April 2014 to March 2015- ₹ 2.93 Million
- Shri P.P.Upadhy, Managing Director - Remuneration from April 2014 to July 2014 - ₹ 3.46 Million
- Shri Dinesh Mishra, Company Secretary - Remuneration from April 2014 to March 2015- ₹ 2.53 Million

31.09.03 Related Party details:

₹ in Million

| Particulars | Shell MRPL Aviation Fuels & Services Limited | Mangalam Retail Services Limited | Mangalore SEZ Limited | Petronet MHB Limited |
|---|--|----------------------------------|-----------------------|----------------------|
| Relationship | Joint Venture | Joint Venture | Associate | Associate |
| Sale of Products | 5,792.34 (5,877.10) | Nil (Nil) | Nil (Nil) | Nil (Nil) |
| Royalty income/ interest income/ others | 11.22 (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) |
| Purchase of inputs/ Payable on account of services | Nil (Nil) | Nil (Nil) | 700.26 (13.28) | Nil (Nil) |
| Transportation charges payable | Nil (Nil) | Nil (Nil) | Nil (Nil) | 19.95 (62.57) |
| Reimbursement of expenditure by MRPL(including capex expenditure) | Nil (Nil) | Nil (Nil) | Nil (0.31) | 28.72 (29.18) |
| Salary and other establishment related expenses incurred by MRPL reimbursable by JV/ Associate. | 0.17 (0.33) | Nil (Nil) | Nil (Nil) | Nil (Nil) |

Mangalore Refinery and Petrochemicals Limited

| Particulars | Shell MRPL Aviation Fuels & Services Limited | Mangalam Retail Services Limited | Mangalore SEZ Limited | Petronet MHB Limited |
|--|--|----------------------------------|-----------------------|----------------------|
| Relationship | Joint Venture | Joint Venture | Associate | Associate |
| Dividend received | 15.00 (12.00) | Nil (Nil) | Nil (Nil) | Nil (Nil) |
| Equity shares investments | Nil (Nil) | 0.50 (Nil) | Nil (Nil) | Nil (Nil) |
| Advance against Equity investment in JV / Associates | Nil (Nil) | Nil (0.50) | Nil (Nil) | Nil (Nil) |
| Net Amount receivable/adjustable as on 31 st March, 2015. | 289.10 (622.96) | 0.05 (0.04) | 67.96 (119.37) | 0.20 (6.59) |

Note : Figures in brackets represent previous year figure

31.10 Leases (AS-19)

- 31.10.01 The Company has taken various premises under cancellable operating lease.
- 31.10.02 These lease agreements are normally renewed on expiry of the term.
- 31.10.03 Lease rental expenses for the year ended 31st March, 2015 in respect of operating leases are ₹ 37.73 Million (previous year ₹ 37.70 Million)

31.11 Deferred Tax (AS-22)

The Company has recognised deferred tax asset (disclosed as Tax Expense under "Statement of Profit and Loss Account") in respect of carry forward business losses and unabsorbed depreciation to the extent of deferred tax liability of ₹ 4,436.58 million.

31.12 Intangible Assets - Research & Development (AS-26)

The Company during the year ended 31st March, 2015 has carried out activities relating to product development in the area of Bitumen Emulsion formulations, detailed characterization of High TAN Crude using True Boiling point Apparatus, Inductively coupled Plasma Mass Spectrometer (ICP-MS), Atomic Absorption Spectrometer, Methodology to control the ammoniacal nitrogen and phenol in treated effluent as a part of its R & D activities and has incurred expenditure as mentioned below. These expenditure are booked in respective natural heads of expenditure.

₹ in Million

| Particulars | Revenue Expenditure | Capital Expenditure | Total |
|-------------------|---------------------|---------------------|-----------------|
| R & D Expenditure | 6.15 (3.83) | 43.82 (5.03) | 49.97 (8.86) |

Note: Figures in brackets represent previous year.

31.13 Financial Reporting of Interests in Joint Ventures (AS-27)

₹ in Million

| Particulars | Shell MRPL Aviation Fuel Services Limited | | Mangalam Retail Services Limited * | |
|---|---|-------------------|------------------------------------|-------------------|
| | 2014-15 (Audited) | 2013-14 (Audited) | 2014-15 (Audited) | 2013-14 (Audited) |
| Proportion of the ownership interest | 50% | | 49.98% | 45% |
| Country of incorporation | India | | India | |
| Aggregate amount of interest in Joint Venture (MRPL's share) | | | | |
| Assets | 1,025.15 | 1,781.37 | 0.67 | 0.61 |
| Liabilities | 668.83 | 1,436.64 | 0.10 | 0.29 |
| Income | 3,179.63 | 3,312.19 | - | 0.00 |
| Expenditure including Tax Expenses | 3,140.94 | 3,250.70 | 0.03 | 0.02 |
| Contingent Liabilities | 5.03 | 5.03 | Nil | Nil |
| Capital Commitments | Nil | Nil | Nil | Nil |

* During the year 2013-14, no shares were issued from Mangalam Retail Services Limited.

31.14 Provisions, Contingent Liabilities and Contingent Assets (AS-29)

31.14.01 Movement in Provisions

₹ in Million

| Year | 2014-15 | | 2013-14 | |
|---|----------|--------|---------|--------|
| | Debtors | Others | Debtors | Others |
| Opening Balance | 878.95 | 103.12 | 714.43 | 103.12 |
| Add : Provision made during the year | 212.21 | - | 164.52 | - |
| Less: Provision written back/reclassified/reduction during year | - | 0.65 | - | - |
| Closing Balance | 1,091.16 | 102.47 | 878.95 | 103.12 |

31.14.02 Employee Benefits (includes long term and short term provisions)

₹ in Million

| Year | 2014-15 | | 2013-14 | |
|---|---------|----------------|---------|----------------|
| | Leave | Other benefits | Leave | Other benefits |
| Opening Balance | 420.33 | 100.83 | 392.32 | 96.09 |
| Add : Provision made during the year | 181.48 | 10.56 | 81.60 | 10.24 |
| Less: Provision written back/reclassified/reduction during year | 280.95 | 50.96 | 53.59 | 5.50 |
| Closing Balance | 320.86 | 60.43 | 420.33 | 100.83 |

31.14.03 Contingent Liabilities not provided for in respect of :

- a) Corporate Guarantee given by the Company towards loan of ₹ 3,372.30 Million (Previous Year ₹ 3,372.30 Million) sanctioned by certain bankers / financial institutions to New Mangalore Port Trust (NMPT) for construction of Jetties. Amount outstanding as at the close of the year ended 31st March, 2015, after adjusting the repayment made by NMPT is ₹ Nil (Previous Year ₹ Nil).
- b) Claims against the Company not acknowledged as debt :

(₹ in Million)

| Sr. No. | Particulars | As on 31 st March, 2015 | As on 31 st March, 2014 |
|---------|--|------------------------------------|------------------------------------|
| 1 | Claims of Contractors / vendors in Arbitration / Court | | |
| a) | Some of the contractors for supply and installation of equipment have lodged claims on the Company seeking revision of time of completion without liquidated damages, extended stay compensation and extra claims etc., which are contested by the Company as not admissible in terms of the provisions of the respective contracts. In case of unfavourable awards the amount payable that would be capitalised is ₹ 340.73 million / charged to revenue account would be ₹ 38.13 million [Previous year ₹ 334.33 million and ₹ 37.63 million respectively] | 378.86 | 371.96 |
| b) | One of the overseas customers has lodged damage claim for supply of off-spec cargo during 2008-09. The Company has disputed the claim and the issue is before the arbitrator. | - | 365.72 |
| 2 | Claims / counter claims of Customers | | |
| | One of the customer has lodged a claim for damages for pre-closure of the contract. The Company has disputed the claim based on Force Majeure condition. In case of non acceptance of the stand taken by the Company the amount will be debited to Statement of Profit & Loss account. | 85.20 | 85.20 |
| 3 | Others | | |

| | | | |
|-----|---|-----------------|-----------------|
| (a) | The New Mangalore Port Trust (NMPT) has claimed from the Company notified wharfage charges for handling cargo at oil berths for the period beyond MOU term (berth No 10 from 16 th October.2009 to 31 st March,2015 & for berth no 11 from 1 st April.2011 to 31 st March,2015). The company has claimed that the Memorandum of Understanding, provides for arriving at a mutually agreeable rate subject to Government /TAMP (Tariff Authority for Major Ports) approval for the post MOU period. The issue is now before Ministry of Shipping. The differential wharfage amount, if any arising out of such decision will be debited / credited to the Statement of Profit & Loss Account in the year of such settlement. | 2,105.44 | 1,897.82 |
| (b) | This represents the potential liability which the company has undertaken for reimbursement to lessors, in case of any liability in their respective tax assessments. In case of any claim of such liability by lessors the same will be debited to Statement of Profit & Loss Account. | 133.67 | 133.67 |
| (c) | The claim of Mangalore SEZ Ltd. over and above the advance paid for land and rehabilitation & resettlement work. | 109.25 | 37.43 |
| | Total | 2,812.42 | 2,891.80 |

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

31.14.04 Disputed tax / Duty demands pending in appeal as on 31st March,2015

- a) Income Tax: ₹ 5,942.35 Million (Previous Year ₹ 6,479.60 Million). Against this ₹ 2,579.25 Million (Previous year ₹ 2,661.58 Million) is adjusted / paid under protest and is included under other non current assets Note 15.
- b) Commercial Tax: ₹ 32.36 Million (Previous Year ₹ 32.36 Million). Against this ₹ 15.58 Million (Previous year ₹ 15.58 Million) is paid under protest and is included under loans & advances Note 19)
- c) Excise Duty: ₹ 315.27 Million (Previous Year ₹ 318.56 Million) against this ₹ 72.87 Million (Previous Year ₹ 71.27 Million) was paid under protest and is included under loans & advances Note -19)
- d) Customs Duty: ₹ 747.56 Million (previous year ₹ 711.73 Million).

Mangalore Refinery and Petrochemicals Limited

31.14.05 Capital and other commitments

a) Capital commitments

The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as on 31st March, 2015 ₹ 1,602.96 Million (Previous Year ₹ 12,895.10 Million).

b) Other commitments

Pending commitment on account of Refinery performance improvement programme by M/s.Shell Global International Solution (M/s.Shell GIS) USD 2.44 Million. (Previous year USD 2.44 Million).

The Company has an export obligation to the extent of ₹ 1,346.93 Million (Previous year ₹ 1,262.78 Million) on account of concessional rate of customs duty availed under EPCG licence scheme on import of capital goods.

31.15 Insurance Coverage

The Company has covered it's Fixed Assets under a mega risk insurance policy which is subject to sanctions limitation and exclusion by UK, EU and UN.

31.16 Trade Payables

The trade payables referred in Note no 9 includes ₹ 147,854.73 million (Previous year ₹ 79,141.99 million) being overdue amount payable to National Iranian Oil Company (NIOC) pending settlement due to non finalisation of remittance channel arising out of UN/US/EU backed sanctions .

31.17 Land Usage of HPCL Land

MRPL is in possession of certain land provisionally measuring 39.76 acres ceded by HPCL for use by MRPL Phase III expansion and upgration work .The consideration for such land is mutually agreed to be by way of swapping of land in possession of MRPL/HPCL. The final documentation in this regard is pending to be executed.

31.18 Foreign Exchange exposures

31.18.01 Exposures not hedged by Derivative instruments or otherwise:

The Company has receivables and payables in foreign currency as at the Balance Sheet date. These foreign currency exposures are not hedged by any derivative instruments or otherwise.

31.18.02 Value of Imports on CIF basis:

(₹ in Million)

| Particulars | 2014-2015 | 2013-2014 |
|----------------------------|------------|------------|
| Capital Goods | 301.33 | 56.57 |
| Raw materials | 488,328.76 | 653,951.57 |
| Stores, Spares & Chemicals | 228.62 | 856.45 |

31.18.03 Expenditure in Foreign Currency:

(₹ in Million)

| Particulars | 2014-2015 | 2013-2014 |
|-------------|-----------|-----------|
| Interest | 1,249.99 | 1,118.33 |
| Others | 1,206.29 | 792.37 |

31.18.04 Earnings in Foreign Currency

(₹ in Million)

| Particulars | 2014-2015 | 2013-2014 |
|---------------------|------------|------------|
| Exports (FOB Value) | 195,078.35 | 339,523.81 |

31.19 Consumption of Raw Materials, Trading Goods, Stores, Spares and Chemicals

(₹ in Million)

| Year | 2014-15 | | 2013-14 | |
|--------------------------------------|--------------------|----------------|--------------------|----------------|
| | Value in ₹ Million | (%) | Value in ₹ Million | (%) |
| Raw Material: Crude Oil | | | | |
| Imported | 508,507.75 | 90.86% | 640,281.06 | 90.37% |
| Indigenous | 48,052.34 | 8.59% | 68,214.41 | 9.63% |
| Raw Material: Others | | | | |
| Imported | - | 0.00% | - | 0.00% |
| Indigenous | 3,051.92 | 0.55% | - | 0.00% |
| CRMB Modifier Cost | | | | |
| Imported | | | | |
| Indigenous | 2.57 | 0.00% | 29.27 | 0.00% |
| Total | 559,614.58 | 100.00% | 708,524.74 | 100.00% |
| Trading goods | 0.56 | | 0.43 | |
| Stores, Spares and Chemicals (Gross) | | | | |
| Imported | 615.02 | 46.73% | 140.74 | 20.10% |
| Indigenous | 701.00 | 53.27% | 559.29 | 79.90% |
| Total | 1316.02 | 100.00% | 700.03 | 100.00% |

31.20 The details about Non-resident shareholders are as follows:

(₹ in Million)

| Particulars | 2014-2015 | 2013-2014 |
|--|------------|------------|
| Number of Non-resident shareholders | 18,198 | 18,932 |
| No. of shares held by Non-resident shareholders | 20,635,379 | 17,226,227 |
| Dividend remitted to Non-resident shareholders during the year | Nil | Nil |

31.21 Loans and Advances :

Loans and advances (Note 14) includes refund claims of Custom Duty on project imports ₹ 378.71 Million (Previous year ₹ 378.71 Million) and Commercial Taxes ₹ Nil (previous year ₹ 97.29 Million). A refund due towards Commercial Taxes ₹ 2884.43 Million (Previous year ₹ 2884.43 Million) (Refer Note no 19) for which there is a matching liability to pay to customers on receipt of the refund which is included under other current liabilities - Payable to Oil Companies on refund of Commercial taxes (Note 10).

31.22 Commercial Tax incentives:

The Company, as per the Government of Karnataka notification, is entitled to Sales Tax deferment /exemption as follows:

The company, as per the Government of Karnataka Order and Notification is entitled to the following benefits

- i) Entry Tax exemption on crude processed in excess of 12.65 MMTPA for a period of 15 years from 01.04.2012
- ii) Full Central Sales Tax exemption on sale of Poly Propylene and Petroleum Coke for a period of 15 years from 01.04.2012. CST exemption on sale of LPG, Mixed Xylene, Naphtha, LSHS and Reformate made out of crude throughput in excess of 12.65 MMTPA for a period of 15 years from 01.04.2012.
- iii) Interest free soft loan to the extent of 60% (100% for initial three years) of eligible gross VAT on sale of Poly Propylene, Petroleum Coke, Mixed Xylene, Naphtha, LPG, LSHS and Reformate for a period of 15 years from 01.04.2012 subject to a limit of Rs. 5,000 million per annum, the disbursement of loan is yet to take place.

31.23 Dues to Micro, Small & Medium enterprises:

The classification of the suppliers under Micro, Small and Medium Enterprises Development Act, 2006 is made on the basis of information made available to the company. The Company has neither paid any interest in terms of Section 16 of the above said Act nor any interest is remaining unpaid. No payments were made beyond the 'appointed date' to such enterprises during the year ended 31st March, 2015 subject to ₹ 0.23 Million (Previous year ₹ 0.70 Million) remaining unpaid on account of non-compliance of order terms.

31.24 Price Reduction Clause

Note No.10 - Other current liabilities includes ₹ 1,557.42 million (Previous Year ₹ 1,071.60 Million) which is payable against capital goods as on 31st March, 2015, being amount withheld from vendors pursuant to, price reduction clause for delay in delivery and pending finalisation of proceedings, cost of fixed assets, depreciation. The WDV of the asset may undergo revision in the year in which the proceedings to appropriate the withheld amounts are ultimately finalised and appropriated.

31.25 The Company is yet to receive response for its confirmation letters from some of the trade receivables, Loans and Advances and trade payables. Reconciliation for those received as well as those for which confirmation is yet to be received is to be made, the effect for which, in management's opinion is not significant.

31.26 **Following expenses are included under other expenses**
Insurance charges amounting to ₹ 14.17 Million (Previous year ₹ 13.41 Million) relating to crude purchase and staff welfare has been charged under respective heads for the year ended 31st March, 2015.

31.27 Disclosure as required by Clause 32 of the Listing agreement

There are no loans and advances in the nature of loan to Subsidiary, Associates and Joint Ventures.

31.28 **Previous year's figures have been re-grouped/ re classified wherever necessary to confirm to the current year's classification.**

As per our report of even date attached

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants
Firm Registration : 0009605

For **A. RAGHAVENDRA RAO & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 0033245

CA K. R. SURESH
Partner
Membership No. 025453

CA.GOPALAKRISHNA BHAT T.M
Partner
Membership No. 019798

New Delhi : 22nd May, 2015

For and on behalf of the Board

H KUMAR
Managing Director

VISHNU AGRAWAL
Director (Finance)

DINESH MISHRA
Company Secretary

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the members of **MANGALORE REFINERY AND PETROCHEMICALS LIMITED** Report on the Consolidated Financial Statements.

We have audited the accompanying Consolidated financial statements of **MANGALORE REFINERY AND PETROCHEMICALS LIMITED** (hereinafter referred to as "the Holding Company"), its subsidiary "**ONGC MANGALORE PETROCHEMICALS LIMITED**" (the Holding Company and its subsidiary together hereinafter referred to as "the Group") and its Jointly controlled entities "**SHELL MRPL AVIATION FUELS AND SERVICES LIMITED**" and "**MANGALAM RETAIL SERVICES LIMITED**", comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and its jointly controlled entities 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. The respective Board of Directors of the Companies included in the Group and its jointly controlled entities are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 thereunder.

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, are sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entities as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements / financial information of one subsidiary and two jointly controlled entities, whose financial statements/ financial information reflect total assets of ₹ 78955.79 million as at 31st March, 2015, total revenue of ₹ 20462.13 Million and net cash flows amounting to ₹ (1162.15) million for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and jointly controlled entities, and our report in terms of sub section (3) and (11) of section 143 of the Act, in so far as it

relates to the aforesaid subsidiary and jointly controlled entities, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors.

