31st Annual Report 2018-2019

Committed to
Excellence

Mangalore Refinery and Petrochemicals Limited

(A Govt. of India Enterprise and a subsidiary of ONGC Ltd.)

www.mrpl.co.in

Mangalore Refinery and Petrochemicals Limited

(A Government of India Enterprise and Subsidiary of ONGC)

CIN : L23209KA1988GOI008959

Website : www.mrpl.co.in   E-mail: investor@mrpl.co.in

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COMPANY SECRETARY
Shri Dinesh Mishra

JOINT STATUTORY AUDITORS
M/s. Manohar Chowdhry & Associates,
Chartered Accountants, Mangaluru

M/s. Shreedhar, Suresh & Rajagopalan,
Chartered Accountants, Chennai

COST AUDITORS
M/s Chandra Wadhwa & Co,
Cost Accountants, New Delhi

SECRETARIAL AUDITORS
M/s Kumar Naresh Sinha & Associates,
Practicing Company Secretaries, Noida

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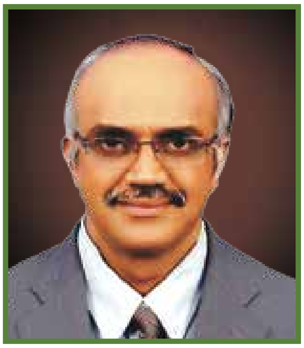
REGISTRARS & SHARE TRANSFER AGENT
M/s. LINK INTIME INDIA PVT.LTD
C-101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai- 400 083
Tel.: 022-49186270 Fax No.: 022-49186060
E-mail: mrplirc@linkintime.co.in

BOARD OF DIRECTORS

Shri Shashi Shanker
Chairman

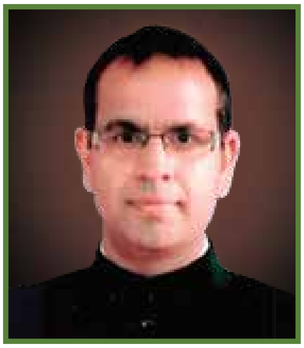


Shri M Venkatesh
Managing Director

Shri Subhash Kumar
ONGC Nominee Director

Shri Vinod S. Shenoy
HPCL Nominee Director

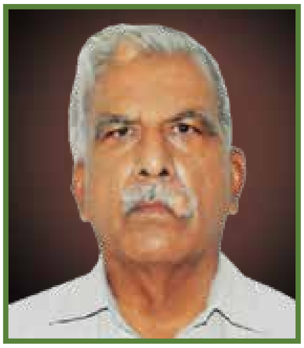
Shri K M Mahesh
Government Nominee Director



Shri Sanjay Kumar Jain
Government Nominee Director

Ms. Manjula C
Independent Director

Dr. G K Patel
Independent Director



Shri Balbir Singh
Independent Director

Shri Sewa Ram
Independent Director

Shri V P Haran
Independent Director

Shri Vivek Mallya
Independent Director

CHAIRMAN'S MESSAGE TO STAKEHOLDERS

Dear Stakeholders,

It gives me immense pleasure to present the 31st Annual Report for the year 2018-19 to our valued shareholders and also present certain highlights of the year's performance.

The past year was an extremely challenging year for the entire oil industry and particularly for standalone refineries. Various global events, macroeconomic factors, bilateral issues between major trading countries, maturing of the US shale crude production and a mid-year shift in product demand globally resulted in highly volatile prices and margins. I am glad to report that even in such a challenging business environment your company has delivered excellent physical performance and on the strength of this has been able to report positive financials for the year.

I would like to present before you few highlights for the year 2018-19:

Financial Performance

- The year saw extreme fluctuations in margins of products. A case in example being MS for which margins turned negative in December. Monthly average landed cost of crude for your company varied from a high of USD 74.69/ BBL to low of USD 59.72/BBL.
- Your Company achieved turnover of ₹ 72,283 crore against a turnover of ₹ 63,067 crore during the financial year 2017-18.
- Your Company earned a Profit After Tax (PAT) of ₹ 332 crore against a profit of ₹ 2,224 crore for the financial year 2017-18.
- The Gross Refining Margin (GRM) for financial year 2018-19 was 4.06$/bbl as against 7.54$/bbl during the financial year 2017-18.
- The Board has recommended a dividend of ₹ 1/- per equity share of ₹ 10/- each.

Physical Performance

- Your company processed 16.43 MMT (Gross) of Crude in 2018-19 against 16.31 MMT during 2017-18. This was the highest ever Crude processing achieved by the company. Of this 81.5% of Crude was of the High Sulphur variety. This throughput was possible by adherence to operational discipline, high equipment reliability and high plant availability.
- Your company achieved the highest ever NRGF (Nelson's Refinery Grading Factor) of 7.35. This is an index that is used to assess the efficiency of the asset utilization.
- India has committed to the global initiative for sustainable development. Increasing energy efficiency is one of the key targets under the Paris accord. Your company too has taken energy efficiency extremely seriously and I am glad to report that the refinery achieved its lowest ever energy intensity (best ever energy efficiency). The refinery achieved Mean Barrel No (MBN) of 74.3 MMBTU/BBL/NRGF.

Safety

- Your Company continues to have a sharp focus of safety and has achieved 1024 cumulative accident free days as on 31/03/2019. It has also achieved 13.67 million man hours worked in the year 2018-19 as against 8.51 million man hours worked during the previous financial year. The increase in manhours worked was due to implementation of Projects and shutdown activities.
- Several awareness programs are undertaken in the refinery to ensure safety of people, processes and assets. Your Company is committed towards providing a healthy and safe work environment to employees, contractors and all the visitors to the Refinery adopting the best industry practices. Robust systems and standards have been built for continuously reducing the risks in the refinery associated with Health, Safety and Environment (HSE).
- Innovative approaches to safety like tool-box talks and buddy system have been implemented with a view to further improving safety performance.

Direct Marketing

- Your company continues to ramp up marketing of its products in order to achieve better value of its products.
- The total direct domestic sales volume of all products during the FY 2018-19 has been 2050 TMT with a sales value of ₹ 8034 crore which is about 35% higher than previous year sales value of` ₹ 5940 crore.
- Your company produced and marketed the highest ever quantity of Polypropylene in the year 2018-19. The company manufactured 388 TMT of Polypropylene and saw the sales of in FY 2018-19 reach ₹ 4180 crore compared to the previous year sales of ₹ 2639 crore.
- Your company opened one new retail outlet at Gubbi in Tumakuru District, Karnataka in the FY 2018-19. With this total number of retail outlets have reached 7. Your company continues the process of retail expansion plan to set up new retail outlets in the state of Karnataka & Kerala. Letter of Intents have been issued to several shortlisted applicants for commissioning of new retail outlets.

Employee Relations

Your Company holds employee welfare as very important and employee relations continues to be cordial and harmonious. As in the past years, this year too I am happy to report that not a single man-hour was lost on account of any industrial disturbance in the year 2018-19.

Environment and Social Responsibility

- Your company is committed to sustainable development. Reduction in energy intensity, use of fresh water, and decreasing emissions continue to be the focus areas.
- Your company has maximized the use of treated Municipal Sewage Water. In its intent to reduce reliance on fresh water sources, your company is setting up a sea water desalination plant at a cost of more than ₹ 600 Crore. I am glad to report that the project is under full swing and is expected to complete in the mid of 2020.
- Your company had demonstrated resilient management system of Quality and Environment and thus got certified for ISO 2015 Standards and has become one of the pioneers in Indian Oil & Gas fraternity to comply with revised ISO standards.
- As part of spreading awareness of environment protection, MRPL has celebrated various awareness programs among citizens of Mangalore through various outreach programs partnering with schools, colleges and other agencies in addition to the District Administration.
- As part of its Corporate Social Responsibility, your company focused in the areas of rural transformation, health, education, sanitation and has taken up programs that benefit the communities in and around its operational area which results in enhancing the quality of life & economic well-being of the local populace over a period of time.
- MRPL Hospital with 24x7 manning of doctors and trained nursing staff in addition to availability of various specialist consultants is open to residents of the nearby villages.

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

(Shashi Shanker)
Chairman

Place : New Delhi
Date : 03/07/2019

HIGHLIGHTS

Turnover
₹ 72,283 Crore

Crude Throughput
16.23 MMT

Profit
₹ 332 Crore

Dividend
₹ 175 Crore

VISION AND MISSION

Vision	Mission
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.	• Sustain Leadership in energy conservation, efficiency, productivity and innovation. • Capitalise 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. • Imbibe highest standards of business ethics and values.

INAUGURATION OF FLOATING 6.063 MV SOLAR POWER PROJECT

MRPL CONFERRED WITH 'PLANT OF THE YEAR 2018' BY FIELDCOMM GROUP

RASHTRIYA EKTA DIWAS CELEBRATION

MRPL RETAIL OUTLET AT GUBBI, KARNATAKA

DISTRIBUTION OF LED BULBS

INAUGURATION OF CONSTITUTION DAY AT MRPL BY JUSTICE DIXIT KRISHNA SHRIPAD, ADDITIONAL JUDGE, HIGH COURT OF KARNATAKA.

HINDI DAY CELEBRATION

INAUGURATION OF NEWLY BUILT ONGC / MRPL UNIT OF LADY GOSHEN HOSPITAL AT MANGALORE

CELEBRATION OF DR. BHIMRAO RAMJI AMBEDKAR JAYANTI

BOARD'S REPORT

Dear Members,

On behalf of the Board of Directors of your Company, it gives me immense pleasure to share with you the highlights, developments and the progress that your Company has made during the financial year ended March 31, 2019 and to present the 31st Annual Report on the business and operations of Mangalore Refinery and Petrochemicals Limited (MRPL) and its audited financial statements together with the Auditors' Report and comments on the financial statements by the Comptroller and Auditor General (C&AG) of India. You will be delighted to know that financial year 2018-19 has been yet another year of achievements for your Company.

STATE OF COMPANY'S AFFAIRS

Your Board is reporting the affairs of the Company for the FY 2018-19 as under:

Financial Performance

The standalone / consolidated financial highlights for the year ended 31/03/2019 are summarized below:

(₹ In Crore)

	Standalone		Consolidated	
	Year ended 31st March, 2019	Year ended 31st March, 2018	Year ended 31st March, 2019	Year ended 31st March, 2018
Profit Before Tax	**580.77**	**3,350.70**	**651.37**	**2,871.40**
Less: Current Tax	135.54	698.86	135.54	698.86
Deferred Tax	113.28	427.72	164.57	398.98
Profit For The Year	**331.95**	**2,224.12**	**351.26**	**1,773.56**
Add: Other Comprehensive Income	**(4.52)**	**3.32**	**(5.95)**	**3.51**
Total Comprehensive Income For The Year	**327.43**	**2,227.44**	**345.31**	**1,777.07**
Less: Total Comprehensive Income Attributable to Non Controlling Interest	-	-	10.53	(218.95)
Total Comprehensive Income Attributable to Owners Of the Company	**327.43**	**2,227.44**	**334.78**	**1,996.02**
Add: Opening Balance in Profit and Loss Account	8,799.13	7,837.32	8,001.72	7,271.33
Sub-Total	**9,126.56**	**10,064.76**	**8,336.50**	**9,267.35**

(₹ In Crore)

	Standalone		Consolidated	
	Year ended 31st March, 2019	Year ended 31st March, 2018	Year ended 31st March, 2019	Year ended 31st March, 2018
Less: Appropriation				
Transferred to Debenture Redemption Reserve	-	-	11.69	-
Payment of Dividend on Equity Shares	525.78	1,051.56	525.78	1,051.56
Tax on Dividend	108.07	214.07	108.07	214.07
Closing Balance (Including Other Comprehensive Income)	**8,492.71**	**8,799.13**	**7,690.96**	**8,001.72**

Your company achieved turnover of ₹ 72,283 crore during the financial year 2018-19 against ₹ 63,067 crore during the financial year 2017-18. The Company earned a profit after tax (PAT) of ₹ 332 crore during the financial year 2018-19 against profit of ₹ 2,224 crore earned during the financial year 2017-18. The Gross Refining Margin (GRM) for financial year 2018-19 was 4.06 $/bbl as against 7.54 $/bbl during the financial year 2017-18.

ICRA has reaffirmed the long-term rating of AAA (pronounced ICRA triple A) and the short-term rating of A1+ (pronounced ICRA A one plus) on the ₹ 7,000 crore bank facilities of Mangalore Refinery and Petrochemicals Limited (MRPL). CRISIL has reaffirmed its Corporate Credit Rating (CCR) 'CCR AAA/Stable' on Mangalore Refinery and Petrochemicals Limited (MRPL).

OPERATIONAL PERFORMANCE

The financial year 2018-19 has been a successful year for your Company. Some of the major highlights for the year 2018-19 are as under:

- Your company processed 16.23 Million Tons of Crude during Financial year 2018-19, against the previous highest crude processing of 16.13 Million Tons in Financial Year 2017-18. Total input to the refinery was 16.43 Million Tons against previous highest of 16.31 Million Tons during financial year 2017-18.
- The Company registered the highest ever throughput of 16.43 MT and lowest ever energy consumption of 74.27 MBN for FY 2018-19.
- Company's Polypropylene production was 388.17 Thousand MT (TMT) in the financial year 2018-19 as against 294.5 TMT in the financial year 2017-18. Company's Polypropylene dispatch was 405.718 TMT in the financial year 2018-19 as against 278.16 TMT in the financial year 2017-18.

- Company's LPG production and dispatch during the financial year 2018-19 was 969.82 TMT and 974.66 TMT respectively as against 876.8 TMT and 873.08 TMT during the financial year 2017-18.
- Your Company continued to include newer crude grades in the processing basket with an aim to diversify crude sourcing. Urals from Russia, Basra Heavy from Iraq and Nagayalanka crude from domestic sources, were processed in the refinery for the first time.
- Similarly, efforts to establish newer markets were fruitful when MRPL exported approximately 18,567 MT of Polypropylene during financial year 2018-19 compared with 7520 MT of Polypropylene during financial year 2017-18.

MARKETING AND BUSINESS DEVELOPMENT

Your company continues to maintain major share of the Direct sales segment of petroleum products market in Karnataka and adjoining states. Your Company maintained leadership position in its marketing zone for Direct sales products such as Bitumen, Fuel Oil, Sulphur, Pet Coke, Xylol (Xylenes) etc. The total domestic sales volume of all products during the FY 2018-19 has been 2050 TMT against 1786 TMT in FY 17-18 with a sales value of ₹ 8034 Crore during the year 2018-19 against ₹ 5,940 Crore, which is about 35 % higher than previous year sales value.

Your Company continues to enhance its market share for Polypropylene with introduction of new and niche grades. The company has enhanced its sales value in FY 2018-19 to ₹ 4,180 Crore compared to the previous year sales value of ₹ 2,639 Crore. The company has maintained its leadership position in the Polypropylene market of South India for its MANGPOL brand. Your Company has achived highest value of PP production of 388 KT for 2018-19.

Your Company has also successfully marketed its entire production of Petcoke on a consistent basis with sales volumes of 993 TMT in FY 2018-19 against 809 TMT in FY 17-18. The Company also sold about 123 TMT Sulphur (against 103 TMT in FY 17-18) in its marketing zone and the surplus Sulphur is being exported in larger parcel sizes.

Your company has also maintained timely supplies to State Trading Corporation, Mauritius which has a long term supply contract with MRPL. The company supplied 1021 TMT of petroleum products to STC Mauritius with a sales value of ₹ 4192 Crore in FY 2018-19.

Your Company Shell MRPL Aviation Fuel Services Limited has steadily acquired business for sale of Aviation Turbine Fuel (ATF) at Indian airports. The company achieved a turnover of ₹ 719 Crore during FY 2018-19 against turnover of ₹ 543 Crore in the previous FY 2017-18.

New retail outlet at Gubbi in Tumakuru District, Karnataka was commissioned in the FY 2018-19. Your company continues the process of retail expansion plan to set up new retail outlets in the state of Karnataka & Kerala. Letter of Intents have been issued to several shortlisted applicants for commissioning of new retail outlets.

RECOGNITIONS

- Received Srishti-Good Green Governance (G-Cube) winner's award under Manufacturing Sector on the occasion of Earth Day 22nd April, 2018 organized by Srishti Publications, New Delhi.
- Conferred with Platinum Award by Greentech foundation on 31st May, 2018 at New Delhi, in Petroleum Refining Sector for outstanding achievement in Environment Management.
- Bagged Parisara Pratishti Award during Environment Conservation Day celebration by KSPCB at Town hall, Mangalore on 1st August, 2018.
- SECONA (Security Consultants Association) has conferred on MRPL, Security Project (Integrated) of the Year award for the Integrated Security Management System (ISMS) project. This is one of the highest awards in India in the field of Security
- Won the prestigious Plant of the Year award for 2018 conferred by Field Comm Group. MRPL is the first Indian company to receive such an esteemed international award.

PROCUREMENT OF GOODS AND SERVICES FROM MSMEs

In line with the Public Procurement Policy, 2012 issued by Ministry of Micro, Small and Medium Enterprises for the year 2018-19, your Company has achieved 25.29% procurement of goods and services from Micro and small Enterprises.

PROJECTS

Existing Projects

BS VI Upgradation

As per Auto Fuel Policy and Directives from Ministry of Petroleum and Natural Gas, the entire country has to move towards BS VI quality specifications for MS and HSD by 1st April 2020. The project involves setting of new units and additional facilities. M/s Engineers India Ltd has been appointed as Engineering, Procurement and Construction Management Consultant for the job. Environment Clearance for the project has been obtained.

Critical ordering activities have been completed and deliveries have commenced. Site activities are in full swing. Mechanical completion and commissioning of the new facilities will be achieved progressively to meet ministry guidelines.

CCR#2 unit revamp

The existing CCR-2 unit was revamped to increase the Capacity of NHT/Platformer/CCR from 79 m^3/hr. to 90m^3/hr& RSU from 122 m^3/hr to 145 m^3/hr thereby yielding higher quantity of MS. The feedstock to the unit is heavy naphtha from Crude distillation units and Hydrocracker units.

The unit after revamp was successfully commissioned on 19th October 2018 and is currently operating with 100% capacity.

UOP is the Licensor and M/s L&T Chiyoda was appointed as EPCM consultant for the project.

Railway Siding for Pet Coke evacuation

Dispatches by Railway Wagons will make MRPL products conveniently available in competitive markets and improve commercial realization to MRPL.

Construction of Railway siding for smooth evacuation of Petcoke is being carried out. The Railway siding is being executed by M/s Konkan Railway Corporation Ltd and M/s Mecon have been appointed as the EPCM consultant to execute the balance of the Project consisting of Closed conveyor system, Loading silos with Rapid Loading Systems, Measuring devices, facilities to control environmental pollution etc.,

The project is mechanically complete and pre-commissioning activities are under progress.

Desalination Plant

To mitigate the risk of river water as a single source of water, a desalination plant is being set up near the sea. This plant of current capacity 30MLD (expandable to 70MLD) will cater to the future water requirement of the company. Project is approved by MoEF & CC for Environmental Clearance and formal grant of EC obtained on 18.04.2019.

M/s Fichtner India is the PMC for the project and M/s VA Tech Wabag is the LSTK contractor. The plant is scheduled to be completed by 2020.

2G Ethanol

MRPL is in a process of setting up 2G Ethanol project in the State of Karnataka in line with the national vision for reducing import dependency of crude oil. 2G Ethanol is produced from Agro residues viz Corn cobs, Rice straw, Wheat stalk, Corn Stalk etc. Land for the same is allotted by KIADB at Harihara, Davangere. Licensor has been selected and Basic Engineering Design Package preparation is in progress by the licensor.

USING INFORMATION AND COMMUNICATION TECHNOLOGY FOR PRODUCTIVITY ENHANCEMENT

MRPL has taken many initiatives to leverage on Information Technology for improving its business productivity. As part of this initiative, an Enterprise Resource Planning product SAP was implemented in the year 2010 covering all major business processes. To run SAP applications, a state of the art Data Centre has been functioning at Mangalore site for supporting 24 x 7 business operations.

As part of an upgradation & migration phase, SAP system at MRPL is being migrated to HANA (High-Performance Analytic Appliance) platform using Suite-On-HANA (SoH) approach with refreshed hardware setup. This would enable SAP system to process massive amounts data in main memory resulting in performance improvement and user experience.

In addition, MRPL recently undertook and completed a SAP system audit across various SAP modules by appointing M/s PwC for addressing any control gaps in the business processes.

On the Cyber Security front, all the necessary audits pertaining to Information Security Management System (ISMS) have been completed and MRPL has been recommended for ISO-27001:2013 certification.

Future projects on IT front for MRPL include implementation of CRM (Customer Relationship Management) on SAP system during FY 2019-20 for enhancing customer relationship.

SECRETARIAL STANDARDS

The Secretarial Auditor has certified that your Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, during the financial year 2018-19.

HEALTH, SAFETY & ENVIRONMENT PERFORMANCE

The company's Philosophy on the HSE is to perform better than minimum required by statutes. The major Achievements on the Environment Management front include:

Environment Management

- The Expert Appraisal Committee (EAC) for CRZ Projects, MoEF & CC, New Delhi has recommended CRZ clearance for the proposed 70 MLD Desalination Plant at Tanneerbavi village in Mangaluru in its meeting held on 25th Jan 2019. EC certificate for Desalination Plant has been received in the current financial year.
- Environmental Impact Assessment (EIA) report for the proposed 2G Ethanol project has been submitted to KSPCB Regional Office, Davanagere on 15th Nov, 2018.
- Memorandum of Understanding (MoU) has been signed with M/s. Dr. Shivarama Karantha Pilikula Nisarga Dhama on 14th December, 2018 for the development of Bio-Diversity Park in 41 acres of Marshy land area in MRPL premises.
- New Hazardous Waste Storage Shed has been constructed and commissioned in the month of Dec-18 with a view of better management of Hazardous Waste.
- New Digital Display Board has been installed outside the Cargo Gate for displaying Environmental data in accordance with the Supreme Court Monitoring Committee (SCMC) Directive.
- As a part of Corporate Environment Responsibility (CER), approximately 32,000 nos. of LED bulbs were distributed in 10 neighboring villages.
- Under Stage-2 Compensatory afforestation in 30 acres at Dr. Shivarama Karantha Pilikula Nisarga Dhama, plantation of 2000 saplings was carried out in the month of July, 2018.
- 1643 MT of Oily sludge, 2369 MT of PFCC Spent catalyst, 842 MT of Spent Clay, 140 MT of Spent Adsorbent and 406 MT of Waste Insulation was sent for co-processing in SPCB Authorized Cement Industries.
- 565 MT of Spent Catalyst and 174 MT of Spent Carbon was disposed through SPCB Authorized Recyclers/ Reprocessors.
- 7.1 MT of E-Waste (Fused Lamps – Category CEEW 5) was disposed through SPCB Authorized Recyclers.

- 15 MT of PPU Treated Waste White Oil was disposed to SPCB Authorized Incineration Facility.
- 50,89,921 m^3 Tertiary Municipal Sewage Water received in MRPL during FY 18-19 and after proper disinfection treatment was utilized in cooling towers as make-up water.
- Awareness programme was organized on 05th November, 2018 for MRPL DPS school children sensitizing about ill effects of noise & air pollution by fire crackers during Diwali festival. Another sensitization programme on Phasing out use of single-use plastic item in coordination with KSPCB and NITK was also carried out.

Safety

- Pre-Commissioning Safety Audit of RTLF (Relocation of Tankages and Loading Facility) was carried out by Oil Industry Safety Directorate (OISD).
- Safety Awareness Survey was carried out in the Refinery by M/s National Safety Council, Mumbai during 27th – 29th, November 2018.
- 1024 days without Reportable Lost Time Injuries (RLTI) achieved as on 31-03-2019.
- 13.67 Million Man Hrs worked as on 31-03-2019.
- Fire & Safety training imparted to all the employees including contract work force

Occupational Health

- Annual Medical Checkup of employees was carried out in three categories in compliance with the Rules under Factories Act and Karnataka Factories Rules, one below 40 years of age, second for age group between 40 to 45 years and third for age group for 45 and above. Different groups have to undergo different medical tests. The employees were also subject to Hearing Loss test for those employees who are working in high noise areas. Lung Function Test, Colour Blindness Test, Blood Test, etc were some of the general tests which were undergone by the employees.
- Two Occupational Health Centres (OHC) with 24x7 availability of Medical Staff are functional.
- The services of MRPL Hospital are available not only for the employees and their dependents but also for neighboring villages

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY DEVELOPMENT

Corporate Social Responsibility

MRPL's social welfare and community development initiatives focus on the key areas of education, health care & sanitation and overall development of basic infrastructure in and around its operational area/ Dakshina Kannada & Udupi District/Karnataka State. These projects are largely in accordance with Schedule VII of the Companies Act, 2013.

The key objectives of the MRPL CSR Policy is to ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders.

The Company has identified following focus areas for CSR engagement:

1. Shiksha Samrakshan
2. Arogya Samrakshan
3. Bahujan Samrakshan
4. Prakrithi Samrakshan
5. Sanskrithi Samrakshan

The CSR and SD policy of the Company was amended during the financial year 2018-19. The salient features of the amendment were inclusion of Swachh Bharat activities, allocation of funds, implementation methodology and revision in delegation of powers.

The CSR & SD Policy may be accessed on the Company's website at http://www.mrpl.co.in/csr. The Annual Report on CSR activities for FY 2018-19 is annexed as **'Annexure-A'**.

Sustainability Development

Sustainability efforts of the Company have reached the mainstream with opportunities on long term viable approaches in all segments of the organization. Embracing environmentally sustainable business practices and sustainable business processes are prioritized in all endeavors of the organization with focus on ensuring sustainability to build a culture of accountability across the organization.

The company had conceptualized a novel concept to establish a biodiversity park at MRPL premises which will be an ex-situ development process wherein native species of plants from different localities of Western Ghats and those from the coastal Karnataka will be established in the park. Since increased density and species of plants habitually attract different forms of animals, birds and other species to this region, it will be helpful in maintaining Bio-Diversity in the region. The company is partnering with Dr. Shivarama Karantha Pilikula Nisarga Dhama (Dr. SKPND) for the purpose who brings in domain expertise.

In another novel endeavor, MRPL along with Karnataka State Pollution Control Board (KSPCB) has embarked on building an Urban eco-park wherein measures are taken to protect the environment and will enable create awareness to public and educating students. MRPL intends to emphasize the environmental responsibility undertaken and sensitize the role of technology in sustainable refinery operations.

MRPL has also initiated one more novel drive which is to replace the use of inorganic fertilizer with in-house generated organic fertilizer within the refinery premises by Vermicomposte of MRPL horticulture debris.

MRPL is committed to the responsibility of carrying out refinery operations by maintaining high standards towards Sustainable Development.

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARY/ JOINT VENTURES/ ASSOCIATE

The details on the performance and financial position of Subsidiary, Associate and Joint Venture Companies are given in Management Discussion and Analysis (MDA) Report. Pursuant to Section 129(3) of the Companies Act, 2013 read with

Rule (5) of the Companies (Accounts) Rules, 2014, a statement on the performance and financial position of the subsidiary and Joint Venture Companies is provided as an Annexure to the Consolidated Financial Statements.

In accordance with the provisions of the SEBI guidelines, the Company has framed a policy for determining material subsidiaries that can be accessed on the Company's website.

Your company has one subsidiary i.e. ONGC Mangalore Petrochemicals Limited (OMPL). As per the Material Subsidiary Policy, OMPL is not a material subsidiary of the Company, applying the test of materiality for the FY 2018-19.

ANNUAL REPORT OF SUBSIDIARY AND CONSOLIDATED FINANCIAL STATEMENT

The Audited Consolidated financial statements for the year ended 31st March, 2019 of the Company and its subsidiaries form part of the Annual Report in accordance with Section 129 of the Companies Act, 2013 and the Ind AS 110 on "Consolidated Financial Statements" read with Ind AS 28 on "Investments in Associates and Joint Ventures". In accordance with section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of the subsidiary Company are available on the Company's website. These documents will also be available for inspection during business hours at the registered office of the Company at Mangalore.

INDIAN ACCOUNTING STANDARDS (IND AS) – IFRS CONVERGED STANDARDS

The Ministry of Corporate Affairs (MCA) on February 16, 2015, notified that Indian Accounting Standards (Ind AS) are applicable to certain classes of companies from April 1, 2016 with a transition date of April 1, 2015. Ind AS has replaced the previous Indian GAAP prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and are applicable to the Company from April 1, 2016.

TRANSFER TO RESERVES

No amount has been transferred to General Reserves for the financial year 2018-19.

DIVIDEND

The Board of Directors has recommended a dividend of ₹ 1/- per equity share for the FY 2018-19. The dividend shall be paid after the approval of members at the Annual General Meeting. The dividend has been recommended in accordance with Company's Policy on Dividend Distribution. The Dividend Distribution Policy of the Company is hosted on the website of the Company at www.mrpl.co.in.

DEPOSITS

Your company has not accepted any deposits during the year pursuant to Section 74 of the Companies Act, 2013 and Rules there under.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There have been no loans / guarantees given or securities provided during the FY 2018-19 under the provisions of Section 185 / 186 of the Companies Act, 2013. The details of investments covered under the provisions of Section 186 of the Act are given in notes to financial statements provided in this Annual Report.

SHARE CAPITAL

The company has not issued any shares during the FY 2018-19. The Issued, Subscribed and Paid up Equity Share Capital of your Company as on 31/03/2019 was ₹ 1,753 Crore.

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

There has been no change in the nature of business during the year. No material changes or commitments have occurred after close of the year till the date of this report which affects the financial position of the Company.

HUMAN RESOURCES

Your company values its human resources the most. To keep their morale high, your company extends several welfare benefits to the employees and their families by way of compensative medical care, education, housing and social security. During the financial year 2018-19, various welfare related policies have been implemented by the Company for its employees. The welfare policies of the company are being revised as and when revisions take place in welfare policies of downstream companies to enable the employees to get enhanced benefits.

The Company maintains an MRPL Employees Recreation Centre. The Centre offers a wide range of pastime activities for the employees and their dependents. An Internal Departmental Cricket Tournament was also organised during the year.

Your Company continues to enjoy cordial and harmonious relations and not a single man-hour was lost on account of any industrial disturbance during the year 2018-19.

The welfare policies of the company are being revised as and when revisions take place in welfare policies of downstream companies to enable the employees to get enhanced benefits. Your company organized 30th PSPB Chess tournament from 18th March, 2019 to 22nd March, 2019.

Reporting on SC / ST / PWD

Presidential Directives and other guidelines issued by Department of Public Enterprises, Ministry of Petroleum & Natural Gas, Ministry of Social Justice and empowerment from time to time with regard to reservation in services for Scheduled Castes, Scheduled Tribes, other backward castes and Persons with disabilities have been complied with. An adequate monitoring mechanism has been put in place for sustained and effective compliance. Liaison officers are appointed to ensure implementation of the Government Directives. Reservation Rosters are maintained as per the directives and are regularly inspected by the Liaison officer of the company as well as the officials from MoP&NG to ensure proper compliance of the Directives. MRPL also complies with provisions under "The Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 relating to providing employment opportunities for Persons with Disabilities (PWDs). As on 31/03/2019, there are 29 permanent employees with disabilities on the roll of MRPL.

During the financial year 2018-19, company has recruited 66 employees including 11 Scheduled Caste (SC) and 4 Scheduled Tribe (ST) employees and 2 employees belonging to Persons with Disability category. No women employee was recruited during the said period.

During the year 2018-19, the Company devoted 4446 Mandays for training, development and learning, which amounts to 2.9 Mandays per employee for Management staff and 1.8 Mandays per employee for Non-Management staff.

In accordance with para-29 of the Presidential Directive, statistics relating to representation of SCs / STs in the prescribed performa, SC / ST/ OBC Report – I and SC / ST / OBC Report –II are attached as **'Annexure – B'** to the report.

Skill Development Centre

As a part of National Skill Development Mission of the Government of India, MRPL has set up "MRPL Kaushal Vikas Kendra" (MRPL KVK) on 12/02/2017. A total of 58 candidates of MRPL KVK have undergone skill development training in various courses like "CNC Operator - Vertical Machining Centre and "Through Hole Assembly Operator" at Nettur Technical Training Foundation (NTTF), Bangalore during the financial year. Assessment of the course by respective Trade Council was undertaken by the candidates for Certification and Placement assistance were offered to all the candidates willing for relocation.

WOMEN EMPOWERMENT

Women employees constituted 6.73 percent of the Company's workforce.

Your Company has an Internal Complaints Committee (ICC) required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There have been no cases reported to the committee for the FY 2018-19.

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, Govt. of India. In order to propagate and promote Hindi among the employees, Hindi Workshops were organized on a regular basis at Mangalore, Mumbai, Delhi & Bangalore Offices. At regular intervals inspection of internal departments and subordinate offices were carried out.

Also, Hindi Fortnight was celebrated and many Hindi competitions such as Hindi Knowledge competition, Handwriting, Admin. Glossary, Hindi solo song, Hindi dictation etc. were conducted for the employees and their family members in the month of September 2018. In addition one more Hindi competition (Admin. Glossary) was conducted in January 2019 for employees. Competitions were held in Hindi language for employees and their family members during National Safety Day, Environment Day, Security awareness week and Vigilance awareness week. Hindi usage is promoted by conducting special quiz competition for senior officers such as CGMs & GGMs during Hindi month celebrations.

Hindi classes were conducted regularly for employees to qualify in Prabodh, Praveen & Pragya examinations. Employees are motivated to pass final Hindi examinations through Incentive schemes such as Cash award & Personal Pay etc. To increase the correspondence in Hindi in the organization Unicode facilities was activated on all computers used for daily office work.

Special awards were given to 15 students of DPS (Delhi Public School) in MRPL Township, who have scored highest marks in Class-X Hindi examination.

Your Company participated at TOLIC level Hindi competitions and won Eight prizes and stood Second at the TOLIC level competitions. Hindi debate competition was conducted for employees of TOLIC member organizations at MRPL. Hindi Essay competition was also organized for Degree College students of Mangalore University as a part of Hindi month celebrations under the auspices of TOLIC Mangalore. In addition to the above a Hindi seminar was organized on 07/03/2019 wherein all the TOLIC member organizations along with Official Language Liaison Officers (OLLO) took part in the seminar.

In order to propagate and to promote usage of Hindi in the company, in house Hindi Journal namely "MRPL PRATIBIMB" is being annually published. MRPL follows the guidelines on OL (Official Language), and conducted OLIC (Official Language Implementation Committee) meeting during four quarters of the year under chairmanship of MD to review and for action plan for improving usage of Hindi in MRPL. Your company is making Continuous efforts for promoting Hindi usage in the organization by encouraging employees through trainings, workshops, seminars and incentives.

RIGHT TO INFORMATION ACT, 2005

NUMBER OF RTI APPLICATION RECEIVED, DISPOSED AND PENDING.

Company's RTI Manual is available on Company's website. During the year, 253 applications were received, out of which 18 applications were transferred to other Public Authorities and balance 235 were disposed off as per provisions of the Act.

SECURITY MEASURES

Security of MRPL Refinery is designed to comply with Oil Sector Infrastructure Protection Plan (OSIPP) and the Security Audit recommendations given by MHA from time to time.

Physical Protection of the Refinery is handled by Central Industrial Security Force (CISF). The CISF strength at MRPL has been recently augmented following an approval in this regard by MHA, Govt of India.

Security is on top of the agenda of MRPL and to ensure preparedness, periodic mock drills on work-place security preparedness are conducted. To promote awareness on security issues among all stake holders, Security Awareness Weeks are organised periodically.

A major revamp of electronic surveillance of the Refinery through an integrated CCTV cum Electronic Intrusion Detection system has been completed with the commissioning of the system on December 31, 2018. Further up-gradation of Security Infrastructure of MRPL with building two separate Gate Complexes are under progress.

VIGILANCE FUNCTION

Your company has developed a structured mechanism of vigilance functions. Its practices are focused towards creation of value to 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. Your company has a full time Chief Vigilance Officer, assisted by a dedicated team.

In compliance with CVC instructions, your company has implemented a complaint handling policy in which all complaints received from various sources are recorded and examined by vigilance. The details on the best vigilance practices and links to various useful websites are also provided in the MRPL Corporate website. Your company has achieved highest compliance level with regard to e-procurement, e-tender and e-payment. In line with instructions of CVC, your company had conducted Vigilance Awareness programs for spreading awareness on ill effects of corruption. Being nominated as the nodal agency for conducting the Vigilance awareness programs in the city of Mangalore, various awareness activities were designed to touch all walks of life. Vendors meet was conducted as a part of Vigilance Awareness Program in which more than 500 vendors participated. Vigilance awareness mobile van with Anti-corruption audio message covered different areas around the Refinery and Mangalore city to educate the citizens about the ill-effect of corruption. Vigilance awareness walkathon was conducted in which more than 400 people participated to create an ethical awareness among the citizens on the menace of corruption and emphasized to use latest technology to curb the evil practices. Awareness program was conducted for Contract workman and CISF security Personnel. For popularizing the “Integrity Pledge” developed by central vigilance Commission, MRPL installed 3 integrity pledge kiosk in Mangalore City during Vigilance Awareness Week. MRPL along with All India Radio, Mangalore jointly produced various vigilance awareness programs which were aired during Vigilance Awareness Week-2018 including interview of CVO and MD, MRPL, online phone in program conducted by head Anti-Corruption Bureau, Mangalore. Vigilance sensitization program for top management was conducted by Shri. J. Vinod Kumar, Director, Central Vigilance Commission. A one-day seminar on integrity for children “Chilume Bhavya Barathadatta” was conducted. To incite the development of ethics and honesty among school children, a leadership program was conducted for 18 integrity clubs launched during 2017 in different schools along with various other awareness programs and competitions in 22 schools and 16 colleges. Observance of Vigilance awareness week was accomplished with effective utilization of social media. Schools and colleges, government offices, general public and employees of MRPL, OMPL and Shell-MRPL were covered in the vigilance awareness drive. E-office has been implemented in the company and is aimed at improving efficiency in the working of MRPL. Leveraging the technology to enhance transparency has been a thrust area of action in which vigilance has a catalytic role. The website of company displays downloadable tender document, publication of information of work awarded on nomination basis, publication of post award information of contracts etc.

Whistle Blower Policy

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. During the year, no complaints were received under Whistle Blower Policy.

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- C’** which forms part of this Report.

MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

MRPL, being a Government Company, is exempted from the provisions of Section 197(12) of the Companies Act, 2013 and relevant Rules in view of the Notification dated 05/06/2015 issued by Ministry of Corporate Affairs (MCA).

The functional Directors of the Company are appointed by the administrative Ministry i.e. MoP&NG within the terms & conditions as per DPE guidelines.

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- D’** which forms part of this Report. The same is also available on the website of the Company.

RELATED PARTY TRANSACTIONS & PARTICULARS OF CONTRACTS / ARRANGEMENTS WITH RELATED PARTY

All transactions entered with related parties during the FY 2018-19 were on arm’s length basis and in ordinary course of business. Further, there were no material related party transactions during the year with the Promoters, Directors or Key Managerial Personnel and no related party transaction were made which could have potential conflict with interest of the Company at large. The Company has adopted a Related Party policy and procedure, which is available at company’s website.

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, in the prescribed

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.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Changes in the Board of Directors and Key Managerial Personnel during the financial year 2018-19

MRPL being a Central Public Sector Enterprise (CPSE), Directors on the Board of the company are appointed by the Administrative Ministry i.e. Ministry of Petroleum and Natural Gas (MoP&NG), Government of India and therefore the provisions of Section 134(3)(e) of the Companies Act, 2013 regarding policy on Directors appointment and remuneration shall not apply in view of the MCA notification dated 05/06/2015.

Shri Subhash Kumar, Director (Finance) ONGC was appointed as an Additional Director on the Board of MRPL on 15/05/2018. Shri M Venkatesh was appointed as Managing Director & CEO w.e.f 01/06/2018 by MoP&NG on superannuation of Shri H. Kumar on 31/05/2018 from the services of the Company. Shri M. Venkatesh, Managing Director was entrusted the additional charge of Director (Refinery) by MoP&NG upto 31/05/2019 due to vacancy in the position of Director (Refinery). Shri M. Venkatesh, Managing Director was also entrusted with the additional charge of Director (Finance) consequent upon the sad demise of Shri A. K. Sahoo, Director (Finance) on 11/12/2018. Shri Vivek Mallya, nominated as Non official Independent Director by MoP&NG for a period concurrent with his tenure as Non – Official Director (NoD) on the Board of ONGC i.e. till 30/01/2020, or until further orders by MoP&NG, whichever is earlier was appointed as an Additional Director, designated as Non Official Independent Director by the Board with effect from 07/01/2019 to hold office until the date of Annual General Meeting. Shri S. Raviprasad, GGM (Finance) was appointed as Chief Financial Officer (CFO) of the Company w.e.f. 07/02/2019.

The Board places on record its appreciation for the valuable services rendered by the outgoing Directors during their respective tenure.

All Independent Directors have given a declaration that they meet the criteria of independence as laid down under Section 149(6) of Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015.

Changes in the Board of Directors after 31/03/2019

There were no changes in the Board of Directors after 31/03/2019.

FORMAL ANNUAL EVALUATION

MRPL, being a Government Company, the provisions of Section 134(3) (p) of the Companies Act, 2013 in respect of annual evaluation of the Board Committees and individual Directors shall not apply in view of the MCA notification dated 05/06/2015. However, as per Regulation 17 of SEBI Listing Regulations, 2015 formal annual evaluation of Independent Directors for the FY 2018-19 had been carried out by the Board. A meeting of Independent Directors was held on 04/02/2019. Independent Directors also reviewed the performance of non – independent Directors and the Board of Directors as a whole along with the Chairperson of the Company as per SEBI (LODR) Regulations, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 134 of the Companies Act, 2013, the Board of Directors of your Company has made the following statement for FY 2018-19:

a) In the preparation of the Annual Financial Statements for the year ended March 31, 2019, the applicable Ind AS 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 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, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the Annual Financial Statements 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.

NUMBER OF BOARD MEETINGS

The Board of Directors of your Company had seven (7) Meetings during the FY 2018-19. The maximum interval between any two meetings did not exceed 120 days as prescribed in the Companies Act, 2013. Details of the Board Meetings held, have been furnished in the Corporate Governance Report which forms part of this Report.

AUDIT COMMITTEE

The Audit Committee has been constituted as per the terms of reference 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, Regulation 18 of SEBI Listing Regulation, 2015 and Guidelines on Corporate Governance for Central Public Sector Enterprise issued by Department of Public Enterprise, Government of India. There have been no instances where the recommendations of the Audit Committee were not accepted by the Board of Directors. The details of Audit Committee are disclosed in the Corporate Governance Report which forms part of this Report.

NOMINATION, REMUNERATION (NR) AND HUMAN RESOURCE MANGAGEMNT (HRM) COMMITTEE

MRPL being a Central Public Sector Enterprise (CPSE), Directors on the Board of the company are appointed by the Administrative Ministry i.e. Ministry of Petroleum and Natural Gas (MoP&NG), Government of India. Accordingly, the Company has not adopted any Nomination/Remuneration policy.

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations, 2015 and DPE guidelines on Corporate Governance for CPSE, your Company has constituted a Nomination/ Remuneration Committee. During the year HRM Committee of the Company was merged with Nomination/Remuneration Committee as Nomination, Remuneration and Human Resource Management Committee.

The details on the Nomination, Remuneration and HRM Committee are disclosed in Corporate Governance Report which forms part of this report.

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.

RISK MANAGEMENT POLICY

In line with the requirements of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, your Company has developed and rolled out a comprehensive Enterprise-wide Risk Management (ERM) Policy throughout the organization. ERM policy is also being reviewed by an independent professional firm. The Audit Committee periodically reviews the risk assessment and mitigation actions in MRPL.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS

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

CORPORATE GOVERNANCE

The Companies Act, 2013 and SEBI Listing Regulations, 2015 have strengthened the governance regime in the country. Your Company is in compliance with the governance requirements provided under the Companies Act, 2013, SEBI Listing Regulations, 2015 and has complied with all the mandatory provisions of Companies Act, 2013 and Rules made thereunder, SEBI Listing Regulation, 2015 relating to the Corporate Governance requirements and mandatory guidelines on Corporate Governance for CPSEs issued by DPE, Government of India. The Corporate Governance Report for the FY 2018-19 forms part of this Report.

Pursuant to Schedule V of the SEBI Listing Regulations, 2015, the Auditors' certificate on compliance of conditions of Corporate Governance also forms part of the Annual report. The Auditors have made observations on the appointment of Independent Directors on the Board of the Company for the part of FY 2018-19. Presently, there are 6 Independent Directors on the Board of your Company.

Pursuant to requirements of the Companies Act, 2013 and SEBI Listing Regulations, 2015, following policies/codes have been formulated and uploaded on the Company's website at www.mrpl.co.in:

a) Code of Conduct for Board Members and Senior Management Personnel;

b) Whistle Blower Policy;

c) Related Party Transactions – Policy and Procedures;

d) CSR & SD Policy;

e) Material Subsidiary Policy;

f) The Code of Internal Procedures and Conduct for prohibition of Insider Trading in Dealing with the securities of MRPL;

g) Policy on Materiality for disclosure of events to the Stock Exchanges;

h) Policy on preservation of Documents;

i) Training Policy for Board of Directors;

j) Dividend Distribution Policy.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. During the year, the Company has transferred the unclaimed and unpaid dividends of ₹ 2,90,47,291/-. Further, 1,45,62,735 corresponding shares on which dividends were unclaimed for seven consecutive years stood transferred to IEPF, as per the requirements of the IEPF rules. The details are provided in the Shareholder information section of this Annual Report and are also available on www.mrpl.co.in.

ANNUAL BUSINESS RESPONSIBILITY REPORT

SEBI Listing Regulations, 2015 mandated inclusion of Annual Business Responsibility Report (BRR) as part of the Annual Report for top 500 listed entities based on market capitalization. In compliance with the Regulation, BRR for the FY 2018-19 forms part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of Regulation 34 of the SEBI Listing Regulations, 2015 the Management's Discussion and Analysis (MDA) Report for the FY 2018-19 forms part of this Report.

INTERNAL FINANCIAL CONTROL

Your Company has a well-established and efficient internal financial control system to ensure an adequate and effective internal control environment that provides assurance on efficiency of conducting business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information. An independent audit of Information Systems of the Company was also undertaken and appropriate actions are taken on suggestions given during audit.

The Company has in-house internal Audit Department commensurate with its size of operations. Audit observations are periodically reviewed by the Audit Committee of the Board and necessary Directions are issued whenever required. Details on the Internal Control system are disclosed in the Management Discussion Analysis Report which forms part of this report.

AUDITORS

Joint Statutory Auditors

M/s Shreedhar, Suresh & Rajagopalan, Chennai and M/s Manohar Chowdhry and Associates, Mangalore were the Joint Statutory Auditors of the Company for the FY 2018-19. They have audited the Financial Statements for the FY 2018-19 and submitted their report which forms part of this report. There is no qualification in the Auditors Report on the financial statements of the Company. Notes to the Accounts referred to in the Auditors Report are self-explanatory and thereof do not call for any comments.

Secretarial Auditors

Your Company engaged M/s Kumar Naresh Sinha & Associates, Practicing Company Secretary, Noida for conducting Annual Secretarial Audit for the FY 2018-19 pursuant to Section 204 of the Companies Act, 2013. M/s Kumar Naresh Sinha & Associates, Practicing Company Secretary, Noida has issued Secretarial Audit Report for the FY 2018-19 which forms part of this report as **'Annexure-F'**. The Auditors have made observations on the non - availability of requisite number of Independent Directors on the Board of the Company till 06/01/2019.There were requisite number of Independent Directors on the Board of the Company as on 31/03/2019.

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 2018 –19 are being audited by Cost Auditors M/s. Chandra Wadhwa & Co., New Delhi. M/s Chandra Wadhwa & Co, Cost Accountant have been re-appointed as Cost Auditors for FY 2019-20.

COMMENTS OF C&AG ON THE JOINT STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED AND STANDALONE FINANCIAL STATEMENTS FOR THE FY 2018-19

The Comments of Comptroller & Auditor General of India (C&AG) forms part of this report and are attached as **'Annexure-G'**. You would be pleased to know that there is no comments from C&AG on the Auditor's Report or on the Financial Statements for the year 2018-19.

ACKNOWLEDGEMENT

Your Board of Directors wish to thank the shareholders for the continued confidence reposed on their Company. 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 Enterprises (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 for their valuable support, guidance and continued co-operation. Your Directors also place on record its appreciation for the support from Govt. of Karnataka.

Your Directors gratefully acknowledge support and Direction provided by the parent company, Oil and Natural Gas Corporation Limited (ONGC) and the support of Hindustan Petroleum Corporation Limited (HPCL), as Promoters of the company. Your Directors acknowledge the continuing cooperation and support received from New Mangalore Port Trust, Financial Institutions, Banks and all other stakeholders. Your Directors recognize the patronage extended by the valued customers for the products of the Company and promise to provide them the best satisfaction. The Board would like to express its sincere appreciation for the dedicated efforts made and valuable services rendered by all the employees collectively and concertedly as a Team known as "Team MRPL" in the Company's excellent achievements during the year 2018-19.

For and on behalf of the Board

(Shashi Shanker)
Chairman
(DIN: 06447938)

Place : New Delhi
Date : 03/07/2019

ANNEXURE A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FINANCIAL YEAR 2018-19

[Pursuant to clause (0) of sub-section (3) of section 134 of the Act and Rule 8(1) 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 policy and projects or programs.

Mangalore Refinery & Petrochemicals Limited (MRPL) is a Schedule "A" Mini Ratna PSU, a subsidiary of ONGC is delivering outstanding performance in Indian hydrocarbon downstream sector, year after year. Right from the inception, MRPL has been undertaking CSR activities under the name "Samrakshan".

CSR Policy of MRPL has been drafted in line with Section 135 & Schedule VII of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and guidelines on Corporate Social Responsibility & Sustainability issued by Department of Public Enterprises. The Policy is available on the website of the Company at www.mrpl.co.in. Overview of the projects & programs undertaken by the Company is listed at the end of this report.

2. The composition of CSR & SD Committee

MEMBERS OF CSR COMMITTEE		
i.	Ms. Manjula C, Independent Director	Chairperson
ii.	Shri Sewa Ram, Independent Director	Member
iii.	Dr. G. K. Patel, Independent Director	Member
iv.	Shri M. Venkatesh, Managing Director & CEO	Member

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

Net Profit (PBT)	**₹ in crores**
PBT : FY 2015-16	1174.95
PBT : FY 2016-17	5533.89
PBT : FY 2017-18	3349.75
Total	10058.59
Average	3352.86
CSR budget for FY 2017-18 (2% of net profits of preceding 3 financial years)	67.06

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)

(₹ in Crores)

Carry forward budget of FY 2017-18	23.57
CSR Budget for the FY 2018-19	67.06
TOTAL	**90.63**

5. Details of CSR spent during the financial year

Amount spent as on 31/03/2019 against CSR Budget for the Financial Year 2018-19 : ₹ 31.32 crore. Amount committed as on 31/3/2019 was ₹ 78.06 crore out of the CSR corpus of ₹ 90.63 crore.

6. In case the company has failed to spend the 2% of the Average Net Profit (INR) of the last 3 financial years or any part thereof, the company shall provide the reasons for not spending the amount.

a) Most of the approved CSR projects are committed and majority of the projects in implementations stage. Majority of CSR spending is related to construction activities which have got its own gestation period in project implementation due to non–availability of encumbrance free land for few of the projects and non-availability of sand for some of the civil related projects.

b) Balance commitment of ₹ 12.57 crore is being made in FY 2019-20.

7. 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.

a) 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.

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

c) 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.