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, based on the comments in the auditors' report of the Holding company, subsidiary company and jointly controlled entities incorporated in India, we have given in Annexure 1, a statement on the matters specified in paragraph 3 and 4 of the order, to the extent applicable.
2. Based on the verification of Records of the Holding Company and based on information and explanations given to us, 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.. For the subsidiary and jointly Controlled Entities no directions have been issued.
 - a) The Holding Company has not been selected for disinvestment and hence reporting on this direction does not arise.
 - b) There are no cases of waiver/write off of debts, loans/ interest etc other than Central Sales Tax on sales to PSU Oil Marketing Companies amounting to ₹ 1930.80 million which are being expensed to the Profit & Loss Account, which has arisen on account of prevailing industry practice.
 - c) The Holding Company has maintained adequate records in respect of inventories lying with third parties. No assets have been received by the Holding Company as gift from Government or other authorities.
 - d) A report on agewise analysis of pending legal/arbitration cases is given as Annexure 2 to this report. We report that the Holding Company has in place an adequate monitoring mechanism for tracking expenditure on such legal cases
3. As required by Section 143 (3) of the Act, we report to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of other auditors.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditors of its Subsidiary company and Jointly controlled entities incorporated in India, none of the directors of the Group company and its jointly controlled entities incorporated in India 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the group and its jointly controlled entities.– Refer Note 31.04 and 31.05 to the consolidated financial statements;
 - ii) Provision has been made in the consolidated financial statements as required under the applicable law or accounting standards, for material foreseeable losses, if any on long term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary company and its jointly controlled entities incorporated in India.

As per our report of even date attached

| | |
|---|--|
| For GOPALAIYER AND SUBRAMANIAN Chartered Accountants Firm Registration No. : 0009605 | For A. RAGHAVENDRA RAO & ASSOCIATES Chartered Accountants Firm Registration No. : 0033245 |
|---|--|

CA K. R. SURESH
Partner
Membership No. 025453

CA.GOPALAKRISHNA BHAT T.M
Partner
Membership No. 019798

New Delhi : 22nd May, 2015

Annexure 1 referred to under paragraph 1 of the Report on Other Legal and Regulatory Requirements of the Auditors' Report on Consolidated financial statements

- (i) (a) The Group and its jointly controlled entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the Assets have not been physically verified by the managements of the Holding Company, its subsidiary and its jointly controlled entities during the year, but there is a regular programme of verification, which, in our opinion is reasonable having regard to the size of the Group and its jointly controlled entities and nature of its assets. As per the reports submitted by the Holding Company, its subsidiary and its jointly controlled entities, no material discrepancies have been noticed on such verification.
- (ii) (a) As per the information and explanations given to us by the Holding company and based on our verification and based on the Audit reports of the subsidiary and jointly controlled entities, the inventory of stores and spares are physically verified during the year by the managements on a continuous basis as per programme of perpetual inventory. Inventories of other items have been physically verified at the year end, the frequency of which, in our opinion is reasonable, having regard to the size of the Group and its jointly controlled entities and nature of its business.
- (b) In our opinion and according to the explanation given to us, the procedures of physical verification of inventory followed by the management of the Holding Company, its subsidiary and its jointly controlled entities are reasonable and adequate in relation to the size of the Group and its jointly controlled entities and the nature of its business.
- (c) The Holding Company, its subsidiary and its jointly controlled entities are maintaining proper records of inventory. The discrepancies noticed on verification by the Management between the physical stock and book records have been properly dealt with in the books of account, wherever applicable and were not material.
- (iii) As per the information and explanations given to us by the Holding company and based on our verification and based on the Audit reports of the subsidiary and jointly controlled entities, the Group and its jointly controlled entities have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Group and its jointly controlled entities and hence not commented upon.
- (iv) As per the information and explanations given to us by the Holding company and based on our verification and based on the Audit reports of the subsidiary and jointly controlled entities, there is an adequate internal control system commensurate with the size of the Group and its jointly controlled entities and nature of its business, with regard to the purchases of inventory, fixed assets and with regard to the sale of goods and services, wherever applicable. As per the information and explanations given to us by the Holding company and based on our verification and based on the Audit reports of the subsidiary and jointly controlled entities, no continuing failure was observed to correct major weakness in internal control system of the Group and its jointly controlled entities.
- (v) As per the information and explanations given to us by the Holding company and based on our verification and based on the Audit reports of the subsidiary and jointly controlled entities, the Group and its jointly controlled entities have complied with the provisions of section 73 to 76 and the rules framed there under with regard to filing of statutory Returns as required under these provisions and the relevant rules, wherever applicable, **subject however to delay in filing Return.**
- (vi) As per the information and explanations given to us by the Holding company and based on our verification and based on the Audit reports of the subsidiary and jointly controlled entities, we report that the directions specified by the Central Government under sub-section (1) of section 148 of the Companies Act, with regard to maintenance of Cost Records have been complied with by the Group and its jointly controlled entities, wherever applicable.
- (vii) (a) As per the information and explanations given to us by the Holding company and based on our verification and based on the Audit reports of the subsidiary and jointly controlled entities, the Group and its jointly controlled entities have been generally regular in depositing undisputed statutory dues including Provident fund, Income tax, Wealth tax, service tax, Duty of Customs, Duty of Excise, Value added tax, cess and other statutory dues with appropriate authorities during the year. There are no arrears of undisputed statutory dues of material nature outstanding for a period of more than six months, from the date on which they became payable.
- (b) As per the information and explanations given to us by the Holding company and based on our verification and based on the Audit reports of the subsidiary and jointly controlled entities, the disputed dues of tax which are not deposited with appropriate authorities as at 31st March, 2015 are as follows.

| Name of the Statute | Nature of the Dues | Total Demand (Rs.Millions) | Total Amt Paid under protest/ adjusted (Rs.Millions) | Period to which the Amount Relates (FinancialYear) | Forum Where the dispute is pending |
|--|--|----------------------------|--|--|---|
| The Karnataka Sales Tax Act 1957/ Central Sales Tax Act, 1956 | Central Sales Tax – Penalty | 4.53 | Nil | 2009-10 | Karnataka Appellate Tribunal |
| | Central Sales Tax – Interest | 18.33 | 12.10 | 2009-10 | Karnataka Appellate Tribunal |
| | Value Added Tax – Interest | 0.43 | 0.21 | 2006-07 | Appellate Authority – Mangalore |
| | Value Added Tax – Interest | 0.13 | 0.13 | 2009-10 | Karnataka Appellate Tribunal |
| | Value Added Tax – Interest | 0.66 | 0.66 | 2010-11 | Karnataka Appellate Tribunal |
| | Value Added Tax – Penalty | 3.48 | Nil | 2011-12 | Appellate Authority – Mangalore |
| | Value Added Tax – Interest | 4.80 | 2.48 | 2011-12 | Appellate Authority – Mangalore |
| Income Tax Act, 1961 | Income Tax / Interest / Penalty | 296.30 | 296.30 | AY 1993-03 | Mumbai High Court |
| | | 10.93 | 10.93 | AY 2003-04 | Income Tax Appellate Tribunal – Mumbai |
| | | 233.58 | 111.10 | AY 2006-07 | Income Tax Appellate Tribunal – Mumbai |
| | | 129.39 | 129.39 | AY 2007-08 | Income Tax Appellate Tribunal – Mumbai |
| | | 362.49 | 362.49 | AY 2008-09 | Income Tax Appellate Tribunal – Mumbai |
| | | 1014.82 | 1014.82 | AY 2009-10 | Income Tax Appellate Tribunal – Mumbai |
| | | 126.72 | Nil | AY 2008-09 | Commissioner of Income Tax (Appeals) - Mumbai |
| | | 754.77 | 698.02 | AY 2010-11 | Commissioner of Income Tax (Appeals) – Mumbai |
| | | 594.02 | 297.01 | AY 2011-12 | Commissioner of Income Tax (Appeals) – Mumbai |
| Disallowance under section 14A of the Income Tax Act | 10.05 | Nil | AY 2011-12 | Commissioner of Income Tax (Appeals) | |
| The Customs Act, 1962 | Custom Duty / Interest / Penalty | 101.53 | Nil | 1996-2006 | Supreme Court Of India |
| | | 645.97 | Nil | 1997-2008 | CESTAT – Bangalore |
| Central Excise Act, 1944 | Central Excise Duty / Service Tax / Interest / Penalty | 10.37 | Nil | 2011-12 to 2013-14 | Commissioner (Ap-peals) – Mangalore |
| | | 248.18 | 23.07 | 1996-97 to 2012-13 | CESTAT – Bangalore |
| | | 1.24 | 0.72 | 2002-03 to 2012-13 | Joint Secretary, MOF |
| | | 54.59 | Nil | 1999-2000 to 2012-13 | Commissioner – Mangalore |
| Total | | 4627.31 | 2959.43 | | |

Mangalore Refinery and Petrochemicals Limited

- (c) As per the information and explanations given to us by the Holding company and based on our verification and based on the Audit reports of the subsidiary and jointly controlled entities, the amounts required to be transferred to Investor Education and Protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and the rules made thereunder have been transferred to such fund within time, wherever applicable.
- (viii) The group and its jointly controlled entities do not have accumulated losses as the end of the financial year .The Group and its jointly controlled entities have however incurred a cash loss during the financial year, but for the immediately preceding financial year, it has made a cash profit..
- (ix) As per the information and explanations given to us by the Holding company and based on our verification and based on the Audit reports of the subsidiary and jointly controlled entities, the Group and its jointly controlled entities have not defaulted in repayment of dues to financial Institution or Bank or debenture holders, wherever applicable.
- (x) As per the information and explanations given to us by the Holding company and based on our verification and based on the Audit reports of the subsidiary and jointly controlled entities, the Terms and Conditions of the guarantees given by the Group and its jointly controlled entities, wherever applicable, for the Loans taken by others from Banks and Financial Institutions are not prejudicial to the interests of the Group and its jointly controlled entities.
- (xi) As per the information and explanations given to us by the Holding company and based on our verification and based on the Audit reports of the subsidiary and jointly controlled entities, the Term Loans have been applied for the purpose for which the Loans were obtained, ,wherever applicable,except Rs. 11704.73 Million which were invested in deposits with banks.
- (xii) As per the information and explanations given to us by the Holding company and based on our verification and based on the Audit reports of the subsidiary and jointly controlled entities, no fraud on or by the Group and its jointly controlled entities have been noticed or reported during the year.

For Gopalaiyer & Subramanian
Chartered Accountants
FRN : 000960S

CA KR. Suresh
Partner
Membership no: 025453

Place: New Delhi
Date: 22/05/2015

For A.Raghavendra Rao & Associates
Chartered Accountants
FRN: 003324S

CA. Gopalakrishna Bhat T.M
Partner
Membership no: 019798

ANNEXURE 2 – AGE-WISE ANALYSIS OF PENDING LEGAL / ARBITRATION CASES

| SI No. | Ageing of pending cases | No of cases | Amount involved (₹ in Million) | Legal Expenses (₹ in Million) | Reasons for pendency/ Present Position |
|--------|-------------------------|-------------|--------------------------------|-------------------------------|--|
| 1 | 0 – 3 years | Nil | Nil | Nil | NA |
| 2 | 4 – 6 years | Nil | Nil | Nil | NA |
| 3 | 7 – 10 years | 6 | 224.77 | 11.33 | The delay is attributable to adjournments in Court / legal matters / other court related matters |
| 4 | Above 10 years | 1 | 154.19 | 2.49 | Awaiting Listing for final hearing at High Court |

*The legal expenses are approved by the Board of Directors along with other expenses in revenue budget. Further whenever payments are made the appropriate approvals are obtained as per the delegation of Authority in place. Engagement of Advocate and all payments above ₹ 25,000/- (₹ twenty five thousand only) are to be approved by D(F) and Functional Director.

SCHEDULE-III ADDITIONAL DISCLOSURE ON CONSOLIDATED FINANCIAL STATEMENTS AS ON 31ST MARCH, 2015

(₹ in million)

| Name of the entity | Country of incorporation | Net Asset (i.e. Total Asset minus Total Liabilities) | | Share in Profit or loss | |
|--|--------------------------|--|------------------|-------------------------------------|--------------------|
| | | As % of Consolidated Assets | Amount | As % of consolidated profit or loss | Amount |
| 1 | | 2 | 3 | 4 | 5 |
| Parent | | | | | |
| Mangalore Refinery and Petrochemicals Limited | India | 76.56% | 45,099.36 | 94.75% | (17,555.63) |
| Subsidiary | | | | | |
| Indian | | | | | |
| ONGC Mangalore Petrochemicals Ltd. OMPL | India | 11.63% | 6,851.33 | 2.78% | (516.00) |
| Minority Interest in subsidiary | | 11.21% | 6,604.32 | 2.68% | (495.76) |
| Joint ventures Entities | | | | | |
| Indian | | | | | |
| Shell MRPL Aviation Fuels & Services Limited | India | 0.60% | 356.33 | -0.21% | 38.69 |
| Mangalam Retail Services Limited | India | 0.00% | 0.57 | 0.00% | - |
| Net | | 100% | 58,911.91 | 100% | (18,528.70) |

As per our report of even date attached

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants
Firm Registration : 0009605

CA K. R. SURESH
Partner
Membership No. 025453

New Delhi : 22nd May, 2015

For **A. RAGHAVENDRA RAO & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 0033245

CA.GOPALAKRISHNA BHAT T.M
Partner
Membership No. 019798

For and on behalf of the Board

H KUMAR
Managing Director

VISHNU AGRAWAL
Director (Finance)

DINESH MISHRA
Company Secretary

FORM AOC-1

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures as on 31.03.2015

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures)

Part "A": Subsidiary

| 1 | 2 | 3 | As at 31.03.2015 | | | | For the year 2014-15 (from 1 st March, 2015 to 31 st March, 2015) | | | | | 15 | | |
|---------|---|-------------------------------------|--------------------------------------|---------------|--------------------|--------------|---|-------------------------|----------|--------------------------------|------------------------|-------------------------------|-------------------|-------------------|
| | | | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | | 13 | 14 |
| Sl. No. | Name of the subsidiary (Indian Company) | Reporting period for the subsidiary | Reporting currency and Exchange rate | Share capital | Reserves & surplus | Total assets | Total Liabilities | Details of Investment * | Turnover | Profit/ (Loss) before taxation | Provision for taxation | Profit/ (Loss) after taxation | Proposed Dividend | % of shareholding |
| 1 | ONGC Mangalore Petrochemicals Limited | 01.04.14 to 31.03.15 | INR | 18,776.26 | (5,320.61) | 77,929.97 | 64,474.32 | 4.80 | 3,386.23 | (1,011.76) | - | (1,011.76) | - | 51.00% |

* 480,000 Equity Shares of ₹ 10 each of Mangalore SEZ Ltd.

- Names of subsidiary which are yet to commence operations: Nil
- Names of subsidiary which have been liquidated during the year 2014-15: Nil
- The company has acquired 51.0017% Equity Shares of ONGC Mangalore Petrochemicals Ltd (OMPL) during the year and consequentially OMPL has become subsidiary company effective 28th February, 2015.

Part "B": Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| 1 | 2 | 3 | 4 | | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|---------|--|-----------------------------------|--|--|---|--|--|---|-----------------------------|---------------------------------|----|----|
| | | | No | Extend of Holding % | | | | | | | | |
| Sl. No. | Name of the Joint Ventures (Indian Company) | Latest audited Balance Sheet Date | Shares of Associate/Joint Ventures held by the company on the year end | Amount of Investment in Associates/Joint Venture | Description of how there is significant influence | Reason why Associate & JV not consolidated | Network attributable to Shareholding as per latest audited Balance Sheet | Profit / (Loss) for the year attributable to Shareholding | Considered in Consolidation | Not Considered in Consolidation | | |
| 1 | Shell MRPL Aviation Fuels & Services Limited | 31.03.2015 | 150,00,000 | 150.00 | Share holding 50% | NA | 356.33 | 38.69 | Yes | NA | | |
| 2 | Mangalam Retail Services Limited | 31.03.2015 | 49,960 | 0.50 | Share holding 49.98% | NA | 0.57 | - | Yes | NA | | |

- Names of joint ventures which are yet to commence operations

Mangalam Retail Services Limited Joint Venture

- Names of joint ventures which have been liquidated or sold during the year 2014-15: NIL

As per our report of even date attached

For GOPALAIYER AND SUBRAMANIAN

Chartered Accountants

Firm Registration No. : 0009605

CA K. R. SURESH

Partner

Membership No. 025453

New Delhi : 22nd May, 2015

For and on behalf of the Board

For A. RAGHAVENDRA RAO & ASSOCIATES

Chartered Accountants

Firm Registration No. : 0033245

CA. GOPALAKRISHNA BHATT T.M

Partner

Membership No. 019798

VISHNU AGRAWAL

Director (Finance)

DINESH MISHRA

Company Secretary

STATEMENT OF CHANGES IN EQUITY AS ON 31ST MARCH, 2015

| | Attributables to Equity Holders | | | | | | | Total Equity | Total Equity including minority interest |
|--|---------------------------------|----------------------------|--------------------|-----------------|-----------------|-----------------|-------------------|--------------|--|
| | Paid-up Share Capital | Capital redemption Reserve | Securities Premium | Hedging Reserve | General Reserve | Capital Reserve | Minority Interest | | |
| Balance as on 01.04.2013 | 17,526.64 | 91.86 | 3,490.53 | - | 1,192.00 | - | 42,522.77 | - | 64,823.80 |
| Profit for the year | - | - | - | - | - | - | 6,061.14 | - | 6,061.14 |
| Tax on Dividend | - | - | - | - | - | - | -2.55 | - | -2.55 |
| Addition/deductions/transfer in reserve | - | - | - | 15.53 | - | - | - | - | 15.53 |
| Balance as on 31.03.2014 | 17,526.64 | 91.86 | 3,490.53 | 15.53 | 1,192.00 | - | 48,581.36 | - | 70,897.92 |
| Balance as on 01.04.2014 | 17,526.64 | 91.86 | 3,490.53 | 15.53 | 1,192.00 | - | 48,581.36 | - | 70,897.92 |
| Profit for the year | - | - | - | - | - | - | -18,032.94 | - | -18,032.94 |
| Tax on Dividend | - | - | - | - | - | - | -1.80 | - | -1.80 |
| Addition/deductions/transfer in reserve | - | - | -22.55 | -16.11 | - | 0.07 | - | - | -38.59 |
| Adjustment Pursuant to Schedule II to the Companies Act, 2013 (Refer Note no. 3 of Consolidated Financial Statement) | - | - | - | - | - | - | -517.00 | - | -517.00 |
| Minority Interest | - | - | - | - | - | - | - | - | - |
| Balance as on 31.03.2015 | 17,526.64 | 91.86 | 3,467.98 | -0.58 | 1,192.00 | 0.07 | 30,029.62 | 6,604.32 | 58,911.91 |

(₹ in million)

As per our report of even date attached

For **GOPALAIYER AND SUBRAMANIAN**

Chartered Accountants

Firm Registration No. : 0009605

CA K. R. SURESH

Partner

Membership No. 025453

New Delhi : 22nd May, 2015

For and on behalf of the Board

For **A. RAGHAVENDRA RAO & ASSOCIATES**

Chartered Accountants

Firm Registration No. : 0033245

CA. GOPALAKRISHNA BHATT T.M

Partner

Membership No. 019798

H KUMAR

Managing Director

VISHNU AGRAWAL

Director (Finance)

DINESH MISHRA

Company Secretary

Mangalore Refinery and Petrochemicals Limited

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

₹ in Million

| Particulars | Note | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|------|---------------------------------------|---------------------------------------|
| I EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| (a) Share capital | 2 | 17,526.64 | 17,526.64 |
| (b) Reserves and surplus | 3 | 34,780.95 | 53,371.28 |
| (c) Minority Interest | | 6,604.32 | - |
| 2 Non-current liabilities | | | |
| (a) Long-term borrowings | 4 | 117,491.97 | 88,535.67 |
| (b) Deferred tax liabilities (Net) | 5 | 1.12 | 4,703.24 |
| (c) Other Long term liabilities | 6 | 953.23 | 19.03 |
| (d) Long-term provisions | 7 | 365.76 | 468.25 |
| 3 Current liabilities | | | |
| (a) Short-term borrowings | 8 | 15,475.83 | 471.51 |
| (b) Trade payables | 9 | 184,031.58 | 210,566.79 |
| (c) Other current liabilities | 10 | 32,680.47 | 19,276.01 |
| (d) Short-term provisions | 11 | 2,114.89 | 1,246.52 |
| TOTAL | | 412,026.76 | 396,184.94 |
| II ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Fixed assets | 12 | | |
| (i) Tangible assets | | 210,362.75 | 59,929.42 |
| (ii) Intangible assets | | 86.50 | 18.49 |
| (iii) Capital work-in-progress | | 13,886.94 | 85,519.54 |
| (iv) Intangible Assets under development | | - | - |
| (b) Goodwill on consolidation | | 5,956.35 | - |
| (c) Non-current investments | 13 | 4.80 | 0.02 |
| (d) Long-term loans and advances | 14 | 5,182.41 | 2,736.57 |
| (e) Other non-current assets | 15 | 2,614.19 | 2,694.84 |
| 2 Current assets | | | |
| (a) Inventories | 16 | 37,842.27 | 84,542.77 |
| (b) Trade receivables | 17 | 22,368.41 | 45,309.23 |
| (c) Cash and Bank balances | 18 | 103,066.45 | 107,202.94 |
| (d) Short-term loans and advances | 19 | 9,031.53 | 7,321.19 |
| (e) Other current assets | 20 | 1,624.16 | 909.93 |
| TOTAL | | 412,026.76 | 396,184.94 |
| Significant Accounting Policies | 1 | | |
| Other Disclosure | 31 | | |

See accompanying notes to the Financial Statements

As per our report of even date attached

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants
Firm Registration No. : 0009605

For **A. RAGHAVENDRA RAO & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 0033245

CA K. R. SURESH
Partner
Membership No. 025453

CA.GOPALAKRISHNA BHAT T.M
Partner
Membership No. 019798

New Delhi : 22nd May, 2015

For and on behalf of the Board

H KUMAR
Managing Director

VISHNU AGRAWAL
Director (Finance)

DINESH MISHRA
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

| Particulars | Note | for the year ended 31 st March, 2015 | for the year ended 31 st March, 2014 |
|---|------|--|--|
| I. Revenue from operations | | 620,634.61 | 749,680.20 |
| Less: Excise Duty | 21 | 49,546.09 | 34,156.19 |
| Net Revenue from Operations | | 571,088.52 | 715,524.01 |
| II. Other income | | 8,080.62 | 3,220.05 |
| III. Total Revenue (I + II) | 22 | 579,169.14 | 718,744.06 |
| IV. Expenses: | | | |
| Cost of materials consumed | | 556,700.56 | 705,816.82 |
| Increase (-) / decrease In stock | 23 | 18,641.75 | -6,767.18 |
| Employee benefits expenses | 24 | 2,455.82 | 2,175.29 |
| Finance costs | 25 | 4,482.14 | 3,226.24 |
| Depreciation and amortisation expense | 26 | 5,216.48 | 7,067.05 |
| Other expenses | 27 | 14,957.39 | 4,167.89 |
| Total expenses | 28 | 602,454.14 | 715,686.11 |
| V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV) | | -23,285.00 | 3,057.95 |
| VI. Exceptional items (Income)/Expenses: Net | | -334.47 | -1,118.85 |
| VII. Profit/(Loss) before extraordinary items and tax (V - VI) | 29 | -22,950.53 | 4,176.80 |
| VIII. Extraordinary Items | | - | - |
| IX. Profit/(Loss) before tax (VII- VIII) | | -22,950.53 | 4,176.80 |
| X Tax expenses: | | | |
| (1) Current / MAT tax | | 14.07 | 755.21 |
| (2) Prior Year's Tax adjustments | | - | 0.36 |
| (3) Deferred tax | | -4,435.90 | -2,639.91 |
| XI Profit/(Loss) after tax for the year (IX - X) | | -18,528.70 | 6,061.14 |
| XII Less: Share of Profit/ (Loss): Minority Interest | | -495.76 | - |
| XIII Group Profit/(Loss) after tax for the year (XI - XII) | | -18,032.94 | 6,061.14 |
| XIV Earnings per equity share: | | | |
| (1) Basic | 30 | -10.57 | 3.46 |
| (2) Diluted | | -10.57 | 3.46 |
| Significant Accounting Policies | 1 | | |
| Other Disclosure | 31 | | |

See accompanying notes to the Financial Statements

As per our report of even date attached

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants
Firm Registration No. : 0009605

For **A. RAGHAVENDRA RAO & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 0033245

CA K. R. SURESH
Partner
Membership No. 025453

CA.GOPALAKRISHNA BHAT T.M
Partner
Membership No. 019798

New Delhi : 22nd May, 2015

For and on behalf of the Board

H KUMAR
Managing Director

VISHNU AGRAWAL
Director (Finance)

DINESH MISHRA
Company Secretary

Mangalore Refinery and Petrochemicals Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

| | | ₹ in Million | |
|---|--|--|--|
| Particulars | for the year ended 31 st March, 2015 | for the year ended 31 st March, 2014 | |
| A CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit Before Tax | -22,950.53 | 4,176.80 | |
| Adjustments for : | | | |
| - Depreciation / Amortisation | 5,235.65 | 7,063.03 | |
| - Loss/ (Profit) on sale of Fixed Assets | -1.57 | 15.29 | |
| - Provisions/ Liability Written back | -67.04 | -51.60 | |
| - Provision for Doubtful Debts/ Advances / Deposits and write offs | 212.21 | 164.54 | |
| - Foreign Currency translation- Net | 5,192.54 | -4,519.62 | |
| - Interest Expenses | 4,462.11 | 3,226.23 | |
| - Interest/ Dividend Incomes | -7,938.58 | -3,104.12 | |
| Operating Profit before Working Capital changes | -15,855.21 | 6,970.55 | |
| Adjustment for : | | | |
| - Trade and other receivables | -8,391.26 | -8,141.88 | |
| - Inventories | 49,980.49 | -17,363.45 | |
| - Trade payable and provisions | -32,125.52 | 105,806.37 | |
| Cash generated from operations | -6,391.50 | 87,271.59 | |
| - Direct taxes paid (net of refunds) | -909.40 | -1,408.85 | |
| Cash flow before Prior Period items | -7,300.90 | 85,862.74 | |
| - Prior Period items (cash items) | -5.51 | 104.54 | |
| Net Cash flow from Operating Activities | (a) -7,306.41 | 85,967.28 | |
| B CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Fixed assets | -11,702.50 | -12,138.02 | |
| Sale of Fixed assets | 12.99 | 21.48 | |
| Interest/ Dividend Income received | 8,384.49 | 3,235.79 | |
| Tax Paid on Interest/ Royalty Income | -756.56 | -308.37 | |
| Investments (Net) | -0.31 | 0.02 | |
| Net Cash flow from Investing Activities | (b) -4,061.89 | -9,189.10 | |
| C CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds/ (Repayment) from Issue of Share Capital: Net | -22.55 | - | |
| Proceeds/ (Repayment) from Long Term Borrowings: Net | -10,019.87 | 32,630.35 | |
| Proceeds/ (Repayment) from Short Term Borrowings: Net | -10,051.39 | -11,635.63 | |
| Interest and Finance charges paid | -6,612.13 | -6,787.00 | |
| Dividend and Dividend tax paid | -17.55 | -14.04 | |
| Net Cash flow from Financing Activities | (c) -26,723.49 | 14,193.68 | |
| Net Increase / (Decrease) in Cash and Cash Equivalents | (a+b+c) -38,091.79 | 90,971.86 | |
| Cash and Cash Equivalents as at the beginning of the year | 107,034.09 | 16,062.23 | |
| Add: Adjustment on account of Consolidation (Refer Note 2 below) | 3,121.46 | - | |
| Cash and Cash Equivalents as at the end of the year | 72,063.76 | 107,034.09 | |
| 1 Cash and Cash Equivalents | -38,091.79 | 90,971.86 | |
| Cash balances including imprest | 1.82 | 1.53 | |
| Bank Balances with Schedule Banks** | 72,061.94 | 107,032.56 | |
| | 72,063.76 | 107,034.09 | |

** Excludes balances in current accounts/deposit accounts pertaining to interest warrant, under lien, pledged with banks / Govt. authorities ₹ 31,002.69 Million (Previous Year ₹ 168.85 Million)

- 2 On account of acquisition of shares in ONGC Mangalore Petrochemicals Ltd (OMPL) and Mangalam Retail Services Limited (MRSL), adjustments in opening Cash and Cash equivalent amounting to ₹ 3,120.83 Million and ₹ 0.63 Million are being made respectively .
- 3 Previous Year's figures have been re-grouped/ re-classified wherever necessary to confirm to the current year's presentation.

As per our report of even date attached

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants
Firm Registration No. : 0009605

For **A. RAGHAVENDRA RAO & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 0033245

CA K. R. SURESH
Partner
Membership No. 025453

CA.GOPALAKRISHNA BHAT T.M
Partner
Membership No. 019798

New Delhi : 22nd May, 2015

For and on behalf of the Board

H KUMAR
Managing Director

VISHNU AGRAWAL
Director (Finance)

DINESH MISHRA
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

A PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements have been prepared on the following basis:-

- 1 The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 – “Consolidated Financial Statements”.
- 2 The financial statements of Joint Venture entities are combined by applying proportionate consolidation method on a line by line basis on like items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS) 27 - “Financial Reporting of Interests in Joint Ventures”.
- 3 “The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company’s separate Financial Statements except as otherwise stated.”
- 4 The difference between the cost of investment in the subsidiaries/ associates/Joint ventures, and the net assets at the time of acquisition of shares in the subsidiaries/associates/joint ventures is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve, as the case may be
- 5 Minorities’ share in Net Profit/Loss of subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the Net Profit/Loss attributable to the shareholders of the Company. Minorities’ share of Net Assets of subsidiaries is identified and presented in the Consolidated Balance Sheet within equity separately from the equity of the owners of the parent.

B Investments other than in Joint Ventures have been accounted for as per Accounting Standard (AS)-13 “Accounting for Investments”

1 Accounting Conventions and Basis of Presentation / Accounting

- 1.1 The financial statements are prepared under the historical cost convention, in accordance with the Generally Accepted Accounting Principles (GAAP), the provisions of the Companies Act, 2013 including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 1.2 All income and expenses to the extent considered receivable / payable with reasonable certainty are accounted for on accrual basis.

2 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.

3 Cash Flow Statement

Cash Flow Statement has been prepared under Indirect Method as set out in the Accounting Standard - 3 specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and as required by the Securities and Exchange Board of India.

4 Fixed Assets

- 4.1 Land is stated at historical cost less amortisation wherever applicable.
- 4.2 Other Fixed assets are stated at historical cost less accumulated depreciation/ amortisation and impairment.
- 4.3 Spares received along with the Plant or Equipment and those purchased subsequently for specific machinery and having irregular use are capitalised.
- 4.4 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 the assets.
- 4.5 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.

5 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.

6 Depreciation / Amortisation

- 6.1 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.
- 6.2 Cost of leasehold land is amortised over the lease period. Cost of leasehold lands where the transfer of ownership to the company on expiry of the lease period is eventually certain are not amortised.
- 6.3 Depreciation on amounts capitalised on account of foreign exchange fluctuation is provided prospectively over residual life of the assets.
- 6.4 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.

7 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.

8 Investments

- 8.1 Long term investments are valued at cost. Provision is made in the accounts for any diminution, other than temporary in nature.
- 8.2 Current Investments are valued at lower of cost and fair value.

9 Inventories

Inventories are valued at lower of cost or 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:

- 9.1 Raw material - on First in First out (FIFO) basis.
- 9.2 Finished Products - at Raw material, Conversion cost and excise duty.
- 9.3 Stock-in-Process - at Raw material and Proportionate Conversion cost
- 9.4 Stores, Spares and other trading Goods - on weighted average cost basis

10 Revenue Recognition

- 10.1 Sales are recognised on transfer of custody of goods to customers and includes all statutory levies except Value Added Tax (VAT) and is net of discounts
- 10.2 Dividend income is recognised when the right to receive the dividend is established.
- 10.3 Interest income is recognised on a time proportion basis
- 10.4 Revenue from sale of scrap are recognised on transfer of custody of goods to customers.
- 10.5 Revenue in respect of Liquidated Damages from contractors/ suppliers is recognised when determined as not payable.
- 10.6 Excise duty recovery from customer is deducted from Turnover (gross). Excise duty differential between closing and opening stock of excisable goods is included under other expenses.

11 Claims

- 11.1 Claims/Surrenders on/to Petroleum Planning and Analysis Cell, Government of India are booked on 'in principle acceptance' thereof on the basis of available instructions/clarifications subject to final adjustments, as stipulated.
- 11.2 Insurance Claims
 - 11.2.1 In case of total loss of asset, on intimation to the insurer, either the carrying cost of the asset or insurance value (subject to deductible excess) whichever is lower is treated as claims recoverable from insurance company. In case insurance claim is less than the carrying cost of the asset, the difference is charged to statement of Profit and Loss.
 - 11.2.2 In case of partial or other losses, expenditure incurred / payments made to put such assets back into use, to meet the third party or other liabilities (Less deductible excess) if any, are accounted for as claims receivable from insurance company. Insurance Policy deductible excess are expensed in the year of corresponding expenditure is incurred'
 - 11.2.3 As and when claims are finally received from the insurance company, the difference, if any, between the claim receivable from insurance company and claims received is adjusted to statement of Profit and Loss
- 11.3 All other claims and provisions are booked on the merits of each case.

12 Foreign Currency Transactions

- 12.1 Foreign Currency Transactions are accounted for at the exchange rates prevailing on the date of the transactions.
- 12.2 The foreign currency assets / liabilities of monetary items are translated using the exchange rates prevailing on the reporting date.
- 12.3 The exchange differences on translation of foreign currency transactions on the reporting date are recognised as income or expense and adjusted to the statement of profit and loss except exchange differences arising on reporting of long term foreign currency monetary items in so far as they relate to the acquisition of depreciable capital assets are added to /or deducted from cost of the assets.
- 12.4 The mark to market losses (net) in respect of un-expired forward contracts entered into to hedge the risk of changes in foreign currency exchange rates on future export sales against the existing contract are recognised in the statement of profit and loss.

13 Employee Benefits

- 13.1 All short term employee benefits are recognised at their undiscounted amount in the accounting period in which they are incurred. Employee Benefits under defined contribution plans comprising provident fund and

superannuation fund are recognised on the undiscounted obligations of the company to contribute to the plan. The same is paid to Provident Fund Trust authorities and to Life Insurance Corporation of India respectively, which are expensed during the year

- 13.2 Employee benefits under defined benefit plans comprising of Gratuity, leave encashment, long service emblem, post retirement medical benefits and other long term retirement benefits are recognised 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.

- 13.3 Actuarial gains and losses are recognised in the statement of Profit and Loss as income or expenses.

- 13.4 Undiscounted amount of short-term liability on account of un-availed leave is determined and provided for at the year end.

- 13.5 Provision for Gratuity as per actuarial valuation is funded with a separate trust.

14 Leases

- 14.1 Lease rentals in respect of finance lease are segregated into cost of assets and interest component by applying the implicit rate of return.

- 14.2 Assets acquired on lease 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 on accrual basis.

15 Borrowing Costs

Borrowing costs that are attributable to acquisition, construction or production of qualifying assets, are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to the statement of Profit and Loss.

16 Research and Development expenditure

Capital expenditure on Research and Development is capitalised under the respective fixed assets. Revenue expenditure thereon is charged to statement of Profit and Loss.

17 Taxes on Income

- 17.1 Current tax is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

- 17.2 Deferred tax is recognised on timing differences between taxable and accounting income/expenditure that originates in one period and are capable of reversal in one or more subsequent period(s). Deferred Tax Asset is recognised on the basis of virtual/reasonable certainty about its realisability, as applicable.

- 17.3 The Carrying amount of Deferred tax assets are reviewed at each balance Sheet date.

18 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 in the financial statements.

NOTE 2 SHARE CAPITAL

2.1 Details of Authorised, Issued and Subscribed and Paid up share capital

| 2.1.1 Share Capital | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|--|------------------------------------|------------------|------------------------------------|------------------|
| | Number | ₹ in Million | Number | ₹ in Million |
| Authorised | | | | |
| Equity Shares of ₹ 10 each (Previous Year ₹ 10 each) | 2,900,000,000 | 29,000.00 | 1,900,000,000 | 19,000.00 |
| Redeemable Preference Shares ₹ 10 each (Previous Year ₹ 10 each) | 100,000,000 | 1,000.00 | 100,000,000 | 1,000.00 |
| Total | 3,000,000,000 | 30,000.00 | 2,000,000,000 | 20,000.00 |
| 2.1.2 Equity Share Capital | | | | |
| Issued Subscribed & Paid up | | | | |
| Equity Shares of ₹ 10 each (Previous Year ₹ 10 each) | 1,752,598,777 | 17,525.99 | 1,752,598,777 | 17,525.99 |
| Forfeited Shares | - | 0.65 | - | 0.65 |
| Total | 1,752,598,777 | 17,526.64 | 1,752,598,777 | 17,526.64 |
| 2.2 Reconciliation of shares | | | | |
| Equity Shares | | | | |
| Shares outstanding at the beginning of the year | 1,752,598,777 | 17,525.99 | 1,752,598,777 | 17,525.99 |
| Changes during the year | - | - | - | - |
| Shares outstanding at the end of the year | 1,752,598,777 | 17,525.99 | 1,752,598,777 | 17,525.99 |

2.3 Rights, preferences and restrictions attached

| Particulars | Equity Shares |
|--------------------------|------------------------------------|
| Distribution of Dividend | As approved by Shareholders in AGM |
| Repayment of Capital | Not Applicable |

2.4 Shares held by holding or ultimate holding company or its subsidiaries or associates

1,255,354,097 Equity Shares (1,255,354,097 Equity Shares) are held by ONGC Limited, the holding company.