Sd/-	Sd/-
M. Venkatesh	**Manjula C.**
Managing Director & CEO	(Chairperson, CSR & SD Committee)
(DIN : 07025342)	(DIN : 07733175)

DETAILS OF CSR SPEND AS ON 31/03/2019

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 (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / pre-program subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
I	**Swachh Bharath Projects**						
1	Construction of Sewage treatment plant for educational institute at Vivekananda College, Puttur.	Schedule VII of the Companies Act. Sl. No. i Sanitation	1. Local area 2. D.K District, Karnataka State	57.25	Same as (5). Direct expenditure, no overheads	49.43	Direct
2	Construction of Toilet Block for S.D.P.T Higher Primary School Kateel	-do-	-do-	1.58	-do-	0.00	Direct
3	Construction of individual toilet for 87 houses (23 SC/ ST and rest OBC)	-do-	-do-	11.91	-do-	5.49	Direct
4	Construction of toilet block at DKZPHP School Madhya	-do-	-do-	6.00	-do-	5.76	Direct
5	Construction of Toilet Block at Panamboor/ Tannirubaavi/ Talapady in Mangalore Taluk	-do-	-do-	88.50	-do-	12.72	Direct
6	Construction of Toilet Block at Ganeshpura by Vyakthi Vikasa Trust (Art of Living)	-do-	-do-	18.00	-do-	0.00	Direct
7	Construction of toilets for P.U.College in Belthangady Taluk	-do-	-do-	10.00	-do-	6.27	Direct
8	Construction of toilet for Kabaka P.U. College, Puttur Taluk	-do-	-do-	10.00	-do-	0.00	Direct
9	Construction of toilets to Women High School Balila in Sullia Taluk	-do-	-do-	10.00	-do-	10.00	Direct

DETAILS OF CSR SPEND AS ON 31/03/2019

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 (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / pre-program subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
10	Swacha Bharath Abhiyaan Phase-IV association with Ramakrishna Mission	Schedule VII of the Companies Act. Sl. No.i Promoting Preventive Health care	-do-	136.35	-do-	106.58	Direct
11	Swacha Surathkal-Beautification of Surathkal Flyover under Swacha Bharath Abhiyaan Program	Schedule VII of the Companies Act. Sl. No.i Promoting Preventive Health care	-do-	0.66	-do-	0.66	Direct
12	Construction of Toilet in Sultan Batteri, Mangalore by Matha Amrithanandamayi Mutt	Schedule VII of the Companies Act. Sl. No.i Sanitation	-do-	13.48	-do-	0.00	Direct
13	Construction of Toilet Block for Kendriya Vidyalaya, Panamboor	-do-	-do-	30.00	-do-	0.00	Direct
14	Construction of Toilet under Mangalore City Corporation Limit	Schedule VII of the Companies Act. Sl. No.i Sanitation	-do-	108.00	-do-	46.90	Direct
15	Construction of Toilet & Bath Room for Govt. Polytechnic for Women	-do-	-do-	17.00	-do-	4.98	Direct
16	Construction of Toilet Block In Teachers Training Institute Mangalore	-do-	-do-	25.00	-do-	3.13	Direct
17	Construction of toilet for Government Pre-University College Kavoor	-do-	-do-	15.00	-do-	15.00	Direct

DETAILS OF CSR SPEND AS ON 31/03/2019

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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 (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / pre-program subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
18	Construction of Toilet Block at Niranjanaswamy P.U. College Sunkadakatte	-do-	-do-	10.00	-do-	9.40	Direct
19	Construction of Toilet and Urinals for Govinda Dasa College, Surathkal	-do-	-do-	15.00	-do-	8.98	Direct
20	Swacha Bharath Abhiyan in Association with Amrithanandamayi Mutt Mangalore	Schedule VII of the Companies Act. Sl. No.i Promoting Preventive Health care	-do-	43.09	-do-	10.33	Direct
21	Swacha Bharath Abhiyaan in Association with Vyakthi Vikasa Trust (Art of Living)- Distribution of Waste Disposal Machine	Schedule VII of the Companies Act. Sl. No.i Promoting Preventive Health care and Make safe Drinking Water	-do-	48.69	-do-	47.22	Direct
22	Construction of Toilet Block in Yakshagana School Idagunji Keremane Honnavara	Schedule VII of the Companies Act. Sl. No.i Sanitation	1. Other 2. Uttara Kannada District Karnataka State	11.93	-do-	10.78	Direct
23	Construction of toilet for Government Pre-University College Panja Sulya Taluk	-do-	1. Local area 2. D.K District, Karnataka State	11.46	-do-	4.99	Direct
24	Providing Drinking water and sanitation for neibhouring Villages i.e. Soorinje and Kateel	Schedule VII of the Companies Act. Sl. No.i Promoting Preventive Health care and Make safe Drinking Water	-do-	70.28	-do-	0.00	Direct

DETAILS OF CSR SPEND AS ON 31/03/2019

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 (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / pre-program subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
25	Construction of toilet block for Navachetana Educational Trust, Neermarga	Schedule VII of the Companies Act. Sl. No.ii Promoting Education	-do-	17.31	-do-	17.31	Direct
26	Distribution of Sanitary Napkin Burners to Neighbouring schools in association with JCI Ganeshpura	Schedule VII of the Companies Act. Sl. No.i Promoting Preventive Health care and Make safe Drinking Water	-do-	3.39	-do-	3.38	Direct
27	Toilet and other related sanitation facility for Shri Krishna Math Parisara Vikasa Prathistana, Udupi	Schedule VII of the Companies Act. Sl. No.i Sanitation	1. Other 2. Udupi District, Karnataka State	231.00	-do-	126.01	Direct
28	Contribution to Swachatha Kosh	Schedule VII of the Companies Act. Sl. No.i Sanitation	1. Other 2. Within India	200.00	-do-	200.00	Direct
29	Construction of Toilet for DKZP HP School, Vitla, Bantwal Taluk	Schedule VII of the Companies Act. Sl.No.i Sanitation	1. Local area 2. D.K District, Karnataka State	10.00	-do-	0.00	Direct
30	Construction of Public Toilet for Chelairu Rehabilitation Colony	-do-	-do-	10.00	-do-	0.00	Direct
31	Construction of Toilet Block for Sri Sri Ravishankar Vidya Mandira Trust, Bangalore at Chikkamagaluru District	-do-	1. Other 2. Chikamagalur District, Karnataka State	10.00	-do-	0.00	Direct

DETAILS OF CSR SPEND AS ON 31/03/2019

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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 (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / pre-program subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
32	Construction of Public Toilet Block for Town Panchayath, Vitla, Bantwal Taluk	-do-	1. Local area 2. D.K District, Karnataka State	16.00	-do-	0.00	Direct
33	Construction of Toilet for DKZP HP School, Okkethur, Bantwal Taluk	-do-	-do-	11.00	-do-	6.76	Direct
34	Construction of Toilet for DKZP HP School, Irde, Puttur	-do-	-do-	8.75	-do-	4.24	Direct
35	Construction of Toilet for DKZP HP School, Kudrebettu, Bantwal Taluk	-do-	-do-	5.00	-do-	0.00	Direct
36	Installation of Sanitary Napkin Destroyer in Schools of DK District	Schedule VII of the Companies Act. Sl. No.i Promoting Preventive Health care	-do-	23.60	-do-	0.00	Direct
37	Construction of Toilet for Govt. Hr. Primary School, Hesakuthur, Kundapura Taluk, Udupi District	Schedule VII of the Companies Act. Sl. No.i Sanitation	1. Other 2. Udupi District, Karnataka State	10.00	-do-	4.50	Direct
38	Construction of Toilet for DKZP MUHP School, Kavu, Puttur	-do-	1. Local area 2. D.K District, Karnataka State	10.00	-do-	0.00	Direct
39	Construction of Toilet for Mukka Zumma Masjid Education Trust	-do-	-do-	7.61	-do-	0.00	Direct
40	Construction of Toilet for Mahatma Gandhi High School, Saibarakatte, Udupi	-do-	1. Other 2. Udupi District, Karnataka State	10.00	-do-	0.00	Direct

DETAILS OF CSR SPEND AS ON 31/03/2019

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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 (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / pre-program subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
41	Construction of Toilet for Shri Bharati Higher Primary School, Alankar, Puttur	-do-	1. Local area 2. D.K District, Karnataka State	25.00	-do-	0.00	Direct
42	Construction of toilet for Janata Higher Primary School, Adyanadka, Bantwal	-do-	-do-	22.00	-do-	10.00	Direct
43	Construction of Toilet Block near Jokatte Bus Stand	-do-	-do-	2.35	-do-	0.00	Direct
44	Construction of Toilet block in Karinje Temple, Kavalamudur Village, Bantwal Taluk	-do-	-do-	10.00	-do-	0.94	Direct
45	Beach cleaning in association with Department of Forest, Ecology and Environment.	Schedule VII of the Companies Act. Sl. No.i Promoting Preventive Health care	-do-	0.59	-do-	0.59	Direct
46	Swacha Bharath Pakhwada -01/07/2018 to 15/07/2018	-do-	-do-	14.90	-do-	5.06	Direct
47	Coastal Cleanup Day in association with Coast Guard, Mangalore	-do-	-do-	0.59	-do-	0.59	Direct
48	Swachatha Pakhwada - 16/08/2018 to 31/08/2018	-do-	-do-	5.72	-do-	0.18	Direct
49	Swachatha Hi Seva - 16/09/2018 to 02/10/2018	-do-	-do-	17.41	-do-	13.54	Direct

DETAILS OF CSR SPEND AS ON 31/03/2019

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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 (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / pre-program subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
50	Construction of Toilet facility for Maitreyi Gurukula, Vittla	Schedule VII of the Companies Act. Sl. No.i Sanitation	-do-	59.50	-do-	27.42	Direct
51	Construction of toilet block for Vivekananda Aided H.P School Jalsoor	-do-	-do-	5.00	-do-	0.00	Direct
52	Construction of toilet block for DKZPHP School Daddalkad	-do-	-do-	5.00	-do-	4.66	Direct
53	Construction of toilet block for Vidyadayinee School Surathkal	-do-	-do-	10.00	-do-	4.80	Direct
54	Construction of toilet block for DKZP School Boliya, Kuppepadavu	-do-	-do-	6.95	-do-	0.00	Direct
55	Construction of toilet block for DKZP School Edapadavu	-do-	-do-	6.95	-do-	0.00	Direct
56	Construction of toilet block for DKZP School Muchhuru	-do-	-do-	6.95	-do-	0.00	Direct
57	Construction of toilet block for DKZP School Kalladi	-do-	-do-	6.95	-do-	0.00	Direct
58	Construction of toilet block for DKZP School Guttakad	-do-	-do-	10.00	-do-	1.89	Direct
59	Construction of toilet block for DKZPHP School Nadugodu	-do-	-do-	8.00	-do-	0.00	Direct
60	Construction of Toilets for Balpa Grama Panchayath	-do-	-do-	9.16	-do-	0.00	Direct

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61	Maintenance of Swach Vidyalaya Toilets constructed under Swachh Vidyalaya Abhiyan	Schedule VII of the Companies Act. Sl.No.i Promoting Preventive Health care	1. Multiple area 2. D.K, Udupi District, Karnataka State	15.44	-do-	9.76	Direct
62	Swacha Bharath Projects of Ramakrishna Mission	-do-	1. Local area 2. D.K District, Karnataka State	417.72	-do-	128.67	Direct
63	Installation of Napkin vending machine and incinarators in schools and colleges of Raichur and Yadgir District	Schedule VII of the Companies Act. Sl.No.i Promoting Preventive Health care	1. Other area 2. Raichur and Yadgir District, Karnataka State	415.36	-do-	229.78	Direct
64	Construction of public toilet near Karkala Bus Stand	Schedule VII of the Companies Act. Sl.No.i Sanitation	1. Local area 2. Udupi District, Karnataka State	20.00	-do-	0.00	Direct
65	Construction of Toilet Block for Pandeswara Fire Service Station	-do-	1. Local area 2. D.K District, Karnataka State	19.60	-do-	1.50	Direct
66	Providing pure drinking water facility for use of general public in Moodabidri	Schedule VII of the Companies Act. Sl. No.i Promoting Preventive Health care	-do-	4.59	-do-	0.00	Direct
67	Drinking water project- Open Well With Pipeline at Chelaieru rehabilitation colony	-do-	-do-	27.86	-do-	10.84	Direct

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68	Installation of Drinking water purification system By Dakshina Kannada Zilla Panchayat	Schedule VII of the Companies Act. Sl. No.i Making Available of Safe Drinking Water	-do-	14.93	-do-	14.25	Direct
69	Construction of 2 Overhead tanks in around refinery at a cost of ₹ 15 lakhs each and One overhead tank at a cost of ₹ 25 lakhs)	Schedule VII of the Companies Act. Sl. No. x Rural Development	-do-	70.80	-do-	0.00	Direct
70	Providing Solar High Mast at Villages In Bantwal Taluk	Schedule VII of the Companies Act. Sl. No.iv Conservation of Natural Resources	-do-	73.75	-do-	73.75	Direct
71	Contribution to Karnataka Chief Minister Relief Fund- Rebuilding of Kodagu District	Schedule VII of the Companies Act. Sl. No.i Making Available of Safe Drinking Water	1. Other area 2. Kodagu District, Karnataka State	100.00	-do-	100.00	Direct
72	Drinking Water Facility for Bar Association (R), Bhadravati	-do-	1. Other area 2. Shimoga District, Karnataka State	1.16	-do-	1.16	Direct
73	Restoration and Development of lakes in Dakshina Kannada District	Schedule VII of the Companies Act. Sl.No. x Rural Development	1. Local area 2. D.K District, Karnataka State	23.60	-do-	0.00	Direct
74	Restoration and Development of lakes in Moodabidri	Schedule VII of the Companies Act. Sl. No. x Rural Development	1. Local area 2. D.K District, Karnataka State	118.00	-do-	47.20	Direct

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75	Organizing Smoke Free Village-Providing Free LPG Kit for BPL Families	Schedule VII of the Companies Act. Sl. No. x Rural Development	-do-	12.00	-do-	10.32	Direct
76	Solar project at Aided Permude Hindu Higher Primary School, Kodikere, Mangalore	Schedule VII of the Companies Act. Sl. No.iv Conservation of Natural Resources	-do-	11.80	-do-	11.63	Direct
77	Providing roof top Solar Panel for Bondala Jaganath Shetty Memorial Govt. High School, Shambhur, Bantwal Taluk	Schedule VII of the Companies Act. Sl. No.iv Conservation of Natural Resources	-do-	11.80	-do-	1.86	Direct
78	Providing Solar Street Light for Chelairu Grama Panchayath	Schedule VII of the Companies Act. Sl. No. x Rural Development	-do-	29.50	-do-	11.16	Direct
II	**Shiksha Samrakshan**						
1	Construction of Model Anganwadi under Sansad Adarsha Grama Yojana at Balpa	Schedule VII of the Companies Act. Sl. No. x Rural Development	1. Local area 2. D.K District, Karnataka State	0.00	Same as (5). Direct expenditure, no overheads	1.50	Direct
2	Construction of Anganwadi building for Permude Panchayat at Mangalpete	Schedule VII of the Companies Act. Sl. No.ii Promoting Education	-do-	2.24	-do-	2.13	Direct
3	Construction of Class Rooms at GHPS, Maninalkur - Nadumogaru	Schedule VII of the Companies Act. Sl. No.ii Promoting Education	-do-	5.47	-do-	1.19	Direct

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4	Construction of Computer Room for GHS, Manchi, Kolnadu	Schedule VII of the Companies Act. Sl. No.ii Promoting Education	-do-	3.67	-do-	2.74	Direct
5	Distribution of meritorious scholarship and financial aid to Meritorious, Below Poverty Line and SC/ST students	-do-	-do-	126.17	-do-	118.16	Direct
6	Providing Benches and Desks to the Schools in and around Dharwad (North Karnataka)	-do-	1. Others 2. Dharwad, Karnataka State	179.36	-do-	125.04	Direct
7	Construction of Model anganwadi (Chinnara Angala) Building in 3 Locations in Dakshina Kannada	-do-	1. Local area 2. D.K District, Karnataka State	73.43	-do-	15.07	Direct
8	Construction of Effluent Treatment Plant for Akshaya Patra	-do-	-do-	118.00	-do-	0.00	Direct
9	Construction of Auditorium for Govt. P.U. College, Krishnapura	-do-	-do-	35.40	-do-	0.00	Direct
10	Infrastructural development in local Govt./ Aided schools –by providing building (class rooms), Computers, projectors and related items, furniture, sports materials, science modules etc.	-do-	-do-	25.00	-do-	24.84	Direct

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11	Construction of Class room for DKZP HP School, VI Block, Krishnapura	-do-	-do-	29.50	-do-	19.08	Direct
12	Lab Equipments for Bharathi Group of Institution Mangalore	-do-	-do-	5.90	-do-	5.85	Direct
13	Distribution of School Bag to Dakshina Kannada Zilla Panchayath Higher Primary school, Kuthethoor, Mangalore	-do-	-do-	3.72	-do-	3.42	Direct
14	Distribution of Uniform to Aided Higher Primary School Kalavar, Chellairu	-do-	-do-	2.36	-do-	2.35	Direct
15	Construction of Classroom building and Science Laboratory at Govt. Junior College, Chikkamagalur	Schedule VII of the Companies Act. Sl.No. ii Promoting Education	1. Local area 2. Chikamagalur District, Karnataka State	88.50	-do-	0.00	Direct
16	Ranga Mandira for Govt. High School, Balpa	-do-	1. Local area 2. D.K District, Karnataka State	70.80	-do-	0.00	Direct
17	Construction of class room for DKZP HP School, Kudrebettu, Bantwal Taluk	-do-	-do-	11.80	-do-	0.00	Direct
18	Auditorium for Navodaya Vidyalaya, Mudipu, Mangalore Taluk	-do-	-do-	47.20	-do-	0.00	Direct
19	Deccan Herald Educational Project-"Deccan Herald-Sahapati"	-do-	-do-	59.00	-do-	4.66	Direct
20	Building for Shri Venkataramana Women's College, Karkala	-do-	1. Local area 2. Udupi District, Karnataka State	47.20	-do-	27.40	Direct

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21	Project for Seva Bharathi School for Spastic Children near VT Road, Mangalore- multipurpose physiotherapy vehicle for spastic person	-do-	1. Local area 2. D.K District, Karnataka State	46.76	-do-	16.08	Direct
22	Renovation of Govt. Higher Primary School, Varnabettu, Moodabidri	-do-	-do-	10.62	-do-	11.80	Direct
23	Providing Mid day meal to the Students of Government & Govt. Aided Schools in Dakshina Kannada District through Akshaya Patra Foundation	-do-	1. Multiple area 2. D. K, Bellary, Hubli District, Karnataka State	118.00	-do-	107.59	Direct
24	Construction of Class Room for DKZP HP School, Ira, Balepuni, Bantwal Taluk	-do-	1. Local area 2. D.K District, Karnataka State	17.70	-do-	0.00	Direct
25	Construction of Classroom for Shri Bharati Higher Primary School, Alankar, Puttur	-do-	-do-	35.40	-do-	18.41	Direct
26	Renovation of Roof top and Auditorium for DKZP HP School, Kadabettu, Bantwal Taluk	-do-	-do-	6.49	-do-	0.00	Direct
27	Construction of Science Laboratory for St. Mary's Central School, Kinnigoli	-do-	-do-	29.50	-do-	14.72	Direct
28	Construction of School Building for Ramakrishna High School, Puttur	-do-	-do-	35.40	-do-	0.00	Direct

DETAILS OF CSR SPEND AS ON 31/03/2019

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 (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / pre-program subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
29	Construction of class room for DKZP Higher Primary School, Madhya, Mangalore Taluk	-do-	-do-	41.30	-do-	0.00	Direct
30	Setting up of Class room and Science Laboratory for Govinda Dasa First Grade College, Surathkal	-do-	-do-	59.00	-do-	0.00	Direct
31	Construction of Multi purpose Demonstration class room for Govt. High School, Guruvayanakere, Beltangadi	-do-	-do-	59.00	-do-	0.00	Direct
32	Construction of first floor building for Govt. PU College, Bailur	-do-	1. Other area 2. Udupi District, Karnataka State	29.50	-do-	0.00	Direct
33	Auditorium and Dining Hall for DKZP HP School, Keddalike, Kavalakatte, Bantwal Taluk	-do-	1. Local area 2. D.K District, Karnataka State	35.40	-do-	0.00	Direct
34	Construction of Class Rooms for Govt. PU College, Savanoor, Puttur Taluk	-do-	-do-	51.22	-do-	0.00	Direct
35	Providing Computer to CCTEK Cell of Karnataka Govt. Polytechnic, Mangalore	-do-	-do-	11.74	-do-	11.74	Direct
36	Providing furniture (Desk and Bench) and Drinking water facility to PD Pai-PS Pai Govt. First Grade College, Car Street, Mangalore	-do-	-do-	16.45	-do-	16.37	Direct

DETAILS OF CSR SPEND AS ON 31/03/2019

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 (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / pre-program subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
37	Procurement of Computer, Speaker, Projector and other accessories for Govt. High School, Kemral, Kinnigoli	-do-	-do-	5.90	-do-	5.75	Direct
38	Construction of building for Lions Special School, Surathkal	-do-	-do-	119.18	-do-	17.52	Direct
39	Construction of class room for DKZPHP School Thiruvail Mangalore	-do-	-do-	31.27	-do-	0.00	Direct
40	Providing bench and desk to Anjuman school Jokatte	-do-	-do-	6.32	-do-	6.32	Direct
41	Construction of class room and other facilities for Anjuman School Jokatte	-do-	-do-	46.73	-do-	22.22	Direct
42	Construction of class room for St. Ignatius School, Moodabidri	-do-	-do-	116.43	-do-	73.87	Direct
43	Procurement of Projector, printer Water purifier and other accessories for Govt. P.U.College (High School Section) Gurupura	-do-	-do-	1.07	-do-	1.03	Direct
44	Procurement of Bench and desk to DKZPHP School Kompadavu	-do-	-do-	0.71	-do-	0.00	Direct
45	Roofing and development work at Govt. High School Muchhuru	-do-	-do-	22.00	-do-	0.00	Direct

DETAILS OF CSR SPEND AS ON 31/03/2019

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 (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / pre-program subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
46	Renovation of school building of DKZP Urdu HP School Gurukambla Kinnikambla	-do-	-do-	4.01	-do-	0.00	Direct
47	Renovation of school building of DKZP HP School Daddi Badaga Edapadavu	-do-	-do-	4.13	-do-	0.00	Direct
48	Roof work and other infrastructure facilities for Govt. P.U.College (H. Section) Mutturru	-do-	-do-	5.31	-do-	0.00	Direct
49	Installation of grill and heightening the school ground of Govt. High School Mullakadu	-do-	-do-	5.90	-do-	0.00	Direct
50	Construction of auditorium for Shri. Ramachandra P U College, Perne	-do-	-do-	24.39	-do-	0.00	Direct
51	Infrastructure development of Shri. Ramakunjeshwara Sanskrit Higher Primary School, Ramakunja, Puttur.	-do-	-do-	19.10	-do-	13.59	Direct
52	Providing lab facilities and furniture for Holy Family Girls School, Bajpe	-do-	-do-	24.78	-do-	0.00	Direct
53	Construction of Classroom for Govt. High School, Hirgana, Karkala	-do-	1. Other area 2. Udupi District, Karnataka State	26.55	-do-	0.00	Direct
54	Construction of Auditorium for Govt. Model H.P. School, Gudigargalli Kumta	-do-	1. Other area 2. Uttara Kannada District, Karnataka State	28.23	-do-	15.79	Direct

DETAILS OF CSR SPEND AS ON 31/03/2019

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 (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / pre-program subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
55	Construction of Compound wall for Govt Lower Primary School Daddi Badaga, Edapadavu, Mangalore	-do-	1. Local area 2. D.K District, Karnataka State	13.87	-do-	0.00	Direct
56	Construction of Additional Classrooms for DKZPHP School, Muchhuru, Mangalore	-do-	-do-	89.09	-do-	0.00	Direct
57	Construction of Class room and open stage for DKZPHP School, Bolanthimogaru, Vitla, Bantwala Taluk	-do-	-do-	29.50	-do-	0.00	Direct
58	Compound Wall for DKZPHP School, Boliya, Mangalore	-do-	-do-	13.87	-do-	0.00	Direct
59	Renovation of School Building for DKZPHP School, Boliya, Mangalore	-do-	-do-	6.01	-do-	0.00	Direct
60	Distribution of Note Books in association with Jokatte Gram Panchayath	-do-	-do-	1.18	-do-	1.18	Direct
61	Construction of Laboratory Building at Govt PU College Venoor	-do-	-do-	73.75	-do-	39.77	Direct
62	Construction of Sheet roofing training barrack for Karnataka State Fire Service, Mangalore Zone	-do-	-do-	52.16	-do-	0.00	Direct

DETAILS OF CSR SPEND AS ON 31/03/2019

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 (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / pre-program subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
III	**Arogya samrakshan**						
1	Running a Free Primary Health Centre at Chelairu Rehabilitation Colony	Schedule VII of the Companies Act. Sl. No.i Promoting Preventive Health care	1. Local area 2. D.K District, Karnataka State	10.14	-do-	2.34	Direct
2	Running a Free Primary Health Centre at Kalavar	-do-	-do-	12.59	-do-	2.26	Direct
3	Providing Equipments for Physically handicapped/ spastic person/ endosulfine affected persons in association with District Health Office Mangalore	-do-	-do-	118.00	-do-	118.00	Direct
4	Providing Essential Healthcare furniture for Govt. Lady Goshen Hospital Mangalore	-do-	-do-	177.00	-do-	105.10	Direct
5	Providing Life Saving Ambulance to Kasorgod District Kaniv Palliative Charitable society	-do-	1. Other 2. Kasargod District, Kerala State	31.86	-do-	31.57	Direct
6	Providing Lab and other equipment for Aralaguppe Mallegowda Govt. Hospital, Chikkmagalore	-do-	1. Other 2. Chikamagalur District, Karnataka State	69.71	-do-	0.00	Direct
7	Organising Artificial Limb Camp, providing hearing aid and wheel chairs and related aids to the physically disabled persons, organizing medical camps.	-do-	1. Local area 2. D.K District, Karnataka State	10.18	-do-	0.72	Direct

DETAILS OF CSR SPEND AS ON 31/03/2019

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 (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / pre-program subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
8	Eye Donation Awareness Fortnight to be observed by South Kanara Ophthalmic Society, Mangalore during the period from 25th September to 8th October 2018	-do-	-do-	5.31	-do-	5.31	Direct
9	Providing X-Ray Machine, Ultra Sound Machine, Silent Generator and Dialysis machine to General Hospital, Shikaripura	-do-	1. Other 2. Shimoga District, Karnataka State	58.27	-do-	29.13	Direct
10	Medical Equipment and Infrastructure development of Govt. General Hospital, Theerthahalli	-do-	1. Other 2. Shimoga District, Karnataka State	32.08	-do-	16.04	Direct
11	Essential Healthcare Equipments and furniture for Govt. Lady Goschen Hospital Mangalore	-do-	1. Local area 2. D.K District, Karnataka State	673.54	-do-	0.00	Direct
12	Providing Hearing aid and other aids by BG Educational and Charitable Trust (R), Mangalore	-do-	1. Multiple Area 2. D.K, Udupi District, Karnataka State	35.25	-do-	0.00	Direct
13	Ambulance and other CSR projects for Govt. Spine Institute Ahmadabad	-do-	1. other area 2. Ahmadabad, Gujarat State	43.00	-do-	12.81	Direct
14	Providing Equipments for Rotary – Campco Blood Bank, Puttur	-do-	1. Local area 2. D.K District, Karnataka State	23.60	-do-	22.64	Direct

DETAILS OF CSR SPEND AS ON 31/03/2019

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 (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / pre-program subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
15	Organizing Artificial limb camp at Dandeli/Haliyal	Schedule VII of the Companies Act. Sl.No.i Promoting Preventive Health care	1. Other 2. Uttara Kannada, Karnataka State	11.80	-do-	5.90	Direct
IV	**BAHUJAN SAMRAKSHAN**						
1	Construction of Retention wall for the road leading to Govt High School Jokatte	Schedule VII of the Companies Act. Sl. No. x Rural Development	1. Local area 2. D.K District, Karnataka State	3.95	-do-	3.95	Direct
2	Modification, Painting, Civil works of Community hall and Anganwadi Building of Bala Grama Panchayat	-do-	-do-	5.35	-do-	1.54	Direct
3	Construction of Anganwadi, Training Centre and library at Dharwad	-do-	1. Other 2. Dharwad District, Karnataka State	36.87	-do-	18.23	Direct
4	Providing Sports Equipments for Sports complex at haliyaal	Schedule VII of the Companies Act. Sl.No. vii Training to promote Rural Sports	1. Other 2. Uttara Kannada, Karnataka State	23.60	-do-	11.80	Direct
7	Drinking Water supply to Jokatte Grama Panchayath through Tankers	Schedule VII of the Companies Act. Sl. No.i Making Available of Safe Drinking Water	1. Local area 2. D.K District, Karnataka State	1.42	-do-	1.13	Direct
8	Construction of Veterinary Hospital at Mahanandi Gauloka Shimogga	Schedule VII of the Companies Act. Sl. No.iv Animal Welfare	1. Other 2. Shivamoga District, Karnataka State	29.50	-do-	24.73	Direct

DETAILS OF CSR SPEND AS ON 31/03/2019

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 (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / pre-program subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
9	Providing Infrastructure Facilities for Child Care Institutions in Dakshina Kannada District	Schedule VII of the Companies Act. Sl. No.iii Setting up homes & hostels for women and orphans	1. Local area 2. D.K District, Karnataka State	97.25	-do-	97.07	Direct
10	Skill Development in haliyal in Utthara Kannada	Schedule VII of the Companies Act. Sl. No.ii Employment enhancing vocation skills	1. Other 2. Uttara Kannada, Karnataka State	23.60	-do-	11.80	Direct
11	Construction of Roofing for community hall of Kodical Mogaveera Mahasabha in Baikampady.	Schedule VII of the Companies Act. Sl. No.viii Welfare of Scheduled Caste, the Scheduled Tribes	1. Local area 2. D.K District, Karnataka State	36.70	-do-	36.60	Direct
12	Construction of Library Building for SC/ST hostel in Dakshina Kannada District	Schedule VII of the Companies Act. Sl. No.viii Welfare of Scheduled Caste, the Scheduled Tribes	-do-	35.40	-do-	8.98	Direct
13	Maintenance of Samudaya Bhavana Chellairu (Electricity Bill)	Schedule VII of the Companies Act. Sl. No. x Rural Development	-do-	0.07	-do-	0.07	Direct
14	Road in Sarpady Village in Bantwal Taluk	-do-	-do-	118.00	-do-	39.33	Direct

DETAILS OF CSR SPEND AS ON 31/03/2019

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 (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / pre-program subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
15	Contribution to Army Fund	Schedule VII of the Companies Act. Sl. No. vi -Measures for the benefit of Armed forces veterans	1. Other 2. Within India	200.00	-do-	200.00	Direct
17	Infrastructure development for Nalike Seva Samaja ®, Odinala, Beltangadi	Schedule VII of the Companies Act. Sl. No. x Rural Development	1. Local area 2. D.K District, Karnataka State	29.50	-do-	0.00	Direct
18	Construction of Auditorium for Soorinje Grama Panchayath.	-do-	-do-	41.89	-do-	12.58	Direct
19	Assistance to Sevashrama (Orphanage), Seva Bhava Charitable Trust, Belma, Derlakatte	-do-	-do-	23.60	-do-	0.00	Direct
20	Construction of building for Mangala Seva Samithi Trust (Orphanage), Mangalore	-do-	-do-	5.90	-do-	0.00	Direct
21	Infrastructural development for for SC/ST Community through concerned government department	-do-	-do-	165.08	-do-	82.54	Direct
22	Infrastructure development of hostel of Billava Association, Mangalore	-do-	-do-	23.60	-do-	0.00	Direct

DETAILS OF CSR SPEND AS ON 31/03/2019

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 (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / pre-program subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
23	Procurement of Furniture for Asha Kirana HIV affected children care center	-do-	-do-	1.84	-do-	1.84	Direct
24	Infrastructure development of Panambur Police station-Procurement of Diesel Generator and Installation	-do-	-do-	4.80	-do-	4.81	Direct
25	Construction of community hall and auditorium for Baikampady Vidyarthi Sangha, Baikampady	-do-	-do-	47.20	-do-	24.88	Direct
26	Infrastructure development of Bala Samdaya bhavan (Compound wall, interlock, gate etc)	-do-	-do-	21.06	-do-	0.00	Direct
27	Support to Orphanage hostel - Expenditure towards expenses and maintenance - Aim for Sewa Udupi	Schedule VII of the Companies Act. Sl. No.iii Setting up homes & hostels for women and orphans	1. Other area 2. Udupi District, Karnataka State	21.24	-do-	21.24	Direct
(V)	**PRAKRUTI SAMRAKSHAN :**						
1	Development of Public Park near Karkala Taluk Office, Karkala, Udupi District	Schedule VII of the Companies Act. Sl.No. x Rural Development	1. Other area 2. Udupi District, Karnataka State	177.00	-do-	0.00	Direct

DETAILS OF CSR SPEND AS ON 31/03/2019

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 (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / pre-program subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
(VI)	**SANSKRITHI SAMRAKSHAN :**						
1	Providing Chairs and Furniture to "Gilivindu", Rashtrakavi M. Govinda Pai Memorial Site at Manjeshwara, Kasaragodu.	Schedule VII of the Companies Act. Sl.N o.v Protection of Art	1. Other area 2. Kasargod District, Kerala State	33.10	-do-	0.00	Direct
2	Promotion to local folk cultural art Yakshagana through All India Radio - Programme titled Yakshantharanga and Gamapan Tirgata	-do-	1. Local area 2. D.K District, Karnataka State	2.71	-do-	1.15	Direct
				7805.98		**3145.64**	
	Funds Yet to be Committed			1257.00			
	GST (Un- utilised provision)					-13.62	
				9062.98		**3132.02**	

ANNEXURE B

SC/ST/OBC REPORT - I

Annual Statement showing the representation of SCs, STs and OBCs as on 1st January, 2019 and number of appointments made during the Preceding Calendar Year 2018

Groups	Representation of SCs/STs/OBCs				Number of appointments made during the Calendar year 2018										
	(As on 01/01/2019)				By Direct Recruitment				By Promotion			By Deputation/Absorption			
	Number of Employees*	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs	OBCs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group A	360	57	23	83	64	10	4	15	150	14	6	-	-	-	-
Group B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group C	868	128	49	333	5	1	1	0	186	21	3	-	-	-	-
Group D (Excluding Safai Karmacharis)	10	-	-	5	-	-	-	-	-	-	-	-	-	-	-
Group – D (Safai Karmacharis)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**1238**	**185**	**72**	**421**	**69**	**11**	**5**	**15**	**336**	**35**	**09**	**-**	**-**	**-**	**-**

* Employees jointed in MRPL after becoming CPSE w.e.f. 06/01/2005

The data is of employees joined after MRPL became PSU i.e. 06/01/2005

ANNEXURE B

SC/ST/OBC REPORT - II

Annual Statement showing the representation of SCs, STs and OBCs in various group 'A' services as on 1st January 2019 and number of appointments made during the Preceding Calendar Year 2018

Pay Scales (In ₹)	Representation of SCs/STs/OBCs (As on 01/01/2019)				Number of appointments made during the Calendar year 2018										
					By Direct Recruitment				By Promotion			By Deputation/Absorption			
	Number of Employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs	OBCs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
60000-180000 (A)	112	13	5	34	64	10	4	15	14	1	-	_	_	_	_
70000-200000 (B)	59	12	4	11	_	_	_	_	87	11	1	_	_	_	_
80000-220000 (C)	91	18	4	23	_	_	_	_	3	-	-	_	_	_	_
90000-240000 (D)	59	11	7	8	_	_	_	_	13	1	3	_	_	_	_
100000-260000 (E)	21	2	2	5	_	_	_	_	13	1	1	_	_	_	_
120000-280000 (F)	11	-	1	1	_	_	_	_	9	-	1	_	_	_	_
120000-280000 (G)	3	-	-	1	_	_	_	_	7	-	-	_	_	_	_
120000-280000 (H)	2	1	-	-	_	_	_	_	3	-	-	_	_	_	_
120000-280000(H2)	2	-	-	-	_	_	_	_	1	-	-	_	_	_	_
Total	**360**	**57**	**23**	**83**	**64**	**10**	**4**	**15**	**150**	**14**	**06**	_	_	_	_

The data is of employees joined after MRPL became CPSE w.e.f. 06/01/2005

ANNEXURE III **ANNEXURE B**

Annual Statement Showing Representation of the persons with disabilities in service as on 1st January 2019 and Direct Recruitment / Promotion during the calendar year 2019

Groups	Number of employees				Direct Recruitment - 2018							Promotion - 2018						
	(As on 01/01/2019)				No. of Vacancies Reserved			No. of Appointments Made				No. of Vacancies Reserved						
	Total 1	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
A	360	1	3	6	1			64	1	-	1	-	-	-	-	-	-	-
B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	868	-	8	11	-	-	-	5	0	0	0	-	-	-	-	-	-	-
D/DS	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**1238**	**1**	**11**	**17**	**1**			**69**	**1**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Notes:

(I) VH stands for Visually Handicapped (persons suffering from blindness or low vision)

(II) HH stands for Hearing Handicapped (Persons suffering from hearing impairment)

(III) OH stands for Orthopedically Handicapped (persons suffering from locomotor disability or cerebral palsy.

ANNEXURE C

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

Your Company accords highest priority for energy conservation and takes proactive measures through Process Optimization, Continuous monitoring and Implementation of several Energy Conservation modifications.

Major Energy Conservation measures implemented during the year:

1. HCU II Shell PFI

a) Implementation of Diesel Pump around in Hydrocracker -II Recycle Splitter Column

b) Heat recovery from Hydrocracker-2 Unconverted Oil by Cold Demineralized Water.

2. O^2 enrichment for Sulphur Recovery Unit-2(SRU):

By routing O^2 enriched air from Nitrogen unit to SRU thermal reactor, the unit has been able to process more feed thereby increasing the steam generation.

3. Crude Distillation Unit Phase I high capacity motor replacement:

4. Replacing the existing motor with a higher capacity motor for handling higher Reduced Crude Oil (RCO) from $280m^3$/hr. to $360m^3$/hr. Single pump operation as against two pump operation leading to lower power consumption.

5 Excess Air Reduction in CPP 3 Utility Boilers

6 Flue Gas Outlet temperature Reduction at outlet of HRSG 1 and 2.

7 Boiler Feed water header pressure reduction by destaging the boiler water feed pump from 13 stages to 12 stages.

8 Replacement of inefficient lighting fixture with energy efficient fixtures in non-shop floor area (Partly completed additional replacement during 2019-20).

9 Replacement of HPMV and HPSV lights with energy efficient fixtures in plant area (Partly completed).

10 Reduction of Vacuum column top pressure –CDU I

11 Stoppage of stripping steam in LGO&HGO strippers, optimisation of stripping steam in CDU I

12 Stoppage of Heavy Gas Oil Stripping Steam in CDU II

These measures resulted in estimated fuel savings (Standard Refinery Fuel equivalent) of 11148 SRFT/Year, equivalent to a net savings of nearly ₹ 1220 Lakhs.

I. MAJOR ENERGY CONSERVATION MEASURES BEING IMPLEMENTED/ UNDER CONSIDERATION FOR REDUCTION OF CONSUMPTION OF ENERGY 2019-20

a. Implementation of Diesel Pump around in Hydrocracker - 1 Recycle Splitter Column and heat recovery from Hydrocracker-1 Unconverted Oil by Cold Demineralized Water Routing of Amine Regeneration Unit-3 Flash drum off gas to incinerator for recovering heat of combustion.

b. Maximization of Hot VGO from Phase III to Hydrocracker.

c. Main Cooling water pumps Impeller trimming.

d. Use of Low Temperature Co-Mo catalyst in reduction rector.

e. Improvement of Steam extraction in WGC and MAB in PFCC.

f. Total Replacement of inefficient lighting fixture with energy efficient fixtures in non-hop floor area(Continuation of 2018-19 activity)

g. Replacement of HPMV and HPSV lights with energy efficient fixtures in plant area (Continuation of 2018-19 activity).

II. STEPS TAKEN BY THE COMPANY FOR UTILISING ALTERNATIVE SOURCE OF ENERGY.

Your Company has successfully commissioned the largest solar power project located with in a refinery site in the country. The solar power project with a total capacity of 6.063 MWp is spread across 34 sites within the refinery premises comprising both RCC and sloping sheet steel roofs. Built at a cost of Rs. 26 Crores by M/s Tata Power Solar Systems Limited, these solar plants generate more than 24,000 units per day amounting to more than 8.8 million units per annum. This is a part of MRPL's commitment to sustainable development with a focus on reduction in carbon emissions and renewable energy generation. The project is estimated to result in average annual savings of 2680 Metric tons of Oil Equivalent (MTOE) per annum.

B. TECHNOLOGY ABSORPTION

(i) Efforts in brief made towards technology absorption

(a) Flare Gas Recovery System (FGRS): FGRS is installed for Phase-3 Hydrocarbon Flare system for recovering the Flare gases. The Recovered flare gas is utilized as a fuel along with Refinery Fuel Gas.

(b) Dual frequency upgrade of existing two stage bi-electric desalters at Crude Distillation Unit – 2: To process low API heavy crudes, MRPL upgraded the existing two stage bi-electric desalters at Crude Distillation Unit-2 with Dual Frequency desalters by changing electrical grids, transformers, distributors and level transmitters. The technology was provided by M/s Schlumberger erstwhile Petreco International (Middle East) Ltd.

(c) FCC Gasoline Treater (FGT) : As a part of BS-VI Projects, Prime G+ technology has been imported from M/s Axens IFP group technologies France, for meeting BS-VI MS Sulphur Specification.

(d) CCR2 Revamp: MRPL has increased the design capacity of the unit from 9474 barrels of fresh stock charge per operating day to 13586 barrels of fresh stock charge per operating day. Capacity revamp is done through original unit process Licensor M/s UOP Inter-Americana, Inc.

(e) Chlorosorb Process technology for CCR Unit: MRPL has installed chlorsorb process technology for CCR2 unit to absorb the HCl from regeneration gases before venting to the atmosphere. This technology has replaced the conventional regeneration vent gas caustic wash tower (VGWT) system. Chlorsorb Technology is provided by M/s UOP Inter-Americana, Inc.

(f) PSA revamp: MRPL has increased the design feed capacity of the PSA unit from 21593Nm^3/h to 37469Nm^3/h. PSA unit provide the pure hydrogen of min.99.9 vol% purity. Capacity revamp is done through original unit process Licensor M/s UOP LLC.

(ii) Benefits derived like product improvement, cost reduction, product development, import substitution etc.

(iii) In case of imported technology (imported during last 3 years reckoned from the beginning of the financial year) -

(a) Flare Gas Recovery System

Details of Technology Import:

FGRS is installed for Phase-3 Hydrocarbon Flare system for recovering the Flare gases. The Recovered flare gas is utilized as a fuel along with Refinery Fuel Gas. The Liquid Ring Compressor used for flare gas recovery has been supplied by M/s Garo Dott Ing Roberto Gabbioneta S.P.A.

Year of Import: FY 2017-18

Whether the technology has been fully absorbed: Yes

(b) Dual frequency upgrade of existing two stage bi-electric De salters at Crude Distillation Unit-2

Details of Technology Import:

To process low API heavy crudes, MRPL upgraded the existing two stage bi-electric desalters at Crude Distillation Unit-2 with Dual Frequency desalters by changing electrical grids, transformers, distributors and level transmitters. The technology was provided by M/s Schlumberger erstwhile Petreco International (Middle East) Ltd.

Year of Import: FY 2017-18

Whether the technology has been fully absorbed: Yes

(c) FCC Gasoline Treater (FGT)

Details of Technology Import

As a part of BS-VI Projects, Prime G+ technology has been imported from M/s Axens IFP group technologies France, for meeting BS-VI MS Sulphur Specification.

Year of Import: FY 2017-18

Whether the technology has been fully absorbed: The Project is in implementation stage. Expected commissioning by February, 2020.

d. CCR2 Revamp:

Details of Technology import:

MRPL has increased the design capacity of the unit from 9474 barrels of fresh stock charge per operating day to 13586 barrels of fresh stock charge per operating day. Capacity revamp is done through original unit process Licensor M/s UOP Inter-Americana, Inc.

Year of Import: FY 2018-2019. Commissioning date 18/10/2018

Whether the technology has been fully absorbed: Yes, The technology has been absorbed in FY 2018-19.

e. Chlorosorb Process technology for CCR Unit.

Details of Technology import:

MRPL has installed chlorsorb process technology for CCR2 unit to absorb the HCl from regeneration gases before venting to the atmosphere. This technology has replaced the conventional regeneration vent gas caustic wash tower (VGWT) system. Chlorsorb Technology is provided by M/s UOP Inter-Americana, Inc.

Year of Import: FY 2018-2019. Commissioning date 25/10/2018

Whether the technology has been fully absorbed: Yes, The technology has been absorbed in FY 2018-19.

f. PSA revamp:

Details of Technology import:

MRPL has increased the design feed capacity of the PSA unit from 21593Nm3/h to 37469Nm3/h. PSA unit provide the pure hydrogen of min. 99.9 vol% purity. Capacity revamp is done through original unit process Licensor M/s UOP LLC.

Year of Import: FY 2018-2019. Commissioning date 24/10/2018

Whether the technology has been fully absorbed: Yes, The technology has been absorbed in FY 2018-19.

(iv) Research and Development Activity (R&D)

1. The R&D activities of MRPL are primarily categorized under technology up gradation, catalyst development, corrosion mitigation, process optimization and niche product development through in-house and/or collaborative projects with other institutions.

2. Patent application for Oxidative treatment of refinery spent caustic using nano-catalyst has been filed. The final technical specifications were completed in Dec 2017. It has been published as an Indian Patent. (Indian Pat. Appl. (2018), IN 201741009155, A 20180921).

3. **NCL Pune project**

Project Proposal-01, which is a proof of concept study for lab scale synthesis of Iso-butyl Benzene, has been completed in March 2019. Catalyst which displayed high selectivity and conversion has been identified as a research outcome and NCL delivered a sample of more than 500g synthesised from the process developed to MRPL.

Approvals have been obtained for next stage of the project – mini-pilot scale wherein reaction engineering aspects of the catalyst will be studied and tuned. Placing a formal work order procedure is in progress.

4. **IIT-G project**

Memorandum of Agreement -01, a research project to develop superhydrophobic sponge for selective absorption of oil from oil-water mixture has been completed in February 2019. IIT-G demonstrated the synthesis of superhydrophobic sponge at MRPL in last fortnight of January 2019. Oil skimmer equipment design project is being taken up with NITK to deploy the developed sponge in oil spill control applications.

Approvals have been obtained for next stage of the project – development of super hydrophobic membranes for oil-water filter separation applications. Placing a formal work order procedure is in progress.

5. **NITK project**

Collaborative R&D for application development (oil skimmer) for super hydrophobic sponge developed along with IIT-G is being carried out with NITK. Brainstorming session has been completed 02nd April 2019. A total of 26 teams comprising of NITK students, Research Scholars and Alumni has presented their unique and innovative designs of oil skimmer before the judging panel comprising of MRPL & NITK personnel. Final four designs have been shortlisted for further studies and field testing. Project scheduled to be completed by April 2020.

6 MOU with CIPET-Chennai for collaborative research in the area of polymershas been initiated in March 2019. Two research projects titled, "Development of high performance Polypropylene for Engineering application in Automobile sector" and "Polypropylene based composites for clear packaging and storage applications" are identified. The MOU for the first proposed project has been signed and the projects kick off meeting has been held on 02.05.2019.

7. MRPL has proposed a collaborative research project with CRRI-Delhi, in the area of development of modified asphalt mixes for fast pothole repair in monsoon season. Preparation of the final draft of the proposal and MOU are in progress.

8. MRPL also undertaken a few in-house R&D projects- related to odour control in off gas streams, PMB blends, synthetic clarifier additives for PP and polymer blends and composites.

Filing of provisional patent on "An improved process for synthesis of isobutyl benzene via alkylation of toluene" is being carried out.