2.5 Details of shareholders holding more than 5% of total shares

Equity Shares

| Name of Shareholder | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|---|------------------------------------|--------------|------------------------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Oil and Natural Gas Corporation Limited | 1,255,354,097 | 71.63% | 1,255,354,097 | 71.63% |
| Hindustan Petroleum Corporation Limited | 297,153,518 | 16.96% | 297,153,518 | 16.96% |

2.6 No shares are reserved for issue under options and contracts/commitments for the sale of shares/disinvestment

2.7 Forfeited Shares

| As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|------------------------------------|-----------------------------|------------------------------------|-----------------------------|
| No. of Shares Forfeited | Amount paid up in ₹ Million | No. of Shares Forfeited | Amount paid up in ₹ Million |
| - | 0.65 | - | 0.65 |

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NOTE 3 RESERVES AND SURPLUS

₹ in Million

| Particulars | | As at 31 st March, 2015 | As at 31 st March, 2014 |
|-------------|---|------------------------------------|------------------------------------|
| 3.1 | Capital Redemption Reserve (Refer Note a below) | | |
| | As per Last Balance Sheet | 91.86 | 91.86 |
| | Transfer from Profit and Loss account | - | - |
| | Closing Balance | 91.86 | 91.86 |
| 3.2 | Securities Premium Account | | |
| | As per Last Balance Sheet | 3,490.53 | 3,490.53 |
| | Transfer during the year | (22.55) | - |
| | Closing Balance | 3,467.98 | 3,490.53 |
| 3.3 | Hedging Reserve | | |
| | As per Last Balance Sheet | 15.53 | - |
| | Additions/ (deductions) during the year (net) | (16.11) | 15.53 |
| | Closing Balance | (0.58) | 15.53 |
| 3.4 | General Reserve | | |
| | As per Last Balance Sheet | 1,192.00 | 1,192.00 |
| | Add : Current Year transfer | - | - |
| | Closing Balance | 1,192.00 | 1,192.00 |
| 3.5 | Capital Reserve | | |
| | As per Last Balance Sheet | - | - |
| | Add : Current Year Transfer (Refer Note b below) | 0.07 | - |
| | Closing Balance | 0.07 | - |
| 3.6 | Surplus | | |
| | As per Last Balance Sheet | 48,581.36 | 42,522.77 |
| | Add : Profit / (Loss) for the year | (18,032.94) | 6,061.14 |
| | Less : Adjustment Pursuant to Schedule II to the Companies Act, 2013 (net of tax) | 517.00 | - |
| | Less: Tax on Dividend | 1.80 | 2.55 |
| | Closing Balance | 30,029.62 | 48,581.36 |
| | Total | 34,780.95 | 53,371.28 |

Notes

- a Capital Redemption Reserve created on Redemption of Preference share capital of ₹ 91.86 Million during 2011-12 and 2012-13.
b Capital Reserve created on account of Consolidation.

NOTE 4 LONG TERM BORROWINGS

₹ in Million

| Particulars | | As at 31 st March, 2015 | As at 31 st March, 2014 |
|-------------|---|------------------------------------|------------------------------------|
| 4.1 | SECURED | | |
| 4.1.1 | External Commercial Borrowing (ECB) (Refer Note a & b below) | 57,430.84 | 38,948.00 |
| | Terms of Repayment: | | |
| | During 2015-16 : ₹ 2,790.40 Million | | |
| | During 2016-17 : ₹ 5,441.58 Million | | |
| | During 2017-18 : ₹ 12,646.73 Million | | |
| | During 2018-19 : ₹ 28,507.36 Million | | |
| | During 2019-20 : ₹ 3,896.03 Million | | |
| | During 2020-21 : ₹ 3,427.24 Million | | |

₹ in Million

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|------------------------------------|------------------------------------|
| During 2021-22 : ₹ 2,958.45 Million | | |
| During 2022-23 : ₹ 458.25 Million | | |
| During 2023-24 : ₹ 95.20 Million | | |
| 4.1.2 Rupee Term Loan from banks (RTL) (Refer Note c below) | 18,636.49 | - |
| Terms of Repayment : | | |
| During 2015-16 : ₹ 1,094.36 Million | | |
| During 2016-17 : ₹ 2,204.15 Million | | |
| During 2017-18 : ₹ 2,214.45 Million | | |
| During 2018-19 : ₹ 2,229.88 Million | | |
| During 2019-20 : ₹ 2,216.16 Million | | |
| During 2020-21 : ₹ 2,175.00 Million | | |
| During 2021-22 : ₹ 2,175.00 Million | | |
| During 2022-23 : ₹ 2,175.00 Million | | |
| During 2023-24 : ₹ 2,175.00 Million | | |
| During 2024-25 : ₹ 1,071.85 Million | | |
| | 76,067.33 | 38,948.00 |
| 4.2 UNSECURED | | |
| 4.2.1 From Others : Term Loan from OADB (Refer Note b below) | | |
| Terms of Repayment: | | |
| During 2015-16 : ₹ 2,750.00 Million | 5,250.00 | 8,000.00 |
| During 2016-17 : ₹ 2,750.00 Million | | |
| During 2017-18 : ₹ 1,750.00 Million | | |
| During 2018-19 : ₹ 750.00 Million | | |
| 4.2.2 Deferred payment liabilities (Refer Note c below) | 1,603.34 | 2,159.17 |
| Terms of Repayment: | | |
| During 2015-16 : ₹ 555.83 Million | | |
| During 2016-17 : ₹ 458.17 Million | | |
| During 2017-18 : ₹ 526.54 Million | | |
| During 2018-19 : ₹ 400.00 Million | | |
| During 2019-20 : ₹ 218.63 Million | | |
| 4.2.3 Loans and advances from related parties (Refer Note d below) | | |
| Terms of Repayment: | 32,571.30 | 39,428.50 |
| During 2015-16 : ₹ 6,857.20 Million | | |
| During 2016-17 : ₹ 6,857.20 Million | | |
| During 2017-18 : ₹ 6,857.20 Million | | |
| During 2018-19 : ₹ 6,857.20 Million | | |
| During 2019-20 : ₹ 6,857.20 Million | | |
| During 2020-21 : ₹ 5,142.50 Million | | |
| 4.2.4 Rupee Term Loan (RTL) (Refer Note b below) | 2,000.00 | - |
| Terms of Repayment: | | |
| Loan is repayable in 2 equal installments, with first repayment on August, 2016. | | |
| | 41,424.64 | 49,587.67 |
| Total | 117,491.97 | 88,535.67 |

Notes:

- The interest rate for ECB are based on 6 month LIBOR plus spread. Effective Interest rates are 3.2247%, 3.7019%, 2.7957%, 2.4157%, 2.8641%, 3.4606%, 3.4806%, 3.4762% and 3.4872% on ₹ 6,250.50 Million, ₹ 9,375.75 Million, ₹ 18,751.50 Million, ₹ 3,125.25 Million, ₹ 3,125.25 Million, ₹ 14,510.09 Million, ₹ 3,750.30 Million, ₹ 1,318.85 Million and ₹ 13.75 Million respectively.
- Company has ECB loan, outstanding of ₹ 40,628.25 Million which is secured by first pari passu Charge over immovable fixed assets and first ranking pari passu charge over movable fixed assets both present and future and the Subsidiary, OMRPL has ECB and RTL outstanding ₹ 19,592.99 Million and ₹ 19,559.35 Million respectively which 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, moveable 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

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including uncalled share capital and all current assets including cash, investments, custom / excise duties book debts, stock in trade, raw material, consumable stores & spares.

- c Subsidiary, OMPL Rupee term loan (secured) from bank, rate of interest are SBI Base Rate + 1.25% payable on monthly basis and Axis Base Rate + 0.50% payable on monthly basis on ₹ 19,559.35 Million and ₹ 171.50 Million respectively. ₹ 171.50 Million loan 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.
- d The interest rate for OIBD term loan are 8.89 %,9.04%, 8.73%, 8.98%, 8.94%, 9.27%, 9.06% and 9.15% on ₹ 1,825.00 Million, ₹ 175.00 Million, ₹ 937.50 Million, ₹ 2,062.50 Million, ₹ 87.90 Million, ₹ 2,230.00 Million, ₹ 399.60 Million and ₹ 282.50 Million respectively.
- e Deferred Payment liability representing Sales Tax deferment is with Nil Interest rate .
- f The interest rate on Term loan from related Parties i.e ONGC is 10.90 % (SBAR minus 3.85%) on ₹ 39,428.50 Million .
- g Subsidiary, OMPL Rupee term loan (unsecured) from bank, the rate of interest is Axis Base Rate + 0.50% payable on monthly basis.
- h ₹ 14,047.79 Million - Secured and Unsecured (Previous year ₹ 9,391.54 Million only unsecured) is repayable within one year and the same has been shown as "Current Maturities of Long Term Debts" under Note 10.

NOTE 5 DEFERRED TAX LIABILITIES (NET)

The Company has Deferred Tax Liabilities as at 31st March, 2015 of ₹ 1.12 Million (Previous Year ₹ 4,703.24 Million). The Breakup of Deferred tax Liabilities is as under:

| <i>₹ in Million</i> | | |
|--|------------------------------------|------------------------------------|
| Particulars | As at 31 st March, 2014 | As at 31 st March, 2014 |
| 5.1 Deferred Tax Liabilities | | |
| WDV Difference on Assets | 18,362.21 | 7,760.71 |
| Less: Tax effect on depreciation charges against opening balance of retained earning | 266.22 | - |
| Total 5.1 | 18,095.99 | 7,760.71 |
| 5.2 Deferred Tax Assets | | |
| 43B Disallowances | 10.70 | 11.87 |
| Carry Forward Depreciation | 17,678.45 | 2,711.79 |
| Others | 405.72 | 333.81 |
| Total 5.2 | 18,094.87 | 3,057.47 |
| Net Deferred Tax Liabilities (5.1-5.2) | 1.12 | 4,703.24 |

NOTE 6 OTHER LONG TERM LIABILITIES

| <i>₹ in Million</i> | | |
|------------------------------|------------------------------------|------------------------------------|
| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
| Other Liabilities | 0.13 | 19.03 |
| Deferred Payment Liabilities | 953.10 | - |
| Total | 953.23 | 19.03 |

NOTE 7 LONG TERM PROVISIONS

| <i>₹ in Million</i> | | |
|---|------------------------------------|------------------------------------|
| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
| Provision for Employee Benefits | | |
| Leave Encashment (unfunded) | 300.65 | 374.24 |
| Gratuity | 6.60 | 1.09 |
| Post retirement Medical and Other Benefits (Unfunded) | 58.51 | 92.92 |
| Total | 365.76 | 468.25 |

NOTE 8 SHORT TERM BORROWINGS

₹ in Million

| Particulars | As at 31 st March, 2014 | As at 31 st March, 2014 |
|---|------------------------------------|------------------------------------|
| 8.1 Secured | | |
| Short term Loan From Banks : Working Capital | 3,276.74 | 471.51 |
| (Secured by way of hypothecation of Company's stocks of raw materials, finished goods, stock-in-process, stores, spares, components, book debts, outstanding moneys receivable, claim, bills, contracts, engagements, securities, both present and future and further secured by second ranking pari passu charge against Company's immovable and movable Fixed Assets both present and future. | | |
| | 3,276.74 | 471.51 |
| 8.2 Unsecured Loan repayable on demand | | |
| 8.2.1 External borrowing | | |
| Short term Loan From Banks : Buyers Credit | 1,674.37 | - |
| 8.2.2 From Banks | 10,524.72 | - |
| Short term Loan From Banks | | |
| | 12,199.09 | - |
| Total | 15,475.83 | 471.51 |

NOTE 9 TRADE PAYABLES

₹ in Million

| Particulars | As at 31 st March, 2014 | As at 31 st March, 2014 |
|---|------------------------------------|------------------------------------|
| Trade Payables | | |
| Outstanding dues to Micro & Small Enterprises | 8.46 | 0.76 |
| Outstanding dues to other than Micro & Small Enterprises (Refer Note a below and Note 31.13) | 184,023.12 | 210,566.03 |
| Total | 184,031.58 | 210,566.79 |

Notes

- a Includes ₹ 3,282.95 Million (Previous year ₹ 7,353.15 Million) backed by Parent company Guarantee - ONGC.

NOTE 10 OTHER CURRENT LIABILITIES

₹ in Million

| Particulars | As at 31 st March, 2014 | As at 31 st March, 2014 |
|--|------------------------------------|------------------------------------|
| Current maturities of long-term debt (Secured) (Refer Note 4.1.1 & 4.1.2) | 3,884.76 | - |
| Refer Note No 4 (point no (b) & (c)). | | |
| Current maturities of long-term debt (UnSecured) (Refer note 4.2.1, 4.2.2 & 4.2.3) | 10,163.03 | 9,391.54 |
| Unpaid dividends (Refer Note a below) | 124.49 | 140.92 |
| Interest on Matured Debentures (Refer Note b below) | 0.19 | 0.19 |
| Deposits from Suppliers/Contractors/Others | 180.13 | 112.43 |
| Liability for Gratuity (Refer note c below) | 24.98 | 18.22 |
| Payable against Capital goods | 12,402.26 | 4,698.74 |
| Liability for Statutory Payments | 1,166.60 | 868.42 |
| Liability for Employees | 164.73 | 226.58 |
| Interest Accrued but not due | 347.13 | 334.81 |
| Payable to Oil Companies on refund from Commercial taxes | 2,884.48 | 2,884.48 |
| Others payables | 1,337.69 | 599.68 |
| Total | 32,680.47 | 19,276.01 |

Notes

- a No amount is due for payment to Investor Education Protection Fund.
b Provision for Interest towards disputed Claims
c Net of amount receivable/ payable from/to Gratuity trust

NOTE 11 SHORT TERM PROVISIONS

₹ in Million

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|---------------------------------------|---------------------------------------|
| 11.1 Provision for Employee Benefits | | |
| For Leave (Unfunded) | 34.68 | 46.35 |
| Gratuity | 0.05 | 0.08 |
| For Post retirement Medical and Other Benefits (Unfunded) | 1.92 | 7.91 |
| 11.2 Others | | |
| For Taxation (Net of Advance Tax) | 14.07 | 29.48 |
| For Corporate Dividend Tax | 1.80 | 2.56 |
| Others (Refer Note a below) | 2,062.37 | 1,160.14 |
| Total | 2,114.89 | 1,246.52 |

Notes

- a The company had recognised liability based on substantial degree of estimation for excise duty payable on clearance of goods lying in stock as on 31st March, 2015 and for 31st March, 2014 for ₹ 2,057.60 Million and ₹ 1,155.18 Million respectively.

NOTE 12 FIXED ASSETS

| Fixed Assets | Refer Note | Useful Life in Years | Gross Block | | | Depreciation/ Amortisation | | | Net Block | | |
|--------------------------------------|------------|----------------------|-----------------------------------|--|---|------------------------------------|---------------------|---------------------------------|---|------------------------------------|------------------------------------|
| | | | As at 1 st April, 2014 | Additions/ adjustments during the year | Deductions/ Adjustments during the year | As at 31 st March, 2015 | Charge for the year | Transferred to retained earning | Deductions/ Adjustments during the year | As at 31 st March, 2015 | As at 31 st March, 2014 |
| | | | ₹ in Million | ₹ in Million | ₹ in Million | ₹ in Million | ₹ in Million | ₹ in Million | ₹ in Million | ₹ in Million | ₹ in Million |
| 12.1 Tangible Assets | | | | | | | | | | | |
| Land : Freehold | | | 23.66 | - | - | 23.66 | - | - | - | 23.66 | |
| Land under lease | a, b | | 257.70 | 2,639.79 | - | 2,897.49 | 4.68 | - | 170.58 | 2,726.91 | |
| Buildings | | | 3,771.54 | 1,248.35 | - | 5,019.89 | 155.17 | 695.62 | 1,759.62 | 3,260.27 | |
| Plant and Equipment | c, d | | 117,985.63 | 153,078.97 | 29.91 | 271,034.69 | 5,013.22 | 62.97 | -1,011.85 | 203,551.80 | |
| Office Equipment | | | 102.08 | 598.41 | 6.59 | 693.90 | 14.04 | 18.04 | -63.04 | 547.87 | |
| Furniture and Fixtures | d | | 168.12 | 57.72 | 2.81 | 223.03 | 16.30 | 2.55 | -5.64 | 113.57 | |
| Vehicles | d | | 56.32 | 136.17 | 37.48 | 155.01 | 21.78 | 0.34 | 29.29 | 138.67 | |
| Total Tangible Assets | | | 122,365.05 | 157,759.41 | 76.79 | 280,047.67 | 5,225.19 | 779.52 | -1,244.58 | 210,362.75 | |
| 12.2 Intangible Assets | | | | | | | | | | | |
| Goodwill | e | 10 | 20.13 | - | - | 20.13 | 2.01 | - | - | 4.04 | |
| Computer software | | 10 | 4.47 | - | - | 4.47 | 0.45 | - | - | 1.23 | |
| Computer software | | 5 | 3.22 | - | - | 3.22 | 0.13 | - | - | 0.28 | |
| Computer software | | 3 | 95.28 | 120.12 | - | 215.40 | 85.38 | 3.49 | -36.18 | 80.83 | |
| Computer software | | 7 | 0.81 | - | - | 0.81 | 0.57 | - | - | 0.12 | |
| Computer software | | 4 | 7.39 | - | - | 7.39 | 7.18 | 0.21 | - | - | |
| Licenses and franchise | | 3 | 56.50 | - | - | 56.50 | 56.50 | - | - | - | |
| Total Intangible Assets | | | 187.80 | 120.12 | - | 307.92 | 12.23 | 3.70 | -36.18 | 221.42 | |
| Total | | | 122,552.85 | 157,879.53 | 76.79 | 280,355.59 | 5,237.42 | 783.22 | -1,280.76 | 210,449.25 | |
| Previous Year | | | 113,400.15 | 9,233.45 | 80.75 | 122,552.85 | 7,065.16 | - | 45.02 | 59,947.91 | |
| 12.3 Capital Work in Progress | | | | | | | | | | | |
| | | | | | | | | | | 13,886.94 | |
| | | | | | | | | | | 85,519.54 | |

Notes

- Includes ₹ 249.96 Million (Previous Year ₹ 249.96 Million) which has not been amortised in view of the fact that eventually the ownership will get transferred to the Company on expiry of the lease period.
- Includes land value ₹ 28.82 Million (Previous Year ₹ 36.56 Million), which is in possession of the company towards which formal lease deeds are yet to be executed . Net Block ₹ 28.82 Million (Previous Year ₹ 36.56 Million)
- Includes ₹ 782.98 Million (Previous Year ₹ 782.98 Million) being Company's share of an asset jointly owned with another Company. Net Block ₹ 39.15 Million (Previous Year ₹ 39.15 Million).
- Includes Assets whose life is other than life specified in Schedule II of the Companies Act, 2013 and is based on the company policy. Had the company followed Schedule II rates, depreciation for the period would have been higher by ₹ 7.94 Million with the consequential impact on the Fixed Assets and Profit/(loss) for the period.

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| Type of Assets | Life Considered | Gross Value | WDV |
|--|-----------------|--------------|--------------|
| | | ₹ in Million | ₹ in Million |
| Plant and Equipment (Employee Scheme Computer) | 7 Years | 94.95 | 42.07 |
| Furniture and Fixtures (Employee Scheme Furniture) | 7 Years | 12.69 | 6.38 |
| Vehicles (Employee Scheme Vehicles) | 5 Years | 3.04 | 2.54 |

- e Represents consideration for purchase of business (Nitrogen Plant) in excess of book value of net assets acquired.
- f The Company capitalises the borrowing cost and Exchange differences in the capital work in Progress (CWIP) and the amount capitalised during the year ended 31st March, 2015 are ₹ 1,686.27 Million (Previous year ₹ 3,778.55 Million) and ₹ 1,680.25 Million (Previous year ₹ 1,710.35 Million) respectively. Borrowing cost and Exchange differences capitalised are disclosed in the " Additions/ adjustments during the year" column of different class of Assets. Asset-wise details of the same are included in the cost of Major heads of fixed Assets as given below:

₹ in Million

| Year | 2014-15 | | 2013-14 | |
|---------------------|---------------------|-----------------|---------------------|-----------------|
| | Exchange Difference | Borrowing Cost | Exchange Difference | Borrowing Cost |
| Buildings | 12.22 | 8.33 | 9.43 | 1.65 |
| Plant and Equipment | 1,479.04 | 1,112.58 | 400.45 | 250.59 |
| Pending Allocation | 188.99 | 565.36 | 1,300.47 | 3,526.31 |
| Total | 1,680.25 | 1,686.27 | 1,710.35 | 3,778.55 |

- g Capital Work In Progress (Including Project expenses to be Capitalised appropriately)

₹ in Million

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2015 | As at 31 st March, 2014 | As at 31 st March, 2014 |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Capital Work-in-Progress | | 100,761.36 | |
| Project expenditure to be Capitalised appropriately | | | | |
| Salaries, Wages & Gratuity | - | | 706.32 | |
| Contribution to P.F & Superannuation Fund | - | | 89.20 | |
| Staff Welfare Expenses | - | | 0.41 | |
| Rates & Taxes | - | | 4.05 | |
| Insurance | - | | 558.29 | |
| Interest & Finance cost | - | | 6,985.79 | |
| Exchange Loss (+)/ (Gain) (-) | - | | 1,277.19 | |
| Miscellaneous Expenses | - | | 1,638.61 | |
| Depreciation | - | - | 12.23 | 11,272.09 |
| Total (a+b) | | 100,761.36 | | 94,627.73 |
| Less : Amount Capitalised to Fixed assets during the year | | 86,874.42 | | 9,108.19 |
| Net Capital Work-in-Progress | | 13,886.94 | | 85,519.54 |

- h Depreciation/amortisation of Tangible and Intangible Assets for the year is allocated as given below:

₹ in Million

| Sl. No | Particulars | 31 st March, 2015 | 31 st March, 2014 |
|--------|---|------------------------------|------------------------------|
| i | Charged to Statement of Profit & Loss | 5,216.48 | 7,067.05 |
| | Less: Charged to Statement of Profit & Loss as Fixed Assets held for Sale | - | 0.31 |
| ii | Transferred to expenditure during construction period (net) | 1.77 | 2.44 |
| iii | Adjustments related to Prior Period (Net) | 19.17 | -4.02 |
| | Total | 5,237.42 | 7,065.16 |

- i Assets not in use and held for sale are shown under Other current Assets.

NOTE 13 NON CURRENT INVESTMENTS

₹ in Million

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|------------------------------------|------------------------------------|
| Non Trade Investments (Long term Investments) | | |
| Investment in Equity instruments : Unquoted at Cost | | |
| Investment in Associate Company | | |
| ONGC Mangalore Petrochemicals Ltd.(957,621,500 Equity Shares fully paid becoming subsidiary effective from 28 th February, 2015 (Previous year 1,500 Shares ₹ 10 each)) (Refer Note a below) | - | 0.02 |
| Mangalore SEZ Ltd. (480,000 Equity Shares of ₹ 10 each fully paid) (Refer Note b below) | 4.80 | - |
| Total | 4.80 | 0.02 |

Notes

| Name of the Company | No of Equity Shares | Face value per Share in ₹ | Total (₹ In Million) |
|--------------------------------------|---------------------|---------------------------|----------------------|
| a ONGC Mangalore Petrochemicals Ltd. | 15,000 | 10 | 0.02 |
| b Mangalore SEZ Ltd. | 480,000 | 10 | 4.80 |

c Aggregate Value of Unquoted Investments ₹ 4.80 Million (Previous Year ₹ 0.02 Million)

NOTE 14 LONG TERM LOANS AND ADVANCES

(Unsecured and Considered good unless otherwise stated)

₹ in Million

| Particulars | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|---|------------------------------------|-----------------|------------------------------------|-----------------|
| 14.1 To related Party | | | | |
| Advance towards Equity share | | | | |
| ONGC Mangalore Petrochemicals Ltd. | - | | 599.99 | |
| Mangalam Retail Services Limited | - | - | 0.50 | 600.49 |
| Mangalore SEZ Limited | | | | |
| Capital Advance | 131.50 | | 131.50 | |
| Deposit | 5.27 | 136.77 | - | 131.50 |
| 14.2 Others | | | | |
| Capital Advance | 2,250.74 | | 1,039.32 | |
| Unsecured, considered doubtful | 3.40 | | 3.40 | |
| Less: Provision for doubtful loans and advances | 3.40 | 2,250.74 | 3.40 | 1,039.32 |
| Employee Advance (Refer note a below) | | 254.96 | | 236.09 |
| Deposits with Custom, Port etc | | 0.01 | | 0.01 |
| Income Tax Paid (Net of Provision) | | 1,988.36 | | 254.87 |
| MAT Credit Entitlement | | 3.78 | | - |
| Deposit with Others | | 547.79 | | 474.29 |
| Total | | 5,182.41 | | 2,736.57 |

Notes

a Includes loans having repayment schedule of more than 7 years

Mangalore Refinery and Petrochemicals Limited

Employee Advance stated above includes :

| <i>₹ in Million</i> | | |
|-------------------------------|--|--|
| | As at 31st March, 2015 | As at 31st March, 2014 |
| Directors | - | - |
| Other Officers of the Company | 0.26 | 0.30 |
| | 0.26 | 0.30 |

NOTE 15 OTHER NON CURRENT ASSETS

| <i>₹ in Million</i> | | |
|---|--|--|
| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
| Accrued Interest On Employees Loan scheme | 34.94 | 33.26 |
| Income Tax Paid Under Disputes | 2,579.25 | 2,661.58 |
| Total | 2,614.19 | 2,694.84 |

NOTE 16 INVENTORIES *

| <i>₹ in Million</i> | | | | |
|--|--|--|--|--|
| Particulars | As at 31st March, 2015 | As at 31st March, 2015 | As at 31st March, 2014 | As at 31st March, 2014 |
| Raw Materials | 7,264.40 | | 27,133.05 | |
| Raw Materials in transit | 5,272.71 | 12,537.11 | 15,486.42 | 42,619.47 |
| Stock -in- Process | | 4,046.02 | | 4,661.66 |
| Finished goods | 19,052.28 | | 35,183.13 | |
| Less : Provision for Stock Loss | 5.91 | 19,046.37 | 5.91 | 35,177.22 |
| Stores and spares | 2,075.04 | | 2,005.19 | |
| Stores and spares in transit | 223.21 | | 164.71 | |
| Less : Provision for Slow/Non Moving Inventories | 85.48 | 2,212.77 | 85.48 | 2,084.42 |
| Total | | 37,842.27 | | 84,542.77 |

* Valued as per accounting policy no. 9

NOTE 17 TRADE RECEIVABLES

| <i>₹ in Million</i> | | |
|---|--|--|
| Trade Receivables (Unsecured) | As at 31st March, 2015 | As at 31st March, 2014 |
| Outstanding for a period less than six months | | |
| Considered good (Refer note a) | 22,368.41 | 45,309.23 |
| Considered doubtful | 177.51 | 120.23 |
| Less: Provision for doubtful debts | 177.51 | 120.23 |
| | 22,368.41 | 45,309.23 |
| Outstanding for a period exceeding six months | | |
| Considered good | - | - |
| Considered doubtful | 913.65 | 758.72 |
| Less: Provision for doubtful debts | 913.65 | 758.72 |
| | - | - |
| Total | 22,368.41 | 45,309.23 |

Notes

- a Above includes ₹ 515.50 Million (Previous year ₹ 733.78 Million) backed by Bank Guarantee.
Trade Receivable stated above include debts due by:

| ₹ in Million | | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2015 | As at 31 st March, 2014 |
| Company in which Director of the company is a Director Shell MRPL Aviation Fuels and Services Limited | 289.57 | 622.69 |
| Total | 289.57 | 622.69 |

NOTE 18 CASH AND BANK BALANCES

| ₹ in Million | | | | |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Particulars | As at 31 st March, 2015 | As at 31 st March, 2015 | As at 31 st March, 2014 | As at 31 st March, 2014 |
| 18.1 Cash & Cash Equivalents | | | | |
| Balances With Banks | | | | |
| Current Accounts | 120.19 | | 223.61 | |
| Deposit Accounts : Upto 3 Months Maturity (Refer Note a below) | 41,390.85 | 41,511.04 | 99,834.75 | 100,058.36 |
| Cash on Hand (including Imprest) & Gold Coin (Refer Note b below) | | 1.82 | | 1.53 |
| 18.2 Other Bank balances | | | | |
| Deposit Accounts : 3 to 12 Months Maturity (Refer Note a below) | 30,550.90 | | 6,974.20 | |
| Unpaid Interest on debentures Account | 0.19 | | 0.19 | |
| Unpaid Dividend Account | 124.49 | | 140.91 | |
| Employee Benevolent Fund | 7.27 | | 6.43 | |
| Deposit with banks as lien against overdraft facility and Statutory Authorities as security deposit. | 30,870.74 | 61,553.59 | 21.32 | 7,143.05 |
| Total | | 103,066.45 | | 107,202.94 |

Notes

- a The deposits maintained by the company with banks can be withdrawn by the company at any point without prior notice or penalty on the principal.
- b Includes Gold Coins valued ₹ 0.94 Million (Previous year ₹ 0.59 Million)

NOTE 19 SHORT TERM LOANS AND ADVANCES

| ₹ in Million | | | | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Particulars | As at 31 st March, 2015 | As at 31 st March, 2015 | As at 31 st March, 2014 | As at 31 st March, 2014 |
| 19.1 To related party | | | | |
| ONGC Mangalore Petrochemicals Ltd. | - | | 14.53 | |
| Mangalore SEZ Limited | 0.47 | | 1.17 | |
| Shell MRPL Aviation Fuels and Services Limited | 0.01 | | 0.28 | |
| Mangalam Retail Services Limited | 0.03 | | 0.04 | |
| Petronet MHB Limited | 2.54 | 3.05 | 6.59 | 22.61 |
| 19.2 To others | | | | |
| Balance with Custom, Port, Trust etc. | | 5,230.61 | | 3,290.70 |
| Security Deposits with Customer | | | | |
| Considered doubtful | 6.87 | | 7.52 | |
| Less: Provision for doubtful Deposits | 6.87 | - | 7.52 | - |
| Advance to Employees | 43.61 | | 34.86 | |
| Less: Provision for doubtful Advances | 0.81 | 42.80 | 0.81 | 34.05 |
| Other Advances Recoverable in cash or in kind or value to be received and Deposits (Refer Note a below) | | 3,754.42 | | 3,958.30 |
| Forward contract receivable | | 0.65 | | 15.53 |
| Total | | 9,031.53 | | 7,321.19 |

Notes

- a Includes an amount of Nil (Previous Year 2,367.70 Million) as Inter Corporate Deposit to Public Sector Undertakings

Mangalore Refinery and Petrochemicals Limited

Advance to Employees stated above includes :

| Particulars | ₹ in Million | |
|-------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2015 | As at 31 st March, 2014 |
| Directors | - | 1.13 |
| Other officers of the Company | 0.04 | 0.04 |
| Total | 0.04 | 1.17 |

NOTE 20 OTHER CURRENT ASSETS

| Particulars | ₹ in Million | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2015 | As at 31 st March, 2014 |
| Interest Accrued but not due on Bank Deposits | 1,546.15 | 831.92 |
| Claim Receivable from Insurance Company | 0.05 | 0.05 |
| Fixed Assets held for sale (Refer Note a & b below) | 77.96 | 77.96 |
| Total | 1,624.16 | 909.93 |

Notes

- a Includes Plant and Machinery and Other depreciable Assets which have been fully depreciated and freehold land at cost.
- b Fixed Assets held for sale are valued at lower of cost or estimated realisable value.

NOTE 21 REVENUE FROM OPERATIONS

| Particulars | ₹ in Million | |
|--------------------------------------|--|--|
| | For the Year ended 31 st March, 2015 | For the Year ended 31 st March, 2014 |
| 21.1 Revenue From Sale | | |
| Domestic Sales | | |
| Sale of Product | 393,387.00 | 395,596.89 |
| Sale of Services | 8.61 | - |
| Export Sales | | |
| Sale of Product | 227,117.51 | 353,919.60 |
| 21.2 Other operating revenues | | |
| Sale Of Scrap | 22.13 | 34.15 |
| Commision | 72.88 | 120.75 |
| Liquidated Damages | 26.48 | 8.81 |
| Total | 121.49 | 163.71 |
| Total | 620,634.61 | 749,680.20 |

NOTE 22 OTHER INCOME

₹ in Million

| Particulars | For the Year ended 31 st March, 2015 | For the Year ended 31 st March, 2014 |
|---|--|--|
| 22.1 Interest Income | | |
| On Bank Deposit (Tax Deducted at Source ₹ 635.47 Million (Previous Year ₹ 174.35 Million)) | 6,248.22 | 1,814.60 |
| On Inter Corporate Deposit (Tax Deducted at Source ₹ 18.26 Million (Previous Year ₹ 32.42 Million)) | 182.56 | 331.70 |
| From Direct Marketing Customers | 62.17 | 70.55 |
| On Contractor Mobilisation Advance | 10.43 | 44.54 |
| On Employees Loan Scheme | 13.95 | 13.41 |
| On Oil Bonds | - | - |
| On Others | 37.41 | 2.53 |
| Total | 6,554.74 | 2,277.33 |
| 22.2 Dividend Income | | |
| Dividend received on Mutual Fund Investments (Short Term Investments) | 1,390.50 | 826.80 |
| 22.3 Other non-operating Income | | |
| Liability no longer required written back | 66.39 | 36.84 |
| Excess Provisions written back | 0.65 | 14.76 |
| Tender form Sale | 1.21 | 0.39 |
| Hire Charges | 4.81 | 3.67 |
| Recoveries from Employees | 8.04 | 5.52 |
| Miscellaneous Receipts | 54.28 | 54.74 |
| Total | 135.38 | 115.92 |
| Total | 8,080.62 | 3,220.05 |

NOTE 23 COST OF MATERIALS CONSUMED

₹ in Million

| Particulars | For the Year ended 31 st March, 2015 | For the Year ended 31 st March, 2014 |
|--------------------------------|--|--|
| Raw Material: Crude Oil | | |
| Imported | 508,507.75 | 640,281.06 |
| Indigenous | 45,283.96 | 65,506.06 |
| Raw Material: Others | | |
| Imported | | |
| Hydrogen | 261.55 | - |
| Paraffin Raffinate | 2,167.33 | - |
| Indigenous | | |
| CRMB Modifier | 2.57 | 29.27 |
| Naptha Stream | 241.92 | - |
| Aromatic Stream | 234.92 | - |
| Trading Goods | | |
| Indigenous | 0.56 | 0.43 |
| Total | 556,700.56 | 705,816.82 |

Mangalore Refinery and Petrochemicals Limited

NOTE 24 INCREASE (-) / DECREASE IN STOCK

₹ in Million

| Particulars | For the Year ended 31 st March, 2015 | For the Year ended 31 st March, 2014 |
|---|--|--|
| 24.1 Closing Stock of: | | |
| Finished Goods | 17,674.37 | 35,183.12 |
| Stock -in- Process | 3,528.66 | 4,661.66 |
| Total Closing Stock | 21,203.03 | 39,844.78 |
| 24.2 Opening Stock of: | | |
| Finished Goods | 35,183.12 | 30,726.30 |
| Stock -in- Process | 4,661.66 | 2,351.30 |
| Total Opening Stock | 39,844.78 | 33,077.60 |
| Increase (-) / Decrease in Stock | 18,641.75 | -6,767.18 |

NOTE 25 EMPLOYEE BENEFITS EXPENSES

₹ in Million

| | For the Year ended 31 st March, 2015 | For the Year ended 31 st March, 2014 |
|---|--|--|
| Salaries and Wages | 1,897.13 | 1,767.43 |
| Contribution to Provident and Other Funds | 227.93 | 197.86 |
| Staff Welfare Expenses | 106.06 | 85.09 |
| Provision for Leave | 182.15 | 94.98 |
| Provision for Gratuity | 31.99 | 19.68 |
| Provision for Post - Retirement, Medical and other long term benefits | 10.56 | 10.25 |
| Total | 2,455.82 | 2,175.29 |

NOTE 26 FINANCE COSTS

₹ in Million

| | For the Year ended 31 st March, 2015 | For the Year ended 31 st March, 2014 |
|---|--|--|
| Interest expenses | 4,448.01 | 2,356.61 |
| Other borrowing costs | 14.10 | 65.58 |
| Net(Gain)/ Loss on Foreign Currency transactions and translation | | |
| Exchange (gain)/ loss (net) | 20.03 | 804.05 |
| Total | 4,482.14 | 3,226.24 |

NOTE 27 DEPRECIATION AND AMORTISATION EXPENSE

₹ in Million

| | For the Year ended 31 st March, 2015 | For the Year ended 31 st March, 2014 |
|----------------------|--|--|
| On Tangible Assets | 5,204.64 | 7,047.02 |
| On Intangible Assets | 11.84 | 20.03 |
| Total | 5,216.48 | 7,067.05 |

NOTE 28 OTHER EXPENSES

₹ in Million

| Particulars | For the Year ended 31 st March, 2015 | | For the Year ended 31 st March, 2014 | |
|--|--|------------------|--|-----------------|
| | | | | |
| 28.1 Other Expenses | | | | |
| Power & Fuel | 45,285.00 | | 39,363.43 | |
| Less : Own Consumption | 44,347.65 | 937.35 | 39,038.64 | 324.79 |
| Repairs and Maintenance | | | | |
| Plant and Machinery | 1,676.33 | | 976.06 | |
| Building | 3.37 | | 11.27 | |
| Others | 225.14 | 1,904.84 | 217.16 | 1,204.49 |
| Stores, Spares and Chemical Consumed | 1,318.75 | | 700.03 | |
| Less : Shown Under Other Heads | 505.99 | | 512.40 | |
| Less : Advance Licence Benefit availed | - | 812.76 | 202.51 | -14.88 |
| Packing Material Consumed | | 52.04 | | 56.54 |
| Rent | | 75.67 | | 68.45 |
| Insurance | | 244.71 | | 186.13 |
| Rates and Taxes | | 1,951.73 | | 776.91 |
| Excise Duty on Stock (Net) | | 916.85 | | 199.63 |
| Exchange Rate Fluctuation Loss | | 6,798.16 | | -7.84 |
| Director's Sitting Fees | | 0.76 | | 0.98 |
| Loss on Sale of Fixed Assets | | 5.98 | | 16.12 |
| Payment to Auditors | | | | |
| Audit Fees | 2.35 | | 1.90 | |
| For Taxation Matters | 0.64 | | 0.69 | |
| For Certification Fees | 1.31 | | 1.21 | |
| Reimbursement of Expenses | 1.11 | 5.41 | 1.16 | 4.96 |
| Corporate Social Responsibility Expenses | | 48.10 | | 34.71 |
| Miscellaneous Expenses | | 977.16 | | 1,051.84 |
| Total | | 14,731.52 | | 3,902.83 |
| 28.2 Provision | | | | |
| For Doubtful Debts | | 212.21 | | 164.52 |
| Total | | 212.21 | | 164.52 |
| 28.3 Write Offs | | | | |
| For Doubtful Advances | | - | | 0.02 |
| Total | | - | | 0.02 |
| 28.4 Prior Period Items (Net) | | | | |
| Depreciation(Net) | | 19.17 | | -4.02 |
| Cost of Materials Consumed | | - | | 73.86 |
| Repairs and Maintenance | | -3.48 | | -4.81 |
| Employee Benefits Expenses | | -2.42 | | 0.62 |
| Miscellaneous Expenses | | - | | 10.16 |
| Others | | 0.39 | | 24.71 |
| Total | | 13.66 | | 100.52 |
| Grand Total (28.1+28.2+28.3+28.4) | | 14,957.39 | | 4,167.89 |