Patents

Five provisional patents have been filed and the details are given below;

i. Process for distillation of Petroleum Fractions - Provisional Number- 201841029861 dated 08.08.2018. (Prior art search completed, final specification filing is under progress)

ii. Process for Reducing Odour, from odorous off-gas stream - Provisional Number-201841029824 dated 08.08.2018. (Prior art search completed, final specification filing is under progress).

iii. Organic Gelators - Provisional Number-201841029860 dated 08.08.2018. (Prior art search completed, final specification filing is under progress).

iv. Selective and Super Oil absorbents for Remediation of Oil Spills – Provisional Number- 201841029004 dated 01.08.2018 jointly filed with IITG. (Prior art search completed, final specification filing is under progress).

v. Polymer blend and method of preparation thereof. Provisional Number: 201941013867 dated 05.04.2019. (Prior art search under progress)

Expenditure incurred on Research and Development

Sl. No.	Particulars	(₹ in Crores)
a)	Capital	13.04
b)	Revenue	1.93
	Total	**14.97**

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

(₹ In Crores)

	FY 2018- 19	FY 2017- 18
Foreign Exchange Earnings – (FOB value of exports)	22,171	12,716
Foreign Exchange Outgo	41,447	47,303

ANNEXURE D

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31/03/2019
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L23209KA1988GOI008959
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, Post Kuthethoor, Via- Katipalla, Mangaluru-575 030; Tel.: 0824-2883200 / 01
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 101, 247 Park, L B S Marg, Vikhroli West, Mumbai- 400 083 Tel.: +91 22 - 49186270 (Investor Relation Cell) 022 - 49186000 (Board Line) Fax No.: +91 22 - 49186060 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. *National Product Classification for Manufacturing Sector (NPCMS)	% 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	71.63	2(46)
2	ONGC Mangalore Petrochemicals Limited (OMPL)	U40107KA2006GOI041258	Subsidiary	51.00	2(87)
3	Hindustan Petroleum Corporation Limited	L23201MH1952GOI008858	Associate	16.95	2(6)
4	Shell MRPL Aviation Fuels and Services Limited (SMAFSL)	U51909KA2008PLC045558	Jt. Venture/ Associates	50.00	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 31st March, 2019:

i) Category-wise Share Holding

Category of Shareholders		Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoter**									
(1)	**Indian**									
(a)	Individuals / HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	1552507615	0	1552507615	88.58	1552507615	0	1552507615	88.58	0.00
(d)	Banks /Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any other	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL: (A)(1)	**1552507615**	**0**	**1552507615**	**88.58**	**1552507615**	**0**	**1552507615**	**88.58**	**0.00**
(2)	**Foreign**									
(a)	NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL:(A) (2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	**1552507615**	**0**	**1552507615**	**88.58**	**1552507615**	**0**	**1552507615**	**88.58**	**0.00**
B.	**Public Shareholding**			0	0.00					
(1)	**Institutions**			0	0.00					
(a)	Mutual Funds	27858740	139558	27998298	1.60	31210081	121150	31331231	1.79	0.18
(b)	Banks	525113	11950	537063	0.02	286718	11350	298068	0.02	-0.01
(c)	Financial Institutions	24430242	34000	24464242	1.40	23158736	34000	23192736	1.32	-0.07
(d)	Central Govt.	9987775	0	9987775	0.57	2400	0	2400	0.00	-0.57
(e)	State Govt.	500	0	500	0.00	500	0	500	0.00	0.00
(f)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Insurance Companies	239505	0	239505	0.01	0	0	0	0.00	-0.01
(h)	FIIS	2126691	0	2126691	0.12	3088862	0	3088862	0.18	0.05
(i)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(j)	Unit Trust of India	0	0	0	0.00	0	0	0	0.00	0.00
(k)	Foreign Portfolio Investors (Corporate)	24805739	0	24805739	1.42	27576119	0	27576119	1.57	0.16
	SUB TOTAL :(B)(1)	**89974305**	**185508**	**90159813**	**5.14**	**85323416**	**166500**	**85489916**	**4.88**	**-0.27**

Category of Shareholders		Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	**Non-Institutions**									
(a)	Bodies Corporate									
	i) Indian	15608397	95775	15704172	0.90	9216290	54425	9270715	0.53	-0.37
	ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individuals			0	0.00			0	0.00	0.00
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	52240858	24841989	77082847	4.40	55864138	19417297	75281435	4.30	-0.10
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	6407993	0	6407993	0.37	6616899	0	6616899	0.38	0.01
(c)	NBFCs registered with RBI	0	0	0	0.00	28503	0	28503	0.00	0.00
(c)	Others (Specify)									
	IEPF	0	0	0	0.00	14562285	0	14562285	0.83	0.83
	Non Resident Indians (Non Repat)	723028	200	723228	0.04	815936	200	816136	0.05	0.01
	Non Resident Indians (Repat)	1459919	4674450	6134369	0.35	1561750	4190450	5752200	0.33	-0.02
	Foreign Nationals	600	0	600	0.00	600	0	600	0.00	0.00
	Hindu Undivided family	1374687	100	1374787	0.08	1561595	200	1561795	0.09	0.01
	Director/ Relatives	200	0	200	0.00	0	0	0	0.00	0.00
	Trust	1875661	1125	1876786	0.11	50550	1000	51550	0.00	-0.10
	Clearing Members	626367	0	626367	0.04	659128	0	659128	0.04	0.00
	SUB TOTAL :(B)(2)	**80317710**	**29613639**	**109931349**	**6.27**	**90937674**	**23663572**	**114601246**	**6.54**	**0.27**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**170292015**	**29799147**	**200091162**	**11.42**	**176261090**	**23830072**	**200091162**	**11.42**	**0.00**
C.	**Shares held by Custodian for GDRs & ADRs**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Grand Total (A)+(B)+(C)	**1722799630**	**29799147**	**1752598777**	**100.00**	**1728768705**	**23830072**	**1752598777**	**100.00**	**0.00**

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Share holding 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	71.63	0.00	1255354097	71.63	0.00	0.00
2	Hindustan Petroleum Corporation Limited	297153518	16.95	0.00	297153518	16.95	0.00	0.00
	Total	**1552507615**	**88.58**	**0.00**	**1552507615**	**88.58**	**0.00**	**0.00**

(iii) Change in Promoters' Shareholding

	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	88.58	1552507615	88.58
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	NIL	NIL	NIL
At the End of the year	**1552507615**	**88.58**	**1552507615**	**88.58**

No change in promoter holding during FY 2018-19

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

Sl. No.	For each of top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of Shares Held	% of Total Shares of the Company	No. of Shares Held	% of Total Shares of the Company
1	**Life Insurance Corporation of India**	**24122715**	**1.3764**	**24122715**	**1.3764**
	21 Dec 2018 (Market Sell)	-271293	-0.0155	23851422	1.3609
	28 Dec 2018 (Market Sell)	-205321	-0.0117	23646101	1.3492
	31 Dec 2018 (Market Sell)	-100000	-0.0057	23546101	1.3435
	04 Jan 2019 (Market Sell)	-300000	-0.0171	23246101	1.3264
	11 Jan 2019 (Market Sell)	-294655	-0.0168	22951446	1.3096
	18 Jan 2019 (Market Sell)	-20393	-0.0012	22931053	1.3084
	08 Mar 2019 (Market Sell)	-79844	-0.0046	22851209	1.3038
	At the end of the year			**22851209**	**1.3038**
2	**Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Hybrid '95 Fund**	**18872585**	**1.0768**	**18872585**	**1.0768**
	04 May 2018 (Market Purchase)	800000	0.0456	19672585	1.1225
	08 Jun 2018 (Market Purchase)	204000	0.0116	19876585	1.1341
	15 Jun 2018 (Market Purchase)	141000	0.0080	20017585	1.1422
	06 Jul 2018 (Market Purchase)	384000	0.0219	20401585	1.1641
	20 Jul 2018 (Market Purchase)	1399000	0.0798	21800585	1.2439
	27 Jul 2018 (Market Purchase)	500000	0.0285	22300585	1.2724
	03 Aug 2018 (Market Purchase)	500000	0.0285	22800585	1.3010
	17 Aug 2018 (Market Purchase)	236000	0.0135	23036585	1.3144
	05 Oct 2018 (Market Purchase)	255000	0.0145	23291585	1.3290
	09 Nov 2018 (Market Sell)	-173000	-0.0099	23118585	1.3191
	30 Nov 2018 (Market Sell)	-146000	-0.0083	22972585	1.3108
	07 Dec 2018 (Market Sell)	-83800	-0.0048	22888785	1.3060
	21 Dec 2018 (Market Sell)	-166000	-0.0095	22722785	1.2965
	28 Dec 2018 (Market Sell)	-635000	-0.0362	22087785	1.2603
	31 Dec 2018 (Market Sell)	-489200	-0.0279	21598585	1.2324
	04 Jan 2019 (Market Sell)	-114000	-0.0065	21484585	1.2259
	18 Jan 2019 (Market Sell)	-658600	-0.0376	20825985	1.1883
	25 Jan 2019 (Market Sell)	-882000	-0.0503	19943985	1.1380
	01 Feb 2019 (Market Sell)	-1744500	-0.0995	18199485	1.0384
	08 Mar 2019 (Market Purchase)	53700	0.0031	18253185	1.0415
	15 Mar 2019 (Market Purchase)	400000	0.0228	18653185	1.0643
	At the end of the year			**18653185**	**1.0643**

Sl. No.	For each of top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of Shares Held	% of Total Shares of the Company	No. of Shares Held	% of Total Shares of the Company
3.	**ICICI Prudential Midcap Fund**	**306000**	**0.0175**	**306000**	**0.0175**
	27 Apr 2018 (Market Purchase)	140501	0.0080	446501	0.0255
	04 May 2018 (Market Purchase)	1038195	0.0592	1484696	0.0847
	11 May 2018 (Market Purchase)	645224	0.0368	2129920	0.1215
	18 May 2018 (Market Purchase)	565298	0.0323	2695218	0.1538
	25 May 2018 (Market Sell)	-101	0.0000	2695117	0.1538
	08 Jun 2018 (Market Purchase)	116359	0.0066	2811476	0.1604
	22 Jun 2018 (Market Purchase)	204070	0.0116	3015546	0.1721
	30 Jun 2018 (Market Purchase)	151972	0.0087	3167518	0.1807
	06 Jul 2018 (Market Purchase)	592209	0.0338	3759727	0.2145
	13 Jul 2018 (Market Purchase)	19160	0.0011	3778887	0.2156
	27 Jul 2018 (Market Sell)	-100	0.0000	3778787	0.2156
	03 Aug 2018 (Market Sell)	-138225	-0.0079	3640562	0.2077
	14 Sep 2018 (Market Purchase)	217727	0.0124	3858289	0.2201
	21 Sep 2018 (Market Purchase)	582273	0.0332	4440562	0.2534
	29 Sep 2018 (Market Sell)	-7	0.0000	4440555	0.2534
	05 Oct 2018 (Market Purchase)	465575	0.0266	4906130	0.2799
	19 Oct 2018 (Market Purchase)	107928	0.0062	5014058	0.2861
	16 Nov 2018 (Market Purchase)	203623	0.0116	5217681	0.2977
	23 Nov 2018 (Market Purchase)	1583756	0.0904	6801437	0.3881
	30 Nov 2018 (Market Purchase)	462993	0.0264	7264430	0.4145
	28 Dec 2018 (Market Sell)	-4	0.0000	7264426	0.4145
	31 Dec 2018 (Market Purchase)	954000	0.0544	8218426	0.4689
	25 Jan 2019 (Market Purchase)	394916	0.0225	8613342	0.4915
	01 Feb 2019 (Market Purchase)	1339572	0.0764	9952914	0.5679
	08 Feb 2019 (Market Purchase)	265512	0.0151	10218426	0.5830
	15 Feb 2019 (Market Purchase)	189604	0.0108	10408030	0.5939
	22 Feb 2019 (Market Purchase)	637566	0.0364	11045596	0.6302
	01 Mar 2019 (Market Purchase)	584052	0.0333	11629648	0.6636
	22 Mar 2019 (Market Sell)	-65003	-0.0037	11564645	0.6599
	At the end of the year			**11564645**	**0.6599**
4	**Fidelity Funds - Asian Smaller Companies Pool**	**5002186**	**0.2854**	**5002186**	**0.2854**
	25 May 2018 (Market Purchase)	760295	0.0434	5762481	0.3288
	01 Jun 2018 (Market Purchase)	161340	0.0092	5923821	0.3380
	05 Oct 2018 (Market Purchase)	579202	0.0330	6503023	0.3711
	12 Oct 2018 (Market Purchase)	2683459	0.1531	9186482	0.5242
	19 Oct 2018 (Market Purchase)	8128	0.0005	9194610	0.5246
	26 Oct 2018 (Market Sell)	-162420	-0.0093	9032190	0.5154
	02 Nov 2018 (Market Sell)	-333508	-0.0190	8698682	0.4963
	09 Nov 2018 (Market Sell)	-329376	-0.0188	8369306	0.4775
	At the end of the year			**8369306**	**0.4775**
5	**Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds**	**4165114**	**0.2377**	**4165114**	**0.2377**
	At the end of the year			**4165114**	**0.2377**
6	**Fidelity Asian Values PLC**	**2103138**	**0.1200**	**2103138**	**0.1200**
	27 Apr 2018 (Market Purchase)	3113	0.0002	2106251	0.1202
	04 May 2018 (Market Purchase)	6223	0.0004	2112474	0.1205

Sl. No.	For each of top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of Shares Held	% of Total Shares of the Company	No. of Shares Held	% of Total Shares of the Company
	11 May 2018 (Market Purchase)	16979	0.0010	2129453	0.1215
	18 May 2018 (Market Purchase)	32945	0.0019	2162398	0.1234
	25 May 2018 (Market Purchase)	329831	0.0188	2492229	0.1422
	01 Jun 2018 (Market Purchase)	67378	0.0038	2559607	0.1460
	05 Oct 2018 (Market Purchase)	141561	0.0081	2701168	0.1541
	12 Oct 2018 (Market Purchase)	1277435	0.0729	3978603	0.2270
	26 Oct 2018 (Market Sell)	-66156	-0.0038	3912447	0.2232
	02 Nov 2018 (Market Sell)	-135842	-0.0078	3776605	0.2155
	09 Nov 2018 (Market Sell)	-266987	-0.0152	3509618	0.2003
	16 Nov 2018 (Market Sell)	-444309	-0.0254	3065309	0.1749
	At the end of the year			**3065309**	**0.1749**
7	**Vanguard Total International Stock Index Fund**	**2798931**	**0.1597**	**2798931**	**0.1597**
	21 Dec 2018 (Market Purchase)	206534	0.0118	3005465	0.1715
	At the end of the year			**3005465**	**0.1715**
8	**HDFC Life Insurance Company Limited**	**2913294**	**0.1662**	**2913294**	**0.1662**
	15 Jun 2018 (Market Sell)	-2050	-0.0001	2911244	0.1661
	20 Jul 2018 (Market Sell)	-150000	-0.0086	2761244	0.1576
	27 Jul 2018 (Market Sell)	-100000	-0.0057	2661244	0.1518
	19 Oct 2018 (Market Sell)	-4046	-0.0002	2657198	0.1516
	08 Feb 2019 (Market Sell)	-80483	-0.0046	2576715	0.1470
	15 Mar 2019 (Market Sell)	-9759	-0.0006	2566956	0.1465
	29 Mar 2019 (Market Sell)	-408	0.0000	2566548	0.1464
	At the end of the year			**2566548**	**0.1464**
9	**Aditya Birla Sun Life Insurance Company Limited**	**894000**	**0.0510**	**894000**	**0.0510**
	18 May 2018 (Market Sell)	-144000	-0.0082	750000	0.0428
	30 Jun 2018 (Market Sell)	-750000	-0.0428	0	0.0000
	15 Mar 2019 (Market Purchase)	1299223	0.0741	1299223	0.0741
	22 Mar 2019 (Market Purchase)	501175	0.0286	1800398	0.1027
	29 Mar 2019 (Market Purchase)	674139	0.0385	2474537	0.1412
	At the end of the year			**2474537**	**0.1412**
10	**Bajaj Allianz Life Insurance Company Ltd.**	**4847969**	**0.2766**	**4847969**	**0.2766**
	13 Apr 2018 (Market Sell)	-67226	-0.0038	4780743	0.2728
	20 Apr 2018 (Market Sell)	-700840	-0.0400	4079903	0.2328
	04 May 2018 (Market Sell)	-665000	-0.0379	3414903	0.1948
	18 May 2018 (Market Sell)	-84000	-0.0048	3330903	0.1901
	25 May 2018 (Market Sell)	-432934	-0.0247	2897969	0.1654
	01 Jun 2018 (Market Sell)	-1068000	-0.0609	1829969	0.1044
	29 Sep 2018 (Market Purchase)	494000	0.0282	2323969	0.1326
	05 Oct 2018 (Market Purchase)	100000	0.0057	2423969	0.1383
	26 Oct 2018 (Market Sell)	-494000	-0.0282	1929969	0.1101
	21 Dec 2018 (Market Sell)	-100000	-0.0057	1829969	0.1044
	01 Feb 2019 (Market Sell)	-200000	-0.0114	1629969	0.0930
	01 Mar 2019 (Market Sell)	-629969	-0.0359	1000000	0.0571
	At the end of the year			**1000000**	**0.0571**

(v) **Shareholding of Directors and Key Managerial Personnel:**

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
1	**Shri Shashi Shanker, Chairman**				
	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**
2	**Shri M. Venkatesh, (Managing 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**
3	**Shri Subhash Kumar, Director**				
	At the beginning of the year	**0**	**0.00**	**0**	**0.00**
	No transaction/ transfer/ bonus/ sweat equity etc.	0	0.00	0	0
	At the end of the year			**0**	**0.00**
4	**Shri Vinod S. Shenoy , 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**
5	**Shri K.M. Mahesh, 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	**Shri Sanjay Kumar Jain, Director**				
	At the beginning of the year	**0**	**0.00**	**0**	**0.00**
	No transaction/ transfer/ bonus/ sweat equity etc.	0	0.00	0	0
	At the end of the year			**0**	**0.00**
7	**Ms. Manjula C., Independent 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**

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
8	**Shri V. P. Haran, Independent 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**
9	**Shri Sewa Ram, Independent 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**
10	**Dr. G. K. Patel, Independent 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**
11	**Shri Balbir Singh, Independent 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**
12	**Shri Vivek Mallya, Independent Director**				
	At the beginning of the year	**0**	**0.00**	**0**	**0.00**
	No transaction/ transfer/ bonus/ sweat equity etc.	0	0.00	0	0
	At the end of the year			**0**	**0.00**
13	**Shri 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**
14	**Shri Santhanam Raviprasad, Chief Financial Officer**				
	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**

Notes:

(1) Shri Subhash Kumar and Shri Vivek Mallya were appointed on the Board of MRPL respectively on 15/05/2018 and 07/01/2019.

(2) Shri S. Raviprasad was appointed as Chief Financial Officer (CFO) on 07/02/2019.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment as on 31/03/2019

(₹ In Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,678.43	5,271.73	-	7,950.16
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	30.09	10.39	-	40.48
Total (i+ii+iii)	**2,708.52**	**5,282.12**	**-**	**7,990.64**
Change in Indebtedness during the financial year				
i) Addition	2,992.60	13,845.41	-	16,838.01
ii) Reduction	2,670.53	12,983.43	-	15,653.96
Net Change	**322.07**	**861.98**	**-**	**1,184.05**
Indebtedness at the end of the financial year				
i) Principal Amount	3,006.95	6,124.09	-	9,131.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	23.64	20.02	-	43.66
Total (i+ii+iii)	**3,030.59**	**6,144.11**	**-**	**9,174.70**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lacs)

Particulars	Shri M. Venkatesh (Managing Director) from 01/06/2018 and Director (Refinery) till 31/05/2018	Shri H. Kumar (Managing Director) till 31.05.2018	Shri A. K. Sahoo, Director (Finance) till 11/12/2018	Total
Salaries, Allowances and Perquisites	62.97	67.07	46.04	176.08
Contribution to PF & Other Funds	5.55	2.84	4.95	13.34
Total	**68.52**	**69.91**	**50.99**	**189.42**

Notes:

1. Shri M Venkatesh, Director (Refinery) was appointed as Managing Director w.e.f. 01/06/2018
2. Shri H Kumar ceased to be Managing Director w.e.f. 31/05/2018 on superannuation.
3. Shri A K Sahoo ceased to be Director w.e.f. 11/12/2018 due to sad demise.

B. Remuneration to other directors:

(Sitting fees Independent Directors FY 2018-19)

(₹ In Lakhs)

	Sitting Fees
Ms. Manjula C.	9.60
Shri V.P. Haran	12.40
Shri Sewa Ram	11.50
Dr. G.K. Patel	11.50
Shri Balbir Singh	11.80
Shri Vivek Mallya (From 07/01/2019)	1.30
Total	**58.10**

C. Remuneration to Key Managerial Personnel other than MD & Whole Time Director

(₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Shri Dinesh Mishra Company Secretary	Shri S. Raviprasad CFO (from 07.02.2019)
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48.93	10.87
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.02	0.05
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Others	-	-
	Total	**48.95**	**10.92**

Notes :

Shri S Raviprasad was appointed as CFO w.e.f. 07/02/2019.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

There were no cases of any penalty, punishment or compounding of offences under the Companies Act, 2013 and Rules made thereunder reported during the FY 2018-19.

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. Detail 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

Sl. No.	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/ Audit Committee	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.	Ongoing Contract	Transfer of Feed stock from MRPL and return streams from OMPL and providing facilitation services to OMPL at mutually agreed term sheet.	08/02/2014	Nil
2(a)	ONGC*	Crude Oil Sale Agreement	W.e.f 01/04/2016 to 31/03/2018 extended up to 31/03/2019	Purchase of crude oil from ONGC at the delivery point of the quantity allocated at prices fixed as per price built up formula.	#	Nil
2(b)	ONGC*	Interest on Term Loans	7 years upto 31/12/2020	Long terms loan for Phase-3 & Polypropylene Project. Rate of interest is G-Sec yield for 5 years tenor as per FIMMDA plus 40 basis points. Resetting of rate on 1st April every year.	03/09/2016	Nil
2(c)	ONGC *	Supply of HFHSD at ONGC offshore locations	02/09/2016 to 30/09/2019	Supply of HFHSD at ONGC offshore locations by free delivery at MRPL Jetty, Mangalore as and when required.	#	Nil
3	ONGC Nile Ganga BV	Crude Oil Sale Agreement	01/04/2018 to 31/03/2019	Purchase of crude oil from ONGC Nile Ganga at the delivery point of the quantity allocated at prices fixed as per price built up formula.		Nil
4	ONGC Campos LTDA	Technical and Administrative service Agreement	01/03/2018 to 20/02/2020	Services for Marketing of Crude oil and related management services at predetermined cost as per agreed terms		Nil
5	Shell MRPL Aviation Fuels & Services Ltd.	Jet Fuel Sale Purchase & Infrastructure sharing Agreement	Ongoing 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

Sl. No.	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/ Audit Committee	Amount paid as advances, if any
6	Hindustan Petroleum Corporation Limited (HPCL)* -Promoter Company	MOU between MRPL & 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 OMCs' existing terms as prevailing from time to time, unless otherwise mutually agreed. (2) HPCL shall offer Road and Rail terminalling services under hospitality arrangements from HPCL's Mangalore, Hassan and Devangunthi Terminals to MRPL for supplies to ROs/ Customers.	#	Nil
7(a)	Mangalore SEZ Limited	Agreement for Supply of Water and Disposal of Treated Effluents	Ongoing Contract	Development of water infrastructure & treated effluent disposal infrastructure for MRPL in the land acquired by MSEZL, comprising of setting up of water sourcing infrastructure, pipeline conveyance system upto the battery limits of MRPL, storing and distributing water and setting up the necessary infrastructure for disposal of treated effluents.	14/09/2014	Nil
7(b)	Mangalore SEZ Limited	Setting up Pipeline cum Road Corridor	w.e.f. 19/03/2016	MRPL is entitled to utilize the pipe rack/sleepers section of the pipeline-cum-road corridor for the purpose of the operations and also assigned right of way to the extent of "effective space" utilized.	09/03/2016	Nil
7(c)	Mangalore SEZ Limited	Setting up PP-Petcoke evacuation road & truck parking	w.e.f. 05/12/2016	MRPL has paid onetime non-refundable amount Rs 11.34 crores to MSEZL towards construction of evacuation road (10.1757 acres) along with truck parking area (1.30 acres). Lease period of above said agreement commences from 05.12.2016 and valid till 27.01.2060.	03/01/2017	Nil
8(a)	Petronet MHB limited	Transportation of petroleum products through Pipeline	w.e.f. 01/04/2003	MRPL is utilizing the services of pipeline of PMHBL for transfer of Petroleum products from Mangalore to Hassan and Devangunthi as per PNGRB notified Tariff.	As per Notified Tariff	Nil
8(b)	Petronet MHB limited	Supply of Power to PMHBL	w.e.f. 01/04/2003	MRPL supplies power to PMHBL and power cost is reimbursed by PMHBL at MESCOM Notified Tariffs.	As per Notified Tariff	Nil
8(c)	Petronet MHB limited	Sharing of Terminal Charges collected from OMC's	w.e.f. 01/04/2003	MRPL Collects Terminalling charges from the OMC.s and shares revenue thus derived with PMHBL on proportionate basis which is duly approved by board.	19/08/2017	Nil

*Government Companies

Not Applicable

Note: MCA vide its Notification dated 05.06.2015 and Regulation 23 of the SEBI Listing Regulations, 2015 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, 2019

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

To,
The Members,
Mangalore Refinery and Petrochemicals Limited
Regd. Office : Mudapadav, Post Kuthethoor
Via Katipalla, Mangalore – 575030 (Karnataka)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mangalore Refinery and Petrochemicals Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March , 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of 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 (Share Based Employee Benefits) Regulations, 2014; **(Not applicable, as the Company has not offered any shares or granted any options pursuant to any employee benefits scheme during the financial year under review)**.

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable, as the Company has not issued and listed any debt securities during the financial year under review)**.

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable, as the Company has not delisted/ proposed to delist its equity shares from any Stock Exchange during the financial year under review)**; and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable, as the Company has not bought back any equity shares during the financial year under review)**.

(vi) The other laws/Guidelines, as informed and certified by the management of the Company which, are specifically applicable to the Company based on their sector/industry are :

  a) Petroleum Act, 1934 and Rules made thereunder,

  b) India Boiler Act, and rules and regulations thereunder,

  c) Provision of Gas Cylinder Rules,

  d) Guidelines on Corporate Governance for Central Public Sector Enterprises as stipulated in the O.M. No.18(8)/2005-GM dated 14th May, 2010 issued by Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India.

  e) Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs) as stipulated in the O.M.F.No.5/2/2016-Policy dated 27th May, 2016 issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Government of India.

(vii) The Factories Act, 1948; The Contract Labour (Regulation & Abolition) Act, 1970, The Industrial Employment (Standing orders) Act, 1946, The Payment of Wages Act, 1936, Industrial Disputes Act, 1947, the Employees State Insurance Act,1948, Indian Electricity Act, 2003 and Indian Electricity Rules, 1956.

(viii) Provisions of The Water (Prevention & Control of Pollution) Act, 1974 and The Air (Prevention & Control of Pollution) Act, 1981 and rules made thereunder.

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

We have also examined compliance with the applicable Provisions / Regulations of the following:

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

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

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

(i) the company did not have the required number of Independent Directors up to 06.01.2019 in terms of Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance, thereby not complying with the provisions relating to composition of Board of Directors till 06.01.2019.

We further report that,

- Subject to our observations at (i) above, the Board of Directors of the Company is constituted of Executive Directors, Non-Executive Directors and Independent Directors as on 31st March, 2019. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, including committees thereof along with agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the members' views were captured and recorded as part of the minutes.
- As per the records, the Company has filed all the forms, returns, documents and resolutions as were required to be filed with Registrar of Companies and other authorities and all the formalities relating to the same is in compliance with the Act.
- 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.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has following events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards etc.;

(a) Shri H Kumar, Managing Director ceased to be Director on the Board w.e.f. 31.05.2018 on reaching the age of superannuation and Shri M Venkatesh was appointed as Managing Director w.e.f. 01.06.2018.

(b) The position of Director (Finance) fell vacant due to death of Shri A. K. Sahoo on 11.12.2018. Shri M Venkatesh, Managing Director assumed the charge of Director (Finance).

(c) Shri Subhash Kumar, Director (Finance), ONGC was appointed as a Director on the Board of MRPL w.e.f. 15.05.2018.

(d) Shri Vivek Mallya was appointed as Non-official Director (Independent Director) on the Board w.e.f. 07.01.2019.

(e) Shri S Raviprasad, GGM (Finance) was appointed as Chief Financial Officer (CFO) of the Company w.e.f. 07.02.2019.

(f) The Board of Directors have recommended payment of dividend of ₹ 1/- per share (face value of ₹ 10/- per equity share) for the financial year 2018-19 which is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(g) The Board had accorded consent for amalgamation of OMPL with Mangalore Refinery and Petrochemicals Limited (MRPL) subject to necessary approvals. The Ministry of Petroleum and Natural Gas, GoI, has issued 'No Objection' vide letter dated April 18, 2018 in this regard subject to:

(i) Fresh valuation of the share of both MRPL and OMPL with a view to establish an updated share swap-ratio,

(ii) Approval of the Boards of MRPL and ONGC on the proposal.

(h) The Company has invested ₹ 153 crore in the share capital (12,75,04,260 equity shares of ₹ 10/- each) in OMPL, its subsidiary, at ₹ 12/- per share.

For **Kumar Naresh Sinha & Associates**
Company Secretaries

Sd/-
CS Naresh Kumar Sinha
Proprietor
FCS: 1807
COP: 14984

Place: Mangalore
Date: 07.06.2019

To,
The Members
Mangalore Refinery and Petrochemicals Limited
Mudapadav, Post Kuthethoor,
Via. Katipalla, Mangalore-575030,
Karnataka

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

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

For **Kumar Naresh Sinha & Associates**
Company Secretaries

Sd/-
CS Naresh Kumar Sinha
Proprietor
FCS: 1807
COP: 14984

Place: Mangalore
Date: 07.06.2019

Annexure G

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 FOR THE YEAR ENDED 31 MARCH 2019

The preparation of financial statements of Mangalore Refinery and Petrochemicals Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory 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 the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 17 June 2019 which supersedes their earlier Audit Report dated 13 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Mangalore Refinery and Petrochemicals Limited for the year ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revision made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

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

Sd/-
(R. AMBALAVANAN)
Director General of Commercial Audit and
Ex-Officio Member, Audit Board, Chennai

Place : Chennai
Date : 17 June 2019

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 2019

The preparation of consolidated financial statements of Mangalore Refinery and Petrochemicals Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory 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 Revised Audit Report dated 17 June 2019 which supersedes their earlier Audit Report dated 13 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Mangalore Refinery and Petrochemicals Limited for the year ended 31 March 2019 under section 143(6)(a) read with section 129(4) of the Act. 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 Shell MRPL Aviation Fuels and Services Limited for the year ended on that date. Further, section 139(5) and 143(6)(b) of the Act are not applicable to shell MRPL Aviation Fuels & Services Limited being private entity. Accordingly, Comptroller & Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of this Company. 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.

In view of the revisions made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) read with section 129(4) of the Act.

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

Sd/-
(R. AMBALAVANAN)
Director General of Commercial Audit and
Ex-Officio Member, Audit Board, Chennai

Place : Chennai
Date : 17 June 2019

Management Discussion and Analysis Report

1. Economic Overview

1.1. Global Economy

The global economy saw strong growth in 2017 and early part of 2018 with growth at 3.8% in the first half of 2018. However global economic activity experienced a slowdown in the latter part of 2018. Economic, political and environmental challenges across the globe resulted in major economies of the globe slowing down. Political tensions between China and the United States, natural disasters in many parts of Asia, Trade tensions between major economies as well as uncertainty in Europe over Brexit have all contributed to cooling of the growth rates to as low as 3.3% in the second half of 2018. The first quarter of 2019 saw positive signals from US on monetary policy and possibilities of a US-China trade deal resulting in better optimism in the early part of 2019.

The slower growth of the economy in the first quarter of 2019 is expected to recover marginally over the year and the end of the year would show better growth rates than those being seen presently. However despite this recovery, overall growth rate for 2019 is expected to be lower than that for the previous years due to the slowing of growth in first half of 2019. The IMF projects that the global economy could experience a reduction of upto 0.3% over previous the year's mainly on account of slow down of advanced economies.

Global growth in 2019 is also expected to be affected by the lower pace of growth in developing economies especially in China and deeper slowdown in Iran on account of global geo-political issues. However global growth is expected to pick up in 2020 and stabilise at 2018 levels for the medium term on account of stronger performance of China, India, as various stimuli start influencing growth in these countries, despite underperformance by other developing and emerging economies in Asia, Africa and South America.

Growth risks are assessed as skewed to the downside mainly on account of the fact that the recovery anticipated in the latter part of 2019, considers a positive outcome of the trade negotiations between US and China. Additionally the North American Free Trade Agreement (NAFTA) is also coming up for renegotiation into a trilateral US-Canada-Mexico agreement. Another critical factor that could have a significant impact on global growth is a no-deal Brexit which could significantly impact the trade flows in Europe and could result in an extended recovery period. Significant impact on global growth is also expected on account of tensions in the Middle East and the response to long term sanctions from oil producing and consuming countries. Oil price spikes driven due to supply side issues could also impact the growth outlook for the immediate term.

While risks remain skewed to the downside, in the event of policy and geo-political changes resulting in easing of Middle East tensions, agreements favouring more global trade, and greater clarity on the Brexit, risks would be mitigated to some extent.

1.2. Indian Economy

Indian economy posted strong growth in the first half of the fiscal year. In the latter part of the year, the global macroeconomic factors like trade disputes, geopolitical issues in the Middle East, rising Crude prices and environment factors like imminent roll out of MARPOL Guidelines and COP21 targets resulted in slowdown of the economy. Despite this downturn, the annual growth rate is expected to be around 7% mainly due to the fact that Indian economy remains fairly insulated from global shocks.

The outlook for the economy also remains positive with growth levels expected to be at least as good as the previous year's growth. This growth is expected on the strength of higher consumption, greater infrastructure and other investments and continuing reforms in the financial and banking sector. While increased government and public sector investment has resulted in sustaining capital formation, private investment is yet to pick up. With high growth expected despite low private investment, it is expected that the reforms in the monetary policies and greater encouragement from the government would result in greater private investment sentiment especially through the Micro Small and Medium Enterprises (MSME).

2. Overview of Energy Industry

2.1. Global Scenario

Global energy is seeing the emergence of key trends on energy availability. The three interlinked pillars of Affordability, Reliability and Sustainability are being seen as driving global energy policy development. With the major new demand for primary energy arising from developing and emerging nations especially in Asia, policies in Asia will focus more and more on ensuring affordable and reliable energy to its populations. With nearly 1.7 Billion consumers expected to be added, sustainability of this energy supply is also attracting sharper focus.

The global energy demand is projected to grow in the Current Policy Scenario as well as in the New Policy Scenario. While the Sustainable Growth scenario aims to peg the total energy demand at 2017 levels, due to aspiration driven growth in the developing and emerging economies, unless a significant change in energy efficiency is observed, satisfying the demand of the new consumers will prove to be challenging and most likely infeasible. The global energy scenario will likely see the adoption of the New Policies Scenario which, recognising the requirement of the emerging consumers would see an increase in both total energy demanded as well as in emissions despite aggressive conversions to Renewable Energy in both developed and developing economies.

Renewable energy contribution to the primary energy mix mainly through a mix of Hydro, Wind, Solar Power and Bio Energy is expected to rise significantly. Globally the share of renewable in the energy mix is expected to rise to 12.5% by 2023 with renewables contributing as much as 30% of the electricity demanded. However renewable energy through bio-energy is expected to be lesser than 4% in the transportation sector. By 2040 it is expected that the renewable sources would contribute almost 20% of the total energy demand under present plans.

While electricity consumption is expected to rise with the increase fuelled by Coal, Gas and Renewables, in the other sectors like transportation and petrochemicals, oil continues to have a premium position at least into the near future. IEA assesses that though global peak demand for oil in passenger vehicles will be achieved in 2020, the increase in demand on other modes of transport will ensure that demand for oil would continue to increase. Despite the expectation of 300 Million Electric Vehicles on the road by 2040, increase in recycling of plastics and fuel efficiency improvements in the transportation sector, oil demand is expected to grow mainly on aspiration demand from emerging economies.

Global oil demand is expected to cross 100 Million Barrels per day (Mbpd) in 2019. While global demand has been increasing supply side disruptions has resulted in volatile prices and low realisations. US shale has emerged as a major disruptor in the oil markets. Already a net exporter of gas, the US became a net exporter of oil in December 2018. While US supplies have sharply increased over the past few years, the sanctions against Iran and expiry of waiver given to countries like India, will ensure that oil prices remain in present levels, provided other producers in the Middle East increase production to make up for the loss of Iran oil in the market.

Overall the global oil market is expected to remain susceptible to sharp demand-supply driven price fluctuations as well as price risks on account of geopolitical situations in the short term.

2.2. Indian Scenario

Indian energy scenario remains closely linked to the global scenario. However unlike the global scenario, demand for hydrocarbon as a source of primary energy is expected to continue growing at present levels for the medium term, driven by greater inclusion of the population in the energy demand, availability of cheaper Natural Gas as domestic fuel and aspirational demand due to the rise in demand for two and four wheelers. Greater urbanisation is also expected to continue driving the demand for petroleum as a major source for primary energy. With the growth in population, greater urbanisation and with higher numbers of people shifting to the middle class, demand for petrochemicals and polymers is expected to continue at present levels in the medium to long term despite moves to alternate materials.

Renewable energy and alternate fuels are seeing increasing policy support and rapid additions to renewable energy sources is happening in India. However unlike in the developed economy where renewable and bio sources are displacing petroleum as a source of fuel, in India the renewable growth is happening largely in the electricity sector. While the Government is also targeting production of bio-fuels like 2G Ethanol, the present scale of addition of these new generation fuels is not expected to significantly impact demand. In summary, though rapid additions of renewable energy is expected to happen, due to the sharper increase in demand, the IEA expects only 12% of the total energy would be met from renewable sources by 2023 in India.

India has one of the lowest per capita consumption of plastics among developing and developed economies. Demand for petrochemicals is expected to continuously rise in coherence with growth in GDP. With the greater thrust on localised manufacture, the demand for polymers as raw materials is expected to grow significantly. It is also worth noting that the data from the Ministry of Chemicals shows India imported around 12 Million Tons of petrochemicals valued at more than ₹ 1 Lakh Crore in 2018-19.

3. Markets

The global oil markets experienced wide fluctuations in 2018 and in early part of 2019. Multiple factors on the supply side have contributed to crude prices showing high volatility. A slow increase in crude oil price till 3rd quarter of 2018 was followed by a sharp decline in prices in the early part of 2019 with the Indian Basket touching a low of almost $52 per barrel in the first week of January 2019 down from the high of $85 in October 2018.

While crude prices dropped approximately 30-35% in a matter of two months, the gasoline prices dropped by more than 50% in the corresponding period. This led to gasoline trading lower than crude severely impacting profitability of all refiners. The increase in shale crude production leading to a glut in the lighter distillates in the US, the sudden drop in crude prices and consequent increase in gasoline inventories globally also resulted in the sharp drop in gasoline prices and resultant profitability of refiners in Q3 and Q4 of 2018-19.Crude prices have reversed the drop and have started increasing. Gasoline prices globally have also recovered to some extent.

US crude production will continue to dominate the market along with the geopolitical situation concerning specifically Iran in the Middle East. Supply of crude from other oil producing countries in the ME in order to offset reduced supplies from Iran would result in stabilisation of the crude market and consequently product prices. However, in the short term it is expected that the crude and product prices would experience significant fluctuations.

4. Performance

Your company achieved turnover of ₹ 72283 Crore during the year as against ₹ 63067 Crore during the financial year 2017-18. The Company earned a profit after tax (PAT) of ₹ 332 Crore in 2018-19 as against ₹ 2224 Crore during FY 2017-18. The Gross Refining Margin (GRM) for financial year was \$4.06/bbl as against \$7.54/bbl in FY 2017-18.

The financial performance was impacted by various external factors like wide fluctuations in crude prices, extremely low and negative cracks for gasoline and geopolitical situations in the Middle East which resulted in reduced supply of crude from Iran.

Despite these the company has achieved best ever physical performance on almost all physical parameters and has demonstrated operation of units sustainably for prolonged periods without any major outages. Some of the operational and physical performance highlights are detailed below:

- Highest Ever crude processing of 16.23 MMTPA
- Highest Ever High Sulphur Crude processing at 81.5%
- Lowest Ever MBN at 74.3
- Highest Ever NRGF at 7.35
- Highest Ever Operational Availability of 98.46%
- Highest Ever Production of Polypropylene at 388TMT

5. Crude Mix and Products

5.1. Crude Basket

Your company sources its crude oil requirement from India and various National Oil Companies of exporting countries on term basis and from open market on spot basis. During 2018-19, the company procured 16.31 MMT of crude oil of which 12.27 MMT was imported and the balance was sourced indigenously like Bombay High, Ravva and Mangala from ONGC and Cairn India. Import of crude oil was from NIOC (5.52 MMT), Saudi Aramco (4.28 MMT), Kuwait Petroleum Corporation (0.686 MMT), ADNOC-Abu Dhabi (1.07MMT) and SOMO-Iraq (0.267 MMT). To meet the Low Sulphur Heavy Stock (LSHS) requirement and shortfall in term crude requirement, MRPL also imported crude oil (1.321 MMT) through spot tender during the year.

The company lifted UAE's Das Blend crude oil from OVL equity in the field. The first cargo was received at Mangalore Port on 09th June 2018. Ural and Basrah Heavy and Nagayalanka (domestic) crudes were processed for the first time.

5.2. Products

Your company produced the products as given in Table below, in the year 2018-19.

PRODUCTS	'000 MT
HYDROGEN	0.24
LPG	970
FUEL GAS	2.9
POLYPROPYLENE	388
M S	1279
XYLOL (XYLENE)	201
NAPHTHA	1600
A7	192.5
A9	99
SKO	61.5
HSD	6309
ATF	1517
VGO	84
FO	696
LSFO	45.4
LSWR	21.8
ASPHALT	139
CRMB	2.5
PET COKE	922
SULPHUR	209
TOTAL	**14740**

Your company also exported certain products in the year as tabulated below:

PRODUCTS	Exports ('000 MT)
MS	232.2
NAPHTHA	848.6
ATF	1281
DIESEL	1990
FUEL OIL	611
OTHERS	222.5
TOTAL	**5185.3**

6. Opportunities and Threats

6.1. Opportunities

India is expected to continue its growth story in the coming years too. It is expected to be the world's fastest growing large economy in the short to the medium term. This growth is resulting in pushing larger groups of people into the aspirational middle class. Growing consumption by the middle class is seen as driving India's growth further, the consumption set to include increasing use of fuels and polymers. This economic growth and sustained demand growth for petroleum products present companies with opportunities to satisfy growing consumer demand. In addition to the growth in petroleum products, the low per-capita consumption of plastics indicates potential of expanding market in this area.

Petroleum products are expected to grow in excess of 3% and polymers with expected growth in GDP in excess of 7% would result in equal or higher levels of demand growth in petrochemicals and polymers. These present your company with opportunities for the medium and long term. South and Western India are expected to emerge as significant manufacturing hubs for finished goods and your company has the opportunity to satisfy the expected demand growth on the strength of its location and connectivity to both these regions. Your company is readying plans to improve its presence in these markets by adding the capability to produce and market products that will in the long term provide better value and contribution.

Globally sulphur emission norms are tightening with the introduction of Euro 5, BS-VI and MARPOL 2020 guidelines. With both BS-VI and MARPOL guidelines coming into effect in 2020, refiners that have the installed capability to process crudes that are heavier and have higher sulphur content will enable them to achieve better margins. With the ability to process high sulphur crudes and project underway to become BS-VI compliant, your company is well placed to take advantage of these opportunities in the short term.

6.2. Threats

Fluctuating crude prices and uncorrelated changes to product prices as was experienced in Q3 and Q4 of 2018-19 remain the biggest profitability threat. Additionally the global trade issues between major economies, potential of a no deal Brexit and cooling of aggregate domestic demand in developed economies have the potential to impact global and domestic growth. A contraction in global economy can put pressure on the demand for petroleum and petrochemicals, impacting the margins of your company.

The sanction on Iran, who was a major supplier of crude to your company, is also an immediate threat to the profitability. While, the reduction in supplies of crude from Iran will have an impact on prices globally, your company has lined up alternate sources so as to mitigate the impact of these supply restrictions.

The ongoing clean fuel regulatory changes like MARPOL may also have an impact in the event of significant spike in low sulphur crude oil prices.

7. Strengths and Weaknesses

7.1. Strengths

Your company is a modern refinery that has been continuously upgrading its facilities. The refinery has a very high complexity which provides ample flexibility in operations. The refinery has the capability to process various types of crude from different sources. This permits your company to offset any supply disruption from one source by substituting with crude from another supplier, with minimal impact.

The refinery is also uniquely placed to exploit the opportunities of the medium term and the long term. Land is a scarce commodity and your company is in the process of acquiring land for expansion, through the Karnataka Government. The acquisition process will provide the company with adequate land, which will enable installation of units necessary to meet the emerging market requirements in terms of product variety and quality.

The company by virtue of its configuration also has the necessary intermediates that can enable production of value added products.

7.2. Weaknesses

Your company relies on Oil Marketing Companies to market its products in the retail space. This results in lesser off take of products from the company, when OMCs sometime preferring to bring in products from outside the state to meet the state's demand. On account of this, your company is forced to rely on exports resulting in marginally lower realisation for the products. Your company is setting up retail outlets within its span of influence and in the process expects to partially overcome this weakness in the medium term.

Your company has also recently completed a major expansion to 15MMTPA. The company is also setting up infrastructure such as Railway siding & Marketing Terminal at Mangalore for smoother evacuation of products. Further the regulatory changes to the fuel quality standards of the country have necessitated the setting up of new facilities for producing the requisite quality of fuel meeting BSVI norms. In order to exploit the opportunities in the medium and long term, your company will require incurring significant capital expenditure. Necessary enabling activities are being undertaken so as to commence work on Capital Expansion at the opportune time.

8. Strategic Outlook, Risks and Concerns

8.1. Strategic Outlook

Your company has made sustained profits in the past years despite markets being extremely volatile and unpredictable indicating that your company is inherently stable and able to absorb the fluctuations in the market. While the conditions prevalent in the previous year especially with respect to the margins available on certain products like gasoline can be seen as an aberration, due to various plans in place to mitigate risks, improve market penetration and an increased focus on cost reduction, it is expected that the short term outlook for the company will be stable.

In the medium and long term, various opportunities are available domestically, which the company is poised and planning to take advantage of. The expected growth in fuels demand and the expected increase in levels of consumption of petrochemicals as GDP accelerates enables your company to set up necessary downstream infrastructure to satisfy this demand.

Your company has firmed up plans for the future through expansions to capacity, widening the product slate to include Petrochemicals and augment marketing infrastructure. The expansion will be integrated to the existing complex so as to ensure cost and operational optimisation. These expansion plans will enable your company to emerge as a significant entity in the industry.

8.2. Risks and Concerns

Your company operates in an environment that is subject to multiple external influences which have significant impact on the profitability of your company. These induce certain risks on which your company that needs to be managed effectively. Your company is acutely aware of the major risks it faces and put in place plans for mitigating the impact of these risks. While risks are also under constant review and monitoring of the Risk Management Committee of the Board risks this year your company has also carried out a systematic review of risks by an external agency. The major risks that the company face are presented below.

Crude Supply Risk

Your company is reliant on imports to meet a major portion of its crude oil requirement. The Middle East is the principal source of crude for your company with more than 65% of the requirement being sourced from there through term contracts. The recent sanctions on Iran and the expiry of sanctions waiver available to India imposes both a supply and price risk on your company.

Your company has taken anticipatory steps to mitigate the risk of supply reduction by lining up alternate sources of crude from the Middle East and elsewhere. Your company has also taken steps to diversify the crude mix. In this endeavour your company processed three new crudes – Basra Heavy from Iraq, Urals from Russia and Nagyalanka, a domestic crude from Krishna basin in 2018-19.

While these efforts are on to manage supply risks, it is pertinent to note that the supply disruption due to external factors beyond the control of the company remains a significant risk.

Price Risk

Crude prices are based on various factors like supply side decisions by the major producers, demand variations, geo-political situations and market sentiment.

The company has also entered into long term agreements with various national oil companies. Long term agreements by the company not only ensure assured supplies but also procurement at competitive prices. Management prepares the crude rolling plan three months ahead to identify any changes in the price profile and takes necessary actions to reduce impact of any major price changes. The company has also adopted a conscious business strategy for procurement of a part of the crude oil requirement on spot/trial basis so as to mitigate price risk. The company also ensures that the crude inventory is kept at optimum levels to reduce the impact of price fluctuations on account of inventory.

Foreign Exchange Risk

The global oil markets are dollar denominated. With only around 20% of the crude requirement of your company being met by domestic crude, the company is exposed to the risk of foreign exchange variations.

The company exported around 35% of its products in the previous financial year. The domestic pricing of products are fixed on an import parity pricing mechanism. These provide a natural hedge against exchange rate variations. Considering the higher cost of hedging as compared to the volatility in the foreign exchange markets, your company has decided not to resort to hedging.

Refinery Margin Risk

Refinery margins are significantly impacted by prices of crude and petroleum products. Prices of petroleum products vary in tandem with crude prices with a time lag. Various other factors like conversion efficiency, energy efficiency, operational availability and frequency of shutdowns also impact refinery margins.

The configuration of the refinery with high complexity enables bottom of the barrel upgradation. Excellence in refinery operations and adherence to shutdown schedule have ensured near world best operational availability. Close monitoring of the critical parameters of yield, energy efficiency and operational availability at multiple levels, including by the committees of the Board and directly by the Board, ensures that this risk is mitigated significantly.

Price fluctuation of specific products, largely uncorrelated to crude price fluctuations has emerged as a potential risk to refinery margins. While factors controlling product prices continue to be the crude prices, global demand-supply balance and product inventories with refiners and marketers, the US has emerged as major player in the markets along with OPEC with the increased production of shale oil. The US shale crude has a product profile skewed to lighter ends. This results in the prices of lighter fuels like gasoline being controlled to some extent by US shale. With gasoline (Motor Spirit/ Petrol) being a significant part of your company's product mix (greater than 8%), price fluctuation of gasoline can have significant impact on the profitability. Building flexibility to swing production between gasoline and petrochemicals will enable mitigation of this risk in the long run.

Water Supply Risk

Water is a vital input for the operations of the company. Water supply disruption occurred in the past during the summer months. In this year too water supply to the refinery was curtailed to some extent. Planned turnarounds during the same period ensured that the operations of the Refinery are not majorly impacted. The company is setting up a desalination plant that will ensure water availability in the event of a supply disruption. It is expected that this addition will mitigate risk of water disruption.

9. Internal Control Systems

Your Company has a well established internal control mechanism which ensures effective internal control environment. 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 securing high level legal compliance and risk management. Adequate systems of internal control commensurate with the Company's size and nature of its operations are in place. 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 unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies.

The Internal Audit is supervised by the Audit Committee which continuously monitors the effectiveness of the internal control systems 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 process. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations and follow up actions.

10. Subsidiaries and Joint Ventures

10.1. Subsidiary Company

Your company continues to hold 51% of equity shares in OMPL and about 49% is held by ONGC. OMPL has set up an Aromatic Complex with an annual capacity 914 KTPA of Para-Xylene and 283 KPTA of Benzene in Mangalore Special Economic Zone. The revenue from Operations was ₹ 8,362 Crore during FY 2018-19 as against ₹ 5,561 Crore during the FY 2017-18. The Company achieved a profit after tax of ₹ 22.90 Crore in FY 2018-19 as against a loss after tax of ₹ 447 Crore during the FY 2017-18 on the strength of improved physical performance coupled with improved market conditions.

10.2. Joint Ventures

The company has two Joint Ventures viz. Shell MRPL Aviation Fuel Services Limited (SMAFSL) with Shell B.V. Netherlands wherein your company holds 50% of share capital and Mangalam Retail Services Limited (MRSL) with Gulf Oil, a Hinduja Group Company wherein your Company holds 18.98% of share capital. The accounts of SMAFSL have been consolidated with MRPL's Accounts.

Shell MRPL Aviation Fuel Services Limited (SMAFSL)

The Company holds 50% of the equity share capital in Shell MRPL Aviation Fuel Services Limited (SMAFSL) and the balance is held by Shell Gas BV, The Netherlands and its associates. SMAFSL supplies aviation turbine fuel (ATF) to both domestic and international airlines at several Indian airports and acts as a contracting company for Indian carrier's International Aviation Fuel requirements. The total income for FY 2018-19 is ₹ 727.74 Crores as against ₹ 549.19 Crores with Pre-tax profit of ₹ 3 Crores (Previous Year ₹ 8.13 Crores) and post-tax profit of ₹ 1.59 Crores (Previous Year ₹ 5.41Crores).

Mangalam Retail Services Limited (MRSL)

During 2017-18, the Company reduced its shareholding in Mangalam Retail Services Limited (MRSL) to 18.98% and accordingly MRSL presently is not an associate Company of MRPL. MRSL has not yet started commercial operations and applying for dormant Company status.

11. Human Resources

During the financial year 2018-19, your Company continued to enjoy cordial and harmonious relations with all the employees and as evidence to the same not a single man-hour was lost on account of any industrial disturbance.

Total employee strength was 1943 including 128 women employees, 274 SC/ST employees and 29 Physically Challenged employees. 873 employees belong to Management cadre whereas 1070 employees belong to Non-Management cadre.

12. Forward Looking Statements

All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realised. The Company's actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events. The Company disclaims any obligation to update these forward-looking statements, except as may be required by law.

CORPORATE GOVERNANCE REPORT

1. OUR CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. MRPL maximizes shareholders value while safeguarding and promoting the interest of stakeholders and maintain a steadfast commitment to ethics and code of conduct. The philosophy of the Company 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 complies with the changes brought in the area of Corporate Governance by the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015). Besides adhering to provisions of SEBI Listing Regulations, 2015, the Company also follows the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises (DPE), Government of India except with regard to availability of requisite number of Independent Directors on the Board of the Company. MRPL being a Central Public Sector Enterprise (CPSE), Directors on the Board of the company are appointed by the Administrative Ministry, Government of India. Appointment of requisite number of Independent Directors on the Board of MRPL is pursued with the administrative Ministry, Government of India (GoI).

The Company believes that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance. The Board of Directors of the Company is at the core of adopting the best practices of Corporate Governance. The Board thus oversees the Management functions and protects the long-term interests of our stakeholders.

The Corporate Governance framework of the company is based on the following broad 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.

2. BOARD OF DIRECTORS:

The Board of Directors functions 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 / Committee of Directors/ 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 8 sub-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 along with other directorship as on 31/03/2019 : 12

Executive Director	:	01
Non Executive Directors	:	11

B. Board of Directors as on 31/03/2019

Director	DIN	Executive/ Non-Executive	Category / Designation	No. of other Directorship		No. of outside Committees	
				Public	Private	Member	Chairman
Shri Shashi Shanker	06447938	Chairman Non-Executive	Chairman	7	-	-	-
Shri M. Venkatesh	07025342	Executive	Managing Director & Additional Charge, Director (Refinery) & Director (Finance)	4	-	5	1

Director	DIN	Executive/ Non-Executive	Category / Designation	No. of other Directorship		No. of outside Committees	
				Public	Private	Member	Chairman
Shri Subhash Kumar	07905656	Non-Executive	Director & ONGC Nominee	6	-	3	-
Shri Vinod S. Shenoy	07632981	Non-Executive	Director, (HPCL) Nominee	5	-	-	-
Shri K.M. Mahesh	07402110	Non-Executive	Government Nominee Director	-	-	-	-
Shri Sanjay Kumar Jain	08015083	Non-Executive	Government Nominee Director	-	-	-	-
Ms. Manjula C.	07733175	Non-Executive	Independent Director	-	-	-	-
Shri V. P. Haran	07710821	Non-Executive	Independent Director	-	-	-	-
Shri Sewa Ram	01652464	Non-Executive	Independent Director	-	-	-	-
Dr. G. K. Patel	07945704	Non-Executive	Independent Director	-	-	-	-
Shri Balbir Singh	07945679	Non-Executive	Independent Director	-	-	-	-
Shri Vivek Mallya	05311763	Non-Executive	Independent Director	1	-	1	-

(i) Particulars of Appointment of a New Director or Re-Appointment of a Director in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations, 2015')

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 Regulation 36(3) of the SEBI Listing Regulations, 2015 with Stock Exchanges are provided in the Notice of the 31st Annual General Meeting.

- Shri Shashi Shanker (DIN: 06447938) retires from office by rotation and being eligible offers himself for re-appointment as Director.
- Shri K M Mahesh (DIN: 07402110) retires from office by rotation and being eligible offers himself for re-appointment as Director.
- Shri Vivek Mallya (DIN: 05311763), who was appointed as additional Director is proposed for re-appointment as Non-official Independent Director.

(ii) Past Directors

Director	Executive/ Non-Executive	Category	No. of other Directorship		No. of outside Committees	
			Public	Private	Member	Chairman
Shri H Kumar	Executive	Managing Director	4	-	2	-
Shri A. K. Sahoo	Executive	Director (Finance)	2	-	3	-

(iii) Changes in the Board of Directors during 2018-19

Director	Date of Appointment	Date of cessation	Tenure	Remarks
Shri M. Venkatesh	01-06-2018	NA	5 years from the date of appointment.	Appointed as Managing Director consequent upon superannuation of Shri H. Kumar
Shri Subhash Kumar	15-05-2018	NA	Superannuation from the Parent Company i.e. ONGC or until further orders, whichever is earlier.	Appointed as Nominee Director of ONGC.
Shri Vivek Mallya	07-01-2019	NA	Concurrent with tenure as Non – Official Director (NoD) on the Board of ONGC i.e. till 30/01/2020, or until further orders by MoP&NG, Govt. of India whichever is earlier.	Appointed as Non-Official Independent Director by Ministry of Petroleum & Natural Gas.

Director	Date of Appointment	Date of cessation	Tenure	Remarks
Shri H. Kumar	14-08-2014	31-05-2018	Till 31-05-2018	Superannuated from the Services of the Company on 31-05-2018.
Shri A. K. Sahoo	01-02-2016	11-12-2018	5 years from the date of appointment.	Ceased to be a Director due to death.

(iv) Changes in the Board of Directors after 31/03/2019

There were no changes in the Board of Directors after 31/03/2019.

C. Attendance of Directors at the Board Meetings held during the Financial Year 2018 -19 and 30th Annual General Meeting held on 11/08/2018.

(i) Details of Board Meetings held during the Financial Year 2018-19

During the year 2018-19, Seven (7) Board Meetings were held.

Sl. No.	Date of meeting	Meeting No.	Place
1	10/04/2018	216	New Delhi
2	15/05/2018	217	New Delhi
3	02/07/2018	218	New Delhi
4	11/08/2018	219	Mangaluru
5	17/09/2018	220	New Delhi
6	14/11/2018	221	New Delhi
7	07/02/2019	222	New Delhi

(ii) Attendance of Directors during the Financial Year 2018-19

Director	No. of Board Meetings Attended	Attended Last AGM
Shri Shashi Shanker	6	Yes
Shri M. Venkatesh	7	Yes
Shri Vinod S. Shenoy	7	Yes
Shri K.M. Mahesh	5	Yes
Shri Sanjay Kumar Jain	2	Yes
Ms. Manjula C.	6	Yes
Shri V.P. Haran	7	Yes
Shri Sewa Ram	7	Yes
Dr. G. K. Patel	7	Yes
Shri Balbir Singh	7	Yes
Shri Subhash Kumar*	5	No
Shri Vivek Mallya*	1	NA

*Shri Subhash Kumar was appointed as Director on 15/05/2018 and Shri Vivek Mallya was appointed as Non- official Independent Director on 07/01/2019.