NOTE 29 EXCEPTIONAL ITEMS

₹ in Million

| Particulars | For the Year ended 31 st March, 2015 | For the Year ended 31 st March, 2014 |
|----------------------------|--|--|
| Cost of materials consumed | -754.59 | -1,118.85 |
| Rebate on Sales | 192.24 | - |
| Miscellaneous Expenses | 227.88 | - |
| Total | -334.47 | -1,118.85 |

Mangalore Refinery and Petrochemicals Limited

NOTE 30 EARNINGS PER EQUITY SHARE

₹ in Million

| | For the Year ended 31 st March, 2015 | For the Year ended 31 st March, 2014 |
|--|--|--|
| Numerator : Net Profit (₹ in Million) | | |
| Basic | -18,528.70 | 6,061.14 |
| Diluted | -18,528.70 | 6,061.14 |
| Denominator : Average number of Equity Shares outstanding during the year | | |
| Basic | 1,752,598,777 | 1,752,598,777 |
| Diluted | 1,752,598,777 | 1,752,598,777 |
| Nominal value Per Share | | |
| Earnings Per Share (in ₹) | | |
| Basic / Diluted (₹) | -10.57 | 3.46 |
| Reconciliation of Basic and Diluted Earnings Per Share | | |
| Net Profit (₹ in Million) | -18,528.70 | 6,061.14 |
| Add : Interest on diluted portion of loans (Net of Tax) (₹ in Million) | - | - |
| Total | -18,528.70 | 6,061.14 |
| Average No of Equity Shares | 1,752,598,777 | 1,752,598,777 |
| Number of Share in respect of loans having conversion clause | - | - |
| Average No of Equity Shares for Diluted Earnings per share | 1,752,598,777 | 1,752,598,777 |

NOTE 31 OTHER DISCLOSURES

31.01 General Information

The Consolidated Financial Statements present the Consolidated Accounts of Mangalore Refinery and Petrochemicals Limited with the following Subsidiary and Joint Ventures.

₹ in Million

| | | 31 st March, 2015 | 31 st March, 2014 |
|----------|---|---------------------------------|---------------------------------|
| A | Subsidiary | | |
| | Indian Subsidiary | | |
| | ONGC Mangalore Petrochemicals Limited | 51.00% | NA |
| B | Indian Joint Ventures | | |
| | I) Shell MRPL Aviation Fuels and Services Limited | 50.00% | 50.00% |
| | II) Mangalam Retail Services Limited | 49.98% | NA |

31.02 Disclosure mandated by Schedule III of the Companies Act, 2013 by way of additional information.

| Name of the entity | Country of incorporation | Net Asset (i.e. Total Asset minus Total Liabilities) | | Share in Profit or loss | |
|---|--------------------------|--|-----------------------|-------------------------------------|-----------------------|
| | | As % of Consolidated Assets | Amount (₹ in million) | As % of consolidated profit or loss | Amount (₹ in million) |
| 1 | | 2 | 3 | 4 | 5 |
| Parent | | | | | |
| Mangalore Refinery and Petrochemicals Limited | India | 76.56% | 45,099.36 | 94.75% | (17,555.63) |
| Subsidiary | | | | | |
| Indian | | | | | |
| ONGC Mangalore Petrochemicals Ltd. | India | 11.63% | 6,851.33 | 2.78% | (516.00) |
| Minority Interest in subsidiary | | 11.21% | 6,604.32 | 2.68% | (495.76) |
| Joint Ventures Entities | | | | | |

| Name of the entity | Country of incorporation | Net Asset (i.e. Total Asset minus Total Liabilities) | | Share in Profit or loss | |
|--|--------------------------|--|-----------------------|-------------------------------------|-----------------------|
| | | As % of Consolidated Assets | Amount (₹ in million) | As % of consolidated profit or loss | Amount (₹ in million) |
| 1 | | 2 | 3 | 4 | 5 |
| Indian | | | | | |
| Shell MRPL Aviation Fuels & Services Limited | India | 0.60% | 356.33 | -0.21% | 38.69 |
| Mangalam Retail Services Limited | India | 0.00% | 0.57 | 0.00% | - |
| Net | | 100% | 58,911.91 | 100% | (18,528.70) |

31.03 Significant Accounting policies and notes to this Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the Company. Recognising this purpose, the company has disclosed only such Policies and Notes from the individual financial statements which fairly present the needed disclosures.

31.04 Contingent Liabilities not provided for in respect of :

- Corporate Guarantee given by the Company towards loan of ₹ 3,372.30 Million (Previous Year ₹ 3,372.30 Million) sanctioned by certain bankers / financial institutions to New Mangalore Port Trust (NMPT) for construction of Jetties. Amount outstanding as at the close of the year ended 31st March, 2015, after adjusting the repayment made by NMPT is ₹ Nil (Previous Year ₹ Nil).
- Claims against the Company not acknowledged as debt :

(₹ in Million)

| Sr. No. | Particulars | As on 31 st March, 2015 | As on 31 st March, 2014 |
|---------|--|------------------------------------|------------------------------------|
| 1 | Claims of Contractors / vendors in Arbitration / Court | | |
| a) | Some of the contractors for supply and installation of equipment have lodged claims on the Company seeking revision of time of completion without liquidated damages, extended stay compensation and extra claims etc., which are contested by the Company as not admissible in terms of the provisions of the respective contracts. In case of unfavourable awards the amount payable that would be capitalised is ₹ 340.73 million / charged to revenue account would be ₹ 38.13 million [Previous year ₹ 334.33 million and ₹ 37.63 million respectively] | 378.86 | 371.96 |

| Sr. No. | Particulars | As on 31 st March, 2015 | As on 31 st March, 2014 |
|---------|---|------------------------------------|------------------------------------|
| b) | One of the overseas customers has lodged damage claim for supply of off-spec cargo during 2008-09. The Company has disputed the claim and the issue is before the arbitrator. | - | 365.72 |
| 2 | Claims / counter claims of Customers | | |
| | One of the customer has lodged a claim for damages for pre-closure of the contract. The Company has disputed the claim based on Force Majeure condition. In case of non acceptance of the stand taken by the Company the amount will be debited to Statement of Profit & Loss account. | 85.20 | 85.20 |
| 3 | Others | | |
| (a) | The New Mangalore Port Trust (NMPT) has claimed from the Company notified wharfage charges for handling cargo at oil berths for the period beyond MOU term (berth No 10 from 16 th October, 2009 to 31 st March, 2015 & for berth no 11 from 1 st April, 2011 to 31 st March, 2015). The company has claimed that the Memorandum of Understanding, provides for arriving at a mutually agreeable rate subject to Government /TAMP (Tariff Authority for Major Ports) approval for the post MOU period. The issue is now before Ministry of Shipping. The differential wharfage amount, if any arising out of such decision will be debited / credited to the Statement of Profit & Loss Account in the year of such settlement. | 2,105.44 | 1,897.82 |
| (b) | This represents the potential liability which the company has undertaken for reimbursement to lessors, in case of any liability in their respective tax assessments. In case of any claim of such liability by lessors the same will be debited to Statement of Profit & Loss Account. | 133.67 | 133.67 |
| (c) | The claim of Mangalore SEZ Ltd. over and above the advance paid for land and rehabilitation & resettlement work. | 109.25 | 37.43 |
| | Total | 2,812.42 | 2,891.80 |

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

31.05 Disputed tax / Duty demands pending in appeal as on 31st March, 2015

- a) Income Tax: ₹ 5,947.38 Million (Previous Year ₹ 6,484.63 Million). Against this ₹ 2,579.25 Million (Previous year ₹ 2,661.58 Million) is adjusted / paid under protest and is included under other non current assets Note 15.
- b) Commercial Tax: ₹ 32.36 Million (Previous Year ₹ 32.36 Million). Against this ₹ 15.58 Million (Previous year ₹ 15.58 Million) is paid under protest and is included under loans & advances Note 19)
- c) Excise Duty: ₹ 315.27 Million (Previous Year ₹ 318.56 Million) against this ₹ 72.87 Million (Previous Year ₹ 71.27 Million) was paid under protest and is included under loans & advances Note -19)
- d) Customs Duty: ₹ 747.56 Million (previous year ₹ 711.73 Million).

31.06 Capital and other commitments

a) Capital commitments

The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as on 31st March, 2015 ₹ 1,637.16 Million (Previous Year ₹ 12,895.10 Million).

b) Other commitments

Pending commitment on account of Refinery performance improvement programme by M\\$.Shell Global International Solution (M\\$.Shell GIS) USD 2.44 Million. (Previous year USD 2.44 Million)

The Company has an export obligation to the extent of ₹ 1,346.93 Million (Previous year ₹ 1,262.78 Million) on account of concessional rate of customs duty availed under EPCG licence scheme on import of capital goods

The Subsidiary company, OMPL 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 Ltd. The annual lease rental payable to Mangalore SEZ Ltd. is ₹ 23.40 Million.

31.07 Exceptional Items

The exceptional items consists of ₹ 867.23 million income arising from Commercial Tax refund relating to Phase III project w.e.f 01.04.2012 pursuant to notification of Govt. of Karnataka, expenses of ₹ 383.68 million arising out of discount on sales and obligation on dispute settlement and ₹ 149.08 million expenses arising out of differential wharfage payable as per notification of TAMP.

31.08 Investment

The company has acquired 51.0017% Equity Shares of ONGC Mangalore Petrochemicals Ltd (OMPL) during the year and consequentially OMPL has become subsidiary company effective 28th February, 2015.

31.09 Segment Reporting

Segment wise Revenue, Results and Capital Employed

₹ in Million

| SI No. | Particulars | Year ended | Year ended |
|--------|--|-------------------|------------------|
| | | 31.03.2015 | 31.03.2014 |
| | | Audited | Audited |
| 1 | Segment Revenue | | |
| | A. Domestic Sale | 396,785.50 | 398,341.55 |
| | B. Export Sale | 233,746.00 | 357,053.85 |
| | Total | 630,531.50 | 755,395.40 |
| | Less: Inter Segment Revenue | 59,564.47 | 40,035.10 |
| | Net Sales / Income from Operations | 570,967.03 | 715,360.30 |
| 2 | Segment Result Profit / (Loss) before tax and interest from each segment | | |
| | A. Domestic Sale | -6,830.07 | 2,664.80 |
| | B. Export Sale | -11,015.11 | 2,714.20 |
| | Total | -17,845.18 | 5,379.00 |
| | Less: | | |
| | i. Interest Payment | 4,482.14 | 3,226.24 |
| | ii. Other unallocable expenditure net of unallocable income | 623.21 | -2,024.03 |
| | Profit / (loss) before Tax and Extraordinary Items | -22,950.53 | 4,176.79 |
| | Extraordinary Items | | |
| | Profit / (loss) before Tax | -22,950.53 | 4,176.79 |
| 3 | Capital Employed (Segments Assets- Segment Liabilities) | | |
| | A. Domestic Sale | 12,171.07 | 22,652.21 |
| | B. Export Sale | 10,197.34 | 22,657.02 |
| | Total | 22,368.41 | 45,309.23 |
| | Unallocated | 29,939.18 | 25,588.69 |
| | Total Capital Employed | 52,307.59 | 70,897.92 |
| | Capital Expenditure | 86,147.47 | 19,104.99 |
| | Depreciation & Amortisation | 5,237.42 | 7,065.47 |
| | Other Non cash Expenses | 5,336.14 | -4,391.39 |

31.10 Related Party Disclosure

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.

31.10.02 Key Management Personnel:

Parent Company

- (i) Shri H.Kumar, Managing Director from 14th August, 2014.
- (ii) Shri Vishnu Agrawal, Director (Finance)
- (iii) Shri V.G.Joshi, Director (Refinery)
- (iv) Shri P.P.Upadhyaya, Managing Director upto 31st July, 2015
- (v) Shri Dinesh Mishra, Company Secretary

Subsidiary and Joint Ventures:

- (i) Shri S. Ramachandran, CEO : ONGC Mangalore Petrochemicals Ltd.
- (ii) Shri Sushil K Shenoy, CFO : ONGC Mangalore Petrochemicals Ltd.
- (iii) Shri Shyam Kumar, Company Secretary : ONGC Mangalore Petrochemicals Ltd from 13th August, 2014.
- (iv) Shri V N Diwakar, CEO : Shell MRPL Aviation Fuels and Services Limited from 20th February, 2015.
- (v) Shri S Chockalingam, CFO and Company Secretary : Shell MRPL Aviation Fuels and Services Limited from 20th February, 2015.

(Remuneration paid to Key Management Personnel ₹ 16.93 Million (Previous Year ₹ 9.99 Million).

31.10.03 Related Party details:

₹ in Million

| Particulars | Mangalore SEZ Limited | Petronet MHB Limited |
|--|-----------------------|----------------------|
| Relationship | Associate | Associate |
| Purchase of inputs/Payable on account of services | 700.26 (13.28) | Nil (Nil) |
| Transportation charges payable | Nil (Nil) | 19.95 (62.57) |
| Reimbursement of expenditure by MRPL | 30.79 (0.31) | 28.72 (29.18) |
| Net Amount receivable/adjustable as on 31 st March, 2015. | 982.16 (119.37) | 0.20 (6.59) |

Note : Figures in brackets represent previous year figure

31.11 Financial Reporting of Interests in Joint Ventures

₹ in Million

| Particulars | Shell MRPL Aviation Fuel Services Limited | Mangalam Retail Services Limited * | |
|--------------------------------------|---|------------------------------------|-----|
| Proportion of the ownership interest | 50% | 49.98% | 45% |
| Country of incorporation | India | India | |

| Aggregate amount of interest in Joint Venture (MRPL's share) | 2014-15 (Audited) | 2013-14 (Audited) | 2014-15 (Audited) | 2013-14 (Audited) |
|--|-------------------|-------------------|-------------------|-------------------|
| Assets | 1,025.15 | 1,781.37 | 0.67 | 0.61 |
| Liabilities | 668.83 | 1,436.64 | 0.10 | 0.29 |
| Income | 3,179.63 | 3,312.19 | - | 0.00 |
| Expenditure including Tax Expenses | 3,140.94 | 3,250.70 | 0.03 | 0.02 |
| Contingent Liabilities | 5.03 | 5.03 | Nil | Nil |
| Capital Commitments | Nil | Nil | Nil | Nil |

* During the year 2013-14, no shares were issued from Mangalam Retail Services Limited.

31.12 Insurance Coverage

The Company has covered its refinery Fixed Assets under a mega risk insurance policy which is subject to sanctions limitation and exclusion by UK, EU and UN.

31.13 Trade Payables

The trade payables referred in Note no 9 includes ₹ 147,854.73 million (Previous year ₹ 79,141.99 million) being overdue amount payable to National Iranian Oil Company (NIOC) pending settlement due to non finalisation of remittance channel arising out of UN/US/EU backed sanctions.

31.14 Disclosure as required by Clause 32 of the Listing agreement

There are no loans and advances in the nature of loan to Subsidiary, Associates and Joint Ventures.

31.15 Previous year's figures have been re-grouped/ re classified wherever necessary to confirm to the current year's classification.

As per our report of even date attached

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants
Firm Registration No. : 0009605

For **A. RAGHAVENDRA RAO & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 0033245

CA K. R. SURESH
Partner
Membership No. 025453

CA.GOPALAKRISHNA BHAT T.M
Partner
Membership No. 019798

New Delhi : 22nd May, 2015

For and on behalf of the Board

H KUMAR
Managing Director

VISHNU AGRAWAL
Director (Finance)

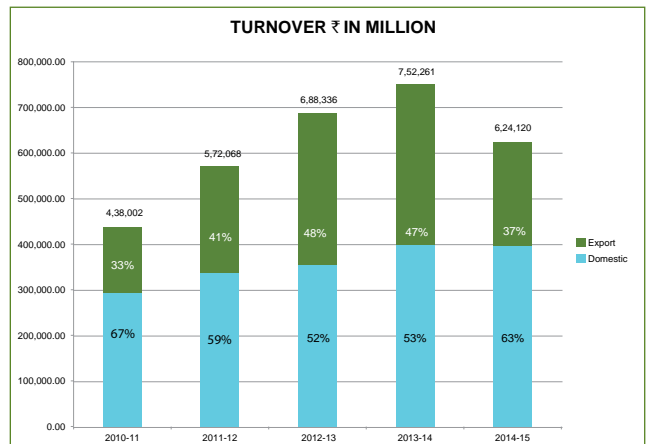
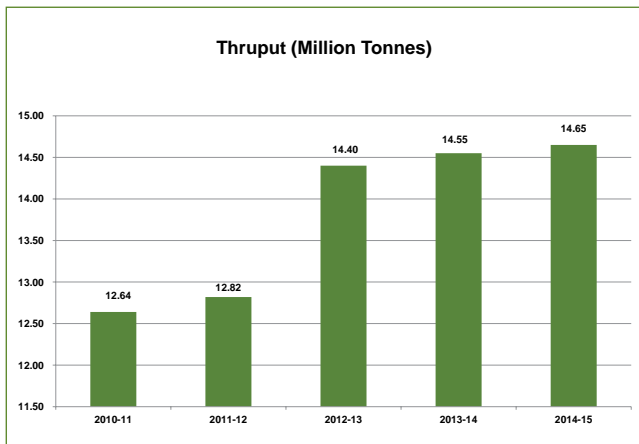
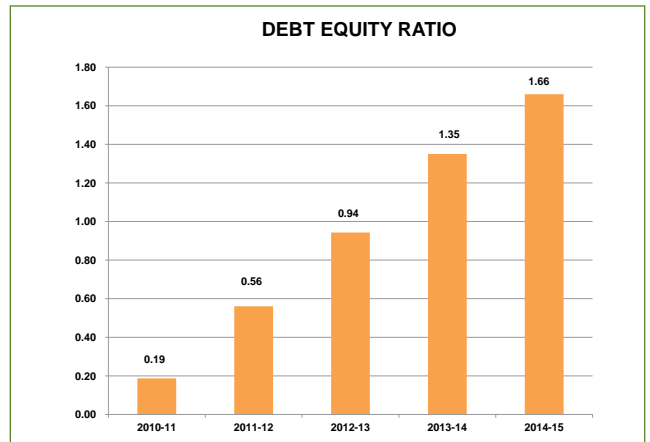
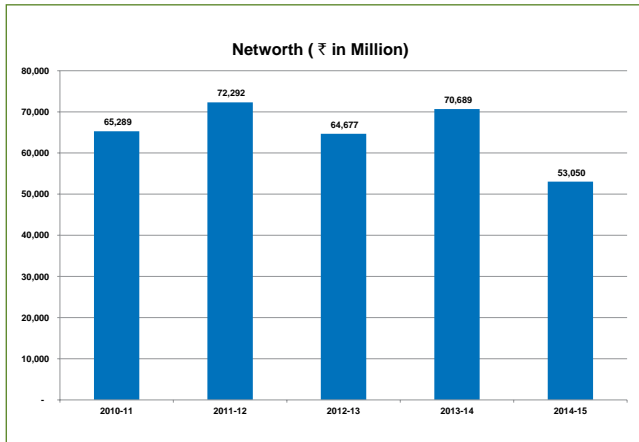
DINESH MISHRA
Company Secretary

TEN YEAR PERFORMANCE AT A GLANCE

| | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 |
|---|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| What We Owe | | | | | | | | | | |
| Share Capital | 17,526.64 | 17,526.64 | 17,526.64 | 17,572.57 | 17,618.50 | 17,618.50 | 17,618.31 | 17,618.21 | 17,618.04 | 17,618.04 |
| Reserves | 35,522.95 | 53,162.08 | 47,150.26 | 54,719.37 | 47,670.51 | 38,347.02 | 29,675.68 | 20,211.22 | 9,949.92 | 6,335.35 |
| Net Worth | 53,049.59 | 70,688.72 | 64,676.90 | 72,291.94 | 65,289.01 | 55,965.52 | 47,293.99 | 37,829.43 | 27,567.96 | 23,953.39 |
| Borrowings | 90,324.65 | 97,927.21 | 75,576.54 | 61,831.10 | 15,569.75 | 16,963.97 | 19,868.04 | 20,580.68 | 23,683.07 | 33,072.72 |
| Deferred Tax Liability | - | 4,702.69 | 7,343.28 | 4,531.40 | 3,471.64 | 6,602.22 | 5,685.53 | 5,307.79 | 5,989.56 | 1,371.34 |
| TOTAL | 143,374.24 | 173,318.62 | 147,596.72 | 138,654.44 | 84,330.40 | 79,531.71 | 72,847.56 | 63,717.90 | 57,240.59 | 58,397.45 |
| What We Own | | | | | | | | | | |
| Fixed Assets (Including Capital WIP) | 223,190.91 | 208,025.23 | 188,929.44 | 161,134.49 | 130,871.85 | 92,954.50 | 78,390.04 | 75,053.07 | 74,028.40 | 71,885.91 |
| Less : Depreciation | 68,323.33 | 62,595.55 | 55,578.31 | 49,644.32 | 45,301.36 | 41,428.08 | 37,661.38 | 33,988.12 | 30,363.80 | 26,834.85 |
| | 154,867.58 | 145,429.68 | 133,351.13 | 111,490.17 | 85,570.49 | 51,526.42 | 40,728.66 | 41,064.95 | 43,664.60 | 45,051.06 |
| Investments | 13,496.73 | 150.02 | 150.02 | 422.80 | 948.25 | 16,236.62 | 6,428.93 | 6,451.36 | 272.80 | 272.78 |
| Net Current Assets | (24,990.07) | 27,738.92 | 14,095.57 | 26,741.47 | (2,188.34) | 11,768.67 | 25,689.97 | 16,201.59 | 13,303.19 | 13,073.61 |
| TOTAL | 143,374.24 | 173,318.62 | 147,596.72 | 138,654.44 | 84,330.40 | 79,531.71 | 72,847.56 | 63,717.90 | 57,240.59 | 58,397.45 |
| Income | | | | | | | | | | |
| Sales (Net Of Excise Duty) | 574,381.45 | 718,104.96 | 656,915.16 | 537,633.43 | 389,566.73 | 318,851.74 | 382,437.41 | 325,751.28 | 284,646.10 | 247,831.23 |
| Other Income | 8,101.56 | 3,244.67 | 1,160.36 | 3,543.09 | 2,171.83 | 2,915.12 | 1,866.41 | 740.73 | 411.99 | 767.81 |
| Exchange Fluctuation (net) : Gain | - | - | - | - | 184.48 | 3,903.97 | - | 1,374.86 | 325.21 | - |
| Increase/(Decrease) in stocks | (18,861.34) | 6,740.75 | 11,161.53 | 1,502.05 | 8,152.71 | 2,958.77 | (5,968.56) | 1,048.01 | 7,983.22 | (2,933.91) |
| TOTAL | 563,621.67 | 728,090.38 | 669,237.05 | 542,678.57 | 400,075.75 | 328,629.60 | 378,335.26 | 328,914.88 | 293,366.52 | 245,665.13 |
| Expenditure | | | | | | | | | | |
| Raw Materials | 558,860.55 | 707,406.32 | 654,001.82 | 512,367.50 | 372,193.37 | 302,308.74 | 345,127.66 | 300,840.43 | 271,072.55 | 228,314.30 |
| Sales Tax & Excise Duty on Stocks (net) | 916.85 | 199.63 | 217.99 | (606.16) | 647.77 | 894.23 | 559.01 | 2,242.82 | 3,324.22 | 2,428.12 |
| Salaries & Other Expenses | 2,407.42 | 2,154.74 | 1,845.60 | 1,606.42 | 1,845.35 | 958.95 | 1,130.30 | 1,248.17 | 552.06 | 479.62 |
| Exchange Fluctuation (net) : Loss | 6,835.01 | 19.03 | 5,364.91 | 6,482.20 | - | - | 6,104.96 | - | - | 711.15 |
| Other Expenses | 7,103.78 | 3,935.12 | 3,245.56 | 3,221.08 | 3,056.42 | 2,500.98 | 2,039.09 | 1,997.56 | 1,834.32 | 2,128.27 |
| Interest | 4,070.88 | 3,214.41 | 3,285.53 | 2,066.77 | 1,043.73 | 1,154.98 | 1,434.51 | 1,475.89 | 2,145.26 | 1,877.67 |
| Depreciation | 4,986.10 | 7,064.17 | 6,044.10 | 4,338.73 | 3,914.19 | 3,893.27 | 3,823.16 | 3,778.18 | 3,548.56 | 3,500.17 |
| TOTAL | 585,180.59 | 723,993.42 | 674,005.51 | 529,476.54 | 382,700.83 | 311,711.15 | 360,218.69 | 311,583.05 | 282,476.97 | 239,439.30 |
| Profit Before Tax | (21,558.92) | 4,096.96 | (4,768.46) | 13,202.03 | 17,374.92 | 16,918.45 | 18,116.57 | 17,331.83 | 10,889.55 | 6,225.83 |
| Provision for Taxation | (4,436.58) | (1,914.86) | 2,800.65 | 4,116.25 | 5,608.59 | 5,794.68 | 6,191.13 | 4,609.55 | 5,634.32 | 2,509.68 |
| Profit After Tax | (17,122.34) | 6,011.82 | (7,569.11) | 9,085.78 | 11,766.33 | 11,123.77 | 11,925.44 | 12,722.28 | 5,255.23 | 3,716.15 |
| Dividend | - | - | - | 1,752.60 | 2,103.13 | 2,103.13 | 2,103.49 | 2,103.49 | 1,402.33 | 1,227.04 |
| Dividend Distribution Tax | - | - | - | 284.32 | 341.18 | 349.30 | 357.49 | 357.49 | 238.33 | 172.09 |
| GRM (\$/bbl) | (0.64) | 2.67 | 2.45 | 5.60 | 5.90 | 4.58 | 6.56 | 6.59 | 4.73 | 3.74 |

(Figures are regrouped and rearranged wherever required)

MRPL PERFORMANCE





Mangalore Refinery and Petrochemicals Limited

(A subsidiary of Oil and Natural Gas Corporation Limited)

CIN: L85110KA1988GOI008959

E-Mail: investor@mrplindia.co.in Website: www.mrpl.co.in

Tel No.0824-2270400, Fax No.0824-2273300

NOTICE OF 27TH ANNUAL GENERAL MEETING (AGM)

NOTICE is hereby given that the 27th Annual General Meeting of the Members of **Mangalore Refinery and Petrochemicals Limited** will be held at the Registered office of the Company at Mudapadav, Kuthethoor, P.O Via- Katipalla, Mangalore-575 030, Karnataka, on **Saturday 8th August, 2015 at 4:30 p.m.**, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2015, together with the Board's Report and Auditor's Report thereon and comments of the Comptroller & Auditor General of India, in terms of Section 143(6) of the Companies Act, 2013.
2. To appoint a Director in place of Shri Vishnu Agrawal (DIN: 03127566) who retires from office by rotation and being eligible offers himself for re-appointment as a Director.
3. To authorise Board of Directors of the Company to fix the remuneration of the Joint 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 as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 139(5) read with Section 142 of the Companies Act, 2013, the Board of Directors of the Company be and are hereby authorised to decide and fix the remuneration and other terms and conditions, including reimbursement of out of pocket expenses in connection with the audit work, to the Joint Statutory Auditors as appointed by Comptroller and Auditor General of India for the Financial Year 2015-16."

SPECIAL BUSINESS:

4. **To appoint Shri M. Venkatesh (DIN:07025342) as Director of the Company by passing following resolution as an Ordinary Resolution:**

"RESOLVED THAT Shri M. Venkatesh (DIN:07025342) who was appointed as an Additional Director and designated as Director (Refinery) under Article 140 of Articles of Association and Section 161 of the Companies Act, 2013, effective 1st April, 2015 and holds office upto the date of 27th Annual General Meeting and the Company having received a notice in writing, under Section 160 of the Companies Act, 2013 from Shri M. Venkatesh, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

5. **To appoint Shri Nalin Kumar Srivastava (DIN:06682842) as Director of the Company by passing following resolution as an Ordinary Resolution:**

"RESOLVED THAT Shri Nalin Kumar Srivastava (DIN:06682842) who was appointed as an Additional Director under Article 140 of Articles of Association and Section 161 of the Companies Act, 2013, effective 5th March, 2015 and holds office upto the date of 27th Annual General Meeting and the Company having received a notice in writing, under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Shri Nalin Kumar Srivastava for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. **To appoint Smt. Perin Devi (DIN: 07145051) as Director of the Company by passing following resolution as an Ordinary Resolution:**

"RESOLVED THAT Smt. Perin Devi (DIN: 07145051) who was appointed as an Additional Director under Article 140 of Articles of Association and Section 161 of the Companies Act, 2013, effective 14th May, 2015 and holds office upto the date of 27th Annual General Meeting and the Company having received a notice in writing, under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Smt. Perin Devi for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. Ratification of Remuneration to the Cost Auditor for the Financial year 2014-15 by passing following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, M/s Bandyopadhyaya Bhaumik & Co, Cost Accountants, Kolkata, Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 with a remuneration of ₹ 1,64,980/- plus applicable taxes, travel cost and out of pocket expenses payable, be and is hereby ratified.”

8. To enhance the Borrowing powers of Board from ₹ 15,000 crore to ₹ 25,000 crore.

To consider and if thought fit, to pass, with or without modifications, the following resolutions as Special Resolution:

“RESOLVED THAT in supersession of the earlier resolutions passed under Section 293(1)(d) and 293(1)(a) of the Companies Act, 1956 at the 21st Annual General Meeting held on 19/09/2009, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof) under provisions of Section 180(1)(c) of the Companies Act, 2013 as amended from time to time and Articles of Association of the Company for borrowing, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) from time to time, either by way of rupee loans or by way of foreign currency loans or by way of issue of debentures or by issue of other instruments, and either from the Company’s Bankers or from any other Banks/Financial Institutions or any other lending institutions or bodies corporate or other persons on such terms, conditions and covenants as are stipulated and as may be considered appropriate by the Board of Directors may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed by the Board shall not at any time exceed ₹ 25,000 crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the resolution, the Board of Directors of the Company be and is hereby authorized to finalise, settle and execute all documents/deeds/agreements as may be required, and generally to take all other necessary steps and to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, proper or desirable, and to settle any question, difficulty or doubt that may arise in regard to the creation of the aforesaid mortgages, charges, or otherwise considered by the Board of Directors to be in the best interest of Company”

9. Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings.

To consider and, if thought fit, to pass the following resolutions as Special Resolution:

“RESOLVED THAT in supersession of the earlier resolutions passed under Section 293(1)(a) of the Companies Act, 1956 for creation of charges, mortgage and hypothecation for the borrowings made under Section 293(1)(d) of the Companies Act, 1956, the consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof) in terms of Section 180(1)(a) of the Companies Act, 2013 as amended from time to time to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit to secure the borrowings of the Company together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment or on redemption, remuneration of Agent(s)/ Trustee(s) and all other costs, charges and expenses, including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other monies payable by the Company in terms of loan agreements/debenture trust deeds or any other document entered into/to be between the Company and the Lender(s) Agent(s) Trustee(s) in respect of the said loans/borrowings/debentures either by way of mortgage (including equitable mortgage), hypothecation, pledge, and/or lien in addition to the mortgages/charges created/ to be created by Company on such terms and conditions, in such form and manner and with such ranking for priority and at such times as the Board of Directors may determine, on all or any of the properties of the Company including land, building, plant, machinery, other fixed assets, stock in trade, book debts, bank deposits, shares, securities and any other assets as held presently and/or to be acquired in future and by giving guarantees, indemnities, undertakings for and on behalf of the Company”. Provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, expenses and all other monies payable

MANGALORE REFINERY AND PETROCHEMICALS LIMITED

by the Company in respect of the said Loans for which the charge is to be created, shall not, at any time exceed ₹ 25,000 crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the resolution, the Board of Directors of the Company be and is hereby authorized to finalise, settle and execute all documents/deeds/agreements as may be required, and generally to take all other necessary steps and to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, proper or desirable, and to settle any question, difficulty or doubt that may arise in regard to the creation of the aforesaid mortgages, charges, or otherwise considered by the Board of Directors to be in the best interest of Company”

By Order of the Board

Dinesh Mishra
Company Secretary

Date : 07/07/2015

Registered Office

Mangalore Refinery and Petrochemicals Limited
Mudapadav, Kuthethoor P.O., Via Katipalla,
Mangalore- 575 030, Karnataka.

NOTES:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business to be transacted, as set out in the notice, is annexed hereto. The Notice of 27th Annual General Meeting along with instructions for remote e-voting is sent to Members, Directors, Auditors and others entitled to, by permitted mode.
2. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The proxy form in order to be valid and effective should be deposited at the registered office of the company not less than forty-eight hours (48 hrs.) before the commencement of the meeting. Blank proxy form is attached.

In terms of section 105 of the Companies Act, 2013, and rules thereunder, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company. A member holding more than ten percent of the total share capital of the company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member. Proxies submitted on behalf of limited companies, societies etc must be supported by appropriate resolution/ authority, as applicable.

3. Members holding shares either in physical form or in dematerialized form, as on the cut-off date of 1st August, 2015 may cast their vote electronically on the Ordinary and Special Businesses as set out in the Notice of 27th AGM through electronic voting system of National Securities Depository Limited (NSDL) from a place other than venue of AGM (“remote e-voting”).
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 3rd August 2015 to Saturday, 8th August, 2015 (both days inclusive) for the purpose of annual closure.
5. Brief profile of the Directors seeking appointment/ re-appointment, as mandated under Clause 49 of the Listing Agreement with Stock Exchanges, forms part of the Notice. None of the Directors of the Company are in any way related to each other.
6. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrar and Transfer Agent of the Company – M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai – 400 078, email mrplirc@linkintime.co.in
7. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Member holding shares, in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they are maintaining their demat accounts. Member holding shares in physical form are required to submit their PAN details and e-mail details to M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai – 400 078, email mrplirc@linkintime.co.in



NOTICE OF 27TH ANNUAL GENERAL MEETING (AGM)

8. Members who wish to obtain any information on any item of business of this meeting are requested to forward the same before 01/08/2015 to the Company Secretary at the Registered Office of the Company, email dinesh@mrpl.co.in, so that the same may be attended appropriately. 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 i.e. Monday to Friday, between 3:30 p.m. and 5:00 p.m. upto 8th August, 2015 the date of the 27th Annual General Meeting.
9. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, the PDF copy of the 27th AGM Notice, Annual Report and other communications are sent through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participants. Members who have not registered their email address with Company can now register the same by submitting a duly filled-in E-communication Registration Form available on the website of the Company www.mrpl.co.in to M/s. Link Intime India Pvt Ltd. or Investor Service Department of the Company. Members holding shares in demat form are requested to register their email address with their Depository Participant(s) only. Members who have registered their email address are also entitled to receive such communication in physical form, upon request.
10. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies [Management and Administration] Rules, 2014, as amended and Clause 35B of the Listing Agreement, Remote E-voting facility provided to Members to exercise their right to vote on the resolutions proposed to be passed at the 27th AGM by electronic means. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Saturday, 1st August, 2015, i.e. the date prior to the commencement of book closure, are entitled to vote on the Resolutions set forth in this Notice. The Members may cast their votes on electronic voting system from place other than the venue of the meeting [remote e-voting]. The remote e-voting period will commence at 9:00 a.m. on 05.08.2015 and will end at 5:00 p.m. on 07.08.2015. In addition, the facility for voting through ballot paper shall also be made available at the venue of AGM and the Members attending the 27th AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote at the 27th Annual General Meeting venue.
11. The Company has appointed M/s. Rathi & Associates, Practicing Company Secretaries, Mumbai to act as the Scrutinizer, to scrutinize the remote e-voting and physical vote at the venue of AGM in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.
12. Detailed procedure for "Remote E-voting" is annexed which forms part of this notice.
13. In case of joint holders, attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the Meeting.
14. The Register of Directors and Key Managerial Personnel and their Shareholdings maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013 will be available for inspection at the 27th Annual General Meeting.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No 4 :

Shri M. Venkatesh has been appointed as the Director (Refinery)/ Additional Director of the Company w.e.f. 01/04/2015 consequent upon superannuation of Shri V. G. Joshi.

Shri M. Venkatesh was appointed as an Additional Director w.e.f. 01/04/2015 under Article 140 of Articles of Association of the Company read with Section 161 of the Companies Act, 2013 and holds office up to the date of the 27th Annual General Meeting.

The Company has received a notice in writing from Shri M. Venkatesh along with the deposit of ₹ 1,00,000 proposing his candidature for the office of Director of the Company.

The Company has received from Shri M. Venkatesh consent to act as Director in form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014. Shri M. Venkatesh is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

MANGALORE REFINERY AND PETROCHEMICALS LIMITED

Shri M. Venkatesh, Director (Refinery) is a Chemical Engineer having expertise in Refinery across all functions. He is also Director on the Board of ONGC Mangalore Petrochemicals Ltd. (OMPL) and Petronet MHB Limited (PMHBL). Shri M. Venkatesh is not related to any of the Directors of the Board.