(iii) Attendance of the Past Directors during the Financial Year 2018-19.

Director	No. of Board Meetings Attended	Attended Last AGM
Shri H Kumar (Till 31/05/2018)	2	NA
Shri A. K. Sahoo (Till 11/12/2018)	5	Yes

D. Disclosure of relationships between Directors

None of the Board of Directors is related to each other.

E. Director's Shareholding:

None of the Directors are holding any shares in the Company.

F. Independent Directors

MRPL is a Central Public Sector Enterprise (CPSE) under the Administrative Ministry, i.e., Ministry of Petroleum & Natural Gas (MoP&NG), Govt. of India. Presently MRPL has six Independent Directors on the Board. All the Independent Directors fulfill the criteria of Independence as per the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The evaluation of Independent Directors as well as non Independent Directors for the FY 2018-19 has been done as per the evaluation criteria provided in SEBI circular dated 05/01/2017.

3. 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 quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the SEBI Listing Regulations, 2015. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance.

a) 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/Secretarial 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 Terms of Reference for the purpose of effective compliance of provisions of Section 177 of the Companies Act, 2013, Regulation 18 of the SEBI Listing Regulations, 2015, 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.

b) Composition of Audit Committee as on 31/03/2019

The Committee was reconstituted during the FY 2018-19. The composition of the Committee including changes during the year are as under :

Members of Audit Committee	Category
Shri V. P. Haran	**Chairperson**
Shri Sewa Ram	Member
Shri Balbir Singh	Member
Shri K.M Mahesh (From 16/01/2019)	Member
Shri Vivek Mallya (From 16/01/2019)	Member
Ms. Manjula. C (upto 16/01/2019)	Member
Dr. G. K Patel (upto 16/01/2019)	Member

c) Details of the Audit Committee Meetings held during the Financial Year 2018-19

During the year 2018-19, Twelve (12) Audit Committee Meetings including one adjourned Meeting were held.

Date of Meeting	Meeting No.	No. of members attended
10/04/2018	90	5
15/05/2018	91	5
02/07/2018	92	5
10/08/2018	93	5
11/08/2018 (Adj)	93	5
17/09/2018	94	5
12/10/2018	95	4
30/10/2018	96	5
13/11/2018	97	5
14/11/2018	98	5
04/01/2019	99	5
04/02/2019	100	5
07/02/2019	101	4

d) Attendance in Audit Committee Meetings held during the Financial Year 2018-19.

Members of Audit Committee	No. of Meetings attended
Shri V.P. Haran	12
Shri Sewa Ram	12
Shri Balbir Singh	12
Shri. Vivek Mallya (from 16/01/2019)	2
Shri K.M. Mahesh (from 16/01/2019)	1
Ms. Manjula C (upto 16/01/2019)	9
Dr. G. K. Patel (upto16/01/2019)	10

4. NOMINATION, REMUNERATION AND HUMAN RESOURCE MANAGEMENT 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 Regulation 19 of the SEBI Listing Regulations, 2015 and DPE guidelines on Corporate Governance for CPSE, the Company has constituted a Remuneration Committee in April, 2009.

Key Board qualifications, expertise and attributes

Pursuant to SEBI (LODR) Regulations, 2015, Key Board qualifications, expertise and attributes are required to be mentioned in the Corporate Governance Report.

The Directors on the Board of MRPL are nominated by the Administrative Ministry, MOP&NG. The MRPL Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make contribution to the Board and its committees. The Board members are committed to ensuring that the MRPL Board is in compliance with the standards of corporate governance.

The table below summarizes the key qualification, skill and attributes of Directors on the Board :

Financial	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial principal accounting officer, controller, public accountant or person performing similar functions.

Gender, ethic, national or other diversity	Representation of gender, ethic, geographic, cultural or other perspective that expand the Board's understanding of the viewpoints of customers, partners, employees, Governments and other stakeholders worldwide.
Legal, Risk Management	Expertise in handling legal issues and risks analyses and mitigation process.
Business Knowledge	Knowledge of the environment in which the company operates Industry structure and outlook.
Leadership	Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long growth.
Technology	A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate discoveries, innovation, and extends or create new business models.
Board service and governance	Service on a public company Board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.
Sales and marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance enterprise reputation.

a) **Composition of Nomination, Remuneration and HRM Committee as on 31/03/2019:**

The Company has complied with the requirement of Regulation 19(1) (c) of the SEBI Listing Regulations, 2015 as well as the Companies Act, 2013 as regards the constitution of Nomination, Remuneration and HRM Committee with reference to requisite number of Independent Directors. The Committee was reconstituted during the FY 2018-19. The composition of the Committee including changes during the year are as under:

Members of Nomination, Remuneration and HRM Committee	Category
Shri Balbir Singh	**Chairperson**
Shri V.P. Haran	Member
Dr. G.K. Patel	Member
Shri Sewa Ram (Upto 16/01/2019)	Member
Shri K.M. Mahesh (From 16/01/2019)	Member
Ms.Manjula. C (upto 16/01/2019)	Member

b) **Details of Nomination, Remuneration and HRM Committee Meetings held during the Financial Year 2018 – 19**

During the year 2018-19, Two (2) meetings of the Committee were held.

Date of Meeting	Meeting No.	No. of members attended
12/10/2018	13	4
04/02/2019	14	4

c) **Attendance in Nomination, Remuneration and HRM Committee Meetings held during the Financial Year 2018 - 19**

Members of Nomination/ Remuneration Committee	No. of Meetings attended
Shri Balbir Singh	2
Shri V.P. Haran	2
Dr. G.K. Patel	2
Shri K M Mahesh (from 16/01/2019)	1
Shri Sewa Ram (upto 16/01/2019)	1
Ms. Manjula. C (upto 16/01/2019)	0

5. REMUNERATION OF DIRECTORS

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.

a) **Details of Remuneration (Sitting Fees) Paid to Independent Directors during the Financial Year 2018 –19:**

(₹ In Lacs)

Independent Director	Sitting Fees
Ms. Manjula C.	9.60
Shri V.P. Haran	12.40
Shri Sewa Ram	11.50
Dr. G.K. Patel	11.50
Shri Balbir Singh	11.80
Shri Vivek Mallya	1.30

Note: Shri Vivek Mallya was appointed as Independent Director on 07/01/2019.

b) Details of Remuneration Paid to Managing Director, Director (Finance) and Director (Refinery) during the Financial Year 2018 – 19:

(₹ in Lacs)

Particulars	Shri M. Venkatesh (Managing Director) from 01/06/2018 and Director (Refinery) till 31/05/2018	Shri H. Kumar (Managing Director till 31.05.2018)	Shri A. K. Sahoo, Director (Finance) till 11/12/2018	Total
Salaries, Allowances and Perquisites	62.97	67.07	46.04	176.08
Contribution to PF & Other Funds	5.55	2.84	4.95	13.34
Total	**68.52**	**69.91**	**50.99**	**189.42**

Notes:

1. Shri M Venkatesh, Director (Refinery) was appointed as Managing Director w.e.f. 01/06/2018
2. Shri H Kumar ceased to be Managing Director w.e.f. 31/05/2018 on superannuation.
3. Shri A K Sahoo ceased to be Director w.e.f. 11/12/2018 due to sad demise.

c) Terms of service contract:

Particulars	Managing Director	Director (Refinery)	Director (Finance)
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

d) Familiarization Programme for Independent Directors

The details of familiarization Programme imparted to Independent Director are provided in the website of the Company i.e. www.mrpl.co.in

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

a) The Stakeholders' Relationship Committee has been mandated to review and redress shareholder grievances as per the provisions of Section 178 of the Companies Act, 2013. The terms of reference of the Committee has been amended pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

b) Terms of Reference:

- The Stakeholders Relationship Committee shall consider and resolve the grievances of security holders of the company.
- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

c) Composition of Stakeholders' Relationship committee as on 31/03/2019:

The committee was re-constituted during the FY 2018-19. The composition of the committee including the changes during the year are as under:

Members of Stakeholders' Relationship Committee	Category
Dr. G. K. Patel	**Chairperson**
Ms. Manjula C.	Member
Shri V.P. Haran	Member
Shri M. Venkatesh (From 16/01/2019)	Member
Shri Balbir Singh (Upto 16/01/2019)	Member
Shri Sewa Ram (Upto 16/01/2019)	Member
Shri A. K. Sahoo (Upto 11/12/2018)	Member

d) Details of Stakeholders' Relationship Committee Meetings held during the Financial Year 2018 – 19:

During the year 2018-19, Four (4) Stakeholders' Relationship Committee Meetings were held.

Date of Meeting	Meeting No.	No. of members attended
15/05/2018	59	6
10/08/2018	60	6
14/11/2018	61	5
04/02/2019	62	4

e) Attendance in Stakeholders' Relationship Committee Meetings held during the Financial Year 2018– 19:

Members of Stakeholders' Relationship Committee	No. of Meetings attended
Dr. G.K. Patel	4
Shri V.P. Haran	4
Shri M. Venkatesh (from 16/01/2019)	1
Ms. Manjula C	4
Shri Sewa Ram (upto 16/01/2019)	3
Shri Balbir Singh (upto 16/01/2019)	3
Shri A. K. Sahoo (upto 11/12/2018)	2

f) Name and Designation of the Compliance officer:

Shri Dinesh Mishra,
Company Secretary & Compliance Officer.

g) References & Investor Complaints Received and Replied During 2018-19:

Sl. No.	Nature of Correspondence	For the year ended 31/03/2019
1.	Revalidation Of Dividend Warrants	5,008
2.	Demat - Remat Cases - Letters	1,384
3.	Stop Transfer - Procedure For Duplicate / Removal	2,474
4.	Name Deletion/Transmission /Transposition /Change of Name/Issue Of Duplicate - Share Certificates	3,638
5.	Consolidation /Change of Status Certificates	306
6.	Change Of Signature Letters	987
7.	Correction/ Registration / Change Of Address/Bank Detail/Bank Mandate	4,980
8.	Registration / Cancellation of NACH Letters	2,900
9.	Nomination Letters	226
10.	References through Statutory/ Regulatory bodies like ROC/ SEBI/ NSE/ BSE/ NSDL/ CDSL	103
11.	Others	10,796
	TOTAL	**32,802**

7. 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) 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. However, in the absence of Director (Refinery) and Director Finance during part of the year, Managing Director was the quorum for the Committee with the approval of the Board.

(iii) 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 MCA General Circular No.19/2014 dated 12th June, 2014 to issue duplicate share certificates.

(iv) Pursuant to Regulation 40 of SEBI Listing Regulations, 2015, Quarterly details of transactions in shares are placed before Board.

8. HUMAN RESOURCE MANAGEMENT COMMITTEE

During the year HRM Committee was merged with Nomination and Remuneration Committee.

a) Terms of Reference:

- To recommend HR related policies to the Board for approval.
- To review the approved HR policies for clarification on ambiguities.

b) Composition of Human Resource Management Committee alongwith the change as till 16/01/2019.

1.	**Ms. Manjula C.**	**Chairperson**
2.	Shri Sewa Ram	Member
3.	Shri V P Haran	Member
4.	Shri Balbir Singh	Member
5.	Dr. G.K Patel	Member
6.	Shri M Venkatesh	Member
7.	Shri H. Kumar (upto 31/05/2018)	Member
8.	Shri A. K. Sahoo (upto 11/12/2018)	Member

c) Details of HRM committee meeting held from 01/04/2018 to 16/01/2019:

During the period from 01/04/2018 to 16/01/2019 of FY 2018– 19, four (4) HRM Committee Meetings were held. The dates of meeting and details of attendance are as under:

Date of Meeting	Meeting No.	No. of members attended
10/04/2018	46	8
15/05/2018	47	7
09/08/2018	48	7
12/11/2018	49	6

d) Attendance in HRM Committee Meetings held during the period from 01/04/2018 to 16/01/2019 of Financial Year 2018 – 19:

Members of HRM Committee	No. of meetings attended
Ms. Manjula C.	3
Shri. Balbir Singh	4
Shri V.P. Haran	4
Dr. G. K. Patel	4
Shri Sewa Ram	4
Shri M .Venkatesh	4
Shri H. Kumar (upto 31/05/2018)	2
Shri A. K. Sahoo (upto 11/12/2018)	3

9. PROJECT APPRAISAL AND EXECUTION COMMITTEE

a) Terms of Reference:

- To review and recommend capital projects to the Board.
- To review the implementation of Board approved projects periodically.

b) Composition of PAE Committee as on 31/03/2019:

The composition of PAE Committee alongwith changes during FY 2018-19 are as under:

1.	**Shri Sewa Ram**	**Chairman**
2.	Shri V. P. Haran	Member
3.	Dr. G. K. Patel	Member
4.	Shri Vinod S. Shenoy	Member
5.	Shri Vivek Mallya (From 16/01/2019)	Member
6.	Shri M. Venkatesh	Member
7.	Shri Sanjay Kumar (From 16/01/2019)	Member
8.	Shri Subhash Kumar (From 16/01/2019)	Member
9.	Shri Balbir Singh (From 16/01/2019)	Member
10.	Ms. Manjula. C (Upto 16/01/2019)	Member
11.	Shri A. K. Sahoo (upto 11/12/2018)	Member

c) Details of PAE Committee Meeting held during the Financial Year 2018-19:

During the year 2018–19, 4 PAE Committee Meetings were held. The details of meetings and attendance are as under:

Date of Meeting	Meeting No.	No. of members attended
09/08/2018	39	8
13/11/2018	40	7
04/01/2019	41	7
04/02/2019	42	7

d) Attendance in PAE Committee Meetings held during the Financial Year 2018 – 19:

Members of PAE Committee	No. of meetings attended
Shri Sewa Ram	4
Shri V.P. Haran	4
Dr. G.K. Patel	4
Shri Vinod S. Shenoy	4
Shri M. Venkatesh	4
Shri Vivek Mallya (from 16/01/2019)	1
Shri Subhash Kumar (from 16/01/2019)	1
Shri Sanjay Kumar Jain (from 16/01/2019)	0
Shri Balbir Singh (upto 16/01/2019)	3
Ms. Manjula. C (Upto 16/01/2019)	3
Shri A. K. Sahoo (upto 11/12/2018)	1

10. DETAILS OF ANNUAL GENERAL BODY MEETING

a) Location, place and time of last 3 AGMs held

Year	Location	Date	Time
2018 30th AGM	MRPL recreation center, Mudapadav, Post Kuthethoor, Via Katipalla, Mangaluru –575 030	11/08/2018	4:00 p.m.
2017 29th AGM	MRPL Employees Club, Mudapadav, Post Kuthethoor, Via Katipalla, Mangaluru –575 030	19/08/2017	4:00 p.m.
2016 28th AGM	MRPL Employees Club, Mudapadav, Post Kuthethoor, Via Katipalla, Mangaluru –575 030	03/09/2016	4:00 p.m.

b) Whether any special resolutions passed in the previous 3 AGMs?

Yes.

AGM	Special Resolutions
30th AGM	None
29th AGM	One special resolution was passed pursuant to Section 42 of the Companies Act, 2013 to raise funds upto ₹ 3,000 Crores through issue of NCDs/ Bonds
28th AGM	Two special resolutions were passed pursuant to:
	i) Section 42 of the Companies Act, 2013 to raise funds upto ₹ 3,000 Crores through issue of NCDs/ Bonds.
	ii) Section 42 and Section 62 of the Companies Act, 2013 to issue shares for enhancement of public shareholding of the Company to 25%.

c) Any special resolutions were put through Postal ballot last year:

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

d) Persons who conducted the Postal Ballot exercise:

Not Applicable.

e) Whether any special resolution is proposed to be conducted through postal ballot?

No.

f) Procedure for Postal Ballot:

Not Applicable.

11. DISCLOSURE & TRANSPARENCY:

The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (a) to (l) of the Regulation 46(2) of the SEBI Listing Regulations, 2015.

The disclosures mentioned in Regulation 46 have been disclosed in the Corporate Governance Report.

The Company ensures timely and complete dissemination of information on all matters which are required 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 Regulation 23 of the SEBI Listing Regulations, 2015, 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 The Company has adopted Related Party Transaction Policy and procedures and the same is displayed on the website of the Company i.e. www.mrpl.co.in.

(ii) Key Management Personnel:

1. Shri M. Venkatesh : Managing Director & CEO

   Holding additional charge of Director (Refinery) and Director (Finance)

2. Shri Dinesh Mishra : Company Secretary

3. Shri S. Raviprasad : Chief Financial Officer

There was no transaction with Key Management Personnel during the Financial Year 2018-19 except for the remuneration paid. The remuneration of Key Management Personnel has been disclosed under Clause (VI) of MGT – 9 which forms part of 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 10 of the Financial Statements for FY 2018-19.
Shell MRPL Aviation Fuel & 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:

The Company has paid a penalty of ₹ 35,400 each to BSE & NSE in response to their notice on non-availability of Independent Directors for the period from 01/01/2019 to 06/01/2019. Except this there were no non-compliance by the Company and no instance of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other Statutory on any matter related to the capital market during the last three years.

The company has been impleaded in certain legal cases related to disputes over title to shares arising in the ordinary course of share transfer operations. However, none of these cases are material in nature, which may lead to material loss or expenditure to the Company.

(v) 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 and it has provided protection to the whistle blower from adverse action. The Policy is available in the Company website www.mrpl.co.in.

(vi) The Company has a Policy on Material Subsidiaries as per Regulation 16(c) of the SEBI Listing Regulations, 2015 and the policy is available on the Company website www.mrpl.co.in.

(vii) 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 complies with Ind AS pursuant to the Companies (Indian Accounting Standards) Rules, 2015 notified by Ministry of Corporate Affairs vide notification dated 16/02/2015.

(viii) 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. all Key Managerial Personnel of the Company and one level below the Board. 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 2018-19.

(ix) THE CODE OF INTERNAL PROCEDURES AND CONDUCT OF PROHIBITION OF INSIDER TRADING IN DEALING WITH SECURITIES OF MANGALORE REFINERY AND PETROCHEMICALS LIMITED (MRPL):

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. The Company adopted the "Code of Internal Procedures and

Conduct for Prohibition of Insider Trading in dealing with the Securities of MRPL", as amended, at its 197th Board Meeting held on 22nd May, 2015.

3.0 Further, SEBI vide its circular dated 16th September, 2015 has revised formats for disclosure under Regulation 7 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 with regard to exercise of ESOPs, execution of contra trade and creation of pledge or invocation of pledge for enforcement of security while in possession of Unpublished Price Sensitive Information (UPSI). Accordingly, the Board approved the amended "Code of Internal Procedures and Conduct for Prohibition of Insider Trading in dealing with the Securities of MRPL" in its 200th meeting held on 29th October, 2015 and the same is displayed in the Company website, i.e., www.mrpl.co.in.

4.0 SEBI vide its notification dated 31/12/2018 amended SEBI (Prohibition of Insider Trading) Regulations, 2015. Accordingly, the Board approved the amended "Code of Internal Procedures and Conduct for Prohibition of Insider Trading in dealing with the Securities of MRPL" in its 200th meeting held on 29th October, 2015 and the same is displayed in the Company website, i.e., www.mrpl.co.in.

(x) CEO & CFO CERTIFICATION :

A certificate of the CEO & CFO of the Company in terms of the SEBI Listing Regulations, 2015 inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

(xi) ANNUAL BUSINESS RESPONSIBILITY REPORT (ABRR)

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, 2015, ABRR for the Financial Year 2018-19 forms part of the Annual Report.

(xii) DEMATERIALISATION OF SHARES AND LIQUIDITY

98.64% of the equity shares of the Company have been dematerialized (NSDL – 44.86 % and CDSL - 53.78%) as on 31/03/2019. 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.

(xiii) 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.

(xiv) 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.

(xv) 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.

(xvi) GOVERNANCE OF SUBSIDIARY COMPANY

The Company does not have a material subsidiary as on the date of this report, having a net worth exceeding 10% of the consolidated net worth or income of 10% of the consolidated income of your Company. The minutes of the Board Meeting of OMPL, the subsidiary company along with the details of significant transactions are placed before the Audit Committee and Board on a quarterly basis. The financial statements of the subsidiary companies are presented to the Audit Committee and Board on quarterly basis.

(xvii) GUIDELINES ON CORPORATE GOVERNANCE BY DPE

Department of Public Enterprises has issued Guidelines on Corporate Governance for Central Public Sector Enterprises which are now mandatory in nature.

No Presidential Directives have been issued during the period 1st April 2018 to 31st March, 2019. MRPL is complying with these guidelines to the extent possible.

(xviii) SECRETARIAL AUDIT REPORT

Secretarial Audit Report confirming compliance to the applicable provisions of Companies Act, 2013, SEBI Listing Regulations, 2015, DPE Guidelines and all other related rules and regulations relating to capital market has been obtained from a practicing Company Secretary forms part of the Board's Report.

(xix) SECRETARIAL COMPLIANCE REPORT

Secretarial Compliance Report certificate pursuant to Regulation 24(a) of SEBI (LODR) Regulations, 2015 has been obtained from M/s. Rathi & Associates, Practising Company Secretaries.

(xx) PAYMENT TO STATUTORY AUDITORS

Total Fees paid to the Joint Statutory Auditors for the Financial year 2018-19 was ₹ 84 Lakhs on consolidated basis.

12. MEANS OF COMMUNICATION:

i)	Quarterly Results	:	Quarterly Results of the Company are published in English, Hindi 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.
v)	Annual Report	:	Annual Report containing the Audited Annual Financial Statements, Directors' Report, Auditors' Report and Corporate Governance Report is sent to the shareholders. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report and is also displayed on the Company's website, i.e., www.mrpl.co.in
vi)	Chairman's Communiqué	:	Printed copy of the Chairman's Speech shall be 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.
vii)	Reminders to investors	:	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.
viii)	BSE Electronic Platform	:	The BSE Listing Centre is an online portal to all listed entities for filing their various compliances / submissions with the Exchange. 'Listing Centre' provides a single point resource for filing compliances / submissions and tracking past filings as well.
ix)	NSE Electronic Application Processing System (NEAPS)	:	The NEAPS is web based application designed by NSE for Corporates. The various compliances are filed electronically on NEAPS.
x)	SEBI Complaints Redress System (SCORES)	:	The investor complaints are redressed in a centralized web based complaints redressal system provided by SEBI.
xi)	Designated Exclusive email-id	:	Company has designated the e-mail-id investor@mrpl.co.in exclusively for investor servicing

13. GENERAL SHAREHOLDERS INFORMATION

a) 31st ANNUAL GENERAL MEETING

(i)	**Company Registration Details**	:	CIN : L23209KA1988GOI008959
(ii)	**Day, Date, Time and Venue**	:	Saturday, 3rd August, 2019 at 16:00 hours MRPL Employees Recreation Centre, Mudapadav, Post Kuthethoor, Via Katipalla, Mangaluru –575 030
(iii)	**Financial Year**	:	01/04/2018 to 31/03/2019
(iv)	**Date of Book Closure**	:	03/06/2019 to 07/06/2019 (both days inclusive)
(v)	**Dividend Payment Date**	:	Final Dividend would be paid on or after 03/08/2019, subject to approval by Annual General Meeting.
(vi)	**E-voting**	:	The Company has provided for remote e-voting facility to the shareholders in accordance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, provisions of the Companies Act, 2013 and the Rules made there under.

(vii) Listing on Stock Exchange

A)	Equity Shares INE103A01014	1)	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 **Scrip Code : 500109**
		2)	The National Stock Exchange of India Limited, Exchange Plaza, Bandra (E), Mumbai - 400 051 **Trading Symbol : MRPL**
B)	Payment of Listing Fees	:	Annual listing fee for the year 2019-20 has been paid by the Company to BSE Limited and National Stock Exchange of India Limited.
C)	Payment of Depository Fees	:	Annual Custody fees for the year 2019-20 have been paid by the Company to CDSL and NSDL.

(viii) Financial Calendar for Financial Year 2018-19:

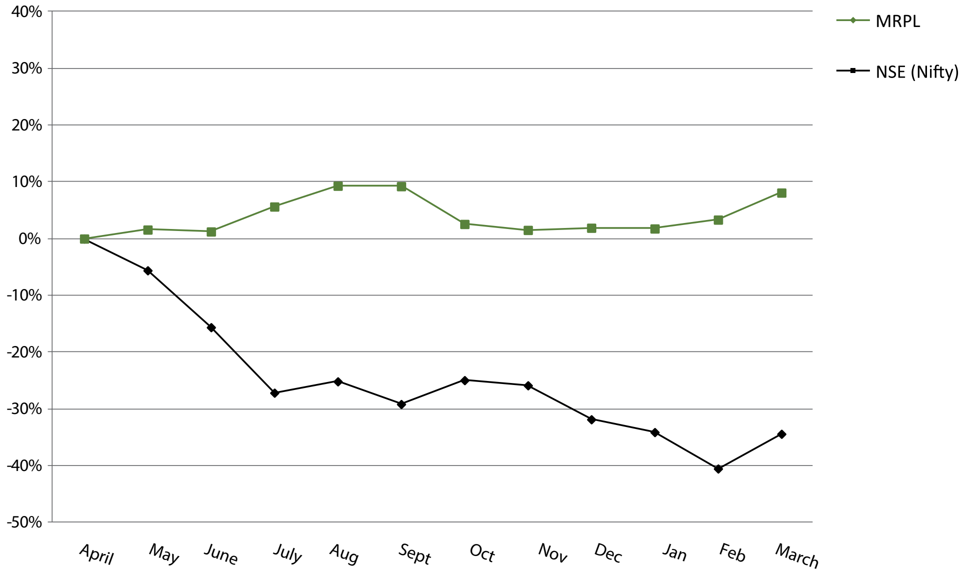
Particulars	Financial Year 2018-19		Financial Year 2019-20	
Accounting Period	01/04/2018 to 31/03/2019		01/04/2019 to 31/03/2020	
Announcement of Financial Results	1st Quarter	03/08/2018	First three Quarters	Announcement within 45 days from the end of each quarter
	2nd Quarter	14/11/2018		
	3rd Quarter	07/02/2019		
	4th Quarter & Annual Financial Results	13/05/2019	Fourth Quarter & Annual Financial Results	Announcement within 60 days from the end of the financial year.

(ix) Market Price Data

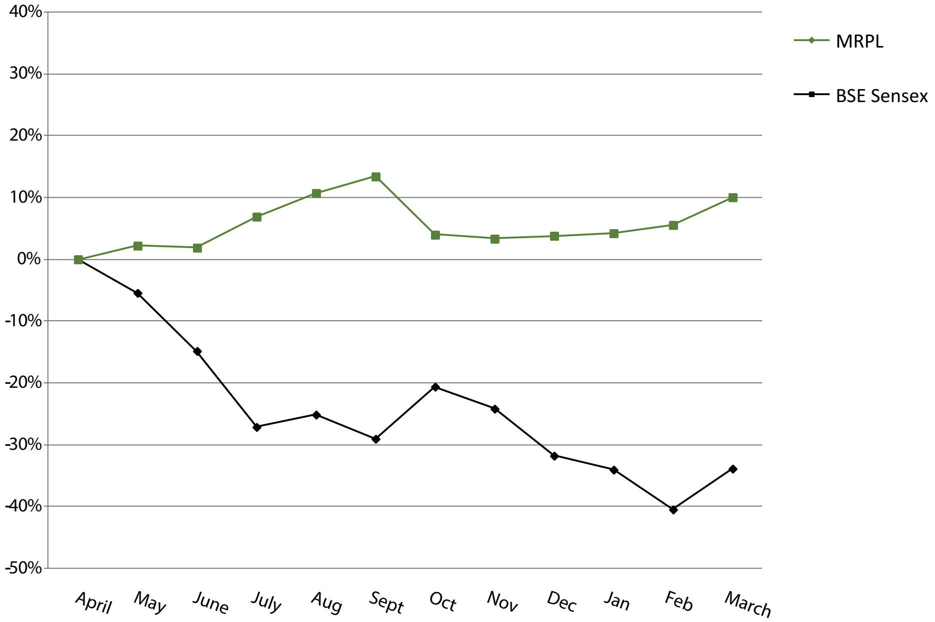
Month (2018-2019)	BSE Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-18	115.05	102.65	115.25	102.7
May-18	108.80	92.70	108.8	92.45
Jun-18	98.00	76.95	97.25	76. 50
Jul-18	83.85	73.50	83.95	73.35
Aug-18	86.15	79.00	86.25	78.85
Sep-18	81.65	70.30	81.65	70.15
Oct-18	91.35	61.25	86.5	61.25
Nov-18	87.25	72.10	85.45	72.05
Dec-18	78.50	69.35	78.55	69.50
Jan-19	75.90	66.75	75.95	66.65
Feb-19	68.50	60.00	68.55	62.00
Mar-19	76.10	65.30	75.60	65.10

(x) Performance in comparison to broad based indices such as NSE NIFTY and BSE SENSEX:

NSE (NIFTY) 2018-19



BSE SENSEX 2018-19



The Market Capitalization of MRPL as on 31/03/2019 was ₹ 13022 Crore.

(xi) Registrar and Transfer Agent: M/s Link Intime India Private Limited., C 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai – 400 083, Email ID: mrplirc@linkintime.co.in.

(xii) 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 SEBI Listing Regulations, 2015, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

Years	No. of transfer deeds processed	No. of shares transferred
2018-19	2132	389675
2017-18	1497	275550
2016-17	897	170675

(xiii) Transfer of unclaimed Amount of Dividend and Shares to Investor Education and Protection Fund (IEPF):

Pursuant to the provisions of IEPF Rules and the applicable provisions of the Companies Act, 2013, the company has transferred the unpaid or unclaimed dividend for the years 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11 on due dates to the Investor Education & Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the company has uploaded the details of unpaid and unclaimed dividend amount lying with the company as on 11/08/2018 (date of last Annual General Meeting) on the website of the company (www.mrpl.co.in) and also on the website of the Ministry of Corporate Affairs.

Unclaimed dividend for FY 2011-12 will be due for transfer to the Investor Education and Protection Fund (IEPF) on 20/10/2019 pursuant to the provisions of the Companies Act, 2013.

MCA vide its Notification dated 05/09/2016 has notified Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 on 28/02/2017. Pursuant to the provisions of these Rules, 14562735 shares in respect of whom the dividend hasn't been claimed by the shareholders, has been credited to DEMAT Account of the Authority. IEPF transferred 450 shares claimed by the Shareholder to their respective accounts. As on 31/03/2019 14562285 are lying in the Demat Account of IEPF Authority.

(xiv) Distribution of Shareholding as on 31/03/2019.

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	123454	194728	22801117	32377865	1.3010	1.8474
501 - 1000	533	11949	402850	9551662	0.0230	0.5450
1001 - 2000	95	4540	139055	6870780	0.0079	0.3920
2001 - 3000	9	1341	23100	3456955	0.0013	0.1972
3001 - 4000	4	564	14500	2025599	0.0008	0.1156
4001 - 5000	10	424	47850	1996050	0.0027	0.1139
5001 - 10000	8	606	58400	4403394	0.0033	0.2512
10001 & above	8	453	343200	1668086400	0.0196	95.1779
Total	**124121**	**214605**	**23830072**	**1728768705**	**1.3597**	**98.6403**

(xv) Shareholding Pattern as on 31/03/2019:

Particulars	No. of Shares	Percentage
Oil and Natural Gas Corporation Ltd.	1255354097	71.63
Hindustan Petroleum Corporation Ltd.	297153518	16.96
Resident Individuals	81898334	4.67
Non Resident Individuals	6568336	0.37
Domestic Companies	9270715	0.53
Foreign Inst. Investor / Foreign Portfolio Investor (Corporate) / Foreign Nationals	30665581	1.75
GIC & Subsidiaries/Banks/Foreign Bank & Financial Institutions/Insurance/Mutual Funds/NBFCs registered with RBI	54850538	3.13
Investor Education And Protection Fund	14562285	0.83
Central/State Govt. Institutions	2900	0.00
Trusts	51550	0.00
Clearing Members	659128	0.04
Hindu Undivided Family	1561795	0.09
Total	**1752598777**	**100.00**

(xvi) Unclaimed/Undelivered Shares as on 31/03/2019:

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.	9494	1058340
2	Addition - Number of shareholders whose shares lying undelivered / unclaimed during the year (April, 2018 to March, 2019).	247	24600
3	Number of shareholders who approached the Company for their undelivered /unclaimed shares during the year and share issued.	173	17300
4	Shares transferred to IEPF Authority (from unclaimed response Account)	8339	990575
5	Aggregate number of shareholders and the outstanding shares in the "Unclaimed Share Suspense Account" lying at the end of the year.	1229	75065
6	The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.		

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

(xviii) Refinery Location : **Mangalore Refinery and Petrochemicals Limited**
Mudapadav, Post Kuthethoor, Via Katipalla,
Mangaluru - 575 030, Karnataka, India.

(xix) Address for Correspondence:

Shri Dinesh Mishra
Company Secretary, Compliance Officer & Chief Investor Relation Officer
Mangalore Refinery and Petrochemicals Limited
Mudapadav, Post Kuthethoor, Via Katipalla,
Mangaluru-575 030, Karnataka.
Tel.: No.:0824-2883200/01 Email: investor@mrpl.co.in. Website: www.mrpl.co.in

- **REGISTERED OFFICE/ COMPANY'S INVESTOR RELATIONS CELL:**

  Mudapadav, Post Kuthethoor, Via Katipalla,
  Mangaluru-575 030, Karnataka.
  Tel.: No.:0824-2270400 Email: investor@mrpl.co.in. Website: www.mrpl.co.in

- SCOPE Complex,
  7th Floor, Core-8, Lodhi Road,
  New Delhi-110003.
  Tel.: 011-24306400 Email: investor@mrpl.co.in Website: www.mrpl.co.in

- Maker Towers,
  15th Floor, "E" Wing, Cuffe Parade, Mumbai – 400005.
  Tel.: 022-22173000, Email: investor@mrpl.co.in
- Plot A-1, Opp. KSSIDC A.O. Building, Industrial Estate,
  Rajajinagar, Bengaluru – 560010 (Karnataka).
  Tel.: 080-22642200 Email: investor@mrpl.co.in Website: www.mrpl.co.in

- **M/s. LINK INTIME INDIA PVT LTD.,** (R&T Agent)
  UNIT: MRPL
  C 101, 247 Park,
  L.B.S Marg, Vikhroli West, Mumbai- 400 083
  Tel.: +91 22 49186000, Fax No.: +91 22 49186060
  E-mail: mrplirc@linkintime.co.in
  Website: www.linkintime.co.in

Board and Committee Composition as on 31st March, 2019

Name	Board	Audit	CSR	Nomination, Remuneration and HRM Committee	Stakeholders Relationship Committee	Project Appraisal and Execution Committee
Shri Shashi Shanker	C					
Shri M. Venkatesh	M		M		M	M
Shri Vinod S. Shenoy	M					M
Shri K.M. Mahesh	M	M		M		
Shri Sanjay Kumar Jain	M					M
Ms. Manjula C.	M		C		M	
Shri V.P. Haran	M	C		M	M	M
Shri Sewa Ram	M	M	M			C
Dr. G.K. Patel	M		M	M	C	M
Shri Balbir Singh	M	M		C		
Shri Vivek Mallya	M	M				M
Shri Subhash Kumar	M					M

C - Chairperson, M - Member

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members,
Mangalore Refinery and Petrochemicals Limited
Mangaluru

1. We have examined the compliance of conditions of Corporate Governance by Mangalore Refinery and Petrochemicals Limited for the year ended on 31st March 2019 as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 and as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India.

2. 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 Corporate Governance as stipulated in the said Listing Regulations and Guidelines. It is neither an audit nor an expression of opinion on the financial statements of the company.

3. In our Opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and DPE guidelines **except for the following:**

I. Constitution of Board of Directors - at least 50% of board shall be Independent directors.

The actual composition of board during the year was as follows:

PERIOD	TOTAL NO. OF DIRECTORS	REQUIREMENT OF INDEPENDENT DIRECTOR	NO. OF INDEPENDENT DIRECTORS PRESENT
01.04.2018 to 14.05.2018	12	6	5
15.05.2018 to 31.05.2018	13	7	5
01.06.2018 to 11.12.2018	12	6	5
12.11.2018 to 06.01.2019	11	6	5

For **SREEDHAR, SURESH & RAJAGOPALAN LLP**
Chartered Accountants
Firm Registration Number: 003957S/S200145

Sd/-
CA.S. SUBRAMANIAM
PARTNER
Membership no: 025433

For **MANOHAR CHOWDHRY & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 001997S

Sd/-
CA. P. VENKATARAJU
PARTNER
Membership no: 225084

Place: New Delhi
Date: 13th May, 2019

CEO and CFO Certification

We the undersigned, in our respective capacities as CEO/Managing Director/Director (Finance) and CFO of Mangalore Refinery and Petrochemicals Limited ("the Company") to the best of our knowledge and belief certify that:

A. We have reviewed financial statements and the cash flow statement for the financial period ended 31st March 2019 and that to the best of our knowledge and belief, we state that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;

2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

B. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the financial year ended 31st March 2019, which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the company and have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit committee:

1. Significant changes, if any, in internal control over financial reporting during the financial year ended 31st March 2019.

2. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
S. Raviprasad
GGM (Finance) & CFO
PAN: ABCPR0096G

Sd/-
M. Venkatesh
Managing Director & CEO
Additional Charges-Director (Refinery) and Director (Finance)
DIN: 07025342

ANNUAL BUSINESS RESPONSIBILITY REPORT (ABRR)

SECTION A: GENERAL INFORMATION

1.	**Corporate Identity Number (CIN) of the Company**	:	L23209KA1988GOI008959
2.	**Name of the Company**	:	Mangalore Refinery and Petrochemicals Limited
3.	**Registered address**	:	Mudapadav, Post Kuthethoor, Via Katipalla, Mangaluru-575 030, Karnataka
4.	**Website**	:	www.mrpl.co.in
5.	**e-mail id**	:	investor@mrpl.co.in
6.	**Financial Year reported**	:	2018 -19
7.	**Sector(s) that the Company is engaged in (industrial activity code-wise)***	:	Petroleum and Petrochemicals

Group	Class	Sub-Class	Description
232	2320		Manufacture of refined petroleum products
		23201	Production of liquid or gaseous fuels, illuminating oils, lubricating oils or greases or other products from crude petroleum.
		23209	Manufacture of other petroleum products viz. petroleum bitumen.
			Petrochemicals - Polypropylene.

*As per NIC-2004-Ministry of Corporate Affairs

8. List three key products/services that the Company manufactures/provides (as in balance sheet)

- High Speed Diesel (HSD)
- Motor Spirit (MS)
- Aviation Turbine Fuel

9. Total number of locations where business activity is undertaken by the Company : 10

i Number of International Locations (Provide details of major 5) : Nil

ii Number of National Locations :

- MRPL carries out its main business activities including manufacturing activities at one location namely Mangaluru in the State of Karnataka.
- MRPL carries out its Marketing activities from the Marketing Head Office located in Bengaluru. Marketing also has 3 Regional Offices, one each at Mangaluru, Bengaluru and Mumbai which carries out diverse marketing functions like Consumer Sales, Retail Sales and Petrochemicals Sales.
- 7 Retail Outlets, one each at Maddur, Hubli, Mandya, Tumkur and 3 are at Mangaluru in the State of Karnataka.
- 3 depots, one each at Kasargod (Kerala), Hindupur (Andhra Pradesh) and Hosur (Tamil Nadu).
- 1 Polypropylene (PP) warehouse at Hassan in the State of Karnataka.

10. Markets served by the Company – Local/State/ National/International : MRPL is primarily marketing its products in the Indian market and has long term product supply contract with Mauritius, in addition to tendered exports.

SECTION B: FINANCIAL DETAILS (FY 2018-19)

1.	**Paid up Capital**	:	₹ 1,753 Crore
2.	**Total Turnover**	:	₹ 72,283 Crore
3.	**Profit After Tax (PAT)**	:	₹ 332 Crore

4. Total Spending on Corporate Social Responsibility (CSR).

The Company has spent ₹ 31.32 Crores on CSR during the year 2018-19

5. List the activities in which the CSR expenditures has been incurred.

The major areas in which the above expenditure has been incurred includes education, health care, livelihood support, swachh bharat, community development projects and environment protections.

SECTION C: OTHER DETAILS

1 **Subsidiary Company.**

The Company has only one subsidiary Company viz., ONGC Mangalore Petrochemicals Limited (OMPL). The Company holds 51% of share capital of OMPL.

2 **Participation of Subsidiary Company/Companies in the BR Initiatives of the parent company.**

Since OMPL is a separate entity, it carries out Business Responsibility initiatives on its own as per the policies applicable to the Company.

3 **Participation and percentage of participation of other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the business responsibility initiatives of the Company.**

MRPL being a listed PSE conducts and governs itself with ethics, transparency and accountability as per policies mandated by DPE Guidelines on Corporate Governance, SEBI Listing Regulations, 2015 and other guidelines and policies of the DPE in particular and GOI, in general. MRPL also pursues some policy initiatives voluntarily and these stakeholders help MRPL in achieving its business responsibility. It is difficult to establish the extent their support helps in facilitating the MRPL's business responsibility initiative.

SECTION D: BR INFORMATION

1 **Details of Director/Directors responsible for BR**

a) Details of the Director/Director responsible for implementation of the BR policy/policies

Shri M. Venkatesh, Managing Director & Occupier [holding additional charge of Director (Refinery) and Director (Finance)]

b) DIN : 07025342

Details of the BR head

Sl. No.	Particulars	Details
1	DIN	07025342
2	Name	Shri M. Venkatesh
3	Designation	Managing Director
4	Telephone Number	0824-2270400
5	E- mail Id	venky_m@mrpl.co.in

2. **Principle (P)-wise (as per NVGs) BR Policy/policies**

P 1	Business should conduct and govern themselves with Ethics, Transparency and Accountability
P 2	Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P 3	Business should promote the well-being of all employees.
P 4	Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
P 5	Business should respect and promote human rights.
P 6	Business should respect, protect and make efforts to restore the environment.
P 7	Business, when engaged in influencing public and regulatory policy, should do so in responsible manner.
P 8	Business should support inclusive growth and equitable development.
P 9	Business should engage with and provide value to their customers and consumers in a responsible manner.

Sl. No.	Questions	Business ethics	Product Responsibility	Well being of employees	Stakeholders engagement	Human Rights	Environment	Public policy	Corporate Social Responsibility	Customer Relations
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	**Do you have policy/ policies**	Yes MRPL being a listed PSE conducts and governs itself with ethics, transparency and accountability as per policies mandated by DPE Guidelines on Corporate Governance, SEBI Listing Regulations, 2015 and other guidelines and policies of the DPE in particular and GOI, in general.	Yes Product quality manuals (Related to product quality as per BIS / international specifications)	Yes The Company has a wide range of HR policies covering all employee.	Yes The Company has Stakeholders Relationship Committee (SRC) which address the concern of its holders.	Yes All policies of the Company take into account the human rights of not only employee but also people likely to be affected by the operations of the Company.	Yes	MRPL is not engaged in influencing public and regulatory policy. However, being a PSE, it conducts its business in a responsible manner and always pursues the best ethical business practices.	Yes	Yes
2	**Has the policy being formulated in consultation with the relevant stakeholders?**	Yes	Yes	Yes	Yes	MRPL being a Public Sector enterprise is guided by the policies of GOI.	Yes	Yes	Yes. The CSR and SD Policy is in compliance with the provisions of the Companies Act, 2013 and DPE Guidelines.	Yes
3	**Does the policy conform to any national / international standards? If yes, specify?**	Yes The Policy and laid down procedures conform to statutes and policies of the Govt. of India, DPE and other statutory bodies.	Yes (As per BIS / International specifications and Standards)	Yes	Yes The Policy and laid down procedures conform to the statutes and policies of GOI.	Yes The Policies are in line with the national standards and relevant international standard for its operations and business pursuit.	Yes (ISO 14001: 2004 Standards)	Yes The Company pursues its business in a responsible manner.	Yes Conforms to DPE Guidelines	Yes (ISO:9001 for Quality and ISO:14001 for environment)
4	**Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/CEO/ appropriate Board Director?**	Yes All policies mandated by GOI, DPE and other Indian Statutory bodies are followed by Company after due approval from the Company's Board.	Yes, the policies have been approved by the Board and signed.	Yes, the policies have been approved by the Board and signed.	Yes, the policies have been approved by the Board and signed.	Yes, the policies have been approved by the Board and signed.	Yes, the policies have been approved by the Board and signed.	Yes. The Company follows the policies of GOI. All the policies of the Company are approved by its Board of Directors. The Policy has been signed.	Yes, the policies have been approved by the Board and signed.	Yes, the policies have been approved by the Board and signed.

Sl. No.	Questions	Business ethics	Product Responsibility	Well being of employees	Stakeholders engagement	Human Rights	Environment	Public policy	Corporate Social Responsibility	Customer Relations
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
5	**Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?**	Yes	The Board Committees oversee the compliance and implementation of the policy.	Yes The same is overseen by Nomination and Remuneration Committee and Human Resource Management Committee	Yes The same is overseen by CSR and SD Committee and Stakeholders Relationship Committee.	Yes	Yes The Company has an ORC/ HSE Committee to oversee the implementation of the Policy.	Yes. The Company has a number of Board Committees as detailed in Corporate Governance Report.	Yes The same is overseen by CSR and SD Committee.	Yes
6	**Indicate the link for the policy to be viewed online?**	Whistle Blower Policy and Integrity Pact could be viewed in www.mrpl.co.in	www.mrpl.co.in	Available at Employee Portal	www.mrpl.co.in	www.mrpl.co.in	www.mrpl.co.in	The various policies of the Company can be assessed at www.mrpl.co.in	www.mrpl.co.in	www.mrpl.co.in
7	**Has the policy been formally communicated?**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8	**Does the company have in-house structure to implement the policy /policies**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	**Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	**Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?**	The implementation of SEBI Listing Regulations, 2015 with regard to Corporate Governance is audited by the Statutory Auditors.	Yes	Yes	Yes	Yes	Yes ISO system Audits are in place.	Yes The Company being a PSE is subject to CAG Audit.	Yes	Yes

Sl. No.	Questions	Business ethics	Product Responsibility	Well being of employees	Stakeholders engagement & CSR	Human Rights	Environment	Public policy	CSR	Customer Relations
		P1	P2	P 3	P 4	P 5	P 6	P7	P8	P 9
1	The company has not understood the Principles	NOT APPLICABLE								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

- **Frequency of the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company**

  The Board annually assesses the Business Responsibility performance of the Company.

- **Publishing a BR or a Sustainability Report, frequency and hyperlink of published reports.**

  Business Responsibility Report for 2018-19 as required by Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 forms part of 31st Annual Report. The same is also available on the Company's website at www.mrpl.co.in

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1- Ethics, Transparency and Accountability

1. **Coverage of policy relating to ethics, bribery and corruption cover only the company and its extension to Group/ Joint Ventures / Suppliers / Contractors / NGOs /Others.**

   The Company policy relating to ethics, bribery and corruption covers the company, employees and directors, suppliers, contractors, NGOs and other stakeholders.

2. **Stakeholder complaints received in the past financial year and what percentage of complaints satisfactorily resolved by the management.**

   The Company has a Stakeholder Relationship Committee. The Committee specifically looks into redressing Shareholders and Investors complaints pertaining to transfer/transmission of shares, non – receipt of annual report, dividends payments, issue of duplicate share certificates and other issues as per the terms of reference. The company has received 103 investor complaints during the Financial Year 2018-19 of which 98 complaints have been resolved and 05 complaints were pending as on 31/03/2019 which were subsequently resolved.

Principle 2- Product Lifecycle Sustainability

1. **List upto 3 products or services whose design has incorporated social or environmental concerns, risks and/or opportunities**.

   High Speed Diesel (HSD), Motor Spirit (MS) and Aviation Turbine Fuel (ATF).

2. **Details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

   i. **Reduction during sourcing / production/ distribution achieved since the previous year throughout the value chain**

      a) As a part of continued efforts towards energy conservation, a number of Energy Conservation projects have been implemented during 2018-19 in the refinery. These measures resulted in Estimated Fuel savings (Standard Refinery Fuel equivalent) of 11,148 SRFT/Year, equivalent to a net saving of nearly ₹ 1220 Lakhs/year.

b) Refinery has achieved the MBN (Mean Barrel No) of 74.27 during the year against the previous year's MBN of 77.06.

c) As per Auto Fuel Vision and Policy, BS IV is progressively available across the country since April 2017. Supply of low sulphur transportation fuels (MS / HSD) have resulted in lowering the negative impact on the environment

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year

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

ii. Major Energy Conservation measures taken during the year and their impact mentioned in **"Annexure D"** of Board's Report.

3. Procedures in place for sustainable sourcing (including transportation) and percentage of inputs sourced sustainably.

One of the major inputs to the process is power. The company has set up a 6.06MWp Rooftop Solar Power Plant in its premises for captive use. This has resulted in corresponding decrease in power consumption from non-sustainable sources. The company is targeting to continuously increase the use of renewable power in the coming years.

4. Steps taken to procure goods and services from local & small producers, including communities and capability building activities undertaken for local and small vendors.

The company being in the business of crude oil refining, most of the procurement of equipments, spares and chemicals are always sourced from established sources. These inputs are not available in the local area where the refinery is situated. However certain services like housekeeping, garden work were procured from local community. The Company also undertakes skill development programs and vendor development activities.

5. Mechanism to recycle products and waste and the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).

- MRPL aims to reuse/recycle the waste including waste water generated at the site by adapting various technology measures. Slop oil generated from process units and oily sludge is reprocessed in Crude Distillation Units and Delayed Coker Unit. During 2018-19, approximately 960 MT of oily sludge was treated in Delayed Coker Unit (DCU).
- Waste water generated in the Refinery is treated in the Waste Water Treatment Plants. The treated water is reused as makeup water in Cooling Towers. During 2018-19, the refinery has recycled around 78% of waste water generated.
- Spent catalyst from PFCC unit is sent for co-processing in Cement Industries, while other spent catalysts are sent to the authorized recyclers for recovery of noble and other precious metals.
- To treat the organic waste generated from the Refinery Canteen and Colony, Biogas Plant has been installed. The biogas generated is used for cooking purpose in the main canteen.
- Treated Effluent samples are monitored ensuring the compliance of effluent standards before discharging outside the Refinery premises.
- Treated sewage water from Mangalore city being received in the refinery and after proper treatment, it is being used in the cooling towers.

Principle 3- Employee Well-being

1. Total number of employees

1943

2. Total number of employees hired on temporary/contractual/casual basis

3050 approx. employees on contractual basis

3. Number of permanent women employees

128

4. Number of permanent employees with disabilities

29

5. Do you have an employee association that is recognized by management

Yes. The details are given below:

a) Management Staff Association (MSA)

b.) MRPL Employees Union (MEU)

c.) MRPL SC/ST Employees Welfare Association (MSSEWA)

d.) Women in Public Sector (WIPS)

e.) MRPL OBC Employees Welfare Association (MOEWA)

6. **Percentage of your permanent employees is members of this recognized employee association?**

   100%

7. **Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sl. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. **Percentage of your under mentioned employees were given safety & skill up-gradation training in the last year.**

   During the Year 2018-19, the Company devoted 4446 Mandays for training, development and learning, which amounts to 2.9 Mandays per employee for Management staff and 1.8 Mandays per employee for Non-Management staff.

Principle 4- Stakeholder Engagement

1. **Mapped its internal and external stakeholders.**

   Yes, the stakeholders have been mapped as under:

   a. Investors and shareholders

   b. Employees

   c. Local Community

   d. Suppliers & Customers

   e. Government regulatory authorities

2. **Identification of the disadvantaged, vulnerable & marginalized stakeholders.**

   MRPL follows the guidelines issued by Department of Personnel and Training (DOPT) and list of identified posts reserved for Persons with disabilities issued by Ministry of Social Justice and Empowerment (Govt. of India) for employment of Persons with disabilities.

3. **Special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders.**

   MRPL frequently conducts special recruitment drive to reduce the shortfall of numbers in reserved category.

Principle 5- Human Rights

1. **Coverage of the policy of the Company on human rights cover and its extension to the group/or Joint Venture/ Suppliers/Contractors/NGOS/Others.**

   MRPL is a Central Public Sector Enterprise and is guided by Government guidelines and applicable statutes which protect Human Rights in general as well as extend to its other stakeholders.

2. **Stakeholder complaints received in the past financial year and percentage of complaints satisfactorily resolved by the management.**

   There were no complaints received on violation on Human Rights during the year 2018-19.

Principle 6- Environmental management

1. **Coverage of the policy related to Principle 6 and its extension to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others.**

   Nurturing and safeguarding the environment for long term sustainability is the primary objective of MRPL's environment policy. Though the policy covers only the company, the company strives to inculcate the responsibility of environment preservation and management amongst other stakeholder groups such as Contractors, Suppliers and Local Community for sharing the responsibility towards environmental protection.