Accordingly, the Directors recommend the resolution set out in this item for the approval of members. None of the Directors, Key Managerial Personnel and their relatives except Shri M. Venkatesh is concerned or interested in this resolution.

Item No 5 :

Shri Nalin Kumar Srivastava was appointed as an Additional Director w.e.f. 05/03/2015 under Article 140 of Articles of Association of the Company read with Section 161 of the Companies Act, 2013 and holds office up to the date of the 27th Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of ₹ 1,00,000 proposing the candidature of Shri Nalin Kumar Srivastava for the office of Director of the Company.

The Company has received from Shri Nalin Kumar Srivastava consent to act as Director in form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014. Shri Nalin Kumar Srivastava is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Shri Nalin Kumar Srivastava joined Indian Civil Accounts Service in 2001. He has done B.Tech in Mechanical Engineering, Masters in Industrial Engineering from National Institute of Industrial Engineering, Mumbai. He has also done MBA in Finance and is a Cost Accountant. The detail profile has been furnished in the notice. Shri Nalin Kumar Srivastava is also Director on the Board of Oil India Ltd. and not related to any of the Directors of the Board.

Accordingly, the Directors recommend the resolution set out in this item for the approval of members. None of the Directors, Key Managerial Personnel and their relatives except, Shri Nalin Kumar Srivastava is concerned or interested in this resolution.

Item No 6 :

Smt. Perin Devi was appointed as an Additional Director w.e.f. 14/05//2015 under Article 140 of Articles of Association of the Company read with Section 161 of the Companies Act, 2013. Smt. Perin Devi holds office up to the date of the 27th Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of ₹ 1,00,000 proposing the candidature of Smt. Perin Devi for the office of Director of the Company.

The Company has received from Smt. Perin Devi consent to act as Director in form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014. Smt. Perin Devi is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Smt. Perin Devi is a Post Graduate in Commerce and presently is the Director in the Ministry of Petroleum & Natural Gas, Govt. of India having wide experience with the Central Government. Smt. Perin Devi is also a Director on the Board of Chennai Petroleum Corporation Ltd. (CPCL).

Accordingly, the Directors recommend the resolution set out in this item for the approval of members. None of the Directors, Key Managerial Personnel and their relatives except, Smt. Perin Devi is concerned or interested in this resolution.

Item No 7 :

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a Cost Auditor to audit the cost records of the Company for the Financial Year 2014-15. On the recommendation of the Audit Committee, the Board has approved the appointment of M/s. Bandyopadhyaya Bhaumik & Co, Cost Accountant as the Cost Auditor of the Company for the financial year 2014-15 at an aggregate remuneration of ₹ 1,64,980/-, exclusive of reimbursement of service tax and all out of pocket expenses incurred, if any, in connection with the cost audit.

The appointment and the remuneration of the cost auditor is required to be ratified subsequently by members in accordance to Section 148 (3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rule, 2014 Rule 14 of the Rules. Accordingly, the Directors recommend the Ordinary Resolution to the Members for their ratification.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in this Resolution.

Item No 8 and 9:

The shareholders in 21st Annual General Meeting held on 19th September, 2009 has enhanced the borrowing power of the Board of Directors from ₹ 6,500 Crore to an amount not exceeding in the aggregate at any point of time ₹15,000



NOTICE OF 27TH ANNUAL GENERAL MEETING (AGM)

Creole. The Company has Completed and commissioned all the units of Phase III Expansion and Up-gradation project, comprising of approved cost of Phase-III Refinery Project at ₹12,160 Crore, Polypropylene Project at a cost of around ₹1,804 Crore and setting up of a Single Point Mooring Project (SPM) at a cost of around ₹1,044 Crore.

A considerable part of the outlay for each project apart from the internal accruals is funded by debt components comprising of (a) INR Loan from ONGC (b) INR Loan from OADB and (c) Foreign Currency debt through ECB route.

The company has acquired 51 % equity in OMPL by investing ₹1,275 Crore. The Company is also planning to expand its refining capacity from existing 15 MMTPA to 18 MMTPA and setting up an integrated Linear Alkylene Benzene (LAB) Project at an estimated cost of ₹ 8,000 Crore.

To meet the fund requirements of the company, the Company may require to borrow from time to time by way of loans and/or issue of Bonds, Debentures or other securities and the existing approved limit may likely to be exhausted in near future and it is therefore recommended to enhance the borrowing limits of the Company upto ₹ 25,000 Crore (Rupees Twenty Five Thousand Crore Only)

As per Section 180(1)(c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the company and its free reserve requires approval from the shareholders of the Company. It is, therefore, proposed to seek the approval of the shareholders for enhancing the borrowing limits upto ₹ 25,000 crore (apart from temporary loans obtained from the Company's bankers in ordinary course of business) for both domestic and foreign currency borrowings under section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 by way of a Special Resolution.

It is proposed to pass a Special Resolution under Section 180(1)(a) of the Companies Act, 2013, inter alia, provides that the Board of Directors of a public company shall not without the consent of members sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where a company owns more than one undertaking, the whole or substantially the whole of any such undertaking. Since the creation of a mortgage and/or charge by the company on its movable and/or immovable assets in favour of the lender(s) may be regarded as disposal of the Company's undertaking within the meaning of Section 180(1)(a) of the Companies Act, 2013, it is desirable by way of abundant caution to pass Special resolution under Section 180(1)(a) of the Companies Act, 2013. Accordingly, the Directors recommend the resolution set out in this item of the accompanying notice for your approval.

The Directors recommend the Special Resolutions pursuant to Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolutions either financially or otherwise, except to the extent of their equity holding in the Company.

DETAILS OF THE DIRECTORS' SEEKING APPOINTMENT/ REAPPOINTMENT AT THE 27TH ANNUAL GENERAL MEETING

| Name of Director / DIN | Shri Vishnu Agrawal DIN: 03127566 | Shri M. Venkatesh DIN: 07025342 | Shri Nalin Kumar Srivastava DIN:06682842 | Smt. Perin Devi DIN:07145051 |
|----------------------------------|---|--|--|---|
| Date of Birth | 12-01-1956 | 11-01-1965 | 19-09-1975 | 13-10-1965 |
| Date of Appointment on the Board | 01-04-2011 | 01-04-2015 | 05-03-2015 | 14-05-2015 |
| Qualifications & Expertise | Shri Vishnu Agrawal is a Fellow Member of the Institute of Chartered Accountants of India and has over 30 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). | Shri M.Venkatesh is a Chemical Engineer having wide experience in Refinery Sector. | Shri Nalin Kumar Srivastava joined Indian Civil Accounts Service in 2001. He has done B.Tech. in Mechanical Engineering and Masters in Industrial Engineering from National Institute of Industrial Engineering, Mumbai. He has also done MBA in Finance and is a Cost Accountant. | Ms. Perin Devi is a Post Graduate in Commerce having wide experience in the Ministries of Govt of India. She is a Director on the board of Chennai Petroleum Corporation Ltd. (CPCL). |

MANGALORE REFINERY AND PETROCHEMICALS LIMITED

| Name of Director / DIN | Shri Vishnu Agrawal DIN: 03127566 | Shri M. Venkatesh DIN: 07025342 | Shri Nalin Kumar Srivastava DIN:06682842 | Smt. Perin Devi DIN:07145051 |
|---|---|--|--|--|
| Directorship held in other Public Companies (excluding foreign private and Section 8 of Companies Act.) | 1. Shell MRPL Aviation Fuels and Services Limited 2. Mangalore SEZ Limited 3. ONGC Mangalore Petrochemicals Limited | 1. ONGC Mangalore Petrochemicals Limited 2. Petronet MHB Ltd. | 1. Oil India Limited | 1. Chennai Petroleum Corporation Ltd. (CPCL) |
| Chairman/ Member of the Committees | 1. Shell MRPL Aviation Fuels and Services Limited Member - Audit Committee Member - Remuneration Committee 2. ONGC Mangalore Petrochemicals Limited Member- Audit Committee | — | 1. Oil India Limited Member Audit Committee | — |
| Shareholding of Directors | 50 | NIL | NIL | NIL |
| Relationship between Directors inter-se | NIL | NIL | NIL | NIL |

PROCEDURE FOR “REMOTE E-VOTING”

Pursuant to provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 27th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

- I. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- II. The remote e-voting period commences on 5th August, 2015 (9:00 a.m.) and ends on 7th August, 2015 (5:00 p.m.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 1st August, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- III. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)] :
 - (i) Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "101934" of "Mangalore Refinery and Petrochemicals Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to associates.rathi@gmail.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of 27th Annual General Meeting [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided in the Attendance Slip for the AGM :
 - (ii) Please follow all steps from Sl. No. (A) (ii) to Sl. No. (A) (xii) above, to cast vote.
- IV. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- V. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VI. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 1st August, 2015.
- VIII. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 1st August, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or mrplirc@linkintime.co.in. However, any person who have received the notice and dispose off the shares before the cut-off date i.e. 1st August, 2015, may treat the notice for information only.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- X. M/s Rathi & Associates, Practicing Company Secretaries, Mumbai have been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XI. The result along with the Scrutinizer's report will be placed on the Company's website i.e. www.mrpl.co.in and on the website of NSDL immediately after the result is declared by the Chairman and the same shall be communicated to the Stock Exchanges.

MANGALORE REFINERY AND PETROCHEMICALS LIMITED
Registered Office: Mudapadav, Kuthethoor P.O. Via. Katipalla, Mangalore - 575030, Karnataka.
Tel. No. : 0824-2270400; **Fax No. :** 0824-2273300; **Website :** www.mrpl.co.in; **E-mail Id :** investor@mrpl.co.in
CIN : L85110KA1988GOI008959

ATTENDANCE SLIP
27TH ANNUAL GENERAL MEETING ON SATURDAY, 8TH AUGUST, 2015

| | |
|--|--|
| Registered Folio No. / DP ID - Client ID : | |
| Name and Address of the Shareholder Joint holders | |
| No of Shares | |

I hereby record my presence at the 27th Annual General Meeting of the Company held on Saturday, 8th August, 2015 at 4.30 p.m. at Mudapadav, Kuthethoor, P.O. Via Katipalla, Mangalore - 575 030, Karnataka.

Members'/Proxy's Name in Block Letters Members'/Proxy's Signature

Note: Please fill this Attendance Slip and HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

MANGALORE REFINERY AND PETROCHEMICALS LIMITED
Registered Office: Mudapadav, Kuthethoor P.O. Via. Katipalla, Mangalore - 575030, Karnataka.
Tel. No. : 0824-2270400; **Fax No. :** 0824-2273300; **Website :** www.mrpl.co.in; **E-mail Id :** investor@mrpl.co.in
CIN : L85110KA1988GOI008959

PROXY FORM - MGT 11
[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]
27TH ANNUAL GENERAL MEETING ON SATURDAY, 8TH AUGUST, 2015

| | |
|---|--|
| Name of the member (s): Registered Address | |
| | |
| | |
| E-mail Id: Folio No/ Client Id:DP ID: | |

I/We, being the member(s) of _____ shares of Mangalore Refinery and Petrochemicals Limited, hereby appoint

1. Name: _____
Address: _____
Signature: _____, or failing him _____
2. Name: _____
Address: _____
Signature: _____, or failing him _____
3. Name: _____
Address: _____
Signature: _____



NOTICE OF 27TH ANNUAL GENERAL MEETING (AGM)

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the company, to be held on Saturday, 8th August, 2015 at 4:30 p.m. at the Registered office of the Company and at any adjournment thereof in respect of such resolutions as are indicated on the reverse :

| Resolution for Ordinary Business | | For | Against | Abstain |
|--|--|-----|---------|---------|
| 1 | To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31 st March, 2015, together with the Reports of the Directors and the Auditors' thereon and comments of the Comptroller & Auditor General of India. | | | |
| 2 | To appoint a Director in place of Shri Vishnu Agrawal (DIN: 03127566) who retires from office by rotation and being eligible offers himself for re-appointment as a Director. | | | |
| 3 | To authorise Board of Directors of the Company to fix the remuneration of the Joint Statutory Auditors of the Company for the Financial Year 2015-16. | | | |
| Special Business, Ordinary Resolution | | | | |
| 4 | To appoint Shri M. Venkatesh (DIN:07025342) as a Director. | | | |
| 5 | To appoint Shri Nalin Kumar Srivastava (DIN:06682842) as a Director. | | | |
| 6 | To appoint Smt. Perin Devi (DIN: 07145051) as a Director. | | | |
| 7 | To ratify the Remuneration to M/s Bandyopadhyaya Bhaumik & Co, Cost Auditors for the Financial year 2014-15. | | | |
| Special Business, Special Resolution | | | | |
| 8 | To enhance the Borrowing powers of Board from ₹ 15,000 crore to ₹ 25,000 crore. | | | |
| 9 | To Create Charges on the movable and immovable properties of the Company, both present and future. | | | |

Signed this _____ day of _____ 2015.

Affix
Revenue
Stamp Re.1/-

Signature of Member Signature of Proxy holder(s)

Notes:

1. 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.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
3. Appointing a proxy does not prevent a member from attending the meeting in person, if he/she so wishes.

Mangalore Refinery and Petrochemicals Limited



Crude Oil unloaded from VLCC on high seas at SPM of MRPL located 16 km from the shore of New Mangalore Port.



Very large Crude Carrier (VLCC)



167 year old Lady Goschen Hospital at Mangaluru gets a new Five story block from MRPL "Samrakshan", CSR initiatives.



Shri H. Kumar, MD (MRPL) receiving "NIRYAAT SHREE" award from Hon'ble President of India.



"Swaccha Bharat Mission" - Oath by MRPL employees at Bangalore



“Swaccha Vidyalaya Abhiyan ” activities at Mangaluru



“Swaccha Vidyalaya Abhiyan ” activities at Mangaluru



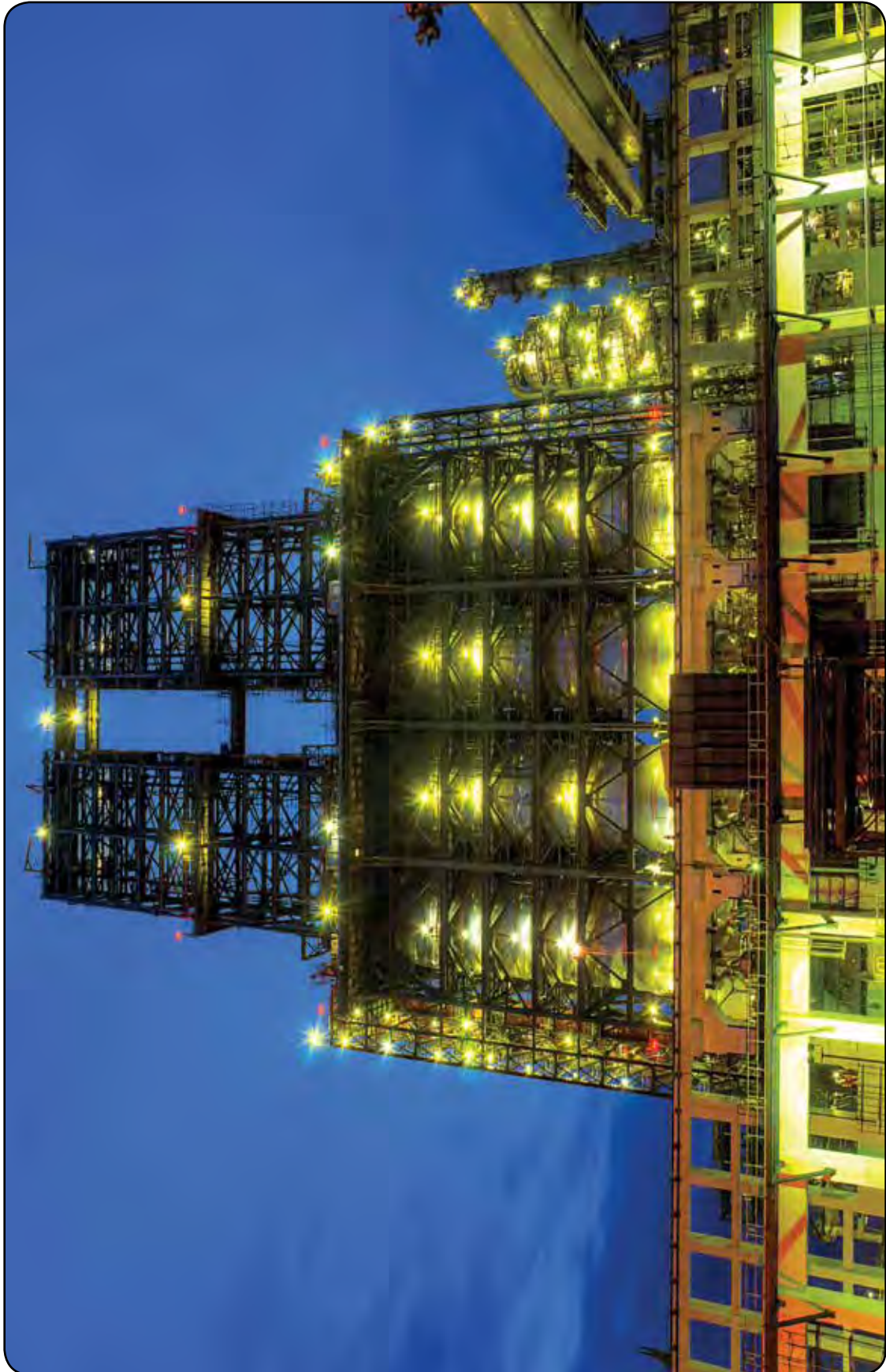
Vigilance Awareness valedictory function presided over by Shri H Kumar, Managing Director and Shri Y. Ravindranath, Chief Vigilance Officer (CVO).



Shri Dharmendra Pradhan, Hon'ble Minister of State (Independent charge) MoP&NG, GoI along with Shri Nalin Kumar Kateel, Hon'ble MP, Mangaluru flagged off "Swachh Mangaluru" drive on 5th April, 2015 partnered by MRPL.



OMPL Complex



Coke Drum of Delayed Cocker Unit.



The 'Nelson Complexity Index' of the Refinery has been enhanced from 6.0 to 9.5. The PFCCU and DCU units, recently commissioned will increase the distillate yield to more than 80%.



MRPL's SPM. Yielding returns on investment. 100 VLCC's already received.

Book-Post



एक कदम स्वच्छता की ओर



Team MRPL. Dedicated to Swachh Bharat Abhiyan. Toilet blocks under Swachh Vidyalay Abhiyan underway. MRPL plans to influence opinion leaders, artists, school children and NGOs, to build a clean India, together.



MRPL's CSR programme under the name of 'SAMRAKSHAN' is committed to "Bringing Smiles to Lives" of the deserving and the underprivileged in the catchment area of the Refinery.



Phase III - Enhanced capability with cutting edge - CDU, PFCCU, DCU, DHOT, PPU etc.

If not delivered, please return to:

M/s. LINK INTIME INDIA PVT.LTD

C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (West), Mumbai- 400 078

Tel.: 022-25963838 / 25946970 Fax No.: 022-25946969

E-mail: mrplirc@linkintime.co.in

Website : www.linkintime.co.in