2. **Company's strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.**

   1. MRPL incessantly thrives for improving its business excellence and has improved in making positive environmental impact. MRPL keeps yearly track of the Carbon foot print with respect to refining per metric ton crude. MRPL indigenously undertakes energy conservation measures as detailed below.

      a) HCU II Shell PFI

         Implementation of Diesel Pump around in Hydrocracker -II Recycle Splitter Column

         Heat recovery from Hydrocracker-2 Unconverted Oil by Cold Demineralized Water.

      b) O2 enrichment for Sulphur Recovery Unit-2(SRU):

By routing O2 enriched air from Nitrogen unit to SRU thermal reactor, the unit has been able to process more feed thereby increasing the steam generation.

c) Crude Distillation Unit Phase I high capacity motor replacement:

Replacing the existing motor with a higher capacity motor for handling higher Reduced Crude Oil (RCO) from 280m3/hr. to 360m3/hr. Single pump operation as against two pump operation leading to lower power consumption.

d) Excess Air Reduction in CPP 3 Utility Boilers

e) Flue Gas Outlet temperature Reduction at outlet of HRSG 1 and 2.

f) Boiler Feed water header pressure reduction by destaging the boiler water feed pump from 13 stages to 12 stages.

g) Replacement of inefficient lighting fixture with energy efficient fixtures in non-shop floor area (Partly completed additional replacement during 2019-20).

h) Replacement of HPMV and HPSV lights with energy efficient fixtures in plant area (Partly completed).

i) Reduction of Vacuum column top pressure –CDU I

j) Stoppage of stripping steam in LGO&HGO strippers, optimisation of stripping steam in CDU I

k) Stoppage of Heavy Gas Oil Stripping Steam in CDU II

These measures resulted in estimated fuel savings (Standard Refinery Fuel equivalent) of 11148 SRFT/Year, equivalent to a net savings of nearly Rs. 1220 Lakhs/year.

2. MRPL has reduced more than 2% of fuel used to process a barrel of crude as MBN number and the same is continuously monitored.

3. MRPL implemented PAT (Perform Achieve Trade) and achieved the PAT MBN target for 2018-19. The actual MBN achieved during 2018-19 was 74.27.

3. Identification and assessment of potential environmental risks.

MRPL has a well-defined process for managing its risks on an ongoing basis. MRPL has Enterprise Risk Management System in place. The risks are assessed and mitigation plans are prepared. The risks are monitored periodically by the Top Management.

4. Company's initiative towards Clean Development Mechanism?

The Company is yet to take up projects under the Clean Development Mechanism. However, the company has been successful in reducing its GHG emissions by implementing number of energy conservation measures and by reducing flaring. MRPL has appointed M/s Deloitte to carry Carbon Foot Printing (CFP) of refinery and to identify CDM project opportunities for future endeavors.

5. Company's initiatives on – clean technology, energy efficiency, renewable energy, etc.

a) The Company had embarked on a drive to replace inorganic fertilizer with in-house organic fertilizer produced by Vermicompost of MRPL horticulture debris. This novel attempt is being made to replace the usage of inorganic fertilizer within Refinery premises.

b) The Company is setting up Desalination Plant at Tannirbhavi, Mangalore of capacity 70 MLD.

c) The Company is planning to install Vapour Recovery System at Retail Outlets

d) The Company has completed EIA study in respect of the proposed State of Art 2G Ethanol Plant to be located at Davanegere, Karnataka and is in the process of conducting Public Hearing for the same. The said 60 KLPD Ethanol plant is an initiative in support of National Bio Fuel policy. The methodology adopted for the same is by conversion of agricultural residue to environment friendly blend stock for Gasoline.

6. Reporting on the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB.

The emissions/ waste generated by the company are within the permissible limits given by CPCB/ SPCB norms. The reports are being submitted periodically to the Karnataka State Pollution Control Board (KSPCB).

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year 2018-19.

Nil.

Principle 7- Public Advocacy

1. Representation in any trade and chamber or association.

Yes, the company is having membership in the following Associations / Bodies

1. Confederation of Indian Industry (CII)
2. Standing Committee on Public Enterprises (SCOPE)

3. Petroleum Conservation Research Association (PCRA)
4. National Accreditation Board of Testing and Calibration Laboratories (NABL)
5. Federation of Indian Petroleum Industry
6. Federation of Indian Export Organizations (FIEO)

2. **Advocated/lobbied through above associations for the advancement or improvement of public good.**

   The Company is actively participating in Programs conducted by the association for improvement of public good.

Principle 8: Inclusive Growth.

1. **Specified programs/initiatives/projects in pursuit of the policy related to Principle 8.**

   MRPL has a CSR & SD Policy with a thrust on inclusive growth and community development. Various CSR initiatives were taken by the company as per CSR/ SD policy (details furnished in Boards' Report **"Annexure-A"** to Board Report**)**.

2. **Programs/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization.**

   The CSR Projects are implemented by the Company.

3. **Impact assessment for initiatives.**

   Impact assessment is carried out after completion of the project, by taking feedback from the beneficiaries. Feedback is obtained from schools regarding improvement of attendance, academic performance of the students, improvements in extra-curricular activities of the students etc., to analyse the impact of the CSR projects on the beneficiary schools where construction of class rooms, science/ computer laboratories, toilets, distribution of scholarship, uniform, books, furniture like class room desks/ benches, computers etc., are taken up. Similarly, feedback on improvement of the living standard of the village residents is taken from the Grama Panchayaths, where various CSR projects are taken up such as construction of roads, installation of solar street lights, smoke free village, Pipe Compost, drinking water projects, Primary health centers etc.

4. **Company's direct contribution to community development projects.**

   An expenditure of ₹ 31.32 Crore has been incurred by MRPL during 2018-19 towards community development projects pertaining to Swach Bharath Abhiyaan, education, healthcare, rural development, livelihood support etc.

5. **Steps to ensure that this community development initiative is successfully adopted by the community.**

   The CSR initiative taken up by the company has been successfully adopted by the community. There are lots of improvements in the area of education, sanitation, health, infrastructure development, environment in rural and downtrodden communities of the society. The quality of living with respect to hygiene has improved in rural SC/ST communities. Smoke free village programme initiative taken by the company has helped in improving the health condition of the women in village. Solar street lights installed in villages have helped the villagers to save energy. Construction of Anganawadis has helped in nurturing the children and pregnant women. Physically handicapped persons are supported with the help of artificial limb in the camp organized by MRPL and also with the aids and equipments provided through the District Health Department. Villagers are benefitted by the services of the doctor & free medicines are given by MRPL in the neighbouring two villages.

Principle 9: Value for Customers.

1. **Percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   Nil

2. **Product information on the product labeling.**

   Polypropylene bags provide Grade, Batch No., Bag No. and Company Logo with Address and Communication details, Bag handling information.

3. **Case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as at end of financial year.**

   Nil

4. **Consumer survey/ consumer satisfaction trends carried out by the Company.**

   Customer satisfaction survey conducted for FY 2018-19 for direct sales customers yielded result of 97.18%.

INDEPENDENT AUDITOR'S REPORT

To the members of
MANGALORE REFINERY AND PETROCHEMICALS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

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 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended on that date and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the relevant rules issued thereunder, of the state of affairs (financial position)of the Company as at 31st March 2019, the profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

Key Audit Matters

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

KEY AUDIT MATTER	Contingent liabilities
CRITERIA FOR DISCLOSURE AS KEY AUDIT MATTER	Uncertainty of the outcome & the disputed amount involved
PRESENT STATUS	**AUDIT APPROACH**
As per Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets, a contingent liability is a possible obligation arising from past events, the outcome of which will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events (Ind AS 37). There are several claims and litigations against the company which in the judgement of the management would not eventually lead to a liability. Hence no provision is made in the accounts for the year under audit. Should there be an adverse outcome, the Company may be liable to pay the disputed amount which may carry interest and/or penalty as decided by the adjudicating authority/statutory authority/court of law.	As per the standard, once recognized as a contingent liability, an entity should continually assess the probability of the outflow of the future economic benefits relating to that contingent liability. If the probability of the outflow of the future economic benefits changes to more likely than not, then the contingent liability may develop into an actual liability and would need to be recognized as a provision. We have reviewed the list of claims and litigations against the company and considered the present status and probability of the outflow of the future economic benefits from the available records and taken written representations. Based on the information provided to us, that the contingent liabilities as mentioned in Note 45 of the Standalone Financial Statements fairly reflect the current position and no provision is called for at this stage.

KEY AUDIT MATTER	Impairment of Assets
CRITERIA FOR DISCLOSURE AS KEY AUDIT MATTER	Assumptions based on technical feasibility, economic feasibility and estimated future cash flows
PRESENT STATUS	**AUDIT APPROACH**
As per Ind AS 36- Impairment of Assets, for investments in subsidiaries, joint ventures or associates, impairment has to be done when the carrying amount of such investment in the separate financial statement is higher than the carrying amount in the consolidated financial statements of the investee's net assets, including associated goodwill. ONGC Mangalore Petrochemicals Limited being the subsidiary of Mangalore Refinery and Petrochemicals Limited, has incurred continuous losses which has led to erosion of net worth of the company. It has started making profits only in the last quarter of the current financial year. The management of ONGC Mangalore Petrochemicals Limited has estimated that it will make profits in the upcoming years based on various assumptions and projections which are subject to uncertainties.	We have reviewed assumptions taken for projecting the future cash flows and the basis of criteria for the underlying preparation of these projections. Based on the representations provided to us by the management and the Statutory auditor of the subsidiary company, no impairment is required for the investments made in the subsidiary as at the end of the financial year. (Refer note no. 10 of the Standalone Financial statements).

KEY AUDIT MATTER	Actuarial Gains/ Losses
CRITERIA FOR DISCLOSURE AS KEY AUDIT MATTER	Assumptions taken for valuation of actuarial gain/losses
PRESENT STATUS	**AUDIT APPROACH**
As per Ind AS 19- Employee Benefits, Actuarial gains or losses refers to an increase or decrease to a company's estimate of their projected defined benefit obligation as a result of the periodic revaluation of assumptions. This involves a high degree of subjectivity and complexity. The Company uses a range of actuarial methodologies and methods to estimate these provisions. It requires significant judgement relating to certain factors and assumptions which include, but are not limited to, interest rates, inflation trends, rate of increase in salary, regulatory decisions, rate of employee turnover, historical claims information, mortality rate during and after employment and the growth of exposure.	We have reviewed the projections and assumptions made by the company for providing for the actuarial valuation. We have also tested the completeness and accuracy of the underlying data that was provided to the actuaries against a source documentation. Based on the data provided to us and the review made by us, the actuarial estimate of the provision required for employee benefit appear reasonable. (Refer note no. 40 of the Standalone Financial statements).

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including Annexures to Director's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards (Ind AS) specified under section 133 of the Companies Act, 2013.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in **Annexure – A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   a. The company processes all the accounting transactions through IT system. As there were no accounting transactions processed outside the IT system for the year ended 31st March 2019 closure, no financial implications arise to impact the integrity of accounts.

   b. There is no restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan.

   c. Government grants in the form of interest free loans received from the State Government have been properly accounted and utilized as per terms and conditions.

3. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid standalone financial statements have been kept by so far as it appears from our examination of those books and the reports of the other auditors;

   c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statements;

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. Disqualification of directors stated under Section 164(2) of the Act is not applicable to a Government Company as per notification no. GSR 463(E) of the Ministry of Corporate Affairs dated 05/06/2015;

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

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      a. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note No. 45 to the standalone financial statements;

      b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

      c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

We refer to our Audit Report dated 13th May 2019 already issued on the above referred Balance Sheet as on 31st March 2019, the Statement of Profit and Loss, Cash Flow Statement and the Statement of changes in equity. The said report is suitably amended to comply with the observations of Comptroller and Auditor General of India with respect to the Auditors Report. There have been no changes in the Balance Sheet as on 31st March 2019, the Statement of Profit and Loss, Cash Flow Statement and the Statement of changes in equity referred in our earlier report dated 13th May 2019

For **SREEDHAR, SURESH & RAJAGOPALAN LLP**
Chartered Accountants
Firm Registration Number: 003957S/S200145

Sd/-
CA.S.SUBRAMANIAM
Partner
Membership no: 025433

Place: Chennai
Date : 17th June, 2019

For **MANOHAR CHOWDHRY & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 001997S

Sd/-
CA P. VENKATARAJU
Partner
Membership no: 225084

Place: Visakhapatnam (Camp)
Date: 17th June, 2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

(i) In respect of the Company's fixed assets:

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.

c. According to the information and explanation given to us and the records of the Company examined by us, the title deeds of immovable properties are held in the name of the Company except some leasehold land costing ₹ 982.37 Million which is in the possession of the company towards which formal lease deeds are yet to be executed. Refer Note No. 5&6 to the standalone financial statements.

(ii) 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 the verification, in our opinion, is reasonable having regard to the size of the company and nature of its business. As per the reports submitted by the Company, no material discrepancies have been noticed on such verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) According to the information and explanations given to us, the Company has not advanced any loan, given any guarantee or provided any security to the parties covered under Section 185. The Company has not given any loan or made any investment covered under Section 186 of the Companies Act, 2013.

(v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder.

(vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Subsection (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Goods and Services Tax, Sales Tax, Duty of Excise and other statutory dues applicable to it during the year with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Duty of Excise and other statutory dues outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.

b. According to information and explanations given to us and as per our verification of records of the Company, the disputed tax which are not deposited with the appropriate authorities as at 31st March, 2019 are given below.

NAME OF THE STATUTE	NATURE OF THE DUES	TOTAL DEMAND (₹ MILLIONS)	TOTAL AMT PAID UNDER PROTEST/ ADJUSTED (₹ MILLIONS)	AMOUNT NOT DEPOSITED (₹ MILLIONS)	PERIOD TO WHICH THE AMOUNT RELATES (FINANCIAL YEAR)	FORUM WHERE THE DISPUTE IS PENDING
The Karnataka Sales tax Act,1957/ Central Sales Act, 1956	Value Added Tax – Interest	4.80	2.48	2.32	2011-12	Karnataka High Court
	Value Added Tax – Penalty	1.69	Nil	1.69	2011-12	Karnataka High Court
Income Tax Act, 1961	Income Tax / Interest / Penalty	296.31	296.31	Nil	AY 1993-03	Bombay High Court
		10.93	10.93	Nil	AY 2003-04	Income Tax Appellate Tribunal – Mumbai

NAME OF THE STATUTE	NATURE OF THE DUES	TOTAL DEMAND (₹ MILLIONS)	TOTAL AMT PAID UNDER PROTEST/ ADJUSTED (₹ MILLIONS)	AMOUNT NOT DEPOSITED (₹ MILLIONS)	PERIOD TO WHICH THE AMOUNT RELATES (FINANCIAL YEAR)	FORUM WHERE THE DISPUTE IS PENDING
The Customs Act, 1962	Custom Duty / Interest / Penalty	71.86	378.71	494.54	1997-2000	Supreme Court of India
		801.39			1997-2000	CESTAT – Bangalore
		2125.25	2125.25	Nil	2015-2017	Commissioner of Customs- Mangalore
Central Excise Act, 1944	Central Excise Duty / Service Tax / Interest / Penalty	4,457.60	181.60	4276.0	2002-03 to 2016-17	CESTAT – Bangalore
		2.07	2.07	Nil	2002-03 to 2015-16	Joint Secretary, MOF
		5.82	0.50	5.32	2010-11	Commissioner of Central Excise– Mangalore
		16.29	Nil	16.29	1996-97 to 2003-2004	Supreme Court of India

(viii) According to the information and explanation given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowing to any bank or Government during the year.

(ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans borrowed were applied for the purpose for which they were raised.

(x) According to the information and explanations given to us and the books of account examined by us no instance of fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

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

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

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with the directors during the year.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **SREEDHAR, SURESH & RAJAGOPALAN LLP**
Chartered Accountants
Firm Registration Number: 003957S/S200145

Sd/-
CA.S.SUBRAMANIAM
Partner
Membership no: 025433

Place: Chennai
Date : 17th June, 2019

For **MANOHAR CHOWDHRY & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 001997S

Sd/-
CA. P.VENKATARAJU
Partner
Membership no: 225084

Place: Visakhapatnam (Camp)
Date: 17th June, 2019

ANNEXURE - 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

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

We have audited the internal financial controls with reference to financial statements of MANGALORE REFINERY AND PETROCHEMICALS LIMITED ("the Company") as of 31st March, 2019, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing prescribed under Section 143(10) of the Companies Act,2013 to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to these Standalone Financial Statements

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

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to these Standalone Financial Statements

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

Other Matters

As a part of the system audit initiative undertaken by the company, configuration testing on all SAP modules was conducted during the year. No material errors or fraud were observed by us on a testing of representative sample transactions on the potential high-risk control gaps identified by system auditors. The management has also confirmed that the deficiencies in the configurations have since been recalibrated to close all the control gaps.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial control system with reference to these standalone financial statements and such internal financial controls with reference to these standalone financial statements were operating effectively as at 31st March 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the deficiencies in control gaps identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 standalone financial statements of the Company, and these deficiencies in control gaps do not affect our opinion on the financial statements of the Company.

For **SREEDHAR, SURESH & RAJAGOPALAN LLP**
Chartered Accountants
Firm Registration Number: 003957S/S200145

Sd/-
CA.S.SUBRAMANIAM
Partner
Membership no: 025433

Place: Chennai
Date : 17th June, 2019

For **MANOHAR CHOWDHRY & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 001997S

Sd/-
CA. P.VENKATARAJU
Partner
Membership no: 225084

Place: Visakhapatnam (Camp)
Date: 17th June, 2019

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in ₹ million unless otherwise stated)

A Equity share capital

Particulars	Amount
Balance as at April 1, 2017	**17,526.64**
Changes in equity share capital during the year	-
Balance as at March 31, 2018	**17,526.64**
Changes in equity share capital during the year	-
Balance as at March 31, 2019	**17,526.64**

B Other equity

Particulars	Deemed equity	Reserves and surplus				Total
		General reserve	Capital redemption reserve	Securities premium	Retained earnings	
Balance as at April 1, 2017	**30.53**	**1,192.00**	**91.86**	**3,490.53**	**78,373.19**	**83,178.11**
Profit for the year	-	-	-	-	22,241.23	22,241.23
Remeasurement of the defined benefit plans, net of income tax	-	-	-	-	33.20	33.20
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**22,274.43**	**22,274.43**
Addition/ (Transfer) during the year	7.87	-	-	-	-	7.87
Payment of dividends (including corporate dividend tax)	-	-	-	-	(12,656.32)	(12,656.32)
Balance as at March 31, 2018	**38.40**	**1,192.00**	**91.86**	**3,490.53**	**87,991.30**	**92,804.09**
Profit for the year	-	-	-	-	3,319.56	3,319.56
Remeasurement of the defined benefit plans, net of income tax	-	-	-	-	(45.21)	(45.21)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**3,274.35**	**3,274.35**
Addition/ (Transfer) during the year	3.77	-	-	-	-	3.77
Payment of dividends (including corporate dividend tax)	-	-	-	-	(6,338.56)	(6,338.56)
Balance as at March 31, 2019	**42.17**	**1,192.00**	**91.86**	**3,490.53**	**84,927.09**	**89,743.65**

As per our report of even date attached

For and on behalf of the Board

For **SREEDHAR, SURESH & RAJAGOPALAN LLP**
Chartered Accountants
Firm Registration No. : 003957S/S200145

Sd/-
CA. S. SUBRAMANIAM
Partner
Membership No. 025433

For **MANOHAR CHOWDHRY & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 001997S

Sd/-
CA. P. VENKATARAJU
Partner
Membership No. 225084

Sd/-
S. RAVIPRASAD
Chief Financial Officer
PAN : ABCPR0096G

Sd/-
SHASHI SHANKER
Chairman
DIN: 06447938

Sd/-
M VENKATESH
Managing Director
DIN: 07025342

Sd/-
DINESH MISHRA
Company Secretary
FCS : 7176

Place : New Delhi
Date : 13/05/2019

STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

(All amounts are in ₹ million unless otherwise stated)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	5	139,827.90	140,251.54
(b) Capital work-in-progress	6	9,824.98	6,675.38
(c) Investment Property	7	77.96	77.96
(d) Goodwill	8	4.04	4.04
(e) Other intangible assets	9	51.69	49.56
(f) Financial assets			
(i) Investments	10	15,026.47	13,496.42
(ii) Loans	11	927.27	607.97
(iii) Others financial assets	12	135.04	94.83
(g) Non-current tax assets (net)	13	2,306.51	4,332.98
(h) Other non-current assets	14	11,708.14	12,048.74
Total non current assets (I)		**179,890.00**	**177,639.42**
II Current assets			
(a) Inventories	15	58,110.36	47,347.24
(b) Financial assets			
(i) Trade receivables	16	23,222.96	26,609.18
(ii) Cash and cash equivalents	17	25.91	4,403.53
(iii) Bank balances other than (ii) above	18	4,849.44	3,926.32
(iv) Loans	11	111.64	82.81
(v) Other financial assets	12	5.58	72.66
(c) Current Tax Assets (net)	13	1,523.76	281.21
(d) Other current assets	14	4,172.94	1,781.79
Total current assets (II)		**92,022.59**	**84,504.74**
TOTAL ASSETS (I+II)		**2,71,912.59**	**2,62,144.16**
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	19	17,526.64	17,526.64
(b) Other equity	20	89,743.65	92,804.09
Total equity (I)		**107,270.29**	**110,330.73**
LIABILITIES			
II Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	32,208.98	14,994.77
(b) Provisions	23	681.73	434.10
(c) Deferred tax liabilities (net)	24	10,155.44	9,061.70
(d) Other non current liabilities	26	3,482.11	3,595.54
Total non current liabilities (II)		**46,528.26**	**28,086.11**
III Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	48,567.58	30,777.60
(ii) Trade payables	25		
(a) Total outstanding dues of micro enterprises and small enterprises		227.48	331.34
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		46,522.93	46,771.55
(iii) Other financial liabilities	22	16,189.65	39,710.43
(b) Other current liabilities	26	2,025.15	2,098.83
(c) Provisions	23	4,581.25	4,037.57
Total current liabilities (III)		**118,114.04**	**123,727.32**
IV Total liabilities (II+III)		**164,642.30**	**151,813.43**
TOTAL EQUITY AND LIABILITIES (I+IV)		**271,912.59**	**262,144.16**

See accompanying notes to the standalone financial statements (1-53)
As per our report of even date attached

For and on behalf of the Board

For **SREEDHAR, SURESH & RAJAGOPALAN LLP**
Chartered Accountants
Firm Registration No. : 003957S/S200145

For **MANOHAR CHOWDHRY & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 001997S

Sd/-
SHASHI SHANKER
Chairman
DIN: 06447938

Sd/-
CA. S. SUBRAMANIAM
Partner
Membership No. 025433

Sd/-
CA. P. VENKATARAJU
Partner
Membership No. 225084

Sd/-
S. RAVIPRASAD
Chief Financial Officer
PAN : ABCPR0096G

Sd/-
M VENKATESH
Managing Director
DIN: 07025342

Sd/-
DINESH MISHRA
Company Secretary
FCS : 7176

Place : New Delhi
Date : 13/05/2019

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in ₹ million unless otherwise stated)

	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I.	Revenue from operations	27	723,151.10	630,836.37
II.	Other income	28	1,552.66	2,045.72
III.	**Total income (I + II)**		**724,703.76**	**632,882.09**
IV.	**Expenses:**			
	Cost of materials consumed	29	585,137.08	432,481.63
	Purchase of Stock-in-trade	30	5,260.88	-
	Changes in inventories of finished goods, stock-in-process and stock-in-trade	31	(5,616.39)	(7,667.19)
	Excise duty on sale of goods		102,529.74	146,330.58
	Employee benefits expense	32	4,286.56	4,173.45
	Finance costs	33	4,717.49	4,404.57
	Depreciation and amortisation expense	34	7,567.52	6,713.21
	Other expenses	35	14,865.29	12,679.90
	Total expenses (IV)		**718,748.17**	**599,116.15**
V.	**Profit before exceptional items and tax (III-IV)**		**5,955.59**	**33,765.94**
VI.	Exceptional items (income)/expenses (net)	36	147.94	258.90
VII.	**Profit before tax (V - VI)**		**5,807.65**	**33,507.04**
VIII.	Tax expense:			
	(1) Current tax	37		
	- Current year		1,221.58	6,995.74
	- Earlier years		133.75	(7.16)
	(2) Deferred tax	24	1,132.76	4,277.23
	Total tax expense (VIII)		**2,488.09**	**11,265.81**
IX.	**Profit for the year (VII - VIII)**		**3,319.56**	**22,241.23**
X.	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurement of the defined benefit plans		(69.49)	51.04
	(b) Income tax relating to above		24.28	(17.84)
	Total other comprehensive income (X)		**(45.21)**	**33.20**
XI.	**Total comprehensive income for the year (IX+X)**		**3,274.35**	**22,274.43**
XII.	Earnings per equity share:	38		
	(1) Basic (in ₹)		1.89	12.69
	(2) Diluted (in ₹)		1.89	12.69

See accompanying notes to the standalone financial statements (1-53)
As per our report of even date attached

For and on behalf of the Board

For **SREEDHAR, SURESH & RAJAGOPALAN LLP**
Chartered Accountants
Firm Registration No. : 003957S/S200145

For **MANOHAR CHOWDHRY & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 001997S

Sd/-
SHASHI SHANKER
Chairman
DIN: 06447938

Sd/-
CA. S. SUBRAMANIAM
Partner
Membership No. 025433

Sd/-
CA. P. VENKATARAJU
Partner
Membership No. 225084

Sd/-
S. RAVIPRASAD
Chief Financial Officer
PAN : ABCPR0096G

Sd/-
M VENKATESH
Managing Director
DIN: 07025342

Sd/-
DINESH MISHRA
Company Secretary
FCS : 7176

Place : New Delhi
Date : 13/05/2019

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in ₹ million unless otherwise stated)

	Particulars		Year ended March 31, 2019	Year ended March 31, 2018
A	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit after tax		**3,319.56**	**22,241.23**
	Adjustments for :			
	Tax expense		2,488.09	11,265.81
	Depreciation and amortisation expense		7,567.60	6,713.29
	Loss/ (profit) on sale of property, plant and equipment (net)		80.10	249.64
	Liability no longer required written back		(129.90)	(839.49)
	Impairment of doubtful trade receivables & Non Moving Inventories		73.67	-
	Write off of doubtful trade receivables		-	472.34
	Exchange rate fluctuation (net)		823.20	619.82
	Finance costs		4,717.49	4,404.57
	Interest income		(1,036.76)	(784.33)
	Dividend income		(104.47)	(142.48)
	Amortisation of prepayments		11.18	9.44
	Amortisation of deferred government grant		(178.24)	(164.20)
	Others		(69.49)	51.04
			17,562.03	**44,096.68**
	Movements in working capital :			
	- (Increase)/ decrease in trade and other receivables		3,372.43	(890.51)
	- (Increase)/ decrease in loans		(348.13)	(215.22)
	- (Increase)/ decrease in other assets		(4,448.43)	17,180.25
	- (Increase)/ decrease in inventories		(10,781.13)	(6,934.29)
	- Increase/ (decrease) in trade payable other liabilities		608.13	(10,994.74)
	Cash generated from operations		**5,964.90**	**42,242.17**
	Income taxes paid, net of refunds		(523.43)	(7,176.52)
	Net cash generated from / (used in) operations	(a)	**5,441.47**	**35,065.65**
B	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Payments for property, plant and equipment		(9,110.78)	(10,530.74)
	Proceeds from disposal of property, plant and equipment		13.89	(6.85)
	Interest received		1,062.82	796.93
	Dividend received from joint venture		21.00	112.50
	Dividend received from investments in mutual fund		83.47	29.98
	Investment in subsidiary company		(1,530.05)	-
	Tax Paid on interest income		(62.64)	(58.74)
	Net cash generated from / (used in) investing activities	(b)	**(9,522.29)**	**(9,656.92)**

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in ₹ million unless otherwise stated)

Particulars			Year ended March 31, 2019	Year ended March 31, 2018
C	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from long term borrowings , net (refer note 47)		(6,383.25)	(18,481.57)
	Proceeds from short term borrowings, net (refer note 47)		17,082.17	12,179.24
	Finance costs paid		(4,657.16)	(4,378.21)
	Dividends and dividend distribution tax paid on equity shares		(6,338.56)	(12,656.32)
	Net cash generated from / (used in) financing activities	(c)	**(296.80)**	**(23,336.86)**
	Net increase / (decrease) in cash and cash equivalents	(a+b+c)	**(4,377.62)**	**2,071.87**
	Cash and cash equivalents as at the beginning of the year		**4,403.53**	**2,331.66**
	Cash and cash equivalents as at the end of the year		**25.91**	**4,403.53**
			(4,377.62)	**2,071.87**

1 The above cash flow statement prepared under the “Indirect method” as set out in the Ind AS 7 “Cash flow statement”.

2 Brackets indicate cash outflow.

See accompanying notes to the standalone financial statements (1-53)
As per our report of even date attached

For and on behalf of the Board

For **SREEDHAR, SURESH & RAJAGOPALAN LLP**
Chartered Accountants
Firm Registration No. : 003957S/S200145

Sd/-
CA. S. SUBRAMANIAM
Partner
Membership No. 025433

For **MANOHAR CHOWDHRY & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 001997S

Sd/-
CA. P. VENKATARAJU
Partner
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DIN: 06447938

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M VENKATESH
Managing Director
DIN: 07025342

Sd/-
DINESH MISHRA
Company Secretary
FCS : 7176

Place : New Delhi
Date : 13/05/2019

Notes to the Standalone Financial Statements for the period ended March 31, 2019

(All amounts are ₹ in million unless otherwise stated)

1. Corporate information

Mangalore Refinery and Petrochemicals Limited ('MRPL' or 'the Company') is a Central public sector enterprise domiciled and incorporated in India having its registered office at Mudapadav, Kuthethoor P.O. via Katipalla, Mangaluru, Karnataka -575030. The Company's equity shares are listed and traded on BSE Limited and National Stock Exchange Limited, stock exchanges. The Company is engaged in the business of refining of crude oil. The Company is a subsidiary of Oil and Natural Gas Corporation Limited which holds 71.63% equity shares.

2. Application of new and revised Indian Accounting Standards

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

2.1 Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019

(a) New Indian Accounting Standards (Ind AS) issued but not yet effective

Ind AS-116 - Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company is evaluating the requirements of the amendments and its effect on the Standalone Financial Statements.

(b) Amendments to Indian Accounting Standards (Ind AS) issued but not yet effective

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Employee Benefits Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business.

Ind AS 111 - Joint Arrangements

The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

3. Significant accounting policies

3.1. Statement of compliance

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

3.2. Basis of preparation

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

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

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

Fair Value measurement.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

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

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

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

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

3.3. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to Company's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss.

3.4. Investments in subsidiaries and joint ventures

3.4.1 The Company records the investments in subsidiaries and joint ventures at cost less impairment, if any.

3.4.2 After initial recognition, the Company determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a subsidiary, or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Company's investment in a subsidiary or a joint venture.

3.4.3 When necessary, the cost of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any reversal of impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

3.4.4 Upon disposal of investment in a subsidiary, or a joint venture, a gain or loss is recognised in the Statement of profit or loss and is calculated as the difference between

(a) The aggregate of the fair value of consideration received and

(b) The previous carrying amount of the investment in a subsidiary, or a joint venture.

3.5. Non-current assets held for sale

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

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets.

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

3.6. Revenue Recognition

3.6.1. Revenue from sales of goods and services are recognized upon the satisfaction of a single performance obligation, which occurs when control transfers to the customer. Control of the goods is determined to be transferred to the customer when the title of goods passes to the customer, which typically takes place when product is physically transferred into a vessel, pipe or other delivery mechanism. In respect of revenue contracts for goods which provide for provisional pricing (wherever applicable) at the time of shipment, the final price adjustment if any will be given effect in the period in which it is finalised/ settled.

3.6.2 Revenue is measured at the transaction price of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, GST and sales tax / VAT etc. Any retrospective revision in prices is accounted for in the year of such revision.

3.6.3 Price Reduction Schedule (PRS) for delay in execution of contracts/supplies are accounted for as per the terms of the contracts/ agreement. The PRS amount would be recognised as income except on account of capital projects wherein the adjustments are carried out to the cost of the asset. The adjustments are carried out prospectively upon finalization.

3.6.4 The Company has entered into take or pay contracts with a customer. In this transaction, revenue is recognised as per the formula laid out in the contract with the customers.

3.6.5 Revenue from sale of scrap is recognised at the point in time when control (transfer of custody of goods) is passed to customers.

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

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

3.6.8 Dividend Income is recognised when the right to receive the dividend is established.

3.6.9 Excise duty is presented as expense in the statement of profit and loss. Excise duty in respect of difference between closing and opening stock of excisable goods is included under "Other Expenses".

3.7. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leasehold lands where the ownership of the land will not be transferred to Company at the end of lease period are classified as operating leases. Upfront operating lease payments are recognized as prepayments and amortised on a straight-line basis over the term of the lease. Leasehold lands are considered as finance lease where ownership will be transferred to the Company as at the end of lease period. Such leasehold lands are presented under property, plant and equipment and not depreciated.

3.8. Foreign currencies

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

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

Exchange difference arising in respect of long term foreign currency monetary items is recognised in the statement of profit and loss except for the exchange difference related to long term foreign currency monetary items those were recognized as at March 31, 2016, in so far as, they relate to the acquisition of depreciable assets, are adjusted against the cost of such assets and depreciate the said adjustment, over the balance life of asset.

3.9. Borrowing Costs

Borrowing costs specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged in the statement of profit and loss.

3.10. Government grants

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

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

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

The benefit of a government loan at a below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.11. Employee Benefits

Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, post-employment medical benefits and resettlement allowances.

Defined contribution plans

Employee benefit under defined contribution plans comprising of provident fund and superannuation fund are recognized based on the amount of obligation of the Company to contribute to the plan. The same is paid to a Provident Fund Trust authorities and to Life Insurance Corporation of India respectively, which are expensed during the year.

Defined benefit plans

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

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

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

The Company contributes all ascertained liabilities with respect to Gratuity to the MRPL's Gratuity Fund Trust (MGFT). Other defined benefit schemes are un-funded.

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

Short-term employee benefits

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

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

(a) In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) In case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

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

3.12. Taxation

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

(i) Current tax

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

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred taxes are recognised in respect of temporary differences which originate during the tax holiday period but reverse after the tax holiday period. For this purpose, reversal of temporary difference is determined using first in first out method.

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

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

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

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

Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.13. Property, plant and equipment (PPE)

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses if any. Freehold land is not depreciated.

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

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

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

Depreciation is provided on the cost of PPE (other than freehold land and properties under construction) less their residual values over their useful lives, using Straight Line Method, over the useful life of component of various Assets as specified in Schedule II to the Companies Act, 2013, except in case of certain components of the Plant and Equipment whose useful lives are determined based on technical evaluation and the useful life considered under Company's policy for the employee's vehicle and furniture scheme.

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

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

Stores and Spares which qualifies as property, plant and equipment for specific machinery are capitalised.

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

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions except low value items not exceeding ₹ 5,000 (other than company purchase scheme for employees) which are fully depreciated at the time of addition.

Estimated useful lives of the assets are as follows:

Sr. No.	Particulars	Useful lives (in years)
1.	Buildings	1-60
2.	Plant and equipment – catalysts	2-10
3.	Plant and equipment – computers	3-7
4.	Plant and equipment – continuous process plant not covered under specific industries (Triple shift)	7.5
5.	Plant and equipment – electrical/ lab/ canteen/ school	10
6.	Plant and equipment – instrumentation items/ DCS/ hospital/ others	15
7.	Plant and equipment – refinery assets	25
8.	Plant and equipment – pipelines/ SPM/ offshore component/ civil structure	30
9.	Plant and equipment – power plant	40
10.	Office equipment	5
11.	Furniture and fixtures	6-10
12.	Vehicles	4-8

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

An item of property, plant and equipment is derecognised upon disposal, replacement or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.14. Intangible assets

3.14.1. Intangible assets acquired separately

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

3.14.2.Derecognition of intangible assets

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

3.14.3. Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Sr. No.	Particulars	Useful lives (in years)
1.	Computer software	3-10
2.	Licence and franchise	3

3.15. Impairment of tangible and intangible assets other than goodwill

The Company reviews the carrying amounts of its intangible assets and Property, plant and equipment (including capital works-in-progress) of a "Cash Generating Unit" (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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

3.16. Cash Flow Statement

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

3.17. 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.

3.18. Inventories

Inventories are valued at lower of cost and net realizable value. Cost of inventories comprises of purchase cost and other costs incurred in bringing inventories to their present location and condition.

The cost has been determined as under:

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

3.19. Provisions, Contingent Liabilities and Contingent Assets.

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

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

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

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

3.20. Financial instruments

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

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

3.21. Financial assets

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

(i) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both selling financial assets and collecting contractual cash flows, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iv) Financial assets at fair value through profit or loss

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

(v) Impairment of financial assets

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

(vi) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss

3.22. Financial liabilities and equity instruments

3.22.1 Equity instruments

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

3.22.2 Financial liabilities

a) Financial Guarantee

When the Company receives financial guarantee from its holding company, initially it measures guarantee fees at the fair value. The Company records the initial fair value of fees for financial guarantee received as "Deemed Equity" from holding company with a corresponding asset recorded as prepaid guarantee charges. Such deemed equity is presented under the head 'other equity' in the balance sheet. Prepaid guarantee charges are recognized in statement of profit and loss over the period of financial guarantee received.

b) Financial liabilities subsequently measured at amortised cost

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

c) Derecognition of financial liabilities

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

3.23. Insurance Claims

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

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

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

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

3.24. Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model.

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

4. Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

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

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

Key source of judgments, assumptions and estimation uncertainty in the preparation of the financial statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of useful lives of property, plant and equipment, employee benefit obligations, provision for income tax and measurement of deferred tax assets.

4.1. Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations (Refer note 4.2), that the Management have made in the process of applying the Company's accounting policies and that have the significant effect on the amounts recognized in the Financial Statements.

(a) Determination of functional currency

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

4.2. Assumptions and key sources of estimation uncertainty

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

a) Useful lives of property, plant and equipment and intangible assets

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

b) Defined benefit obligation (DBO)

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

c) Provision for income tax

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

d) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties.

e) Impairment of investment in subsidiary

As at March 31, 2019, the Company has carrying amount of ₹ 14,876.28 million (As at March 31, 2018: ₹ 13,346.23 million) for equity investment made in ONGC Mangalore Petrochemicals Limited (OMPL). OMPL started its operations in the year 2014-15 as a Greenfield project and had incurred losses in earlier financial years resulting in significant reduction in net worth. However, through improved physical performance and various profitability improvement measures, the Company after overcoming initial period challenges, has earned profits during current financial year besides achieving considerable improvement in net worth.

The management has considered relevant future cash flows, based on assumptions about the future, discounted to their present value. Impairment testing requires long-term assumptions to be made concerning a number of often volatile economic factors such as future market prices, currency exchange rates and future output and discount rate, in order to establish relevant future cash flows.

Based on the aforesaid assessment, the management has concluded that current diminution in the value of investment is due to past losses incurred by OMPL is temporary in nature. Accordingly, no impairment exists as at March 31, 2019.

5. Property, plant and equipment

Carrying amounts of:	As at March 31, 2019	As at March 31, 2018
Freehold lands	17.65	17.65
Leasehold lands **(refer note a and b below)**	271.74	253.46
Buildings	3,851.58	3,432.61
Plant and equipment **(refer note c below)**	135,378.70	136,230.69
Furniture and fixtures	265.36	283.44
Vehicles	20.66	17.23
Office equipment	22.21	16.46
Total	**139,827.90**	**140,251.54**

Gross Carrying Amount	Freehold lands	Leasehold lands	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Balance as at April 1, 2017	**17.65**	**253.26**	**3,182.33**	**151,597.10**	**360.93**	**25.41**	**23.57**	**155,460.25**
Add: Additions	-	0.20	696.27	4,891.58	12.99	3.75	7.91	5,612.70
Less: Eliminated on disposal / adjustments / transfer of assets	-	-	-	390.93	1.67	1.47	0.58	394.65
Balance as at March 31, 2018	**17.65**	**253.46**	**3,878.60**	**156,097.75**	**372.25**	**27.69**	**30.90**	**160,678.30**
Add: Additions	-	18.28	547.34	6,588.65	45.73	9.26	11.75	7,221.01
Less: Eliminated on disposal / adjustments / transfer of assets	-	-	-	446.60	1.97	8.75	0.74	458.06
Balance as at March 31, 2019	**17.65**	**271.74**	**4,425.94**	**162,239.80**	**416.01**	**28.20**	**41.91**	**167,441.25**

Accumulated depreciation	Freehold lands	Leasehold lands	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Balance as at April 1, 2017	**-**	**-**	**288.81**	**13,524.03**	**49.44**	**6.94**	**9.61**	**13,878.83**
Add: Depreciation expense	-	-	157.18	6,492.35	40.70	4.17	5.39	6,699.79
Less: Eliminated on disposal / adjustments / transfer of assets	-	-	-	149.32	1.33	0.65	0.56	151.86
Balance as at March 31, 2018	**-**	**-**	**445.99**	**19,867.06**	**88.81**	**10.46**	**14.44**	**20,426.76**
Add: Depreciation expense	-	-	128.37	7,348.61	63.15	4.57	5.96	7,550.66
Less: Eliminated on disposal / adjustments / transfer of assets	-	-	-	354.57	1.31	7.49	0.70	364.07
Balance as at March 31, 2019	**-**	**-**	**574.36**	**26,861.10**	**150.65**	**7.54**	**19.70**	**27,613.35**

a) These leasehold lands are considered as finance lease in nature as the ownership will be transferred to the Company at the end of the lease period . These leasehold lands are not depreciated.

b) Leasehold lands includes land amounting to ₹ 265.06 million (As at March 31, 2018 ₹ 36.56 million), which is in possession of the Company towards which formal lease deeds are yet to be executed.

c) Plant and equipment include ₹ 39.15 million (As at March 31, 2018 ₹ 39.15 million) being Company's share of an asset jointly owned with another company.

5.1 Property plant and equipment pledged as security (Refer note 21):

External Commercial Borrowing are secured by first pari passu charge over immovable property, plant & equipment and first ranking pari passu charge over movable property, plant & equipment (including but not limited to plant and machinery, spares, tools, furniture, fixture, vehicles and all other movable property, plant & equipment) both present and future.

Working capital borrowings from consortium banks are secured by way of first ranking pari passu charge by way of hypothecation of Company's stocks of Raw material, Finished goods, stock-in-process, stores, spares, components, trade receivables, outstanding money receivables, claims, bills, contract, engagements, securities both present and future and further secured by second ranking pari passu charge over companies movable and immovable property (all property, plant & equipment) both present and future.

5.2 Foreign exchange differences capitalised

Additions to property, plant and equipment includes ₹ 1,351.20 million (For the year ended March 31, 2018 ₹ 27.28 million) in relation to foreign exchange differences. Asset class wise addition details are disclosed below:

Year	For the year ended March 31, 2019	For the year ended March 31, 2018
Asset class	**Exchange differences**	**Exchange differences**
Buildings	13.97	0.28
Plant and equipment	1,337.23	27.00
Total	**1,351.20**	**27.28**

5.3 During the previous year, the Company had prepaid unutilised External Commercial Borrowings of ₹ 2,959.33 million. Consequent to the same, the Borrowing costs (net of interest income) and exchange rate variation amounting to ₹ 25.57 million (net) had been adjusted against the Property plant and equipment during the previous year.

5.4 The Company is eligible for certain economic benefits such as exemptions from entry tax, custom duty, etc. on import/ local purchase of capital goods in earlier years. The Company had accounted benefits received for custom duty and entry tax on purchase of property, plant and equipment as government grants. In the previous year, the Company had adjusted the cost of property, plant and equipment as at April 1, 2017 and credited deferred government grant amounting to ₹ 3,618.21 million. The deferred government grant is amortised over the remaining useful life of the property, plant and equipment.

6. Capital work-in-progress (CWIP)

Particulars	As at March 31, 2019	As at March 31, 2018
Leasehold land **(refer note 6.2 below)**	799.66	717.86
Buildings	1,838.81	1,267.95
Plant and equipment	7,159.04	4,671.98
Software	27.47	17.59
Total	**9,824.98**	**6,675.38**

6.1 Additions to CWIP includes borrowing costs amounting to ₹ 232.47 million (For the year ended March 31, 2018 ₹ 13.45 million) and allocated to different class of assets. The rate used to determine the amount of borrowing costs eligible for capitalisation was 7.69% (For the year ended March 31, 2018 was 6.24%) which is the effective interest rate on borrowings.

6.2 Leasehold lands includes land amounting to ₹ 717.31 million (As at March 31, 2018 ₹ 717.31 million), which is in possession of the Company towards which formal lease deeds are yet to be executed.

6.3 Includes loan availed against OIDB, which is secured by way of first ranking pari passu charge by way of hypothecation / mortgage only on property, plant & equipment / projects financed out of loan proceeds of OIDB. **(Refer note 21)**.

7 Investment Property

Carrying amount of:	As at March 31, 2019	As at March 31, 2018
Freehold land	77.96	77.96
Total	**77.96**	**77.96**

Gross Carrying Amount	Amount
Balance as at April 1, 2017	-
Reclassification from asset held for sale	77.96
Add: Additions	-
Less: Eliminated on disposal / adjustments / transfer	-
Balance as at March 31, 2018	**77.96**
Add: Additions	-
Less: Eliminated on disposal / adjustments / transfer	-
Balance as at March 31, 2019	**77.96**

Accumulated depreciation and impairment	Amount
Balance as at April 1, 2017	**-**
Add: Depreciation expense	-
Less: Eliminated on disposal / adjustment / transfer	-
Balance as at March 31, 2018	**-**
Add: Depreciation expense	-
Less: Eliminated on disposal / adjustment / transfer	-
Balance as at March 31, 2019	**-**

a The Company had classified freehold land measuring 102.31 acres as "Current assets- Non-current assets held for sale" based on the Board's approval in 2007. During the previous year, the Company reclassified the aforesaid land as "Non-current assets- Investment Property" based on the Board decision to hold the aforesaid land for capital appreciation.

b The Company has considered the fair value of the freehold land amounting to ₹ 255.80 million as at March 31, 2019 (as at March 31, 2018 ₹ 255.80 million) based on the valuation carried out by independent valuer report dated April 30, 2018. The management has considered the same fair value as there is no significant indication of change in fair value as on March 31, 2019.

8 Goodwill

Particulars	Amount
Balance as at April 1, 2017	**4.04**
Less: Impairment	-
Balance as at March 31, 2018	**4.04**
Less: Impairment	-
Balance as at March 31, 2019	**4.04**

8.1 Goodwill represents excess of consideration paid over net assets acquired for acquisition of nitrogen plant.

9. Other intangible assets

Carrying amount of:	As at March 31, 2019	As at March 31, 2018
Computer software	51.69	49.56
Total	**51.69**	**49.56**

Gross Carrying Amount	Amount
Balance as at April 1, 2017	**25.87**
Add: Additions	42.58
Less: Eliminated on disposal / adjustments / transfer	-
Balance as at March 31, 2018	**68.45**
Add: Additions	18.99
Less: Eliminated on disposal / adjustments / transfer	-
Balance as at March 31, 2019	**87.44**

Accumulated amortisation	Amount
Balance as at April 1, 2017	**5.47**
Add: Amortisation expense	13.42
Less: Eliminated on disposal / adjustment / transfer	-
Balance as at March 31, 2018	**18.89**
Add: Amortisation expense	16.86
Less: Eliminated on disposal / adjustment / transfer	-
Balance as at March 31, 2019	**35.75**

10. Investments

10.1 Investments in equity instruments

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number in million	Amount	Number in million	Amount
Unquoted Investments (all fully paid up)				
(i) Investments in subsidiary				
ONGC Mangalore Petrochemicals Limited (at cost) (Face value of ₹ 10 per share)	1,085.13	14,876.28	957.62	13,346.23
(ii) Investments in joint ventures				
Shell MRPL Aviation Fuels and Services Limited (at cost) (Face value of ₹ 10 per share)	15.00	150.00	15.00	150.00
(iii) Investments				
Mangalam Retail Services Limited (at fair value) (Face value of ₹ 10 per share)	0.02	0.19	0.02	0.19
Total investments		**15,026.47**		**13,496.42**
Aggregate carrying value of unquoted investments		15,026.47		13,496.42
Aggregate amount of impairment in value of investments		-		-

10.1.1 Restrictions on disinvestment of share in ONGC Mangalore Petrochemicals Limited are subject to the approval of the Board of Oil and Natural Gas Corporation Limited.

10.1.2 **Details of subsidiary**

Name of subsidiary	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Company	
			As at March 31, 2019	As at March 31, 2018
ONGC Mangalore Petrochemicals Limited	Petrochemicals	India	51.00%	51.00%

Refer Note 3.4 for method followed for accounting of investment in subsidiary

10.1.3 **Details of joint venture**

Name of joint venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Company	
			As at March 31, 2019	As at March 31, 2018
Shell MRPL Aviation Fuels and Services Limited	Trading of aviation fuels	India	50.00%	50.00%

Refer Note 3.4 for method followed for accounting of investment in joint venture.

10.1.4 **Details of investments**

Name of the Company	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Company	
			As at March 31, 2019	As at March 31, 2018
Mangalam Retail Services Limited (MRSL)	Distribution of petroleum products through retail outlet and transport terminal	India	18.98%	18.98%

The investment in MRSL has been measured at fair value through profit or loss account. The management has considered the fair value (level 3 hierarchy) of such investment equivalent to the carrying amount as at reporting period.

11. Loans

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
(a) Deposits				
With related Party	12.68	-	12.68	-
With vendors	143.59	3.81	118.76	3.65
	156.27	**3.81**	**131.44**	**3.65**
(b) Loans to employees	770.33	107.68	475.17	78.87
Credit impaired				
- Loans which are credit impaired	-	0.81	-	0.81
Less: Impairment for doubtful loans	-	0.81	-	0.81
	770.33	**107.68**	**475.17**	**78.87**
(c) Loans to directors and other officers	0.67	0.15	1.36	0.29
Total (a+b+c)	**927.27**	**111.64**	**607.97**	**82.81**

12. Others financial assets

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
(a) Interest accrued on loans to employee /directors/ other officers	135.04	1.72	94.83	0.93
(b) Interest accrued but not due on bank deposits	-	3.86	-	71.73
Total (a+b)	**135.04**	**5.58**	**94.83**	**72.66**

13. Tax assets/ (liabilities)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
Tax assets (Advance tax)	54,059.25	2,745.34	47,350.29	7,276.95
Less: Provision for current tax liabilities	52,059.98	1,221.58	44,915.75	6,995.74
Net tax assets / (liabilities) (a)	**1,999.27**	**1,523.76**	**2,434.54**	**281.21**
Income tax paid under dispute (b)	**307.24**	**-**	**1,898.44**	**-**
Total (a+b)	**2,306.51**	**1,523.76**	**4,332.98**	**281.21**

14. Other assets

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
(i) Capital advances				
- To related party	-	-	987.11	-
- To Others	7,719.78	-	8,159.36	-
	7,719.78	**-**	**9,146.47**	**-**
(ii) Deposits (refer note 14.1)				
with Customs/Port Trusts etc.	**2,503.98**	**-**	**2,503.98**	**-**
(iii) Advance recoverable in kind				
from related parties	-	118.06	-	136.02
from others	-	1,230.73	-	394.87
	-	**1,348.79**	**-**	**530.89**
(iv) Balance with government authorities	**-**	**2,288.79**	**-**	**1,171.87**
(v) Prepayments				
Leasehold land	6.57	0.08	6.65	0.08
Others	1,477.81	394.08	391.64	78.04
	1,484.38	**394.16**	**398.29**	**78.12**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
(vi) Gold coins	**-**	**0.91**	**-**	**0.91**
(vii) Stock on Returnable Basis	**-**	**181.68**	**-**	**-**
Less: Impairment for Stock	-	41.39	-	-
	-	**140.29**	**-**	**-**
Total	**11,708.14**	**4,172.94**	**12,048.74**	**1,781.79**

14.1 Includes amounts paid under protest.

15. Inventories

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount	Total	Amount	Total
Raw materials				
(a) on hand	15,698.90		13,068.12	
(b) In transit	6,640.34	22,339.24	5,649.07	18,717.19
Stock-in-process		9,695.17		6,349.40
Finished goods	20,569.99		18,299.37	
Stock in Trade	0.12		0.08	
Less: Allowance for stock loss	5.91	20,564.20	5.91	18,293.54
Stores and spares				
(a) on hand	5,491.74		3,990.98	
(b) In transit	100.57		58.68	
Less : Impairment for slow/non-moving inventories	80.56	5,511.75	62.55	3,987.11
Total		**58,110.36**		**47,347.24**

15.1 The cost of inventories (cost of sales) recognised as an expense during the year was ₹ 603,544.13 million (For the year ended March 31, 2018 ₹ 442,827.35 million).

15.2 During the previous year, the Company had changed inventory valuation method of Stock-in-trade from FIFO to weighted average method and the impact of the same was not material.

15.3 The method of valuation of inventories has been stated in **Note 3.18**.

16. Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Secured **(Refer note 16.4 below)**		
- Considered good	175.11	434.78
Unsecured		
- Considered good **(Refer note 16.6 below)**	23,047.85	26,174.40
Credit impaired		
- Receivable which are credit impaired	969.60	973.61
Less: Impairment for doubtful receivables	969.60	973.61
Total	**23,222.96**	**26,609.18**

16.1 Generally, the Company enters into long-term sales arrangement with Oil Marketing Companies for domestic sales besides export of products through term contracts and spot international tenders and supplies to SEZ customers. The average credit period on sales ranges from 7 to 45 days (year ended March 31, 2018 ranges from 7 to 45 days). Interest is not charged on trade receivables for the applicable credit period from the date of invoice. For delayed period of payments, interest is charged as per respective arrangements, which is upto 3% per annum (year ended March 31, 2018 upto 2% per annum) over the applicable bank rate on the outstanding balance.

16.2 Of the trade receivables, balance as at March 31, 2019 of ₹ 22,629.94 million (As at March 31, 2018 ₹ 24,116.77 million) are due from the customers mentioned below. There are no other customers who represent more than 5% of the total balance of trade receivables other than mentioned below.

Particulars	As at March 31, 2019	As at March 31, 2018
Customer 1	7,327.99	5,369.28
Customer 2	7,220.53	8,841.62
Customer 3	2,464.87	3,167.89
Customer 4	2,491.45	1,754.77
Customer 5	-	2,353.39
Customer 6	-	2,629.82
Customer 7	1,811.48	-
Customer 8	1,313.62	-
Total	**22,629.94**	**24,116.77**

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

16.4 Secured by bank guarantees received from customers.

16.5 The Company has concentration of credit risk due to the fact that the Company has significant receivables from customers mentioned in **note 16.2**, however these customers are reputed and creditworthy.

16.6 Includes share of costs receivable from Oil Marketing Companies, valued on fair estimate basis at the end of each year and is subject to finalisation of settlements.

16.7 Age of Trade receivables:

Particulars	As at March 31, 2019	As at March 31, 2018
Within the credit period	22,815.56	26,011.20
1-30 days past due	130.15	455.17
31-90 days past due	117.16	103.13
More than 90 days past due	1,129.69	1,013.29
Total	**24,192.56**	**27,582.79**

16.8 Movement of Impairment for doubtful receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at beginning of the year	973.61	1,714.71
Add: Additions/ (Deletion) in expected credit loss allowance	14.27	-
Less: Write back during the year	18.28	273.17
Less: Reclassification/ Other adjustments	-	467.93
Balance at end of the year	**969.60**	**973.61**

17. Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
Current accounts	20.76	3.85
Bank deposits with original maturity upto 3 months	-	4,397.50
Cash on hand	5.15	2.18
Total	**25.91**	**4,403.53**

18. Other bank balances

Particulars	As at March 31, 2019	As at March 31, 2018
Bank deposits with original maturity more than 3 months upto 12 months **[Refer note 18.1 below]**	-	880.00
Other bank deposits under lien	4,578.40	2,820.10
Unclaimed interest on debentures account **[Refer note 18.2 below]**	0.01	0.01
Unclaimed dividend account **[Refer note 18.3 below]**	259.96	216.10
Restricted bank balance for employee benevolent fund	11.07	10.11
Total	**4,849.44**	**3,926.32**

18.1 Bank deposits maintained by the Company with banks comprise time deposits, which can be withdrawn at any point of time without prior notice or penalty on the principal.

18.2 Amount deposited in the unclaimed interest on debentures account is earmarked for payment of interest and cannot be used for any other purpose.

18.3 Amount deposited in the unclaimed dividend account is earmarked for payment of dividend and cannot be used for any other purpose.

19. Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised share capital:		
2,900,000,000 Equity shares of ₹ 10 each	**29,000.00**	**29,000.00**
(as at March 31, 2018: 2,900,000,000 Equity shares of ₹10 each)		
100,000,000 Redeemable preference shares of ₹10 each	**1,000.00**	**1,000.00**
(as at March 31, 2018: 100,000,000 preference shares of ₹10 each)		
Issued and Subscribed:		
1,752,598,777 Equity shares of ₹10 each	**17,525.99**	**17,525.99**
(as at March 31, 2018: 1,752,598,777 Equity shares of ₹10 each)		
Fully paid equity shares:		
1,752,598,777 Equity shares of ₹10 each	17,525.99	17,525.99
(as at March 31, 2018: 1,752,598,777 Equity shares of ₹10 each)		
Add: Shares forfeited **[Refer note 19.5 below]**	0.65	0.65
Total	**17,526.64**	**17,526.64**

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

Particulars	Number of shares in million	Share capital
Balance as at April 1, 2017	**1,752.59**	**17,525.99**
Changes during the year	-	-
Outstanding as at March 31, 2018	**1,752.59**	**17,525.99**
Changes during the year	-	-
Outstanding as at March 31, 2019	**1,752.59**	**17,525.99**

19.1 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

19.2 Details of equity shares held by the holding company or its subsidiaries or its associates are as under:-

Name of equity share holders	As at March 31, 2019		As at March 31, 2018	
	Number in million	% holding	Number in million	% holding
Oil and Natural Gas Corporation Limited	1,255.35	71.63	1,255.35	71.63
Hindustan Petroleum Corporation Limited	297.15	16.96	297.15	16.96

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

Name of equity share holders	As at March 31, 2019		As at March 31, 2018	
	Number in million	% holding	Number in million	% holding
Oil and Natural Gas Corporation Limited	**1,255.35**	**71.63**	1,255.35	71.63
Hindustan Petroleum Corporation Limited	**297.15**	**16.96**	297.15	16.96

19.4 Equity shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment: Nil (As at March 31, 2018: Nil).

19.5 Equity shares of ₹ 10 each (equivalent to 303,550 equity shares of ₹ 10 each) were forfeited in the year 2009-10 against which amount originally paid up was ₹ 654,000.

20. Other equity

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Deemed equity **[Refer note 3.22.2 (a)]**	42.17	38.40
(b) Reserves and surplus		
Capital redemption reserve	91.86	91.86
Securities premium	3,490.53	3,490.53
General reserve	1,192.00	1,192.00
Retained earnings	84,927.09	87,991.30
Total	**89,743.65**	**92,804.09**

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Deemed equity [Refer Note 20.1]		
Balance at beginning of the year	38.40	30.53
Transfer during the year	3.77	7.87
Balance at end of the year	**42.17**	**38.40**
(b) Reserves		
(i) **Capital redemption reserve [Refer Note 20.2]**		
Balance at beginning of the year	91.86	91.86
Transfer during the year	-	-
Balance at end of the year	**91.86**	**91.86**
(ii) **Securities premium [Refer Note 20.3]**		
Balance at beginning of the year	3,490.53	3,490.53
Transfer during the year	-	-
Balance at end of the year	**3,490.53**	**3,490.53**
(iii) **General reserve [Refer Note 20.4]**		
Balance at beginning of the year	1,192.00	1,192.00
Transfer from retained earnings	-	-
Balance at end of the year	**1,192.00**	**1,192.00**

Particulars	As at March 31, 2019	As at March 31, 2018
(iv) **Retained earnings**		
Balance at beginning of the year	87,991.30	78,373.19
Profit after tax for the year	3,319.56	22,241.23
Other comprehensive income for the year, net of income tax	(45.21)	33.20
Payment of Dividends	(5,257.80)	(10,515.59)
Tax on Dividends	(1,080.76)	(2,140.73)
Balance at end of the year	**84,927.09**	**87,991.30**

20.1 The amount of ₹ 42.17 million (As at March 31, 2018 ₹ 38.40 million) shown as deemed equity denotes the fair value of fees towards financial guarantee received from Oil and Natural Gas Corporation Limited without any consideration.

20.2 The Company created capital redemption reserve on redemption of preference share capital during the financial years 2011-12 and 2012-13.

20.3 The Company created securities premium on issue of equity share capital and the same can be utilized as per the requirement of the Companies Act, 2013.

20.4 The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

20.5 The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company. Thus, the amount reported in general reserves are not entirely distributable.

In respect of the year ended March 31, 2019, the Board of Directors has proposed a final dividend of ₹ 1 /- per share to be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 1,752.60 million and the dividend distribution tax thereon amounts to ₹ 360.25 million.

21. Borrowings

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
Secured – at amortised cost				
Term Loans:-				
From banks				
External commercial borrowing (ECB)	24,092.40	-	-	-
[Refer note 21.1]				
From others				
Oil Industry Development Board (OIDB)	2,680.00	-	-	-
[Refer note 21.2]				
Deferred payment liabilities - VAT Loan	225.56	-	169.24	-
[Refer note 21.3]				
Working capital loan from banks	-	3,071.58	-	143.00
[Refer note 21.4]				
Unsecured – at amortised cost				
Term loan :-				
From related party				
Oil and Natural Gas Corporation Limited (ONGC)	-	-	11,999.70	-
[Refer note 21.5]				
From others				
Deferred payment liabilities - CST	-	-	218.63	-
[Refer note 21.6]				
Foreign Currency Term Loan (FCTL)	-	-	2,607.20	-
[Refer note 21.7]				
Rupee Term Loan from bank	5,142.50	-	-	-
[Refer note 21.8]				

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
Working capital loan from banks				
External commercial borrowing (ECB): Working Capital **[Refer note 21.9]**	68.52	-	-	-
Foreign currency non repatriable loan (FCNR) **[Refer note 21.10]**	-	17,290.00	-	16,295.00
Buyers Credit and Pre/Post Shipment Export Credit **[Refer note 21.11]**	-	24,206.00	-	14,339.60
Working capital loan from Others				
Commercial Paper **[Refer note 21.12]**	-	4,000.00	-	-
Total	**32,208.98**	**48,567.58**	**14,994.77**	**30,777.60**

21.1 External Commercial Borrowing (ECB)

21.1.1 External Commerical Borrowing taken by the Company are USD denominated loans and carries variable rate of interest which is six month Libor plus spread (Interest rate as at March 31, 2019 is 3.86% and range of interest rate as at March 31, 2018 was 3.63% to 4.45%).

21.1.2 External Commercial Borrowing are secured by first pari passu charge over immovable property, plant & equipment and first ranking pari passu charge over movable property, plant & equipment (including but not limited to plant and machinery, spares, tools, furniture, fixture, vehicles and all other movable property, plant & equipment) both present and future.

21.1.3 ₹ Nil (As at March 31, 2018 of ₹ 25,722.08 million) is repayable within one year and the same has been shown as “Current maturities of long term debts (secured)” under **Note 22**.

21.1.4 **Repayment schedule of ECB is as follows:**

Year of repayment (refer note 21.13 below)	As at March 31, 2019	As at March 31, 2018
2018-19	-	25,746.10
2019-20	-	-
2020-21	6,916.00	-
2021-22	6,916.00	-
2022-23	6,916.00	-
2023-24	3,458.00	-
Total	**24,206.00**	**25,746.10**

21.2 Loan from Oil Industry Development Board (OIDB)

21.2.1 Loan from OIDB taken by the Company carries fixed rate of interest (Interest rate as at March 31, 2019 is 7.98% and range of interest rate as at March 31, 2018 was 8.73% to 9.27%).

21.2.2 OIDB loan is secured by way of first ranking pari passu charge by way of hypothecation / mortgage only on property, plant & equipment / projects financed out of loan proceeds of OIDB.

21.2.3 ₹ Nil (As at March 31, 2018 of ₹ 750.00 million) is repayable within one year and the same has been shown as “Current maturities of long term debts” (secured)” under **Note 22**.

21.2.4 **Repayment schedule of loan from OIDB is as follows:**

Year of repayment (refer note 21.13 below)	As at March 31, 2019	As at March 31, 2018
2018-19	-	750.00
2019-20	-	-
2020-21	670.00	-
2021-22	670.00	-
2022-23	670.00	
2023-24	670.00	-
Total	**2,680.00**	**750.00**

21.3 Deferred payment liabilities: VAT Loan

21.3.1 Deferred payment liability against VAT Loan represents amounts payable on account of "Interest free loan" received from Government of Karnataka. This interest free loan against VAT will be repaybale from March 31, 2028.

21.3.2 The benefit of a Government loan at a below-market rate of interest is treated as a government grant (Ind AS 20). The Interest free loan is recognised and measured in accordance with Ind AS 109, Financial Instruments. The benefit of the Interest free loan is measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109, and the proceeds received. The benefit is accounted for in accordance with this Standard.

21.3.3 Deferred payment liabilities - VAT Loan are secured by bank guarantees given by the company.

21.3.4 **Repayment schedule of Deferred payment liability- VAT loan is as follows:**

Year of repayment (refer note 21.13 below)	As at March 31, 2019	As at March 31, 2018
2027-28	132.61	132.61
2028-29	155.16	155.16
2029-30	197.76	197.76
2030-31	107.51	-
Total	**593.04**	**485.53**

21.4 Working capital loan from Banks

21.4.1 Working capital borrowings from consortium banks are secured by way of first ranking pari passu charge by way of hypothecation of Company's stocks of Raw material, Finished goods, stock-in-process, stores, spares, components, trade receivables, outstanding money receivables, claims, bills, contract, engagements, securities both present and future and further secured by second ranking pari passu charge over companies movable and immovable property (all property, plant & equipment) both present and future. Working capital borrowings from banks in the form of overdraft facility against fixed deposits are secured by way of hypothecation on original fixed deposits.

21.5 Term loan from related party

21.5.1 Term loan from related Party (ONGC) taken by the Company carries variable rate of interest which is G-sec yield for 5 years tenor plus spread w.e.f April 1, 2016 (Interest rate as at March 31, 2019 is Nil and as at March 31, 2018 was 7.17%).

21.5.2 ₹ Nil (As at March 31, 2018 of ₹ 6,857.20 million) is repayable within one year and the same has been shown as "Current maturities of long-term debts (unsecured)" under **Note 22**.

21.5.3 Repayment schedule of loan from ONGC is as follows:

Year of repayment (refer note 21.13 below)	As at March 31, 2019	As at March 31, 2018
2018-19	-	6,857.20
2019-20	-	6,857.20
2020-21	-	5,142.50
Total	**-**	**18,856.90**

21.6 Deferred payment liabilities: CST

21.6.1 Deferred payment liability represents amount payable on account of sales tax liability to be paid after a specified period to the sales tax authority, Karnataka. Such deferral of sales tax liability is not liable for any interest.

21.6.2 ₹ 218.63 million (As at March 31, 2018 of ₹ 400.00 million) is repayable within one year and the same has been shown as "Current maturities of long term debts (unsecured)" under **Note 22**.

21.6.3 **Repayment schedule of Deferred payment liability loan is as follows:**

Year of repayment (refer note 21.13 below)	As at March 31, 2019	As at March 31, 2018
2018-19	-	400.00
2019-20	218.63	218.63
Total	**218.63**	**618.63**

21.7 Foreign Currency Term Loan (FCTL)

21.7.1 Foreign Currency Term Loan (FCTL) from bank are USD denominated loans and carries variable rate of interest which is one month Libor plus spread (Range of interest rate as at March 31, 2019 is 3.58% to 3.59% and as at March 31, 2018 was 2.81% to 2.97%).

21.7.2 ₹ 3,458.00 million (As at March 31,2018 of ₹ Nil) is repayable within one year and the same has been shown as "Current maturities of long term debts (unsecured)" under **Note 22**.

21.7.3 Repayment schedule of Foreign Currency Term Loan (FCTL) is as follows:

Year of repayment (refer note 21.13 below)	As at March 31, 2019	As at March 31, 2018
2019-20	3,458.00	2,607.20
Total	**3,458.00**	**2,607.20**

21.8 Rupee term loan from bank

21.8.1 Term loan from SBI taken by the Company carries variable rate of interest which is three months MCLR plus spread (Interest rate as at March 31, 2019 is 8.39% and as at March 31, 2018 was Nil).

21.8.2 ₹ 6,857.20 million (As at March 31, 2018 of ₹ Nil) is repayable within one year and the same has been shown as "Current maturities of long-term debts (unsecured)" under **Note 22**.

21.8.3 Repayment schedule of Term Loan from SBI is as follows:

Year of repayment (refer note 21.13 below)	As at March 31, 2019	As at March 31, 2018
2019-20	6,857.20	-
2020-21	5,142.50	-
Total	**11,999.70**	**-**

21.9 Working capital Term Loan from Banks - ECB

21.9.1 External Commercial Borrowing taken by the Company are USD denominated loans and carries variable rate of interest which is six month Libor plus spread (Interest rate as at March 31, 2019 is 3.96% and as at March 31, 2018 was Nil).

21.9.2 Repayment schedule of Working Capital loan ECB is as follows:

Year of repayment (refer note 21.13 below)	As at March 31, 2019	As at March 31, 2018
2023-24	69.16	-
Total	**69.16**	**-**

21.10 Foreign currency non repatriable loan (FCNR)

21.10.1 Foreign Currency Non Repatriable Loan from bank are USD denominated loans and carries variable rate of interest which is six month Libor plus spread and is repayable within one year from the date of each disbursement.

21.11 Buyers Credit & Pre/Post Shipment Export Credit

21.11.1 Buyers Credit and Pre/Post Shipment Export Credit from banks are USD denominated loans carries variable rate of interest which is one month Libor plus spread and is repayable within one year from the date of each disbursement.

21.12 Commercial Paper

21.12.1 The Commercial paper issued is unsecured fixed rate debt instrument with tenure of 90 days.

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

22. Other financial liabilities

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
Current maturities of long term debt (secured) **[Refer note 21.1.3 and 21.2.3]**	-	-	-	26,472.08
Current maturities of long term debt (Unsecured) **[Refer note 21.5.2, 21.6.2, 21.7.2 and 21.8.2]**	-	10,533.83	-	7,257.20
Unclaimed dividends **[Refer note 22.1 below]**	-	259.98	-	216.10
Unclaimed interest on matured debentures **[Refer note 22.2 below]**	-	0.01	-	0.01
Interest accrued but not due on loans	-	436.57	-	404.79
Deposits from suppliers/ contractors/ others	-	475.35	-	430.39
Payable against capital goods **[Refer note 22.3 below]**	-	2,074.20	-	2,309.28
Liability for employees	-	770.12	-	921.44
Other liabilities relating to customers and vendors	-	1,639.59	-	1,699.14
Total	**-**	**16,189.65**	**-**	**39,710.43**

22.1 No amount is due for payment to the Investor Education Protection Fund.

22.2 Represents interest payable towards matured debentures.

22.3 Price reduction schedule

Payable against capital goods includes ₹ 259.15 million (As at March 31, 2018 ₹ 177.65 million) relating to amounts withheld from vendors pursuant to price reduction schedule which will be settled on finalisation of proceedings with such vendors. When the withheld amounts are ultimately finalised, the related adjustment is made to the property, plant and equipment prospectively.

23 Provisions

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
Provision for employee benefits **(Refer note 40)**				
(a) Leave encashment	591.97	47.01	354.49	41.39
(b) Post retirement medical and other benefits	89.76	2.95	79.61	2.63
Others **[Refer note 23.1 below]**	-	4,531.29	-	3,993.55
Total	**681.73**	**4,581.25**	**434.10**	**4,037.57**

23.1 Others include provision for excise duty on closing stock

Movement for the year 2018-19

Particulars	Excise duty on closing stock
Opening Balance as at April 1, 2018	3,993.55
Less: Reduction on account of provision reversal	3,993.55
Add: Additions	4,531.29
Closing Balance as at March 31, 2019	4,531.29

The Company estimates provision based on substantial degree of estimation for excise duty payable on clearance of goods lying in stock as on March 31, 2019 ₹ 4,531.29 million (As at March 31, 2018 ₹ 3,993.55 million) and has included it in other provision. This provision is expected to be settled when the goods are removed from the factory premises.

24 Deferred Tax asset/ (liabilities) (net)

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

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	17,553.19	16,924.05
Deferred tax liabilities	(27,708.63)	(25,985.75)
Deferred tax Asset/ (Liability) -Net	**(10,155.44)**	**(9,061.70)**

2018-19	Opening balance	Recognised in profit or loss	MAT credit entitlement related to previous year	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities in relation to					
Property, Plant and equipment	(25,982.79)	(1,715.57)	-	-	(27,698.36)
Intangible assets	(2.96)	(7.31)	-	-	(10.27)
Total	**(25,985.75)**	**(1,722.88)**	**-**	**-**	**(27,708.63)**
Tax effect of items constituting deferred tax assets					
Other liabilities	1.40	-	-	-	1.40
Brought forward business losses and unabsorbed depreciation	-	-	-		-
MAT credit entitlement	16,558.22	616.19	14.74	-	17,189.15
Financial and other assets	340.51	-	-	-	340.51
Inventories	23.92	(1.79)	-	-	22.13
Remeasurement of the defined benefit plans	-	(24.28)	-	24.28	-
Total	**16,924.05**	**590.12**	**14.74**	**24.28**	**17,553.19**
Deferred tax asset / (liability) (net)	**(9,061.70)**	**(1,132.76)**	**14.74**	**24.28**	**(10,155.44)**

2017-18	Opening balance	Recognised in profit or loss	MAT credit entitlement related to previous year	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities in relation to					
Property, Plant and equipment	(24,213.17)	(1,769.62)	-	-	(25,982.79)
Intangible assets	7.17	(10.13)	-	-	(2.96)
Total	**(24,206.00)**	**(1,779.75)**	**-**	**-**	**(25,985.75)**
Tax effect of items constituting deferred tax assets					
Other liabilities	23.60	(22.20)	-	-	1.40
Brought forward business losses and unabsorbed depreciation	3,863.81	(3,863.81)	-	-	-
MAT credit entitlement	14,925.10	1,633.12	-	-	16,558.22
Financial and other assets	595.23	(254.72)	-	-	340.51
Inventories	31.63	(7.71)	-	-	23.92
Remeasurement of the defined benefit plans	-	17.84	-	(17.84)	-
Total	**19,439.37**	**(2,497.48)**	**-**	**(17.84)**	**16,924.05**
Deferred tax asset / (liability) (net)	**(4,766.63)**	**(4,277.23)**	**-**	**(17.84)**	**(9,061.70)**

25 Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises	227.48	331.34
Total outstanding dues of creditors other than micro enterprises and small enterprises	46,522.93	46,771.55
Total	**46,750.41**	**47,102.89**

25.1 Trade payables include ₹ 9,139.87 million (As at March 31, 2018 of ₹ 5,079.26 million) for which ONGC has given guarantees on behalf of the Company.

25.2 The average credit period on purchases of crude, stores and spares, other raw material, services, etc. ranges from 14 to 60 days (year ended March 31, 2018 ranges from 15 to 60 days). Thereafter, interest is charged upto 6.75% per annum (year ended March 31, 2018 upto 6.75% per annum) over the relevant bank rate as per respective arrangements on the outstanding balances. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

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

Particulars		**As at March 31, 2019**	**As at March 31, 2018**
i	The principal amount and the interest dues thereon (to be shown separately) remaining unpaid to any supplier at the end of the year.	227.48	331.34
ii	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii	The amount of interest dues and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v	The amount of further interest remaining dues and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

26. Other liabilities

Particulars	**As at March 31, 2019**		**As at March 31, 2018**	
	Non-current	**Current**	**Non-current**	**Current**
Revenue received in advance	-	1.29	-	1.43
Liability for gratuity **[Refer note 26.1 below]**	-	85.61	-	59.19
Liability for statutory payments	-	1,756.79	-	1,861.05
Deferred Government Grant **[Refer note 5.4 & 21.3.2]**	3,482.11	181.46	3,595.54	177.16
Total	**3,482.11**	**2,025.15**	**3,595.54**	**2,098.83**

26.1 Net of amount receivable/ payable from/to gratuity trust.

27 Revenue from operations

Particulars		**Year ended March 31, 2019**	**Year ended March 31, 2018**
27.1	**Sales**		
	Petroleum products	717,495.46	630,670.70
	Crude Oil	5,335.40	-
27.2	**Other operating revenues**		
	Sale of scrap	217.20	101.00
	Facilitation charges	68.82	44.41
	Price Reduction Schedule	34.22	20.26
	Total	**320.24**	**165.67**
	Total	**723,151.10**	**630,836.37**

28 Other income

Particulars		**Year ended March 31, 2019**	**Year ended March 31, 2018**
28.1	**Interest on:**		
	Contractor mobilisation advance	1.53	0.36
	Others	356.97	11.86
	Financial assets measured at amortised cost :		
	- bank deposits	609.79	723.91
	- direct marketing customers	23.76	17.20
	- employee loans	44.71	31.00
	Total	**1,036.76**	**784.33**

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
28.2	**Dividend income from:-**		
	Investment in mutual funds (measured at FVTPL)	**83.47**	**29.98**
	Investment in Shell MRPL Aviation Fuels and Services Limited (measured at cost)	**21.00**	**112.50**
28.3	**Other non-operating income**		
	Royalty income	8.68	8.13
	Liability no longer required written back	111.62	71.05
	Excess provisions written back	18.28	768.44
	Tender form sale	0.01	0.83
	Hire charges	4.40	1.67
	Recoveries from employees	10.33	10.20
	Amortisation of deferred government grant	178.24	164.20
	Miscellaneous receipts	79.87	94.39
	Total	**411.43**	**1,118.91**
	Total	**1,552.66**	**2,045.72**

29 Cost of materials consumed

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Raw material: Crude oil		
Imported	471,548.51	335,346.93
Indigenous	98,949.04	87,219.12
Raw material: Others		
Imported		
Hydrogen	3,434.96	2,234.66
Paraffin raffinate	11,194.72	7,639.60
De- Ethanizer	-	2.25
Reformate	-	21.87
Indigenous		
CRMB modifier	9.23	16.67
Stock-in-trade		
Indigenous	0.62	0.53
Total	**585,137.08**	**432,481.63**

29.1 The Company enjoys benefit of entry tax exemption on crude oil for its Phase III operations which qualifies to be government grant. The Company recognised such grant on net basis and is included in the 'Cost of Materials consumed'. Entry tax exemption on crude oil amounted to ₹ Nil and ₹ 166.76 million for the year ended March 31, 2019 and year ended March 31, 2018 respectively. Upon implementation of Goods and Services Tax w.e.f July 1, 2017, entry tax levy itself stands abolished.

30 Purchase of Stock-in-trade

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Crude Oil	5,260.88	-
Total	**5,260.88**	**-**

31 Changes in inventories of finished goods, stock-in-process and stock-in-trade

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
31.1	**Closing stock of:**		
	Finished goods and stock-in-trade *	20,569.99	18,299.45
	Stock-in-process	9,695.17	6,349.40
	Total closing stock	**30,265.16**	**24,648.85**

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
31.2	**Opening stock of:**		
	Finished goods and stock-in-trade	18,299.45	12,464.28
	Less - Change in Method of Accounting #	0.08	-
	Stock-in-process	6,349.40	4,517.38
	Total opening stock	**24,648.77**	**16,981.66**
	Changes in inventories of finished goods, stock-in-process and stock-in-trade	**(5,616.39)**	**(7,667.19)**

* Stock-in-trade applicable for the year ended March 31,2018 only.

Change in basis of Accounting for stock-in-trade from purchase to consumption.

32 Employee benefits expense

Particulars (refer note 32.1 below)	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	3,596.00	3,468.60
Contribution to provident and other funds	488.84	477.14
Post-retirement benefits - medical and others	12.74	12.15
Staff welfare expenses	188.98	215.56
Total	**4,286.56**	**4,173.45**

32.1 The Non Management employees wage revision is due for revision effective from January 1, 2017 and the negotiation with the employees union is in progress. Pending final negotiation, the company has made provision for wage revision on estimated basis for the year ended March 31, 2019 amounting to ₹ 255.70 million (Year ended March 31, 2018 ₹ 245.70 million) and is shown under 'Employee benefits expense'.

33 Finance costs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Finance expense for financial liabilities measured at amortised cost		
- from related party	549.13	1,657.81
- from banks	2,784.83	1,731.22
- from others	249.41	469.35
	3,583.37	**3,858.38**
Financial guarantee charges	18.52	15.75
Exchange differences regarded as an adjustment to borrowing cost	1,115.60	530.44
Total	**4,717.49**	**4,404.57**

34 Depreciation and amortisation expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of Property, plant and equipment	7,550.66	6,699.79
Amortisation of intangible assets	16.86	13.42
Total	**7,567.52**	**6,713.21**

35 Other expenses

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Power, utility and fuel charges **[refer note 35.1 below]**	52,076.09		34,072.91	
Less : Own consumption	50,799.08	1,277.01	33,340.84	732.07
Repairs and maintenance				
- Plant and machinery	3,898.83		4,031.59	
- Building	5.86		14.36	
- Others	425.30	4,329.99	345.53	4,391.48
Stores, spares and chemical consumed		1,878.39		1,597.68
Packing material consumed		369.44		180.13

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Rent		166.10		132.37
Insurance		307.85		236.69
Rates and taxes		719.92		1,803.14
Excise duty on stock (net) **[refer note 35.2 below]**		455.39		1,141.16
Exchange rate fluctuation loss/ (Income)		2,919.37		(128.43)
Director's sitting fees		6.20		2.58
Loss on sale of property, plant and equipment		90.18		250.07
Bank charges		28.29		24.24
Payment to auditors				
Audit fees	2.78		2.31	
For taxation matters	0.45		0.40	
For certification fees	2.16		2.25	
Reimbursement of expenses	2.12	7.51	2.76	7.72
Corporate social responsibility expenses (CSR) **[refer note 35.3 below]**		313.21		103.02
Impairment for:				
Doubtful trade receivables	14.27		-	
Returnable Stock	41.39		-	
Slow/non-moving Inventories	18.01	73.67	-	-
Write Offs:				
Doubtful trade receivables		-		472.34
Miscellaneous expenses		1,922.77		1,733.64
Total		**14,865.29**		**12,679.90**

35.1 The company has generated a total of 8,145,848 Kwh of Solar power for the year ended March 31, 2019 (Year ended March 31, 2018 Nil) and the same are captively consumed. The monetary values of such power generated that are captively consumed are not recognised for the purpose of disclosure in the financial statement.

35.2 Excise duty on sale of product has been included in'Revenue from operations' and excise duty shown above represents the difference between excise duty on opening and closing stock of finished goods.

35.3 The CSR expenditure comprises the following:

(a) Gross amount required to be spent by the Company during the year: ₹ 906.30 million (Year ended March 31, 2018 ₹ 338.70 million).

(b) Amount spent during the year on:

Particulars	Year ended March 31, 2019		
	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of asset	71.02	114.27	185.29
ii) On purpose other than (i) above	99.98	27.94	127.92
Total	**171.00**	**142.21**	**313.21**

Particulars	Year ended March 31, 2018		
	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of asset	71.23	7.41	78.64
ii) On purpose other than (i) above	13.04	11.34	24.38
Total	**84.27**	**18.75**	**103.02**

36 Exceptional items (income)/expenses (net)

Particulars (Refer note 36.1 and 36.2 below)	Year ended March 31, 2019	Year ended March 31, 2018
Terminalling Charges	-	258.90
Employee benefits expense	228.73	-
Power, utility and fuel charges	339.75	-
Repairs and maintenance - Plant and machinery	(420.54)	-
Total	**147.94**	**258.90**

36.1 The exceptional items for current year is on account of :

(a) Expense of ₹ 228.73 million is towards differential contribution to "MRPL Defined Contribution Pension Scheme" for Management Staff (pertaining to the period January 2007 to March 2018) and Non Management Staff (pertaining to the period April 2007 to March 2018).

(b) Expense of ₹ 339.75 million is on account of estimated cost of purchase of Renewable Energy Certificate (REC) from Indian Energy Exchange (IEX), as per the direction received from Karnataka Electricity Regulatory Commission, for meeting Renewable Energy Purchase Obligation (RPO) from the financial year 2015-16 to 2017-18 based on company's captive and auxiliary consumption.

(c) Income of ₹ 420.54 million relating to reclaim of input tax credit under Goods and Service Tax Act (GST Act) for the financial year 2017-18 represents the credit taken based on annual mix of products covered under GST and products not covered under GST.

36.2 Exceptional items for the previous year was on account of sharing of terminalling charges collected from oil marketing companies on cross country dispatch retrospectively from financial year 2003-04 amounting to ₹ 258.90 million.

37 Income taxes related to continuing operations

37.1 Income tax recognised in statement of profit and loss

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	1,355.33	6,988.58
Deferred tax	1,132.76	4,277.23
Total income tax expense recognised in the current year relating to continuing operations	**2,488.09**	**11,265.81**

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax from continuing operations	**5,807.65**	**33,507.04**
Income tax expense calculated at 34.944% (2017-2018: 34.608%)	2,029.43	11,596.12
Effect of income exempt from tax	(36.51)	(49.31)
Effect of investment allowance u/s 32AC of Income Tax Act, 1961	20.97	43.63
Effect of expenses not deductible in determining taxable profit	83.71	58.59
Effect of deferred tax due to change in tax rate from 34.608% to 34.9440%	-	(56.83)
Effect of recognition of MAT credit of earlier years at 21.3416%	(11.70)	(7.16)
Effect of recognition of Prior year tax of previous year	(122.06)	7.16
Effect of change in deferred tax balance due to true up adjustments	524.25	(326.39)
Income tax expense recognised in profit or loss (relating to continuing operations)	**2,488.09**	**11,265.81**

37.3 Income tax recognised in other comprehensive income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	24.28	(17.84)
Total income tax recognised in other comprehensive income	**24.28**	**(17.84)**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	24.28	(17.84)
Items that may be reclassified to profit or loss	-	-

38 Earnings per equity share:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit after tax for the year attributable to equity shareholders	3,319.56	22,241.23
Weighted average number of equity shares (Number in million)	1,752.60	1,752.60
Basic and Diluted earnings per equity share (₹)	1.89	12.69
Face Value per equity share (₹)	10.00	10.00

39 Leases

39.1 Obligations under finance leases

39.1.1 The Company has entered into lease agreements for lands which have been classified as finance leases. The ownership of the lands will be transferred to the Company at the end of the lease term with nominal payment of administrative charges. The lease term ranges from 5 - 44 years. The Company has pledged these leasehold lands for obtaining borrowings **[Refer note 5.1]**.

Financial lease obligation as at March 31, 2019 is immaterial (As at March 31, 2018 : immaterial).

39.2 Operating lease arrangements

39.2.1 Leasing arrangements

The Company has entered into arrangements for right of way for pipelines and lease of land which have been classified as operating leases. The lease period for right of way ranges from 11 months to 30 years and for leases of land ranges from 5 to 99 years. In case of leasehold land, the Company does not have option to purchase the land at the end of the lease period. Generally, the lease arrangements for land requires Company to make upfront payments at the time of the execution of the lease arrangement with annual recurring charges with escalations in annual lease rentals.

39.2.2 Payments recognized as an expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Minimum lease payments	108.27	51.74
	108.27	**51.74**

39.2.3 Non-cancellable operating lease commitments

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

40 Employee benefit plans

40.1 Defined Contribution plans

The amounts recognized in the financial statements for defined contribution plans are as under:

Defined Contribution Plans	Amount recognized during the year		Contribution for Key Management Personnel	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Employer's contribution to Provident Fund	211.39	199.56	0.86	1.15
Employer's contribution to Superannuation Fund **(Refer note 36)**	466.10	166.31	1.38	0.96

40.2 Other long term employee benefits

40.2.1 **Brief Description:** A general description of the type of Other long-term employee benefits 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 up to 300 days along with Earned leave.

40.2.2 The liability for leaves are recognized on the basis of actuarial valuation.

40.3 Defined benefit plans

40.3.1 Brief Description: A general description of the type of Defined benefit plans are as follows:

a) Gratuity:

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

The MRPL- Gratuity Trust was formed on 20th April,2007 and investments of the funds received from the company after actuarial valuation and the investment of the funds upto June 28, 2013 was made in the manner prescribed by Income tax Rule 67(1) of the Income Tax Rules ,1962 as amended from time to time.

The Funds of MRPL- Gratuity Trust after June 28, 2013 is being invested in Group Gratuity Cash Accumulation Scheme (Traditional Fund) in LIC, Bajaj Allianz, HDFC Standard Life Insurance Co., Birla Sunlife Insurance co and Inda First Life Insurance Co.

b) 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.

c) Resettlement Allowance:

At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Settlement Allowance.

40.3.2 The liability for Defined benefit plans is recognized on the basis of actuarial valuation.

40.3.3 These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently it has a relatively balanced mix of investments in government securities, insurance investment and other debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees.

In respect of the plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2019 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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

Sr No.	Particulars	As at March 31, 2019	As at March 31, 2018
	Gratuity (Funded)		
1	Expected return on plan assets	7.79%	7.85%
2	Rate of discounting	7.79%	7.85%
3	Rate of salary increase	7.50%	5.50%
4	Rate of employee turnover	2.00%	2.00%
5	Mortality rate during employment	Indian Assured lives Mortality (2006-08)	Indian Assured lives Mortality (2006-08)

Sr No.	Particulars	As at March 31, 2019	As at March 31, 2018
	Post-Retirement Medical Benefits		
1	Rate of discounting	7.79%	7.85%
2	Medical cost inflation	0.00%	0.00%
3	Rate of employee turnover	2.00%	2.00%
4	Mortality rate during employment	Indian Assured lives Mortality (2006-08)	Indian Assured lives Mortality (2006-08)
5	Mortality rate after employment	Indian Assured lives Mortality (2006-08)	Indian Assured lives Mortality (2006-08)
	Resettlement Allowance:		
1	Rate of discounting	7.79%	7.85%
2	Rate of salary increase	7.50%	5.50%
3	Rate of employee turnover	2.00%	2.00%
4	Mortality rate during employment	Indian Assured lives Mortality (2006-08)	Indian Assured lives Mortality (2006-08)

The rate of discounting based upon the market yield available on Government bonds at the accounting date with a term that matches. The salary growth takes account inflation, seniority, promotion and other relevant factor on long term basis. Expected rate of return on plan assets is based on market expectation, at the beginning of the year, for return over the entire life of the related obligation.

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

Gratuity:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Service Cost :		
Current service cost	30.38	34.53
Net interest expense	4.80	7.26
Past Service Cost	-	76.84
Components of defined benefit costs recognised in employee benefit expenses	**35.18**	**118.63**
Remeasurement on the net defined benefit liability:		
Return on plan assets excluding amounts included in net interest cost	(8.03)	(2.67)
Actuarial (gains) / losses arising from changes in financial assumptions	72.84	(39.64)
Actuarial (gains) / losses arising from experience adjustments	(2.01)	(3.10)
Components of Remeasurement	**62.80**	**(45.41)**
Total	**97.98**	**73.22**

Post-Retirement Medical Benefits:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Service Cost :		
Current service cost	5.05	4.82
Net interest expense	5.60	5.17
Components of defined benefit costs recognised in employee benefit expenses	**10.65**	**9.99**
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	0.64	(5.38)
Actuarial (gains) / losses arising from experience adjustments	1.13	2.04
Components of Remeasurement	**1.77**	**(3.34)**
Total	**12.42**	**6.65**

Resettlement Allowance:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Service Cost :		
Current service cost	1.23	1.21
Net interest expense	0.85	0.85
Components of defined benefit costs recognised in employee benefit expenses	**2.08**	**2.06**
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	3.81	(0.79)
Actuarial (gains) / losses arising from experience adjustments	1.11	(1.50)
Components	**4.92**	**(2.29)**
Total	**7.00**	**(0.23)**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income. The components of remeasurement of net defined benefit liability recognised in other comprehensive income is ₹ (-) 69.49 million (previous year ₹ 51.04 million)

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

Gratuity:

Particulars	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	797.05	703.51
Current service cost	30.38	34.53
Past Service Cost	-	76.84
Interest cost	62.57	51.64
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	72.84	(39.64)
Actuarial gains and losses arising from experience adjustments	(2.01)	(3.10)
Benefits paid	(26.06)	(26.73)
Closing defined benefit obligation	**934.77**	**797.05**
Current obligation	**97.98**	**61.10**

Post-Retirement Medical Benefits:

Particulars	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	71.39	70.42
Current service cost	5.05	4.82
Interest cost	5.60	5.17
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	0.64	(5.38)
Actuarial gains and losses arising from experience adjustments	1.13	2.04
Benefits paid	(5.98)	(5.68)
Closing defined benefit obligation	**77.83**	**71.39**
Current obligation	2.56	2.28
Non-Current obligation	**75.27**	**69.11**

Resettlement Allowance:

Particulars	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	10.85	11.54
Current service cost	1.23	1.21
Interest cost	0.85	0.85
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	3.81	(0.79)
Actuarial gains and losses arising from experience adjustments	1.11	(1.50)
Benefits paid	(2.97)	(0.46)
Closing defined benefit obligation	**14.88**	**10.85**
Current obligation	0.39	0.35
Non-Current obligation	**14.49**	**10.50**

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

Gratuity:

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded defined benefit obligation	(934.77)	(797.05)
Fair value of plan assets	836.79	735.95
Funded status	**(97.98)**	**(61.10)**
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**(97.98)**	**(61.10)**

The amounts included in the fair value of plan assets of gratuity fund in respect of Company's own financial instruments and any property occupied by, or other assets used by the reporting enterprise are ₹ Nil (As at March 31, 2018 ₹ Nil)

Post-Retirement Medical Benefits and terminal benefits and Resettlement allowances are unfunded plans, and no plan assets are involved.

40.3.8 Movements in the fair value of the plan assets are as follows :

Gratuity:

Particulars	As at March 31, 2019	As at March 31, 2018
Opening fair value of plan assets	735.95	604.52
Interest income	57.77	44.37
Return on plan assets (excluding amounts included in net interest expense)	8.03	2.67
Contributions by the employer	61.10	98.99
Benefits paid	(26.06)	(14.60)
Closing fair value of plan assets	**836.79**	**735.95**

Expected Contribution in respect of Gratuity for next year will be ₹ 85.61 million (For the year ended March 31, 2018 ₹ 59.19 million).

The Company has recognized a gratuity liability of ₹ 97.98 million as at March 31, 2019 (As at March 31, 2018 ₹ 61.10 million).

40.3.9 The fair value of the plan assets at the end of the reporting period for each category, are as follows.

Fair value of plan assets as at

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Cash and Cash equivalents	1.00	0.87
Equity Investment	-	-
Mutual Fund-UTI Treasury Fund	20.23	18.91
Debt investment categorised by issuer's credit rating		
AAA	36.44	54.53
AA+	5.01	7.02
AA	2.03	6.00
AA-	-	-
A+	-	4.00
A-	3.01	-
BBB+	3.01	-
Group Gratuity Cash Accumulation Scheme (Traditional Fund)		
Life Insurance Corporation of India	156.90	141.67
Bajaj Allianz	137.01	121.78
HDFC Standard Life Insurance Co.	140.00	124.77
Birla Sunlife Insurance Co.	70.26	55.02
India First Life Insurance Co.	70.26	55.03
Investment in Government Securities	139.69	139.66
Other current assets - Interest Accrued	51.94	6.69
Total	**836.79**	**735.95**

40.3.9.1 The actual return on plan assets of gratuity was ₹ 57.77 million (As at March 31, 2018 ₹ 44.37 million).

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

40.3.11 Sensitivity Analysis as at March 31, 2019

Significant actuarial assumptions	**Gratuity**	**Post-Retirement Medical Benefits**	**Resettlement Allowance**
Rate of discounting			
- Impact due to increase of 50 basis points	(44.11)	(5.09)	(1.06)
- Impact due to decrease of 50 basis points	47.78	5.65	1.17
Rate of salary increase			
- Impact due to increase of 50 basis points	15.56	-	1.17
- Impact due to decrease of 50 basis points	(15.97)	-	(1.06)
Rate of Employee turnover			
- Impact due to increase of 50 basis points	16.15	(2.02)	0.03
- Impact due to decrease of 50 basis points	(17.15)	1.72	(0.04)

40.3.12 Sensitivity Analysis as at March 31, 2018

Significant actuarial assumptions	**Gratuity**	**Post-Retirement Medical Benefits**	**Resettlement Allowance**
Rate of discounting			
- Impact due to increase of 50 basis points	(69.32)	(4.74)	(0.70)
- Impact due to decrease of 50 basis points	80.82	5.27	0.78
Rate of salary increase			
- Impact due to increase of 50 basis points	34.95	-	0.79
- Impact due to decrease of 50 basis points	(37.85)	-	(0.72)
Rate of Employee turnover			
- Impact due to increase of 50 basis points	29.79	(1.90)	0.20
- Impact due to decrease of 50 basis points	(33.37)	1.60	(0.22)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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

40.3.13 Following are the details relating to the defined benefit plans that have a significant bearing on Company's future cash flows:

Gratuity:

Particulars	As at March 31, 2019	As at March 31, 2018
Number of active members	1,939	1,894
Per month salary for active members	160.97	147.89
Weighted average duration of the Projected Benefit Obligation (years)	12	11
Average Expected future service	17	17
Projected benefit obligation	934.77	797.05
Contribution to the defined benefit plan during the next financial year	130.29	91.48

Post-Retirement Medical Benefits:

Particulars	As at March 31, 2019	As at March 31, 2018
Number of active members	1,943	1,915
Number of retired employees	112	91
Weighted average duration of the Projected Benefit Obligation	15	15
Average expected future service	17	17
Projected benefit obligation	77.83	71.39

Resettlement Allowance:

Particulars	As at March 31, 2019	As at March 31, 2018
Number of active members	1,943	1,915
Per month salary for active members	161.10	148.38
Weighted average duration of the Projected Benefit Obligation	16	16
Average expected future service	17	17
Projected benefit obligation	14.88	10.85

40.3.14 Maturity Profile for Defined Benefit Obligations

Defined Benefit	As at March 31, 2019	As at March 31, 2018
Gratuity		
Less than one year	49.49	55.23
One to Three years	108.58	89.60
Three to Five years	122.20	111.20
More than Five years	398.88	321.31
Post-Retirement Medical Benefits		
Less than one year	2.55	2.27
One to Three years	5.70	5.06
Three to Five years	6.52	5.90
More than Five years	22.30	19.88
Resettlement Allowance		
Less than one year	0.39	0.35
One to Three years	0.91	0.75
Three to Five years	0.89	0.75
More than Five years	2.66	2.06

41 Segment Reporting

The Company has "petroleum products" as single reportable segment.

41.1 Information about major customers

Company's significant revenues are derived from sales to oil marketing companies which is 64% and 66% of the Company's total revenue for the year ending March 31, 2019 & March 31, 2018 respectively. The total sales to such companies amounted to ₹ 380,853.71 million for the year ended March 31, 2019 and ₹ 413,922.96 million for the year ended March 31, 2018.

No customer (excluding oil marketing companies mentioned above) for the years ended March 31, 2019 and March 31, 2018 contributed 10% or more to the Company's revenue. The total sales to such customer amounted to Nil for the year ended March 31, 2019 and Nil for the year ended March 31, 2018.

41.2 Information about geographical areas:

a) The Company is domiciled in India. The amount of its revenue from customers broken down by location of customers is tabulated below:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
India	507,779.82	503,511.54
Other Countries	215,051.04	127,159.16
Total	**722,830.86**	**630,670.70**

b) Non-current assets (excluding financial assets and deferred tax assets) broken down by location of customers is tabulated below:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
India	163,801.22	163,440.20
Other Countries	-	-
Total	**163,801.22**	**163,440.20**

41.3 Revenue from major products

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
High speed Diesel (HSD)	267,812.95	337,309.70
Motor Spirit (MS)	76,364.65	84,126.90
Total	**344,177.60**	**421,436.60**

Threshold limit of 10% of total turnover of each product is considered for reporting revenue from major products.

42 Related Party Disclosures

42.1 Name of related parties and description of relationship:

A Entity having control over the Company (Holding Company)

Oil and Natural Gas Corporation Limited (ONGC)

B Entity having significant influence over the Company

Hindustan Petroleum Corporation Limited (HPCL)

C Subsidiary

ONGC Mangalore Petrochemicals Limited (OMPL)

D Joint Ventures

1 Shell MRPL Aviation Fuels and Services Limited (SMAFSL)

2 Mangalam Retail Services Limited(MRSL) (upto January 16, 2017)

E Trusts (including post retirement employee benefit trust) where in MRPL is having control

1 MRPL Gratuity Fund Trust

2 MRPL Provident Fund Trust

F Key Management Personnel

F.1 Non-Executive directors

Shri Shashi Shanker, Chairman, from October 01, 2017

F.2 Executive Directors

1. Shri M. Venkatesh, Managing Director with additional charge of Director (Refinery) from June 1, 2018. Additional charge of Director (Finance) from November 20, 2018.
2. Shri H. Kumar, Managing Director, from August 14, 2014 to May 31, 2018.
3. Shri M. Venkatesh Director (Refinery), from April 1, 2015 to May 31, 2018.
4. Shri A. K. Sahoo, Director (Finance), from February 1, 2016 to December 11, 2018.

F.3 Other Non-Executive Directors

1 Shri Vinod S. Shenoy, Nominee Director (HPCL) from November 8, 2016
2 Shri Subhash Kumar, Nominee Director (ONGC) from May 15, 2018
3 Shri K.M. Mahesh, Government Nominee Director from November 24, 2017
4 Shri Sanjay Kumar Jain, Government Nominee Director from November 24, 2017
5 Ms. Manjula C, Independent Director from January 31, 2017
6 Shri V.P. Haran , Independent Director from September 08, 2017
7 Shri Sewa Ram , Independent Director from September 08, 2017
8 Dr. G.K. Patel , Independent Director from September 08, 2017
9 Shri Balbir Singh Yadav, Independent Director from September 08, 2017
10 Shri Vivek Mallya, Independent Director from January 7, 2019

F.4 Chief Financial Officer

Shri S. Raviprasad from February 07, 2019

F.5 Company Secretary

Shri Dinesh Mishra, Company Secretary

42.2 Details of Transactions:

42.2.1 Transactions with Holding Company

Oil and Natural Gas Corporation Limited (ONGC)	Nature of Transactions	Year ended March 31, 2019	Year ended March 31, 2018
Sales of products	a) Sales of HSD	7.14	13.46
	b) Sales of High Flash High Speed Diesel	8,687.41	8,847.37
Purchase of Crude & Retail Outlet	a) Purchase of Crude Oil	54,415.27	49,439.47
	b) Purchase of Retail Outlet	-	12.16
Services received	a) Deputation of ONGC Employees	6.45	7.17
	b) Rent and Electricity Charges paid for Mumbai and Delhi Office	48.97	73.64
Guarantee Fees	Charges for Guarantee given to Saudi Aramco	16.52	15.75
Services provided	Expenses incurred on behalf of ONGC	-	0.18
Dividend	Dividend Paid	3,766.06	7,532.12
Loan	Repayment of Loan	18,856.90	6,857.20
Interest Expense	Interest on Term Loan	549.13	1,657.81

42.2.2 Outstanding balances with Holding Company

Oil and Natural Gas Corporation Limited (ONGC)	Nature of Transactions	As at March 31, 2019	As at March 31, 2018
Loans	Term Loan	-	18,856.90
Amount receivable	Sale of Oil products	6.92	985.40
Amount payable	Purchase of Crude Oil	4,102.59	6,665.62
Amount payable	Purchase of Others	25.88	62.76

42.2.3 Transactions with Entity having significant influence over the Company

Hindustan Petroleum Corporation Limited (HPCL)	Nature of Transactions	Year ended March 31, 2019	Year ended March 31, 2018
Sales of products	Sale of petroleum products	156,578.87	207,663.45
Services provided	a) Received / Receivable on account of Terminalling Charges	-	8.28
	b) Reimbursement of water charges, facilitation charges	9.73	16.41
	c) Receipts of contaminated products, Hospitality Charges, Wharfage and stock loss etc.	44.56	6.22
	d) Dividend	891.46	1,782.92

42.2.4 Outstanding balances with Entity having significant influence over the Company

Hindustan Petroleum Corporation Limited (HPCL)	Nature of Transactions	As at March 31, 2019	As at March 31, 2018
Amount receivable	Sale of Oil products	7,168.79	8,789.87
	Transit Loss and Others	40.26	40.26
Amount payable	HPCL R &D & Chemical Cleaning	2.39	2.26

42.2.5 Transactions with Subsidiary

ONGC Mangalore Petrochemicals Limited (OMPL)	Nature of Transactions	Year ended March 31, 2019	Year ended March 31, 2018
Sales of products	Sale of products	59,579.45	43,169.50
Purchase of products	Purchases	15,863.32	10,621.09
Services received	a) Salary for OMPL staff on deputation	1.22	12.35
	b) Road Facility	(0.43)	7.94
Services provided	a) Facilitation Charges	68.82	44.41
	b) Deputation of MRPL Employees, Energy Charges,Survey Fees reimbursement	3.83	35.99
	c) Consultancy back charges/credit note for metering charges	33.69	61.70
	d) Investment in Equity	1,530.05	-
Interest income and Other Recovery	Reimbursement of Charges	158.57	34.38

42.2.6 Outstanding balances with Subsidiary

ONGC Mangalore Petrochemicals Limited (OMPL)	Nature of Transactions	As at March 31, 2019	As at March 31, 2018
Loans	Short Term Loans & Advances	2.96	8.93
Amount receivable	Sales of Oil products, Facilitation Charges & Others	2,491.87	1,754.77
Amount payable	a) Purchase of Raffinate, Hydrogen & Other Service Charges	570.65	540.35
	b) Feed Transfer Facility within MRPL Provided by OMPL	-	1.73

42.2.7 Transactions with Joint Ventures:

Shell MRPL Aviation Fuels and Services Ltd (SMAFSL)	Nature of Transactions	Year ended March 31, 2019	Year ended March 31, 2018
Sales of products	Petroleum Products	6,434.29	4,749.18
Services provided	a) Reimbursement of Electrical Charges	0.02	0.04
	b) Royalty Income	9.73	9.19
Dividend Income	Dividend received	21.00	112.50
Product Purchase	Contaminated Product	-	0.62

42.2.8 Outstanding balances with Joint Ventures:

Shell MRPL Aviation Fuels and Services Ltd (SMAFSL)	Nature of Transactions	As at March 31, 2019	As at March 31, 2018
Amount receivable:	a) Royalty and Terminalling Charges, etc.	496.31	426.40
	b) Receivable for the Services	-	0.01

42.2.9 Transactions with Other Related Parties

Name of Associates	Nature of Transactions	Year ended March 31, 2019	Year ended March 31, 2018
a) Services received from:			
1 Mangalore SEZ Limited	a) River Water, STP Water & Road Repairs	616.34	553.69
2 Petronet MHB Limited	Pipeline Transportation Charges	254.18	44.89
3 ONGC Nile Ganga BV	a) Purchase of Crude Oil	17,740.96	-
	b) Tendering services	0.08	-
4 ONGC Campos Ltda	Tendering services	0.06	-
b) Services provided to:			
Petronet MHB Limited	Reimbursement of Electricity Charges	36.95	41.31

42.2.10 Outstanding balances with Other Related Parties :

Name of Associates	Nature of Transactions	As at March 31, 2019	As at March 31, 2018
Amount receivable:			
1. Petronet MHB Limited	Reimbursement of Electricity Charges	37.48	5.77
2. ONGC Nile Ganga BV	Outstanding on account of services	0.08	-
3. ONGC Campos Ltd.	Outstanding on account of services	0.10	-
Amount payable:			
1. Mangalore SEZ Limited	River Water, STP Water and Road Repairs	44.49	43.89
2. ONGC Nile Ganga BV	Balance Outstanding on account of Crude procurement	39.05	67.99
Advances to:			
Mangalore SEZ Limited	Advance for Right of Way for Pipeline-cum-Road Corridor	-	980.61

42.2.11 Transactions with Trusts

Name of Trusts	Nature of Transactions	Year ended March 31, 2019	Year ended March 31, 2018
Remittance of payments:			
Provident Fund of MRPL Limited	Contributions	462.76	428.25
Reimbursement of Gratuity payment made on behalf of Trust:			
MRPL Gratuity Fund Trust	Reimbursements and Contributions	38.85	12.12

42.2.12 Compensation to Key Management Personnel:

Whole Time Directors/ Company Secretary/ Chief Financial Officer Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short Term employee benefits	23.66	23.55
Post-employment benefits (includes provision for leaves, gratuity and other post retirement benefits)	8.61	7.42
Other long-term benefits (includes contribution to provident fund)	2.21	2.11
Total	**34.48**	**33.08**

Loans / Accrued Interest on Loan to directors and other officers:

Whole Time Directors and Company Secretary Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Loans to Director and Company Secretary	0.82	1.65
Accrued interest on Loans to Director and Company Secretary	0.11	0.42
Total	**0.93**	**2.07**

Independent Directors

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sitting Fees	6.20	2.58

42.3 Disclosure in respect of Government related entities (Note 42.3.4):

42.3.1 Name of Government related entities and description of relationship wherein significant amount of transactions were carried out:

Government related entities		Relation
1	Bharat Petroleum Corporation Ltd (BPCL)	Central PSU
2	Indian Oil Corporation Limited (IOCL)	Central PSU
3	Bharat Heavy Electrical Limited	Central PSU
4	Oriental Insurance Co. Limited	Central PSU
5	Bridge & Roof Co (India) Limited	Central PSU
6	Engineers India Limited	Central PSU
7	The Shipping Corporation of India Limited	Central PSU
8	Konkan Railway Corporation Limited	Central PSU
9	Indian Strategic Petroleum Reserves Limited (ISPRL)	Central Government
10	Centre for High Technology	Central Government
11	Karnataka Power Transmission Corporation Limited	State Government
12	Karnataka Industrial Area Development Board	State Government
13	New Mangalore Port Trust	Central Port Trust

42.3.2 Transactions with Government related Entities (Note 42.3.4):

Name of related party		Nature of transactions	Year ended March 31, 2019	Year ended March 31, 2018
A	**Sale of products during year to:**			
1	Indian Oil Corporation Limited (IOCL)	Sale of petroleum products	120,102.25	118,197.54
2	Bharat Petroleum Corporation Ltd (BPCL)	Sale of petroleum products	87,668.44	71,354.03
3	New Mangalore Port Trust	Sale of petroleum products	2.37	1.34
4	Indian Strategic Petroleum Reserves Limited (ISPRL)	a) Sale of petroleum products	0.14	3.06
		b) Sale of Crude oil (High Sea Sale)	5,342.16	4.99
B	**Purchase of product during year from:**			
1	Bharat Heavy Electrical Ltd	CPP Phase III and other supplies	62.52	75.39
2	Indian Oil Corporation Limited (IOCL)	Purchase of Naphtha / Contaminated Product / Lubes	11.39	13.16
3	Bharat Petroleum Corporation Ltd (BPCL)	Purchase of Contaminated Product	0.96	2.33
C	**Service Provided**			
1	Bharat Petroleum Corporation Ltd (BPCL)	a) Received / Receivable on account of Terminalling Charges	-	4.32
		b) Loading Arm Charges	-	0.07
2	Indian Strategic Petroleum Reserves Limited (ISPRL)	Deputation of MRPL Employees	9.43	9.02
3	Indian Oil Corporation Limited (IOCL)	Received / Receivable on account of Terminalling Charges	-	7.16

Name of related party		Nature of transactions	Year ended March 31, 2019	Year ended March 31, 2018
D	**Services Received from:**			
1	Karnataka Power Transmission Corporation Ltd	Purchase of electricity	204.59	235.92
2	Oriental Insurance Co. Ltd	Insurance premium	316.81	251.20
3	New Mangalore Port Trust	Port Services	394.52	132.30
4	Bridge & Roof Co (India) Ltd	Job Work Service	1,118.60	185.59
5	Engineers India Ltd	Technical Services	397.74	752.49
6	The Shipping Corporation of India Ltd	Service	2,044.40	2,831.76
7	New Mangalore Port Trust	Port Services	1,275.37	1,304.23
8	Konkan Railway Corporation Limited	Railway Siding	-	248.09
9	Indian Oil Corporation Limited (IOCL)	Testing Fees & Demurrage	3.02	0.04
10	Bharat Petroleum Corporation Ltd (BPCL)	PT Programme Services	0.06	-
E	**Advance for Acquisition for Land**			
1	Karnataka Industrial Area Development Board	Advance towards land for expansion	158.23	1,107.21

42.3.3 Outstanding balances with Government related entities (Note 42.3.4):

Name of related party		Nature of transaction	As at March 31, 2019	As at March 31, 2018
Amount receivable:				
1	Indian Oil Corporation Limited	Trade and other receivable	7,306.93	5,348.27
2	Bharat Petroleum Corporation Ltd	Trade and other receivable	2,445.86	3,148.87
3	Indian Strategic Petroleum Reserves Limited (ISPRL)	Trade and other receivable	1.36	4.75
4	New Mangalore Port Trust	Trade and other receivable	222.66	53.46
Advance to Vendors :				
1	Centre for High Technology	Advance	29.62	29.82
2	Karnataka Industrial Area Development Board	Advance for Land	7,175.77	7,017.10
3	Karnataka Power Transmission Corporation Ltd	Advance	-	60.56
4	Indian Strategic Petroleum Reserves Limited (ISPRL)	Advance	7.53	0.53
Amount payable:				
1	Bridge & Roof Co (India) Ltd	Trade and other payable	114.05	103.84
2	Engineers India Ltd	Trade and other payable	157.93	561.00
3	Bharat Heavy Electrical Ltd	Trade and other payable	874.55	870.52
4	The Shipping Corporation of India Ltd	Trade and other payable	118.23	43.49
5	Konkan Railway Corporation Limited	Trade and other payable	-	16.85
6	Karnataka Power Transmission Corporation Ltd	Trade and other payable	20.08	21.01
7	Indian Oil Corporation Limited	Trade and other payable	0.08	0.08

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

42.3.4 Relationship, transactions and outstanding balances with ONGC, HPCL, OMPL, PMHBL and ONGC Nile Ganga BV have been disclosed in Note 42.2.1 to 42.2.10 above.

43 Financial instruments

43.1 Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders; and maintain an optimal capital structure to reduce the cost of capital.

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

The capital structure of the Company consists of net debt (borrowings as detailed in notes 21 and 22 offset by cash and bank balances) and total equity of the Company.

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

43.1.1 Gearing Ratio

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

The gearing ratio is worked out as follows

Particulars	As at 31 March, 2019	As at 31 March, 2018
i) Debt *	91,310.39	79,501.65
ii) Total cash and bank balances	4,875.35	8,329.85
Less : cash and bank balances required for working capital	4,875.35	8,329.85
Net cash and bank balances	-	-
iii) Net Debt	91,310.39	79,501.65
iv) Total equity	107,270.29	110,330.73
v) Net Debt to equity ratio	0.85	0.72
*** Debt is defined as long-term and short term borrowings as described in notes 21 and note 22.**		

43.2 Categories of financial instruments

Particulars	As at 31 March, 2019	As at 31 March, 2018
Financial assets (Refer Note 43.2.1 below)		
Measured at amortised cost		
(a) Trade and other receivables	23,222.96	26,609.18
(b) Cash and cash equivalents	25.91	4,403.53
(c) Other bank balances	4,849.44	3,926.32
(d) Loans	1,038.91	690.78
(e) Other financial assets	140.62	167.49
Measured at fair value through profit and loss		
(a) Investments	0.19	0.19
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	80,776.56	45,772.37
(b) Trade payables	46,750.41	47,102.89
(c) Other financial liabilities	16,189.65	39,710.43

43.2.1 Investments in subsidiary and joint venture have not been disclosed above as these are measured at cost less impairment, if any.

43.3 Financial risk management objectives

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

43.4 Market Risk

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

43.5 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies, primarily for purchases of crude oil and exports sales and has borrowings denominated in foreign currency; consequently, exposures to exchange rate fluctuations arise. Significant carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows :-

Transaction Currency	Liabilities		Assets	
	As at March 31, 2019	As at March 31, 2018	As at 31 March, 2019	As at 31 March, 2018
USD	107,917.26	89,950.36	3,225.16	6,042.56

43.5.1 Foreign currency sensitivity analysis

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

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

USD sensitivity at year end	Year ended March 31, 2019	Year ended March 31, 2018
Receivables:		
Weakening of INR by 5%	161.26	302.13
Strengthening of INR by 5%	(161.26)	(302.13)
Payable		
Weakening of INR by 5%	(5395.86)	(3210.21)
Strengthening of INR by 5%	5395.86	3210.21

43.5.2 Forward foreign exchange contracts

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

43.6 Interest rate risk management

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

Interest rate sensitivity analysis

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2019 would decrease/increase by ₹ 406.14 million (for the year ended March 31, 2018 : decrease/increase by ₹ 389.22 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

43.7 Credit risk management

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

Major customers comprise of public sector undertakings (Oil Marketing Companies - OMCs) and subsidiary Company ONGC Mangalore Petrochemicals Limited (OMPL). Both public sector undertakings (OMCs) and OMPL are having highest credit ratings, carry negligible credit risk. Concentration of credit risk to any other counterparty did not exceed 10% of total monetary assets at any time during the year.

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

43.8 Liquidity risk management

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

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

Particulars	Weighted average effective interest rate	Less than 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total	Gross Carrying Value
As at March 31, 2019							
(i) Borrowings	Long term - 5.41% Short Term - 7.40%	38,193.58	10,374.00	20,314.50	12,376.20	81,258.28	80,776.56
(ii) Trade payables	Refer note 25.2	37,656.25	9,094.16			46,750.41	46,750.41
(iii) Other financial liabilities		4,476.40	11,714.74			16,191.14	16,189.65

Particulars As at March 31, 2018	Weighted average effective interest rate	Less than 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total	Gross Carrying Value
(i) Borrowings	Long term - 5.16% Short Term - 6.24%	24,259.60	6,518.00	14,825.52	485.53	46,088.65	45,772.37
(ii) Trade payables	Refer note 25.2	38,736.37	8,366.52	-	-	47,102.89	47,102.89
(iii) Other financial liabilities		4,751.30	34,984.76	-	-	39,736.06	39,710.43

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

Particulars As at March 31, 2019	Weighted average effective interest rate	Less than 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total	Gross Carrying Value
(i) Investments		-	-	-	15,026.47	15,026.47	15,026.47
(ii) Loans - Interest Bearing	6.24%	17.58	90.25	195.95	575.05	878.83	878.83
- Others		2.89	0.92	0.35	343.58	347.74	160.08
(iii) Trade receivables	Refer note 16.1	23,149.16	73.80	-	-	23,222.96	23,222.96
(iv) Cash and cash equivalents		25.91	-	-	-	25.91	25.91
(v) Other Bank balances		4,849.35	-	0.09	-	4,849.44	4,849.44
(vi) Other financial assets		3.95	1.63	3.15	131.89	140.62	140.62

Particulars As at March 31, 2018	Weighted average effective interest rate	Less than 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total	Gross Carrying Value
(i) Investments		-	-	-	13,496.42	13,496.42	13,496.42
(ii) Loans - Interest Bearing	7.19%	4.95	74.21	135.21	341.32	555.69	555.69
- Others		2.86	0.78	0.01	148.92	152.57	135.09
(iii) Trade receivables	Refer note 16.1	26,522.05	87.13	-	-	26,609.18	26,609.18
(iv) Cash and cash equivalents		1,006.03	3,397.50	-	-	4,403.53	4,403.53
(v) Other Bank balances		3,926.22	-	0.10	-	3,926.32	3,926.32
(vi) Other financial assets		69.50	3.16	1.93	92.90	167.49	167.49

The Company has access to financing facilities as described below, of which ₹ 2,463.20 million were unused at the end of the reporting period (As at March 31, 2018 ₹ 2,679.00 million). The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Particulars	As at March 31, 2019	As at March 31, 2018
Secured bank overdraft facility payable at call :	4,120.50	2,679.00
- amount used	1,657.30	-
- amount unused	2,463.20	2,679.00

43.9 Fair value measurement

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

44 The Financial position of the Joint Ventures are as under:

Particulars (As at March 31, 2019)	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Total Revenue	Profit or Loss from continuing operations	Profit or Loss from discontinued operations	Other Compre-hensive Income	Total Compre-hensive Income
Shell MRPL Aviation Fuels and Services Limited	3,084.68	94.82	2,602.38	3.36	7,277.44	15.94	-	(0.48)	15.46
Total	**3,084.68**	**94.82**	**2,602.38**	**3.36**	**7,277.44**	**15.94**	**-**	**(0.48)**	**15.46**

Particulars (As at March 31, 2018)	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Total Revenue	Profit or Loss from continuing operations	Profit or Loss from discontinued operations	Other Compre-hensive Income	Total Compre-hensive Income
Shell MRPL Aviation Fuels and Services Limited	2,100.75	104.96	1,596.40	1.81	5,491.94	54.18	-	(1.62)	52.56
Total	**2,100.75**	**104.96**	**1,596.40**	**1.81**	**5,491.94**	**54.18**	**-**	**(1.62)**	**52.56**

44.1 Additional Financial information related to Joint venture are as under:

Particulars (As at March 31, 2019)	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense	Income Tax Expense or Income
Shell MRPL Aviation Fuels and Services Limited	203.48	2,487.63	-	11.36	43.99	13.68	14.06
Total	**203.48**	**2,487.63**	**-**	**11.36**	**43.99**	**13.68**	**14.06**

Particulars (As at March 31, 2018)	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense	Income Tax Expense or Income
Shell MRPL Aviation Fuels and Services Limited	195.74	1,457.25	-	10.44	28.36	3.73	27.16
Total	**195.74**	**1,457.25**	**-**	**10.44**	**28.36**	**3.73**	**27.16**

45 Contingent liabilities

45.1 Claims against the Company/ disputed demands not acknowledged as debt:-

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	**Claims of Contractors / vendors in Arbitration / Court**	3,048.22	3,923.42
	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 ₹ 3,001.29 million / charged to revenue account would be ₹ 46.93 million (Year ended March 31, 2018; ₹ 3,880.08 million and ₹ 43.34 Million).		
2	**Others**		
a)	The claim of Mangalore SEZ Limited over and above the advance paid for land and rehabilitation & resettlement work.	20.05	20.05
	Total	**3,068.27**	**3,943.47**

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.

45.2 Disputed tax / Duty demands pending in appeal as at 31st March,2019

45.2.1 Income Tax: ₹ 2,990.62 million as at March 31,2019 (As at March 31, 2018 ₹ 2,577.93 million). Against this ₹ 307.24 million as at March 31,2019 (As at March 31, 2018 ₹ 1,898.44 million) is adjusted / paid under protest and is included under tax assets/ liability **[Note 13]**.

45.2.2 Excise Duty: ₹ 6,888.27 million as at March 31,2019 (As at March 31, 2018 ₹ 6,280.26 million). Against this ₹ 182.10 million as at March 31,2019 (As at March 31, 2018 ₹ 133.13 million) is paid under protest and is included under other assets (non current) **[Note 14]**.

45.2.3 Customs Duty: ₹ 873.25 million as at March 31, 2019 (As at March 31, 2018 ₹ 817.25 million).

46 Commitments

46.1 Capital Commitments:

a The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at March 31, 2019 ₹ 18,170.79 million (As at March 31, 2018 ₹ 9,914.68 million).

b The Company has requested KIADB for an allotment of 1,050 acres of land for Phase IV expansion. The balance capital commitment in this regard is around ₹ 6,407.14 million (As at March 31, 2018 ₹ 6,407.14 million).

c The Company has requested KIADB for an allotment of 47.65 acres of land at Hanagavadi Industrial Area, Davangere District for setting up 2G Ethanol Plant. The balance capital commitment in this regard is around ₹ 367.87 million (As at March 31,2018 ₹ Nil).

46.2 Other Commitments

a Pending commitment on account of Refinery-MRPL is in possession of certain land provisionally measuring 36.69 acres ceded by HPCL for use by MRPL Phase III expansion and upgradation 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.

b Pending commitment on account of Refinery performance improvement programme by M\s.Shell Global International Solution (M\s.Shell GIS) as at March 31, 2019 USD 1.46 million net of advance (As at March 31, 2018 USD 1.46 million net of advance)

c The Company has an export obligation as at March 31,2019 ₹ Nil (As at March 31, 2018 ₹ 496.81 million) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.

47 Reconciliation of liabilities arising from financing activities.

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

Sl. No.	Particulars	Opening balance as at 01/04/2018	Financing cash Flows	Non-cash changes	Closing balance as at 31/03/2019
I	**Borrowing - Long Term**				
	1 External commercial borrowing (ECB)	25,722.08	(1,893.45)	263.77	24,092.40
	2 Loan from Oil Industry Development Board (OIDB)	750.00	1,930.00	-	2,680.00
	3 Deferred payment liabilities - VAT Loan	169.24	107.52	(51.20)	225.56
	4 Working capital term loan from banks	-	68.18	0.34	68.52
	5 Oil and Natural Gas Corporation Limited (ONGC)	18,856.90	(18,856.90)	-	-
	6 Deferred payment liabilities - CST	618.63	(400.00)	-	218.63
	7 Foreign Currency Term Loan (FCTL)	2,607.20	661.70	189.10	3,458.00
	8 Rupee Term Loan	-	11,999.70	-	11,999.70
	Total	**48,724.05**	**(6,383.25)**	**402.01**	**42,742.81**
II	**Borrowing - Short Term**				
	1 Working capital loan from banks	143.00	2,928.58	-	3,071.58
	2 Foreign currency non repatriable loan (FCNR)	16,295.00	42.94	952.06	17,290.00
	3 Buyers Credit & Pre/Post Shipment Export Credit	14,339.60	10,110.65	(244.25)	24,206.00
	4 Commercial Paper	-	4,000.00		4,000.00
	Total	**30,777.60**	**17,082.17**	**707.81**	**48,567.58**

Sl. No.	Particulars	Opening balance as at 01/04/2017	Financing cash Flows	Non-cash changes	Closing balance as at 31/03/2018
I	**Borrowing - Long Term**				
	1 External commercial borrowing (ECB)	37,877.46	(12,403.52)	248.14	25,722.08
	2 Loan from Oil Industry Development Board (OIDB)	2,500.00	(1,750.00)	-	750.00
	3 Deferred payment liabilities - VAT Loan	-	485.53	(316.29)	169.24
	4 Oil and Natural Gas Corporation Limited (ONGC)	25,714.10	(6,857.20)	-	18,856.90
	5 Deferred payment liabilities - CST	1,145.17	(526.54)	-	618.63
	6 Foreign Currency Term Loan (FCTL)	-	2,570.16	37.04	2,607.20
	Total	**67,236.73**	**(18,481.57)**	**(31.11)**	**48,724.05**
			-		-
II	**Borrowing - Short Term**				
	1 Working capital loan from banks	5,201.88	(5,058.88)	-	143.00
	2 Foreign currency non repatriable loan (FCNR)	12,971.00	3,021.48	302.52	16,295.00
	3 Buyers Credit & Pre/Post Shipment Export Credit	-	14,216.64	122.96	14,339.60
	Total	**18,172.88**	**12,179.24**	**425.48**	**30,777.60**

The cash flows bank loans, loans from related parties and other borrowings make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

48 The Company has a periodic system of physical verification of inventory, property, plant and equipment and capital stores in a phased manner to cover all items over a period. Adjustment differences, if any, is carried out on completion of reconciliation.

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

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

51 The Board had accorded consent for amalgamation of the subsidiary ONGC Mangalore Petrochemicals Limited with the Mangalore Refinery and Petrochemicals Limited (MRPL), subject to necessary approvals. The Company had received "No Objection" vide letter dated April 18, 2018 from Ministry of Petroleum & Natural Gas. No effect is considered towards the same in the financial statements as it is still at a preliminary stage.

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

53 Approval of financial statements

The financial statements were approved for issue by the board of directors on May 13, 2019.

INDEPENDENT AUDITORS' REPORT

To the members of
MANGALORE REFINERY AND PETROCHEMICALS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **MANGALORE REFINERY AND PETROCHEMICALS LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiary **ONGC MANGALORE PETROCHEMICALS LIMITED** (Holding Company and its subsidiaries together referred to as "the Group"), and its jointly controlled entity, **SHELL MRPL AVIATION FUELS AND SERVICES LIMITED**, which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group and its jointly controlled entity as at March 31, 2019, of consolidated profit (financial performance including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and its jointly controlled entity in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

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

KEY AUDIT MATTER	Contingent liabilities
CRITERIA FOR DISCLOSURE AS KEY AUDIT MATTER	Uncertainty of the outcome & the disputed amount involved
PRESENT STATUS	**AUDIT APPROACH**
As per Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets, a contingent liability is a possible obligation arising from past events, the outcome of which will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events (Ind AS 37). There are several claims and litigations against the Group which in the judgement of the management would not eventually lead to a liability. Hence no provision is made in the accounts for the year under audit. Should there be an adverse outcome, the Group may be liable to pay the disputed amount which may carry interest and/or penalty as decided by the adjudicating authority/statutory authority/court of law.	As per the standard, once recognized as a contingent liability, an entity should continually assess the probability of the outflow of the future economic benefits relating to that contingent liability. If the probability of the outflow of the future economic benefits changes to more likely than not, then the contingent liability may develop into an actual liability and would need to be recognized as a provision. We have reviewed the list of claims and litigations against the Group and considered the present status and probability of the outflow of the future economic benefits from the available records and taken written representations. Based on the information provided to us, that the contingent liabilities as mentioned in Note 45 and 46(2)(d) of the Consolidated Financial Statements fairly reflect the current position and no provision is called for at this stage.

KEY AUDIT MATTER	Deferred Tax Asset
CRITERIA FOR DISCLOSURE AS KEY AUDIT MATTER	Uncertainty in estimating in the future profits and the accuracy of the provision
PRESENT STATUS	**AUDIT APPROACH**
As per Ind AS 12- *Income Taxes*, The amounts of income taxes recoverable in future periods in respect of deductible temporary differences and the carry forward of unused tax losses and credits. The reversal of deferred tax assets depends upon the management estimates and future realisable profits which have a degree of uncertainty.	On review of the Deferred Tax Asset the following factors were considered: a. Existence of sufficient taxable temporary difference. b. Convincing other evidence that sufficient taxable profits will be available in the future. Based on the future projections and representations provided to us, the Group's judgement on recoverability of Deferred Tax Asset as mentioned in Note 24 of the Consolidated Financial Statements is fair and reasonable.

KEY AUDIT MATTER	Actuarial Gains/ Losses
CRITERIA FOR DISCLOSURE AS KEY AUDIT MATTER	Assumptions taken for valuation of actuarial gain/losses
PRESENT STATUS	**AUDIT APPROACH**
As per Ind AS 19- Employee Benefits, Actuarial gains or losses refers to an increase or decrease to a company's estimate of their projected defined benefit obligation as a result of the periodic revaluation of assumptions. This involves a high degree of subjectivity and complexity. The Company uses a range of actuarial methodologies and methods to estimate these provisions. It requires significant judgement relating to certain factors and assumptions which include, but are not limited to, interest rates, inflation trends, rate of increase in salary, regulatory decisions, rate of employee turnover, historical claims information, mortality rate during and after employment and the growth of exposure.	We have reviewed the projections and assumptions made by the Holding Company for providing for the actuarial valuation. We tested the completeness and accuracy of the underlying data that was provided to the actuaries against a source documentation. Based on the above review and on the representations provided to us by the management and the Statutory auditor of the subsidiary company, the actuarial estimate of the provision required for employee benefit for the Group appear reasonable. (Refer note no. 40 of the Consolidated Financial statements).

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

The respective Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including Annexures to Director's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact to the respective Company's Board of Directors. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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.

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

The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are also responsible for overseeing the financial reporting process of the Group and of its jointly controlled entity.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its jointly controlled entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its jointly controlled entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its jointly controlled entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

The audit of the subsidiary company was conducted by one of the joint auditors M/s. Manohar Chowdhry & Associates. The consolidated financial statements / financial information reflect total assets of ₹ 77,612.43 Million as at 31st March, 2019, total revenue of ₹ 83,624.34 Million and net cash flows amounting to ₹ 20.66 Million for the year ended on that date from the subsidiary. The consolidated financial statements also include the Group's share of net profit of ₹ 7.73 Million for the year ended 31st March 2019, as considered in the consolidated financial statements, in respect of jointly controlled entity, whose financial statements/ financial information have not been audited by us. The financial statements of the subsidiary which has been audited by one joint auditor and the financial information of jointly controlled entity which was 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 the jointly controlled entity, 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 entity, is based solely on the reports of the other auditors.

Our opinion above 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 and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. 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 Section 143(5) of the Act:

   (a) The company processes all the accounting transactions through IT system. As there were no accounting transactions processed outside the IT system for the year ended 31st March 2019 closure, no financial implications arise to impact the integrity of accounts.

   (b) There is no restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan.

   (c) Government grants in the form of interest free loans received from the State Government have been properly accounted and utilized as per terms and conditions. Government grants in the form of export incentives received by the subsidiary company in the form of MEIS scrips have been properly accounted as per the terms and conditions.

For the Subsidiary Company no adverse comments have been made in respect of the above and for the jointly controlled entity no directions have been issued as per the respective audit reports.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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 the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity 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) As far as the Holding Company and Subsidiary Company are concerned, disqualification of directors stated under Section 164(2) of the Act is not applicable to a Government Company as per notification no. GSR 463(E) of the Ministry of Corporate Affairs dated 05/06/2015.

On the basis of the written representations received from the directors of the jointly controlled entity as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the jointly controlled entity incorporated in India, none of the directors of the jointly controlled entity incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in **Annexure A**. With regard to Subsidiary and the jointly controlled entity, the reports of the other auditors are taken into account.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entity – Refer Note 45 to the consolidated financial statements.

ii. The Group and its jointly controlled entity did not have any material foreseeable losses on long term contracts including derivative contracts; and

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 entity incorporated in India.

We refer to our Audit Report dated 13th May 2019 already issued on the above referred Consolidated Balance Sheet as on 31st March 2019, the Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement and the Consolidated Statement of changes in equity. The said report is suitably amended to comply with the observations of Comptroller and Auditor General of India with respect to the Auditors Report. There have been no changes in the Consolidated Balance Sheet as on 31st March 2019, the Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement and the Consolidated Statement of changes in equity referred in our earlier report dated 13th May 2019

For **SREEDHAR, SURESH & RAJAGOPALAN LLP**
Chartered Accountants
Firm Registration Number: 003957S/S200145

Sd/-
CA.S.SUBRAMANIAM
Partner
Membership no: 025433

Place: Chennai
Date: 17th June, 2019

For **MANOHAR CHOWDHRY & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 001997S

Sd/-
CA. P.VENKATARAJU
Partner
Membership no: 225084

Place: Visakhapatnam (Camp)
Date: 17th June, 2019

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to Financial Statements of **MANGALORE REFINERY AND PETROCHEMICALS LIMITED** ("the Holding Company") and its subsidiary **ONGC MANGALORE PETROCHEMICALS LIMITED** and its jointly controlled entity **SHELL MRPL AVIATION FUELS AND SERVICES LIMITED** which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these consolidated financial statements of the Holding Company and its subsidiary and its jointly controlled entity, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to these consolidated financial statements of the Company and its subsidiary company and its jointly controlled entity, which are companies incorporated in India.

Meaning of Internal Financial Controls with Reference to the Consolidated Financial Statements

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

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

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

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

Inherent Limitations of Internal Financial Controls with Reference to the Consolidated Financial Statements

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

Other Matters

The audit of the subsidiary company was conducted by one of the joint auditors M/s. Manohar Chowdhry & Associates. We did not audit the internal financial controls of the jointly controlled entity. The internal financial controls have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated report on internal financial controls with reference to these consolidated financial statements in so far relates to the information included in respect of the subsidiary and jointly controlled entity, and our report in terms of clause 1 of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and jointly controlled entity, is based solely on the reports of the other auditors.

As a part of the system audit initiative undertaken by the company, configuration testing on all SAP modules was conducted during the year. No material errors or fraud were observed by us on a testing of representative sample transactions on the potential high-risk control gaps identified by system auditors. The management has also confirmed that the deficiencies in the configurations have since been recalibrated to close all the control gaps.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary company and its jointly controlled entity, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to these consolidated financial statements and those internal financial controls were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the deficiencies in control gaps identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 consolidated financial statements of the Company, and these deficiencies in control gaps of the Holding Company do not affect our opinion on the financial statements of the Group.

For **SREEDHAR, SURESH & RAJAGOPALAN LLP**
Chartered Accountants
Firm Registration Number: 003957S/S200145

Sd/-
CA.S.SUBRAMANIAM
Partner
Membership no: 025433

Place: Chennai
Date: 17th June, 2019

For **MANOHAR CHOWDHRY & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 001997S

Sd/-
CA. P.VENKATARAJU
Partner
Membership no: 225084

Place: Visakhapatnam (Camp)
Date: 17th June, 2019

FORM AOC-1

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint venture as on 31.03.2019

(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 venture

Part "A": Subsidiary

(₹ in million)

					As at 31.03.2019						For the year 2018-19 (from 1st April 2018 to 31st March 2019)					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Sl. No.	Name of the subsidiary (Indian Company)	The date since when subsidiary was acquired	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	Total Comprehensive Income	Proposed Dividend	% of shareholding
1	ONGC Mangalore Petrochemicals Limited	February 28, 2015	01.04.18 to 31.03.19	INR	21,276.25	(14,944.54)	77,612.43	71,280.72	4.80	83,624.34	741.86	512.92	228.94	214.84	-	51.00%

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

1. **Names of subsidiary which are yet to commence operations: Nil**
2. **Names of subsidiary which have been liquidated during the year 2018-19: Nil**

Part "B": Joint Ventures

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

Name of joint Venture	Shell MRPL Aviation Fuels and Services Limited
1. Latest audited Balance Sheet Date	March 31, 2019
2. Date on which the Joint Venture was acquired	March 11, 2008
3. Shares of Joint Venture held by the company on the year end	
Number (in million)	15.00
Amount of Investment in Joint Venture (₹ in million)	150.00
Extent of Holding (in percentage)	50%
4. Description of how there is significant influence	Percentage of holding
5. Reason why the joint venture is not consolidated	NA
6. Networth attributable to shareholding as per latest audited Balance Sheet	286.88
7. Profit or Loss for the year	
i. Considered in Consolidation	7.73
ii. Not Considered in Consolidation	-

1. **Names of joint venture which are yet to commence operations: Nil**
2. **Names of joint venture which have been liquidated or sold during the year 2018-19: Nil**

As per our report of even date attached

For **SREEDHAR, SURESH & RAJAGOPALAN LLP**
Chartered Accountants
Firm Registration No. : 003957S/S200145

For **MANOHAR CHOWDHRY & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 001997S

Sd/-
CA. S. SUBRAMANIAM
Partner
Membership No. 025433

Sd/-
CA. P. VENKATARAJU
Partner
Membership No. 225084

Sd/-
S. RAVIPRASAD
Chief Financial Officer
PAN : ABCPR0096G

Place : New Delhi
Date : 13/05/2019

For and on behalf of the Board

Sd/-
SHASHI SHANKER
Chairman
DIN: 06447938

Sd/-
M VENKATESH
Managing Director
DIN: 07025342

Sd/-
DINESH MISHRA
Company Secretary
FCS : 7176

Schedule-III additional disclosure on Consolidated Financial Statements as on 31st March, 2019

(All amounts are ₹ in millions unless otherwise stated)

Name of the entity	Country of incorporation	Net Asset (i.e. Total Asset minus Total Liabilities		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As a % of Consolidated Net Assets	Amount	As a % of consolidated profit or loss	Amount	As a % of Consolidated other comprehensive income	Amount	As a % of Consolidated total comprehensive income	Amount
1	2	3	4	5	6	7	8	9	10
Parent									
Mangalore Refinery and Petrochemicals Limited	**India**	93.54%	95,840.54	93.26%	3,275.70	75.93%	(45.21)	93.56%	3,230.49
Subsidiary									
Indian									
ONGC Mangalore Petrochemicals Ltd. (OMPL)	**India**	3.25%	3,330.35	3.32%	116.76	12.07%	(7.19)	3.17%	109.57
Non controlling interest in subsidiary		2.93%	3,001.36	3.19%	112.18	11.60%	(6.91)	3.05%	105.27
Joint venture Entities									
Indian									
Shell MRPL Aviation Fuels & Services Limited	**India**	0.28%	286.88	0.23%	7.97	0.40%	(0.24)	0.22%	7.73
Net		**100.00%**	**102,459.13**	**100.00%**	**3,512.61**	**100.00%**	**(59.55)**	**100.00%**	**3,453.06**

As per our report of even date attached

For and on behalf of the Board

For **SREEDHAR, SURESH & RAJAGOPALAN LLP**
Chartered Accountants
Firm Registration No. : 003957S/S200145

For **MANOHAR CHOWDHRY & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 001997S

Sd/-
SHASHI SHANKER
Chairman
DIN: 06447938

Sd/-
CA. S. SUBRAMANIAM
Partner
Membership No. 025433

Sd/-
CA. P. VENKATARAJU
Partner
Membership No. 225084

Sd/-
S. RAVIPRASAD
Chief Financial Officer
PAN : ABCPR0096G

Sd/-
M VENKATESH
Managing Director
DIN: 07025342

Place : New Delhi
Date : 13/05/2019

Sd/-
DINESH MISHRA
Company Secretary
FCS : 7176

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in ₹ million unless otherwise stated)

A Equity share capital

Particulars	Amount
Balance as at April 1, 2017	**17,526.64**
Changes in equity share capital during the year	-
Balance as at March 31, 2018	**17,526.64**
Changes in equity share capital during the year	-
Balance as at March 31, 2019	**17,526.64**

B Other equity

Particulars	Deemed equity	Reserves and surplus						Non controlling Interest	Total
		General reserve	Capital redemption reserve	Securities premium	Debenture Redemption reserve	Capital reserve	Retained earnings		
Balance as at April 1, 2017	**30.53**	**1,192.00**	**91.86**	**3,467.98**	**-**	**0.07**	**72,713.27**	**3,729.29**	**81,225.00**
Profit for the year	-	-	-	-	-	-	19,926.45	(2,190.82)	17,735.63
Remeasurement of the defined benefit plans, net of income tax	-	-	-	-	-	-	33.77	1.33	35.10
Total comprehensive income for the year	-	-	-	-	-	-	19,960.22	(2,189.49)	17,770.73
Addition/ (Transfer) during the year	7.87	-	-	-	-	-	-	-	7.87
Payment of dividends (including corporate dividend tax)		-	-	-	-		(12,656.32)	-	(12,656.32)
Balance as at March 31, 2018	**38.40**	**1,192.00**	**91.86**	**3,467.98**	**-**	**0.07**	**80,017.17**	**1,539.80**	**86,347.28**
Profit for the year	-	-	-	-	-	-	3,400.43	112.18	3,512.61
Remeasurement of the defined benefit plans, net of income tax	-	-	-	-	-	-	(52.64)	(6.91)	(59.55)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**3,347.79**	**105.27**	**3,453.06**
Addition/ (Transfer) during the year	3.77	-	-	(1.53)	-	-	-	1,468.47	1,470.71
Transfer from/ to Debenture Redemption Reserve	-	-	-	-	228.94	-	(116.76)	(112.18)	-
Payment of dividends (including corporate dividend tax)	-	-	-	-	-	-	(6,338.56)	-	(6,338.56)
Balance as at March 31, 2019	**42.17**	**1,192.00**	**91.86**	**3,466.45**	**228.94**	**0.07**	**76,909.64**	**3,001.36**	**84,932.49**

As per our report of even date attached

For and on behalf of the Board

For **SREEDHAR, SURESH & RAJAGOPALAN LLP**
Chartered Accountants
Firm Registration No. : 003957S/S200145

For **MANOHAR CHOWDHRY & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 001997S

Sd/-
SHASHI SHANKER
Chairman
DIN: 06447938

Sd/-
CA. S. SUBRAMANIAM
Partner
Membership No. 025433

Sd/-
CA. P. VENKATARAJU
Partner
Membership No. 225084

Sd/-
S. RAVIPRASAD
Chief Financial Officer
PAN : ABCPR0096G

Sd/-
M VENKATESH
Managing Director
DIN: 07025342

Sd/-
DINESH MISHRA
Company Secretary
FCS : 7176

Place : New Delhi
Date : 13/05/2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(All amounts are in ₹ million unless otherwise stated)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	5	196,114.25	198,260.07
(b) Capital work-in-progress	6	9,952.66	6,821.38
(c) Investment Property	7	77.96	77.96
(d) Goodwill	8	3,772.78	3,772.78
(e) Other intangible assets	9	58.77	56.26
(f) Financial assets			
(i) Investments	10	287.58	306.26
(ii) Loans	11	946.47	627.19
(iii) Others financial assets	12	135.04	94.83
(g) Non-current tax assets (net)	13	2,306.51	4,332.98
(h) Other non-current assets	14	14,780.67	15,202.39
Total non current assets (I)		**228,432.69**	**229,552.10**
II Current assets			
(a) Inventories	15	63,086.77	52,404.00
(b) Financial assets			
(i) Trade receivables	16	23,739.22	25,767.94
(ii) Cash and cash equivalents	17	46.73	4,403.69
(iii) Bank balances other than (ii) above	18	4,849.44	3,926.32
(iv) Loans	11	115.23	86.40
(v) Other financial assets	12	6.49	72.71
(c) Current tax assets (net)	13	1,524.30	283.88
(d) Other current assets	14	5,861.69	3,009.07
Total current assets (II)		**99,229.87**	**89,954.01**
Total assets (I+II)		**327,662.56**	**319,506.11**
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	19	17,526.64	17,526.64
(b) Other equity	20	81,931.13	84,807.48
(c) Non controlling interest		3,001.36	1,539.80
Total equity (I)		**102,459.13**	**103,873.92**
LIABILITIES			
II Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	39,357.52	44,786.76
(b) Provisions	23	805.96	493.79
(c) Deferred tax liabilities (Net)	24	2,501.33	902.24
(d) Other non-current liabilities	26	3,482.11	3,595.54
Total non current liabilities (II)		**46,146.92**	**49,778.33**
III Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	83,026.07	62,616.36
(ii) Trade payables	25		
(a) Total outstanding dues of micro enterprises and small enterprises		230.30	343.73
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		46,702.08	47,581.72
(iii) Other financial liabilities	22	42,471.57	49,157.35
(b) Other current liabilities	26	2,037.17	2,112.93
(c) Provisions	23	4,589.32	4,041.77
Total current liabilities (III)		**179,056.51**	**165,853.86**
IV Total liabilities (II+III)		**225,203.43**	**215,632.19**
TOTAL EQUITY AND LIABILITIES (I+IV)		**327,662.56**	**319,506.11**

See accompanying notes to the consolidated financial statements (1-56)

As per our report of even date attached

For and on behalf of the Board

For **SREEDHAR, SURESH & RAJAGOPALAN LLP**
Chartered Accountants
Firm Registration No. : 003957S/S200145

For **MANOHAR CHOWDHRY & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 001997S

Sd/-
SHASHI SHANKER
Chairman
DIN: 06447938

Sd/-
CA. S. SUBRAMANIAM
Partner
Membership No. 025433

Sd/-
CA. P. VENKATARAJU
Partner
Membership No. 225084

Sd/-
S. RAVIPRASAD
Chief Financial Officer
PAN : ABCPR0096G

Sd/-
M VENKATESH
Managing Director
DIN: 07025342

Sd/-
DINESH MISHRA
Company Secretary
FCS : 7176

Place : New Delhi
Date : 13/05/2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in ₹ million unless otherwise stated)

	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I.	Revenue from operations	27	734,940.77	636,880.57
II.	Other income	28	3,590.34	2,739.20
III.	**Total Income (I + II)**		**738,531.11**	**639,619.77**
IV.	**Expenses:**			
	Cost of materials consumed	29	585,697.71	431,790.55
	Purchase of Stock-in-trade	30	5,260.88	-
	Changes in inventories of finished goods, stock-in-process and stock-in-trade	31	(4,173.32)	(8,799.89)
	Excise duty on sale of goods		102,529.74	146,330.58
	Employee benefits expense	32	4,808.10	4,589.64
	Finance costs	33	10,587.27	9,126.49
	Depreciation and amortisation expense	34	10,475.24	9,660.92
	Other expenses	35	16,686.49	17,949.62
	Total expenses (IV)		**731,872.11**	**610,647.91**
V.	**Profit before exceptional items and tax (III-IV)**		**6,659.00**	**28,971.86**
VI.	Exceptional items (income)/expenses (net)	36	147.94	258.90
VII.	**Share of profit of joint venture**		**2.56**	**1.06**
VIII.	**Profit before tax (V- VI+VII)**		**6,513.62**	**28,714.02**
IX.	Tax expense:			
	(1) Current tax	37		
	- Current year		1,221.58	6,995.74
	- Earlier years		133.75	(7.16)
	(2) Deferred tax	24	1,645.68	3,989.81
	Total tax expense (IX)		**3,001.01**	**10,978.39**
X.	**Profit for the year (VIII-IX)**		**3,512.61**	**17,735.63**
XI.	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurement of the defined benefit plans		(91.77)	54.95
	(b) Effective portion of gains (losses) on hedging instruments in cash flow hedges		0.24	(0.64)
	(c) Income tax relating to above		31.98	(19.21)
	Total other comprehensive income (XI)		**(59.55)**	**35.10**
XII	**Total comprehensive income for the year (X+XI)**		**3,453.06**	**17,770.73**
XIII.	**Profit for the year attributable to**			
	Owners of the Company		3,400.43	19,926.45
	Non controlling interest		112.18	(2,190.82)
XIV.	**Other comprehensive income for the year attributable to**			
	Owners of the Company		(52.64)	33.77
	Non controlling interest		(6.91)	1.33
XV.	**Total comprehensive income for the year attributable to**			
	Owners of the Company		3,347.79	19,960.22
	Non controlling interest		105.27	(2,189.49)
XVI	Earnings per equity share:	38		
	(1) Basic (in ₹)		1.94	11.37
	(2) Diluted (in ₹)		1.94	11.37

See accompanying notes to the consolidated financial statements (1-56)

As per our report of even date attached

For and on behalf of the Board

For **SREEDHAR, SURESH & RAJAGOPALAN LLP**
Chartered Accountants
Firm Registration No. : 003957S/S200145

For **MANOHAR CHOWDHRY & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 001997S

Sd/-
SHASHI SHANKER
Chairman
DIN: 06447938

Sd/-
CA. S. SUBRAMANIAM
Partner
Membership No. 025433

Sd/-
CA. P. VENKATARAJU
Partner
Membership No. 225084

Sd/-
S. RAVIPRASAD
Chief Financial Officer
PAN : ABCPR0096G

Sd/-
M VENKATESH
Managing Director
DIN: 07025342

Sd/-
DINESH MISHRA
Company Secretary
FCS : 7176

Place : New Delhi
Date : 13/05/2019

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in ₹ million unless otherwise stated)

Particulars			Year ended March 31, 2019	Year ended March 31, 2018
A	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit after tax		**3,512.61**	**17,735.63**
	Adjustments for :			
	Tax expense		3,001.01	10,978.39
	Share of profit of joint venture		18.44	111.44
	Depreciation and amortisation expense		10,475.32	9,661.00
	Loss/ (profit) on sale of property, plant and equipment (net)		80.10	249.64
	Liability no longer required written back		(129.90)	(839.49)
	Impairment of doubtful trade receivables & Non Moving Inventories		73.67	-
	Write off of doubtful trade receivables		-	472.34
	Exchange rate fluctuation (net)		388.64	1,150.51
	Finance costs		8,743.52	8,782.16
	Interest income		(1,037.19)	(786.42)
	Dividend income		(111.53)	(153.34)
	Amortisation of prepayments		11.18	9.44
	Amortisation of deferred government grant		(178.24)	(164.20)
	Others		(69.49)	51.04
			24,778.14	**47,258.14**
	Movements in working capital :			
	- (Increase)/ decrease in trade and other receivables		1,249.44	(364.26)
	- (Increase)/ decrease in loans		(348.11)	(207.42)
	- (Increase)/ decrease in other assets		(4,349.54)	18,636.32
	- (Increase)/ decrease in inventories		(10,700.78)	(8,240.58)
	- Increase/ (decrease) in trade payable other liabilities		2,433.14	(10,474.23)
	Cash generated from operations		**13,062.29**	**46,607.97**
	Income taxes paid, net of refunds		(1,034.21)	(6,889.34)
	Net cash generated from / (used in) operations	**(a)**	**12,028.08**	**39,718.63**
B	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Payments for property, plant and equipment		(9,645.81)	(10,700.24)
	Proceeds from disposal of property, plant and equipment		13.89	(6.85)
	Interest received		1,063.25	799.02
	Dividend received from joint venture		21.00	112.50
	Dividend received from investments in mutual fund		90.53	40.84
	Investment in subsidiary company		(1,530.05)	-
	Tax Paid on interest income		(62.64)	(58.74)
	Net cash generated from / (used in) investing activities	**(b)**	**(10,049.83)**	**(9,813.47)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in ₹ million unless otherwise stated)

Particulars			Year ended March 31, 2019	Year ended March 31, 2018
C	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from issue of share capital		2,997.00	-
	Proceeds from long term borrowings **(refer note 47)**		193.73	8.99
	Repayment of long term borrowings **(refer note 47)**		(14,662.04)	(21,560.24)
	Proceeds from short term borrowings, net **(refer note 47)**		20,134.96	14,971.23
	Finance costs paid		(8,660.30)	(8,726.66)
	Dividends and dividend distribution tax paid on equity shares		(6,338.56)	(12,656.32)
	Net cash generated from / (used in) financing activities	**(c)**	**(6,335.21)**	**(27,963.00)**
	Net increase / (decrease) in cash and cash equivalents	**(a+b+c)**	**(4,356.96)**	**1,942.16**
	Cash and cash equivalents as at the beginning of the year		**4,403.69**	**2,461.53**
	Cash and cash equivalents as at the end of the year		**46.73**	**4,403.69**
			(4,356.96)	**1,942.16**

1 The above cash flow statement prepared under the "Indirect method" as set out in the Ind AS 7 "Cash Flow Statement".

2 Brackets indicate cash outflow/ deduction

See accompanying notes to the consolidated financial statements (1-56)
As per our report of even date attached

For and on behalf of the Board

For **SREEDHAR, SURESH & RAJAGOPALAN LLP**
Chartered Accountants
Firm Registration No. : 003957S/S200145

For **MANOHAR CHOWDHRY & ASSOCIATES**
Chartered Accountants
Firm Registration No. : 001997S

Sd/-
SHASHI SHANKER
Chairman
DIN: 06447938

Sd/-
CA. S. SUBRAMANIAM
Partner
Membership No. 025433

Sd/-
CA. P. VENKATARAJU
Partner
Membership No. 225084

Sd/-
S. RAVIPRASAD
Chief Financial Officer
PAN : ABCPR0096G

Sd/-
M VENKATESH
Managing Director
DIN: 07025342

Sd/-
DINESH MISHRA
Company Secretary
FCS : 7176

Place : New Delhi
Date : 13/05/2019

Notes to the Consolidated Financial Statements for the period ended March 31, 2019

(All amounts are ₹ in million unless otherwise stated)

1. Corporate information

Mangalore Refinery and Petrochemicals Limited ('MRPL' or 'the Company') is a Central public sector enterprise domiciled and incorporated in India having its registered office at Mudapadav, Kuthethoor P.O. via Katipalla, Mangaluru, Karnataka - 575030. The Company's equity shares are listed and traded on BSE Limited and National Stock Exchange Limited, stock exchanges. The Company is a subsidiary of Oil and Natural Gas Corporation Limited which holds 71.63% equity shares.

The Company and its subsidiary (collectively referred as "the Group") and joint ventures are mainly engaged in the business of refining of crude oil, petrochemical business, trading of aviation fuels and distribution of petroleum products through retail outlet and transport terminal.

2. Application of new and revised Indian Accounting Standards

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the consolidated financial statements are authorized have been considered in preparing these consolidated financial statements.

2.1 Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019.

(a) New Indian Accounting Standards (Ind AS) issued but not yet effective

Ind AS-116 - Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company is evaluating the requirements of the amendments and its effect on the Standalone Financial Statements.

(b) Amendments to Indian Accounting Standards (Ind AS) issued but not yet effective

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Employee Benefits Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business.

Ind AS 111 - Joint Arrangements

The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

3. Significant accounting policies

3.1. Statement of compliance

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

3.2. Basis of preparation

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

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

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The consolidated financial statements are presented in Indian Rupee and all values are rounded to the nearest two decimal million except otherwise stated.

Fair Value measurement.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

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

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

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

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

3.3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary (collectively referred as "the Group"). The Company has investments in joint ventures which are accounted using equity method in these consolidated financial statements. Refer note 3.6 for the accounting policy of investment in joint ventures in the consolidated financial statements.

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed, or rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Company obtains control and continue to be consolidated until the date that such control ceases.

The consolidated financial statements are prepared using uniform accounting policies consistently for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's standalone financial statements except otherwise stated. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

The consolidated financial statements have been prepared by combining the financial statements of the Company and its subsidiaries on a line-by-line basis by adding together the book values of like items of assets, liabilities, equity, income, expenses and cash flow after eliminating in full intra-group assets, liabilities, equity, income, expenses and cash flow relating to intra-group transactions and unrealized profits. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3.4. Business combinations

The acquisition method of accounting is used to account for business combination by the Group. In this method, acquiree's identifiable assets, liabilities and contingent liabilities that meet condition for recognition are recognized at their fair values at the acquisition date. Non-controlling interest is measured at proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired. The transaction costs incurred in connection with business combination are recognised in the consolidated statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

3.5. Non-controlling interests

Non-controlling interests are present ownership interests that entitle their holders to a proportionate share of the Group's net assets in the event of liquidation. Non-controlling interests are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of the interest at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

3.6. Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. Distributions received from a joint venture reduce the carrying amount of the investment. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

If a joint venture uses accounting policies other than those of the Group accounting policies for like transactions and events in similar circumstances, adjustments are made to make the joint venture's accounting policies conform to those of the Group's before applying the equity method.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then Group recognise impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109 'Financial Instruments'. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in joint venture that are not related to the Group

3.7. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to Group's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss.

3.8. Non-current assets held for sale

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

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets.

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

3.9. Revenue Recognition

3.9.1. Revenue from sales of goods and services are recognized upon the satisfaction of a single performance obligation, which occurs when control transfers to the customer. Control of the goods is determined to be transferred to the customer when the title of goods passes to the customer, which typically takes place when product is physically transferred into a vessel, pipe or other delivery mechanism. In respect of revenue contracts for goods which provide for provisional pricing (wherever applicable) at the time of shipment, the final price adjustment if any will be given effect in the period in which it is finalised/ settled.

3.9.2. Revenue is measured at the transaction price of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, GST and sales tax / VAT etc. Any retrospective revision in prices is accounted for in the year of such revision.

3.9.3. Price Reduction Schedule (PRS) for delay in execution of contracts/supplies are accounted for as per the terms of the contracts/ agreement. The PRS amount would be recognised as income except on account of capital projects wherein the adjustments are carried out to the cost of the asset. The adjustments are carried out prospectively upon finalization.

3.9.4. The Company has entered into take or pay contracts with a customer. In this transaction, revenue is recognised as per the formula laid out in the contract with the customers.

3.9.5. Revenue from sale of scrap is recognised at the point in time when control (transfer of custody of goods) is passed to customers.

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

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

3.9.8. Dividend Income is recognised when the right to receive the dividend is established.

3.9.9. Excise duty is presented as expense in the statement of profit and loss. Excise duty in respect of difference between closing and opening stock of excisable goods is included under "Other Expenses".

3.10. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leasehold lands where the ownership of the land will not be transferred to Group at the end of lease period are classified as operating leases. Upfront operating lease payments are recognized as prepayments and amortised on a straight-line basis over the term of the lease. Leasehold lands are considered as finance lease where ownership will be transferred to the Group as at the end of lease period. Such leasehold lands are presented under property, plant and equipment and not depreciated.

3.11. Foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Indian Rupees (₹), which is the Company's functional currency and the Group's presentation currency.

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

Exchange difference arising in respect of long term foreign currency monetary items is recognised in the statement of profit and loss except for the exchange difference related to long term foreign currency monetary items those were recognized as at March 31, 2016, in so far as, they relate to the acquisition of depreciable assets, are adjusted against the cost of such assets and depreciate the said adjustment, over the balance life of asset.

3.12. Borrowing Costs

Borrowing costs specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged in the statement of profit and loss.

3.13. Government grants

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

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

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

The benefit of a government loan at a below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.14. Employee Benefits

Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, post-employment medical benefits resettlement allowances.

Defined contribution plans

Employee benefit under defined contribution plans comprising of provident fund and superannuation fund are recognized based on the amount of obligation of the Group to contribute to the plan. The same is paid to a Provident Fund Trust authorities and to Life Insurance Corporation of India respectively, which are expensed during the year.

Defined benefit plans

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

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

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

The Company contributes all ascertained liabilities with respect to Gratuity to the MRPL's Gratuity Fund Trust (MGFT). Company's subsidiary gratuity plan is unfunded. Other defined benefit schemes of the Group are un-funded.

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

Short-term employee benefits

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

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

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

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

Long-term employee benefits

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

3.15. Taxation

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

(i) Current tax

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

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred taxes are recognised in respect of temporary differences which originate during the tax holiday period but reverse after the tax holiday period. For this purpose, reversal of temporary difference is determined using first in first out method.

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

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

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

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

Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.16. Property, plant and equipment (PPE)

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses if any. Freehold land is not depreciated.

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

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

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

Depreciation is provided on the cost of PPE (other than freehold land and properties under construction) less their residual values over their useful lives, using Straight Line Method, over the useful life of component of various Assets as specified in Schedule II to the Companies Act, 2013, except in case of certain components /assets of the plant and equipment, building and vehicles whose useful lives are determined based on technical evaluation and the useful life considered under Group's policy for the employee's vehicle and furniture scheme.

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

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

Stores and Spares which qualifies as property, plant and equipment for specific machinery are capitalised.

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

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions except low value items not exceeding ₹ 5,000/- (other than Group purchase scheme for employees) which are fully depreciated at the time of addition.

Estimated useful lives of the assets are as follows:

Sr. No.	Particulars	Useful lives (in years)
1.	Buildings	1-60
2.	Plant and equipment – catalysts	2-10
3.	Plant and equipment – computers	3-7
4.	Plant and equipment – continuous process plant not covered under specific industries (Triple shift)	7.5
5.	Plant and equipment – electrical/ lab/ canteen/ school	10
6.	Plant and equipment – instrumentation items/ DCS/ hospital/ others	15
7.	Plant and equipment – refinery assets	25
8.	Plant and equipment – petrochemical assets	25-30
9.	Plant and equipment – pipelines/ SPM/ offshore component/ civil structure/other	30
10.	Plant and equipment – power plant	25-40
11.	Plant and equipment – others	3-15
12.	Office equipment	3-15
13.	Furniture and fixtures	3-10
14.	Vehicles	4-8

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

An item of property, plant and equipment is derecognised upon disposal, replacement or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.17. Intangible assets

3.17.1. Intangible assets acquired separately

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

3.17.2. Derecognition of intangible assets

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

3.17.3. Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Sr. No.	Particulars	Useful lives (in years)
1.	Computer software	3-10
2.	License and franchise	3

3.18. Impairment of tangible and intangible assets other than goodwill

The Group reviews the carrying amounts of its intangible assets and Property, plant and equipment (including capital works-in-progress) of a "Cash Generating Unit" (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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

3.19. Cash Flow Statement

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

3.20. 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.

3.21. Inventories

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

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

Duty credit scrips which are generated and are intended to be sold in ordinary course of business are classified as inventory. Inventories in respect to duty credit scrips are subsequently measured at the lower of cost and net realisable value.

3.22. Provisions, Contingent Liabilities and Contingent Assets.

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

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

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

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

3.23. Financial instruments

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

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

3.24. Financial assets

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

(i) Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both selling financial assets and collecting contractual cash flows, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iv) Financial assets at fair value through profit or loss

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

(v) Impairment of financial assets

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

(vi) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

3.25. Financial liabilities and equity instruments

3.25.1 Equity instruments

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

3.25.2 Financial liabilities

a) Financial Guarantee

When the Group receives financial guarantee from its holding company, initially it measures guarantee fees at the fair value. The Group records the initial fair value of fees for financial guarantee received as "Deemed Equity" from holding company with a corresponding asset recorded as prepaid guarantee charges. Such deemed equity is presented under the head 'other equity' in the balance sheet. Prepaid guarantee charges are recognized in statement of profit and loss over the period of financial guarantee received.

b) Financial liabilities subsequently measured at amortised cost

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

c) Derecognition of financial liabilities

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

3.26. Insurance Claims

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

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

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

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

3.27. Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model.

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

4. Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

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

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

Key source of judgments, assumptions and estimation uncertainty in the preparation of the financial statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of useful lives of property, plant and equipment, employee benefit obligations, provision for income tax and measurement of deferred tax assets

4.1. Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations (Refer note 4.2), that the Management have made in the process of applying the Group's accounting policies and that have the significant effect on the amounts recognized in the Financial Statements.

(a) Determination of functional currency

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

4.2. Assumptions and key sources of estimation uncertainty

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

a) Useful lives of property, plant and equipment and intangible assets

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

b) Defined benefit obligation (DBO)

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

c) **Provision for income tax**

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

d) **Recognition of deferred tax assets**

In relation to subsidiary

In financial statement of subsidiary OMPL, Note 4.2 (d) describes describes that the Company has recognised deferred tax asset on tax losses as at March 31, 2019. The Company has incurred losses in the past and is having convincing evidence in respect of the recognition of deferred tax asset which includes committed long-term/short-term offtake arrangement entered with customer for its main product namely Paraxylene, arrangement with the parent company for sale of other products namely Paraffinic Raffinate, Hydrogen and De Ethanizer Column Bottom Liquid, revision in pricing terms for procurement of feed stock with the parent company, arrangements for procurement of Naphtha from other oil Companies to enhance the capacity utilization and agreement for gas transportation with Gas Authority of India Limited to source the natural gas for fuel requirement.

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement has been used in assessing the impact of any legal or economic limits or uncertainties.

e) **Impairment of Investment in Subsidiary**

As at March 31, 2019, the Company has carrying amount of ₹ 14,876.28 million (As at March 31, 2018: ₹ 13,346.23 million) for equity investment made in ONGC Mangalore Petrochemicals Limited (OMPL). OMPL started its operations in the year 2014-15 as a Greenfield project and had incurred losses in earlier financial years resulting in significant reduction in net worth. However, through improved physical performance and various profitability improvement measures, the Company after overcoming initial period challenges, has earned profits during current financial year besides achieving considerable improvement in net worth.

The management has considered relevant future cash flows, based on assumptions about the future, discounted to their present value. Impairment testing requires long-term assumptions to be made concerning a number of often volatile economic factors such as future market prices, currency exchange rates and future output and discount rate, in order to establish relevant future cash flows.

Based on the aforesaid assessment, the management has concluded that current diminution in the value of investment is due to past losses incurred by OMPL is temporary in nature. Accordingly, no impairment exists as at March 31, 2019.

5. Property, plant and equipment

Carrying amounts of:	As at March 31, 2019	As at March 31, 2018
Freehold lands	17.65	17.65
Leasehold lands **(refer note a and b below)**	271.74	253.46
Buildings	4,607.10	4,237.91
Plant and equipment **(refer note c below)**	190,485.39	192,951.62
Furniture and fixtures	296.77	318.59
Vehicles	112.56	120.61
Office equipment	323.04	360.23
Total	**196,114.25**	**198,260.07**

Gross Carrying Amount	Freehold lands	Leasehold lands	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Balance as at April 1, 2017	**17.65**	**253.26**	**4,069.84**	**216,793.06**	**405.63**	**161.59**	**573.48**	**222,274.51**
Add: Additions	-	0.20	713.19	5,029.09	17.23	5.11	35.11	5,799.93
Less: Eliminated on disposal / adjustments / transfer of assets	-	-	(41.99)	467.49	1.68	1.47	0.66	429.31
Balance as at March 31, 2018	**17.65**	**253.46**	**4,825.02**	**221,354.66**	**421.18**	**165.23**	**607.93**	**227,645.13**
Add: Additions	-	18.28	551.59	7,736.53	47.41	9.37	51.90	8,415.08
Less: Eliminated on disposal / adjustments / transfer of assets	-	-	5.71	449.84	1.97	8.75	0.74	467.01
Balance as at March 31, 2019	**17.65**	**271.74**	**5,370.90**	**228,641.35**	**466.62**	**165.85**	**659.09**	**235,593.20**

Accumulated depreciation	Freehold lands	Leasehold lands	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Balance as at April 1, 2017	**-**	**-**	**381.85**	**19,255.01**	**58.40**	**29.71**	**165.20**	**19,890.17**
Add: Depreciation expense	-	-	204.93	9,297.68	45.52	15.56	83.15	9,646.84
Less: Eliminated on disposal / adjustments / transfer of assets	-	-	(0.33)	149.65	1.33	0.65	0.65	151.95
Balance as at March 31, 2018	**-**	**-**	**587.11**	**28,403.04**	**102.59**	**44.62**	**247.70**	**29,385.06**
Add: Depreciation expense	-	-	176.69	10,107.49	68.57	16.16	89.05	10,457.96
Less: Eliminated on disposal / adjustments / transfer of assets	-	-	-	354.57	1.31	7.49	0.70	364.07
Balance as at March 31, 2019	**-**	**-**	**763.80**	**38,155.96**	**169.85**	**53.29**	**336.05**	**39,478.95**

a These leasehold lands are considered as finance lease in nature as the ownership will be transferred to the Company at the end of the lease period. These leasehold lands are not depreciated.

b Leasehold lands includes land amounting to ₹ 265.06 million (As at March 31, 2018 ₹ 36.56 million), which is in possession of the Company towards which formal lease deeds are yet to be executed.

c Plant and equipment include ₹ 39.15 million (As at March 31, 2018 ₹ 39.15 million) being Company's share of an asset jointly owned with another company.

5.1 Property plant and equipment pledged as security (Refer note 21):

External Commercial Borrowing are secured by first pari passu charge over immovable property, plant & equipment and first ranking pari passu charge over movable property, plant & equipment (including but not limited to plant and machinery, spares, tools, furniture, fixture, vehicles and all other movable property, plant & equipment) both present and future.

Working capital borrowings from consortium banks are secured by way of first ranking pari passu charge by way of hypothecation of Company's stocks of Raw material, Finished goods, stock-in-process, stores, spares, components, trade receivables, outstanding money receivables, claims, bills, contract, engagements, securities both present and future and further secured by second ranking pari passu charge over companies movable and immovable property (all property, plant & equipment) both present and future.

The Subsidiary OMPL has external commercial borrowings and non-convertible debentures (NCD) are secured by first pari passu charge over immovable property, plant and equipment. Working capital loan from a bank is secured by way of hypothecation of Company's current assets both present and future. Working capital lenders are to be secured by second ranking pari passu charge over Company's immovable property, plant and equipment both present and future on receipt of No Objection Certificate from NCD holders.

5.2 Foreign exchange differences capitalised

Additions to property, plant and equipment includes ₹ 2,147.04 million (For the year ended March 31, 2018 ₹ 100.71 million) in relation to foreign exchange differences. Asset class wise addition details are disclosed below:

Year	For the year ended March 31, 2019	For the year ended March 31, 2018
Asset class	**Exchange Differences**	**Exchange Differences**
Buildings	13.97	0.28
Plant and equipment	2,133.07	100.43
Total	**2,147.04**	**100.71**

5.3 During the previous year, the Company had prepaid unutilised External Commercial Borrowings of ₹ 2,959.33 million. Consequent to the same, the Borrowing costs (net of interest income) and exchange rate variation amounting to ₹ 25.57 million (net) had been adjusted against the Property plant and equipment during the previous year.

5.4 The Company is eligible for certain economic benefits such as exemptions from entry tax, custom duty, etc. on import/local purchase of capital goods in earlier years. The Company had accounted benefits received for custom duty and entry tax on purchase of property, plant and equipment as government grants. In the previous year, the Company had adjusted the cost of property, plant and equipment as at April 1, 2017 and credited deferred government grant amounting to ₹ 3,618.21 million. The deferred government grant is amortised over the remaining useful life of the property, plant and equipment.

6. Capital work-in-progress (CWIP)

Particulars	As at March 31, 2019	As at March 31, 2018
Leasehold land **(refer note 6.2 below)**	799.66	717.86
Buildings	1,838.81	1,267.95
Plant and equipment	7,286.72	4,817.98
Software	27.47	17.59
Total	**9,952.66**	**6,821.38**

6.1 Additions to CWIP includes borrowing costs amounting to ₹ 232.47 million (For the year ended March 31, 2018 ₹ 13.45 million) and allocated to different class of assets. The rate used to determine the amount of borrowing costs eligible for capitalisation was 7.69% (For the year ended March 31, 2018 was 6.24%) which is the effective interest rate on borrowings.

6.2 Leasehold lands includes land amounting to ₹ 717.31 million (As at March 31, 2018 ₹ 717.31 million), which is in possession of the Company towards which formal lease deeds are yet to be executed.

6.3 Includes loan availed against OIDB, which is secured by way of first ranking pari passu charge by way of hypothecation / mortgage only on property, plant & equipment / projects financed out of loan proceeds of OIDB. **(Refer note 21)**.

7 Investment Property

Carrying amount of:	**As at March 31, 2019**	**As at March 31, 2018**
Freehold land	77.96	77.96
Total	**77.96**	**77.96**

Gross Carrying Amount	**Amount**
Balance as at April 1, 2017	-
Reclassification from asset held for sale	77.96
Add: Additions	-
Less: Eliminated on disposal / adjustments / transfer	-
Balance as at March 31, 2018	77.96
Add: Additions	-
Less: Eliminated on disposal / adjustments / transfer	-
Balance as at March 31, 2019	**77.96**

Accumulated depreciation and impairment	**Amount**
Balance as at April 1, 2017	-
Add: Depreciation expense	-
Less: Eliminated on disposal / adjustment / transfer	-
Balance as at March 31, 2018	-
Add: Depreciation expense	-
Less: Eliminated on disposal / adjustment / transfer	-
Balance as at March 31, 2019	-

a The Company had classified freehold land measuring 102.31 acres as "Current assets- Non-current assets held for sale" based on the Board's approval in 2007. During the previous year, the Company reclassified the aforesaid land as "Non-current assets- Investment Property" based on the Board decision to hold the aforesaid land for capital appreciation.

b The Company has considered the fair value of the freehold land amounting to ₹ 255.80 million as at March 31, 2019 (as at March 31, 2018 ₹ 255.80 million) based on the valuation carried out by independent valuer report dated April 30, 2018. The management has considered the same fair value as there is no significant indication of change in fair value as on March 31, 2019.

8. Goodwill

8.1 Goodwill on account of Nitrogen plant

Particulars	**Amount**
Balance as at April 1, 2017	**4.04**
Less: Impairment	-
Balance as at March 31, 2018	**4.04**
Less: Impairment	-
Balance as at March 31, 2019	**4.04**

8.1.1 Goodwill represents excess of consideration paid over net assets acquired for acquisition of nitrogen plant.

8.2 Goodwill on consolidation

Particualrs	As at March 31, 2019	As at March 31, 2018
Goodwill on consolidation	3,768.74	3,768.74
Total Goodwill (8.1+8.2)	**3,772.78**	**3,772.78**

9. Other intangible assets

Carrying amount of:	As at March 31, 2019	As at March 31, 2018
Computer Software	58.77	56.26
Total	**58.77**	**56.26**

Gross Carrying Amount	Amount
Balance as at April 1, 2017	**108.92**
Add: Additions	43.26
Less: Eliminated on disposal / adjustments / transfer	-
Balance as at March 31, 2018	**152.18**
Add: Additions	19.79
Less: Eliminated on disposal / adjustments / transfer	-
Balance as at March 31, 2019	**171.97**

Accumulated amortisation	Amount
Balance as at April 1, 2017	**81.84**
Add: Amortisation expense	14.08
Less: Eliminated on disposal / adjustment / transfer	-
Balance as at March 31, 2018	**95.92**
Add: Amortisation expense	17.28
Less: Eliminated on disposal / adjustment / transfer	-
Balance as at March 31, 2019	**113.20**

10. Investments

10.1 Investments in equity instruments

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number in million	Amount	Number in million	Amount
Unquoted Investments (all fully paid up)				
(i) Investments (at fair value)				
(a) Mangalore SEZ Limited (Face value of ₹ 10 per share)	0.48	4.80	0.48	4.80
(b) Mangalam Retail Services Limited (Face value of ₹ 10 per share)	0.02	0.28	0.02	0.28
(ii) Investments in joint ventures (Equity method)				
(a) Shell MRPL Aviation Fuels and Services Limited (Face value of ₹ 10 per share)	15.00	282.50	15.00	301.18
Total investments		**287.58**		**306.26**
Aggregate carrying value of unquoted investments		287.58		306.26
Aggregate amount of impairment in value of investments		-		-

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

10.1.2 **Details of investments**

Name of Company	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Company	
			As at March 31, 2019	As at March 31, 2018
(a) Mangalore SEZ Limited	Developer of Special Economic Zone	India	0.96%	0.96%
(b) Mangalam Retail Services Limited (MRSL)	Distribution of petroleum products through retail outlet and transport terminal	India	18.98%	18.98%

The investment in MRSL has been measured at fair value through profit or loss account. The management has considered the fair value (level 3 hierarchy) of such investment equivalent to the carrying amount as at reporting period.

10.1.3 **Details of joint ventures**

Name of joint venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Company	
			As at March 31, 2019	As at March 31, 2018
(a) Shell MRPL Aviation Fuels and Services Limited	Trading of aviation fuels	India	50.00%	50.00%

Refer Note 3.6 for method followed for accounting of investment in joint venture.

11. Loans

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
(a) Deposits				
With related Party	31.21	3.59	31.21	3.59
With vendors	144.26	3.81	119.45	3.65
	175.47	**7.40**	**150.66**	**7.24**
(b) Loans to employees	770.33	107.68	475.17	78.87
Credit impaired				
- Loans which are credit impaired	-	0.81	-	0.81
Less: Impairment for doubtful loans	-	0.81	-	0.81
	770.33	**107.68**	**475.17**	**78.87**
(c) Loans to directors and other officers	**0.67**	**0.15**	**1.36**	**0.29**
Total (a+b+c)	**946.47**	**115.23**	**627.19**	**86.40**

12. Others financial assets

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
(a) Interest accrued on loans to employee /directors/ other officers	135.04	1.72	94.83	0.93
(b) Interest accrued but not due on bank deposits	-	3.86	-	71.73
(c) Receivable from related party	-	0.91	-	0.05
Total (a+b+c)	**135.04**	**6.49**	**94.83**	**72.71**

13. Tax assets/ (liabilities)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
Tax assets (Advance tax)	54,059.25	2,745.88	47,350.29	7,279.62
Less: Provision for current tax liabilities	52,059.98	1,221.58	44,915.75	6,995.74
Net tax assets / (liabilities) (a)	**1,999.27**	**1,524.30**	**2,434.54**	**283.88**
Income tax paid under dispute (b)	**307.24**	**-**	**1,898.44**	**-**
Total (a+b)	**2,306.51**	**1,524.30**	**4,332.98**	**283.88**

14. Other assets

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
(i) Capital advances				
- To related party	-	-	980.61	-
-To Others	7,719.78	-	8,159.36	-
	7,719.78	**-**	**9,139.97**	**-**
(ii) Deposits (refer note 14.1)				
with Customs/Port Trusts etc.	**2,503.98**	**-**	**2,503.98**	**-**
(iii) Advance recoverable in kind				
from related parties	-	114.68	-	133.59
from others	-	2,738.44	-	1,348.41
	-	**2,853.12**	**-**	**1,482.00**
(iv) Balance with government authorities	**-**	**2,385.59**	**-**	**1,360.42**
(v) Prepayments				
Leasehold land	2,200.97	55.18	2,256.15	55.18
Others **(refer note 14.2)**	2,355.94	426.60	1,302.29	110.56
	4,556.91	**481.78**	**3,558.44**	**165.74**
(vi) Gold coins	**-**	**0.91**	**-**	**0.91**
(vii) Stock on Returnable Basis	-	181.68	-	-
Less: Impairment for Stock	-	41.39	-	-
	-	**140.29**	**-**	**-**
Total	**14,780.67**	**5,861.69**	**15,202.39**	**3,009.07**

14.1 Includes amounts paid under protest.

14.2 Subsidiary OMPL - Mangalore SEZ Limited ('the Developer') has constructed the Corridor pipeline and allied facilities ('the Facilities'). The contribution paid by the Company for the said Facilities is shown under Prepayment of ROW Charges net of value amortised over the useful life of asset.

15. Inventories

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount	Total	Amount	Total
Raw materials				
(a) on hand	17,729.63		14,016.01	
(b) In transit	7,272.70	25,002.33	5,976.69	19,992.70
Stock-in-process		9,998.46		6,584.44
Finished goods	21,420.80		20,661.50	
Stock in trade	0.12		0.08	
Less: Allowance for stock loss	5.91	21,415.01	5.91	20,655.67
Stores and spares				
(a) On hand	6,576.47		5,179.53	
(b) In transit	181.88		58.68	
Less : Impairment for slow/non-moving inventories	87.38	6,670.97	67.02	5,171.19
Total		**63,086.77**		**52,404.00**

15.1 The cost of inventories (cost of sales) recognised as an expense during the year was ₹ 681,539.36 million (For the year ended March 31, 2018 ₹ 498,090.73 million).

15.2 Subsidiary OMPL has recognised cost of inventories as an expense amounting to ₹ Nil (For the year ended March 31, 2018 ₹ 11.59 million) in respect of write down of finished goods inventory to net realisable value.

15.3 During the previous year, the Company had changed inventory valuation method of Stock-in-trade from FIFO to weighted average method and the impact of the same was not material.

15.4 The method of valuation of inventories has been stated in **Note 3.21**.

16. Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Secured **(Refer note 16.4 below)**		
- Considered good	2,142.00	1,332.90
Unsecured		
- Considered good **(Refer note 16.6 below)**	21,597.22	24,435.04
Credit impaired		
- Receivable which are credit impaired	985.95	973.61
Less: Impairment for doubtful receivables	985.95	973.61
Total	**23,739.22**	**25,767.94**

16.1 Generally, the Company enters into long-term sales arrangement with Oil Marketing Companies for domestic sales besides export of products through term contracts and spot international tenders and supplies to SEZ customers. The average credit period on sales ranges from 7 to 45 days (year ended March 31, 2018 ranges from 7 to 45 days). Interest is not charged on trade receivables for the applicable credit period from the date of invoice. For delayed period of payments, interest is charged as per respective arrangements, which is upto 3% per annum (year ended March 31, 2018 upto 2% per annum) over the applicable bank rate on the outstanding balance.

Subsidiary OMPL does export sales through short-term tender arrangements with international traders against letter of credit facility with an average credit period of 7 days. For domestic sales, the Company has entered into long term sales arrangement with holding company with an average credit period ranging from 7-15 days. Interest is not charged on trade receivables for the applicable credit period from the date of invoice. For delayed period of payments, interest is charged at the applicable borrowing rate on the outstanding balance.

16.2 Of the trade receivables, balance as at March 31, 2019 of ₹ 24,027.19 million (As at March 31, 2018 ₹ 24,116.77 million) are due from the customers mentioned below. There are no other customers who represent more than 5% of the total balance of trade receivables other than mentioned below.

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Customer 1	7,327.99	5,369.28
Customer 2	7,220.53	8,841.62
Customer 3	2,464.87	3,167.89
Customer 4	2,491.45	1,754.77
Customer 5	-	2,353.39
Customer 6	-	2,629.82
Customer 7	1,811.48	-
Customer 8	1,313.62	-
Customer 9	1,397.25	-
Total	**24,027.19**	**24,116.77**

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

16.4 Secured by bank guarantees and letter of credit received from customers.

16.5 The Group has concentration of credit risk due to the fact that the Company has significant receivables from customers mentioned in **note 16.2**, however these customers are reputed and creditworthy.

16.6 Includes share of costs receivable from Oil Marketing Companies, valued on fair estimate basis at the end of each year and is subject to finalisation of settlements.

16.7 Age of Trade receivables:

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Within the credit period	23,331.82	25,154.55
1-30 days past due	130.15	455.17
31-90 days past due	117.16	103.13
More than 90 days past due	1,146.04	1,028.70
Total	**24,725.17**	**26,741.55**

16.8 Movement of Impairment for doubtful receivables

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Balance at beginning of the year	973.61	1,714.71
Add: Additions in expected credit loss allowance	30.62	-
Less: Write back during the year	18.28	273.17
Less: Reclassification/ Other adjustments	-	467.93
Balance at end of the year	**985.95**	**973.61**

17. Cash and Cash Equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
Current accounts	41.56	3.99
Bank deposits with original maturity upto 3 months	-	4,397.50
Cash on hand	5.17	2.20
Total	**46.73**	**4,403.69**

18. Other bank balances

Particulars	As at March 31, 2019	As at March 31, 2018
Bank deposits with original maturity more than 3 months upto 12 months **[Refer note 18.1 below]**	-	880.00
Other bank deposits under lien	4,578.40	2,820.10
Unclaimed interest on debentures account **[Refer note 18.2 below]**	0.01	0.01
Unclaimed dividend account **[Refer note 18.3 below]**	259.96	216.10
Restricted bank balance for employee benevolent fund	11.07	10.11
Total	**4,849.44**	**3,926.32**

18.1 Bank deposits maintained by the Company with banks comprise time deposits, which can be withdrawn at any point of time without prior notice or penalty on the principal.

18.2 Amount deposited in the unclaimed interest on debentures account is earmarked for payment of interest and cannot be used for any other purpose.

18.3 Amount deposited in the unclaimed dividend account is earmarked for payment of dividend and cannot be used for any other purpose.

19. Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised share capital:		
2,900,000,000 Equity shares of ₹ 10 each	**29,000.00**	**29,000.00**
(as at March 31, 2018: 2,900,000,000 Equity shares of ₹10 each)		
100,000,000 Redeemable preference shares of ₹10 each	**1,000.00**	**1,000.00**
(as at March 31, 2018: 100,000,000 preference shares of ₹10 each)		
Issued and Subscribed:		
1,752,598,777 Equity shares of ₹10 each	**17,525.99**	**17,525.99**
(as at March 31, 2018: 1,752,598,777 Equity shares of ₹10 each)		
Fully paid equity shares:		
1,752,598,777 Equity shares of ₹10 each	17,525.99	17,525.99
(as at March 31, 2018: 1,752,598,777 Equity shares of ₹10 each)		
Add: Shares forfeited **[Refer note 19.5 below]**	0.65	0.65
Total	**17,526.64**	**17,526.64**

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

Particulars	Number of shares in million	Share capital
Balance as at April 1, 2017	**1,752.59**	**17,525.99**
Changes during the year	-	-
Outstanding as at March 31, 2018	**1,752.59**	**17,525.99**
Changes during the year	-	-
Outstanding as at March 31, 2019	**1,752.59**	**17,525.99**

19.1 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

19.2 Details of equity shares held by the holding company or its subsidiaries or its associates are as under:-

Name of equity share holders	As at March 31, 2019		As at March 31, 2018	
	Number in million	% holding	Number in million	% holding
Oil and Natural Gas Corporation Limited	1,255.35	71.63	1,255.35	71.63
Hindustan Petroleum Corporation Limited	297.15	16.96	297.15	16.96

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

Name of equity share holders	As at March 31, 2019		As at March 31, 2018	
	Number in million	% holding	Number in million	% holding
Oil and Natural Gas Corporation Limited	1,255.35	71.63	1,255.35	71.63
Hindustan Petroleum Corporation Limited	297.15	16.96	297.15	16.96

19.4 Equity shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment: Nil (As at March 31, 2018: Nil).

19.5 Equity shares of ₹ 10 each (equivalent to 303,550 equity shares of ₹ 10 each) were forfeited in the year 2009-10 against which amount originally paid up was ₹ 654,000.

20. Other equity

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Deemed equity **[Refer note 3.25.2 (a)]**	42.17	38.40
(b) Reserves and surplus		
Capital redemption reserve	91.86	91.86
Securities premium	3,466.45	3,467.98
Capital reserve	0.07	0.07
General reserve	1,192.00	1,192.00
Debenture Redemption reserve	228.94	-
Retained earnings	76,909.64	80,017.17
Total	**81,931.13**	**84,807.48**

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Deemed equity [Refer Note 20.1]		
Balance at beginning of the year	38.40	30.53
Transfer during the year	3.77	7.87
Balance at end of the year	**42.17**	**38.40**
(b) Reserves		
(i) Capital redemption reserve [Refer Note 20.2]		
Balance at beginning of the year	91.86	91.86
Transfer during the year	-	-
Balance at end of the year	**91.86**	**91.86**

Particulars	As at March 31, 2019	As at March 31, 2018
(ii) Securities premium [Refer Note 20.3]		
Balance at beginning of the year	3,467.98	3,467.98
Transfer during the year	(1.53)	-
Balance at end of the year	**3,466.45**	**3,467.98**
(iii) Capital reserve [Refer Note 20.4]		
Balance at beginning of the year	0.07	0.07
Transfer during the year	-	-
Balance at end of the year	**0.07**	**0.07**
(iv) General reserve [Refer Note 20.5]		
Balance at beginning of the year	1,192.00	1,192.00
Transfer from retained earnings	-	-
Balance at end of the year	**1,192.00**	**1,192.00**
(v) Debenture Redemption Reserve		
Balance at beginning of the year	-	-
Transfer from retained earnings/ Non controlling interest	228.94	-
Balance at end of the year	**228.94**	**-**
(vi) Retained earnings		
Balance at beginning of the year	80,017.17	72,713.27
Profit after tax for the year	3,400.43	19,926.45
Other comprehensive income for the year, net of income tax	(52.64)	33.77
Payment of Dividends	(5,257.80)	(10,515.59)
Tax on Dividends	(1,080.76)	(2,140.73)
Transfer to Debenture redemption Reserve	(116.76)	-
Balance at end of the year	**76,909.64**	**80,017.17**

20.1 The amount of ₹ 42.17 million (As at March 31, 2018 ₹ 38.40 million) shown as deemed equity denotes the fair value of fees towards financial guarantee received from Oil and Natural Gas Corporation Limited without any consideration.

20.2 The Company created capital redemption reserve on redemption of preference share capital during the financial years 2011-12 and 2012-13.

20.3 The Company created securities premium on issue of equity share capital and the same can be utilized as per the requirement of the Companies Act, 2013.

20.4 Capital reserve created on account of consolidation during the year 2014-15.

20.5 The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

20.6 The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company. Thus, the amount reported in general reserves are not entirely distributable.

In respect of the year ended March 31, 2019, the Board of Directors has proposed a final dividend of ₹ 1 /- per share to be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 1,752.60 million and the dividend distribution tax thereon amounts to ₹ 360.25 million.

21. Borrowings

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
Secured – at amortised cost				
Term Loans:-				
From banks				
External commercial borrowing (ECB)	31,240.94	-	9,794.41	-
[Refer note 21.1]				
From others				
Oil Industry Development Board (OIDB)	2,680.00	-	-	-
[Refer note 21.2]				
Deferred payment liabilities - VAT Loan	225.56	-	169.24	-
[Refer note 21.3]				
Non-convertible debentures	-	-	19,997.58	-
[Refer note 21.4]				
Working capital loan from banks	-	4,654.87	-	2,289.76
[Refer note 21.5]				
Unsecured – at amortised cost				
Term loan :-				
From related party				
Oil and Natural Gas Corporation Limited (ONGC)	-	-	11,999.70	-
[Refer note 21.6]				
From others				
Deferred payment liabilities - CST	-	-	218.63	-
[Refer note 21.7]				
Foreign Currency Term Loan (FCTL)	-		2,607.20	
[Refer note 21.8]				
Rupee Term Loan from bank	5,142.50	-	-	-
[Refer note 21.9]				
Working capital loan from banks				
External commercial borrowing (ECB):	68.52	-	-	-
Working Capital				
[Refer note 21.10]				
Foreign currency non repatriable loan (FCNR)	-	49,795.20	-	42,367.00
[Refer note 21.11]				
Buyers Credit and Pre/Post Shipment Export Credit	-	24,206.00	-	14,339.60
[Refer note 21.12]				
Working capital loan from Others				
Commercial Paper	-	4,000.00	-	-
[Refer note 21.13]				
Loan repayable on demand from Banks				
Short Term Rupee Loan	-	370.00	-	3,620.00
[Refer note 21.14]				
Total	**39,357.52**	**83,026.07**	**44,786.76**	**62,616.36**

21.1 External Commercial Borrowing (ECB)

21.1.1 External Commerical Borrowing taken by the Company are USD denominated loans and carries variable rate of interest which is six month Libor plus spread (Interest rate as at March 31, 2019 is 3.86% and range of interest rate as at March 31, 2018 was 3.63% to 4.45%).

21.1.2 External Commercial Borrowing are secured by first pari passu charge over immovable property, plant & equipment and first ranking pari passu charge over movable property, plant & equipment (including but not limited to plant and machinery, spares, tools, furniture, fixture, vehicles and all other movable property, plant & equipment) both present and future.

21.1.3 Subsidiary OMPL has entered into an External Commercial Borrowing (ECB) arrangement for USD 331.32 million. Entire ECB facility of USD 331.32 Million has been availed in three tranches.

The ECB-Tranche I amounting to USD 250 million is repayable in 14 equal half yearly instalments commencing from April 1, 2015 and carries variable rate of interest which is LIBOR (6 months) plus spread of 2.40% . The ECB- Tranche II amounting to USD 60 million is repayable in 14 equal half yearly instalments commencing from October 31, 2015 and carries variable rate of interest which is LIBOR (6 months) plus spread of 2.40%. The ECB- Tranche III amounting to USD 21.32 million is repayable in 14 equal half yearly instalments commencing from October 31, 2016 and carries variable rate of interest which is LIBOR (6 months) plus spread of 2.40%.

The above mentioned ECB Loans are secured by the first charge on land and all property, plant and equipment and second charge by way of hypothecation on all movable property, plant and equipment and all current assets.

21.1.4 ₹ 3,259.82 million (As at March 31, 2018 of ₹ 28,801.65 million) is repayable within one year and the same has been shown as “Current maturities of long term debts (secured)” under **Note 22**.

21.1.5 Repayment schedule of ECB is as follows:

Year of repayment (refer note 21.15 below)	As at March 31, 2019	As at March 31, 2018
2018-19	-	28,831.16
2019-20	3,273.44	3,085.06
2020-21	10,189.44	3,085.06
2021-22	10,189.44	3,085.06
2022-23	7,423.04	477.86
2023-24	3,563.32	99.25
Total	**34,638.68**	**38,663.45**

21.2 Loan from Oil Industry Development Board (OIDB)

21.2.1 Loan from OIDB taken by the Company carries fixed rate of interest (Interest rate as at March 31, 2019 is 7.98% and range of interest rate as at March 31, 2018 was 8.73% to 9.27%).

21.2.2 OIDB loan is secured by way of first ranking pari passu charge by way of hypothecation / mortgage only on property, plant & equipment / projects financed out of loan proceeds of OIDB.

21.2.3 ₹ Nil (As at March 31, 2018 of ₹ 750.00 million) is repayable within one year and the same has been shown as “Current maturities of long term debts (secured)” under **Note 22**.

21.2.4 Repayment schedule of loan from OIDB is as follows:

Year of repayment (refer note 21.15 below)	As at March 31, 2019	As at March 31, 2018
2018-19	-	750.00
2019-20	-	-
2020-21	670.00	-
2021-22	670.00	-
2022-23	670.00	-
2023-24	670.00	-
Total	**2,680.00**	**750.00**

21.3 Deferred payment liabilities: VAT Loan

21.3.1 Deferred payment liability against VAT Loan represents amounts payable on account of “Interest free loan” received from Government of Karnataka. This interest free loan against VAT will be repaybale from March 31, 2028.

21.3.2 The benefit of a Government loan at a below-market rate of interest is treated as a government grant (Ind AS 20). The Interest free loan is recognised and measured in accordance with Ind AS 109, Financial Instruments. The benefit of the Interest free loan is measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109, and the proceeds received. The benefit is accounted for in accordance with this Standard.

21.3.3 Deferred payment liabilities - VAT Loan are secured by bank guarantees given by the company.

21.3.4 Repayment schedule of Deferred payment liability VAT loan is as follows:

Year of repayment (refer note 21.15 below)	As at March 31, 2019	As at March 31, 2018
2027-28	132.61	132.61
2028-29	155.16	155.16
2029-30	197.76	197.76
2030-31	107.51	-
Total	**593.04**	**485.53**

21.4 Non-convertible debentures

21.4.1 Subsidiary OMPL has issued ₹ 20,000 million non-cumulative, secured, redeemable, taxable, listed, rated Non-Convertible Debentures (NCDs) during June 2016 with a coupon rate of 8.12% p.a., and interest payable annually.

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

21.4.3 ₹ 19,999.61 million (As at March 31, 2018 of ₹ 4,998.21 million) is repayable within one year and the same has been shown as "Current maturities of long term debts (unsecured)" under **Note 22**.

21.4.4 Repayment schedule of non-convertible debentures is as follows:

Year of repayment (refer note 21.15 below)	As at March 31, 2019	As at March 31, 2018
2018-19	-	5,000.00
2019-20	20,000.00	20,000.00
Total	**20,000.00**	**25,000.00**

21.5 Working capital loan from Banks

21.5.1 Working capital borrowings from consortium banks are secured by way of first ranking pari passu charge by way of hypothecation of Company's stocks of Raw material, Finished goods, stock-in-process, stores, spares, components, trade receivables, outstanding money receivables, claims, bills, contract, engagements, securities both present and future and further secured by second ranking pari passu charge over companies movable and immovable property (all property, plant & equipment) both present and future. Working capital borrowings from banks in the form of overdraft facility against fixed deposits are secured by way of hypothecation on original fixed deposits.

21.5.2 Subsidiary OMPL working capital lenders are to be secured by second ranking pari passu charge over Company's immovable property, plant and equipment both present and future on receipt of No Objection Certificate from NCD holders.

21.6 Term loan from related party

21.6.1 Term loan from related Party (ONGC) taken by the Company carries variable rate of interest which is G-sec yield for 5 years tenor plus spread w.e.f April 1, 2016 (Interest rate as at March 31, 2019 is Nil and as at March 31, 2018 was 7.17%).

21.6.2 ₹ Nil (As at March 31, 2018 of ₹ 6,857.20 million) is repayable within one year and the same has been shown as "Current maturities of long-term debts (unsecured)" under **Note 22**.

21.6.3 Repayment schedule of loan from ONGC is as follows:

Year of repayment (refer note 21.15 below)	As at March 31, 2019	As at March 31, 2018
2018-19	-	6,857.20
2019-20	-	6,857.20
2020-21	-	5,142.50
Total	**-**	**18,856.90**

21.7 Deferred Payment Liabilities: CST

21.7.1 Deferred payment liability represents amount payable on account of sales tax liability to be paid after a specified period to the sales tax authority, Karnataka. Such deferral of sales tax liability is not liable for any interest.

21.7.2 ₹ 218.63 million (As at March 31, 2018 of ₹ 400 million) is repayable within one year and the same has been shown as "Current maturities of long term debts (unsecured)" under **Note 22**.

21.7.3 Repayment schedule of deferred payment liability loan is as follows:

Year of repayment (refer note 21.15 below)	As at March 31, 2019	As at March 31, 2018
2018-19	-	400.00
2019-20	218.63	218.63
Total	**218.63**	**618.63**

21.8 Foreign Currency Term Loan (FCTL)

21.8.1 Foreign Currency Term Loan (FCTL) from bank are USD denominated loans and carries variable rate of interest which is one month Libor plus spread (Range of interest rate as at March 31, 2019 is 3.58% to 3.59% and as at March 31, 2018 was 2.81% to 2.97%).

21.8.2 ₹ 3,458.00 million (As at March 31,2018 of ₹ Nil) is repayable within one year and the same has been shown as "Current maturities of long term debts (unsecured)" under **Note 22**.

21.8.3 Repayment schedule of Foreign Currency Term Loan (FCTL) is as follows:

Year of repayment (refer note 21.15 below)	As at March 31, 2019	As at March 31, 2018
2019-20	3,458.00	2,607.20
Total	**3,458.00**	**2,607.20**

21.9 Rupee term loan from bank

21.9.1 Term loan from SBI taken by the Company carries variable rate of interest which is three months MCLR plus spread (Interest rate as at March 31, 2019 is 8.39% and as at March 31, 2018 was Nil).

21.9.2 ₹ 6,857.20 million (As at March 31, 2018 of ₹ Nil) is repayable within one year and the same has been shown as "Current maturities of long-term debts (unsecured)" under **Note 22**.

21.9.3 Repayment schedule of Term Loan from SBI is as follows:

Year of repayment (refer note 21.15 below)	As at March 31, 2019	As at March 31, 2018
2019-20	6,857.20	-
2020-21	5,142.50	-
Total	**11,999.70**	**-**

21.10 Working capital Term Loan from Banks - ECB

21.10.1 External Commercial Borrowing taken by the Company are USD denominated loans and carries variable rate of interest which is six month Libor plus spread (Interest rate as at March 31, 2019 is 3.96% and as at March 31, 2018 was Nil).

21.10.2 Repayment schedule of Working Capital loan ECB is as follows:

Year of repayment (refer note 21.15 below)	As at March 31, 2019	As at March 31, 2018
2023-24	69.16	-
Total	**69.16**	**-**

21.11 Foreign Currency Non Repatriable Loan (FCNR)

21.11.1 Foreign Currency Non Repatriable Loan from bank are USD denominated loans and carries variable rate of interest which is six month Libor plus spread and is repayable within one year from the date of each disbursement.

Subsidiary OMPL has unsecured short term foreign Currency Loan (FCNR) to the tune of USD 470 million (USD 400 million) availed from various Banks with tenor ranging from 6 months to 12 months carries interest rate ranging from one month Libor to six month Libor plus spread of 1.52% to 2.26% (1M Libor+0.65%) .

21.12 Buyers Credit & Pre/Post Shipment Export Credit

21.12.1 Buyers Credit and Pre/Post Shipment Export Credit from banks are USD denominated loans carries variable rate of interest which is one month Libor plus spread and is repayable within one year from the date of each disbursement.

21.13 Commercial Paper

21.13.1 The Commercial paper issued is unsecured fixed rate debt instrument with tenure of 90 days.

21.14 Loan repayble on demand: Short Term Rupee Loan

21.14.1 Subsidiary OMPL has unsecured short term rupee loan availed during the year is with a tenor 1 year and interest rate applicable is 1 year MCLR 8.85% p.a. (tenor varying from 1 day to 365 days and interest rate applicable is 1 year CD rate plus 1.1625% p.a.).

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

22. Other financial liabilities

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
Current maturities of long term debt (secured) **[Refer note 21.1.4, 21.2.3, and 21.4.3]**	-	23,259.43	-	34,549.86
Current maturities of long term debt (Unsecured) **[Refer note 21.6.2, 21.7.2, 21.8.2, and 21.9.2]**	-	10,533.83	-	7,257.20
Unclaimed dividends **[Refer note 22.1 below]**	-	259.98	-	216.10
Unclaimed interest on matured debentures **[Refer note 22.2 below]**	-	0.01	-	0.01
Interest accrued but not due on loans	-	2,351.14	-	713.65
Deposits from suppliers/ contractors/ others	-	951.38	-	890.31
Payable against capital goods **[Refer note 22.3 below]**	-	2,214.70	-	2,334.52
Liability for employees	-	770.12	-	921.44
Other liabilities relating to customers and vendors **[Refer note 22.4 below]**	-	2,130.98	-	2,274.26
Total	**-**	**42,471.57**	**-**	**49,157.35**

22.1 No amount is due for payment to the Investor Education Protection Fund.

22.2 Represents interest payable towards matured debentures.

22.3 Price reduction schedule

Payable against capital goods includes ₹ 259.15 million (As at March 31, 2018 ₹ 186.78 million) relating to amounts withheld from vendors pursuant to price reduction schedule which will be settled on finalisation of proceedings with such vendors. When the withheld amounts are ultimately finalised, the related adjustment is made to the property, plant and equipment prospectively.

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

	Particulars	As at March 31, 2019	As at March 31, 2018
i	the Principal amount due thereon remaining unpaid to any supplier at the end of year.	-	4.07
ii	the interest due thereon remaining unpaid to any supplier at the end of year.	-	-
iii	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iv	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
v	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
vi	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	**-**	**-**

23. Provisions

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
Provision for employee benefits (Refer note 40)				
(a) Leave encashment	653.82	53.14	381.70	44.35
(b) Post retirement medical and other benefits	89.76	2.95	79.61	2.63
(c) Gratuity	62.38	1.94	32.48	1.24
Others **[Refer note 23.1 below]**	-	4,531.29	-	3,993.55
Total	**805.96**	**4,589.32**	**493.79**	**4,041.77**

23.1 Others include provision for excise duty on closing stock.

Movement for the year 2018-19

Particulars	Excise duty on closing stock
Opening Balance as at April 1, 2018	3,993.55
Less: Reduction on account of provision reversal	3,993.55
Add: Additions	4,531.29
Closing Balance as at March 31, 2019	**4,531.29**

The Company estimates provision based on substantial degree of estimation for excise duty payable on clearance of goods lying in stock as on March 31, 2019 ₹ 4,531.29 million (As at March 31, 2018 ₹ 3,993.55 million) and has included it in other provision. This provision is expected to be settled when the goods are removed from the factory premises.

24 Deferred Tax asset/ (liabilities) (net)

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

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	36,447.81	35,567.77
Deferred tax liabilities	(38,949.14)	(36,470.01)
Deferred tax Asset/ (Liability) - Net	**(2,501.33)**	**(902.24)**

2018-19	Opening balance	Recognised in profit or loss	MAT credit entitlement related to previous year	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities in relation to					
Property, Plant and equipment	(36,466.56)	(2,471.12)	-	-	(38,937.68)
Intangible assets	(3.45)	(8.01)	-	-	(11.46)
Total	**(36,470.01)**	**(2,479.13)**	**-**	**-**	**(38,949.14)**
Tax effect of items constituting deferred tax assets					
Other liabilities	25.58	34.53	-	-	60.11
Brought forward business losses and unabsorbed depreciation	18,615.93	216.37	-	-	18,832.30
MAT credit entitlement	16,561.83	616.19	14.74	-	17,192.76
Financial and other assets	340.51	-	-	-	340.51
Inventories	23.92	(1.79)	-	-	22.13
Remeasurement of the defined benefit plans	-	(31.85)	-	31.85	-
Total	**35,567.77**	**833.45**	**14.74**	**31.85**	**36,447.81**
Deferred tax asset / (liability) (net)	**(902.24)**	**(1,645.68)**	**14.74**	**31.85**	**(2,501.33)**

2017-18	Opening balance	Recognised in profit or loss	MAT credit entitlement related to previous year	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities in relation to					
Property, Plant and equipment	(34,020.02)	(2,446.54)	-	-	(36,466.56)
Intangible assets	7.67	(11.12)	-	-	(3.45)
Total	**(34,012.35)**	**(2,457.66)**	**-**	**-**	**(36,470.01)**
Tax effect of items constituting deferred tax assets					
Other liabilities	50.17	(24.59)	-	-	25.58
Brought forward business losses and unabsorbed depreciation	21,513.48	(2,897.55)	-		18,615.93
MAT credit entitlement	14,928.71	1,633.12	-	-	16,561.83
Financial and other assets	595.23	(254.72)	-	-	340.51
Inventories	31.63	(7.71)	-	-	23.92
Remeasurement of the defined benefit plans	-	19.30	-	(19.30)	-
Total	**37,119.22**	**(1,532.15)**	**-**	**(19.30)**	**35,567.77**
Deferred tax asset / (liability) (net)	**3,106.87**	**(3,989.81)**	**-**	**(19.30)**	**(902.24)**

25 Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises	230.30	343.73
Total outstanding dues of creditors other than micro enterprises and small enterprises	46,702.08	47,581.72
Total	**46,932.38**	**47,925.45**

25.1 Trade payables include ₹ 9,139.87 million (As at March 31, 2018 of ₹ 5,079.26 million) for which ONGC has given guarantees on behalf of the Company.

25.2 The average credit period on purchases of crude, stores and spares, other raw material, services, etc. ranges from 14 to 60 days (year ended March 31, 2018 ranges from 15 to 60 days). Thereafter, interest is charged upto 6.75% per annum (year ended March 31, 2018 upto 6.75% per annum) over the relevant bank rate as per respective arrangements on the outstanding balances. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

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

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

Particulars		**As at March 31, 2019**	**As at March 31, 2018**
i)	The principal amount and the interest dues thereon (to be shown separately) remaining unpaid to any supplier at the end of the year	230.30	343.73
ii)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii)	The amount of interest dues and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
v)	The amount of further interest remaining dues and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

26. Other liabilities

Particulars	**As at March 31, 2019**		**As at March 31, 2018**	
	Non-current	**Current**	**Non-current**	**Current**
Revenue received in advance	-	1.29	-	1.43
Liability for gratuity **[Refer note 26.1 below]**	-	85.61	-	59.19
Liability for statutory payments	-	1,768.81	-	1,875.15
Deferred Government Grant **[Refer note 5.4 & 21.3.2]**	3,482.11	181.46	3,595.54	177.16
Total	**3,482.11**	**2,037.17**	**3,595.54**	**2,112.93**

26.1 Net of amount receivable/ payable from/to gratuity trust.

27 Revenue from operations

Particulars		**Year ended March 31, 2019**	**Year ended March 31, 2018**
27.1	**Sales**		
	Petroleum products	729,354.25	636,759.31
	Crude Oil	5,335.40	-
27.2	**Other operating revenues**		
	Sale of scrap	216.90	101.00
	Price Reduction Schedule	34.22	20.26
	Total	**251.12**	**121.26**
	Total	**734,940.77**	**636,880.57**

28 Other income

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
28.1	**Interest on:**		
	Contractor mobilisation advance	1.53	0.36
	Others	357.40	13.95
	Financial assets measured at amortised cost :		
	- bank deposits	609.79	723.91
	- direct marketing customers	23.76	17.20
	- employee loans	44.71	31.00
	Total	**1,037.19**	**786.42**
28.2	**Dividend income from:-**		
	Investment in mutual funds (measured at FVTPL)	**90.53**	**40.84**
28.3	**Other non-operating income**		
	Royalty income	8.68	8.13
	Liability no longer required written back	111.62	71.05
	Excess provisions written back	18.28	768.44
	Tender form sale	0.01	0.83
	Hire charges	4.40	1.67
	Recoveries from employees	10.33	10.20
	Amortisation of deferred government grant	178.24	164.20
	Miscellaneous receipts	2,131.06	887.42
	Total	**2,462.62**	**1,911.94**
	Total	**3,590.34**	**2,739.20**

29 Cost of materials consumed

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Raw material: Crude oil		
Imported	471,548.10	335,218.96
Indigenous	98,949.04	87,219.12
Raw material: Others		
Imported		
Hydrogen	297.60	-
Paraffin raffinate	957.97	-
De- Ethanizer	-	2.25
Reformate	-	21.87
Indigenous		
CRMB modifier	9.23	16.67
Naphtha Stream	13,928.40	9,311.15
Aromatic Stream	6.75	-
Stock-in-trade		
Indigenous	0.62	0.53
Total	**585,697.71**	**431,790.55**

29.1. The Company enjoys benefit of entry tax exemption on crude oil for its Phase III operations which qualifies to be government grant. The Company recognised such grant on net basis and is included in the 'Cost of Materials consumed'. Entry tax exemption on crude oil amounted to ₹ Nil and ₹ 166.76 million for the year ended March 31, 2019 and year ended March 31, 2018 respectively. Upon implementation of Goods and Services Tax w.e.f July 1, 2017, entry tax levy itself stands abolished.

30 Purchase of Stock-in-trade

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Crude Oil	5,260.88	-
Total	**5,260.88**	**-**

31 Changes in inventories of finished goods, stock-in-process and stock-in-trade

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
31.1	**Closing stock of:**		
	Finished goods and stock-in-trade *	21,420.80	20,661.58
	Stock-in-process	9,998.46	6,584.44
	Total closing stock	**31,419.26**	**27,246.02**
31.2	**Opening stock of:**		
	Finished goods and stock-in-trade	20,661.58	13,672.15
	Less - Change in Method of Accounting #	0.08	-
	Stock-in-process	6,584.44	4,773.98
	Total opening stock	**27,245.94**	**18,446.13**
	Changes in inventories of finished goods, stock-in-process and stock-in-trade	**(4,173.32)**	**(8,799.89)**

* Stock-in-trade applicable for the year ended March 31,2018 only.

Change in basis of Accounting for stock-in-trade from purchase to consumption.

32 Employee benefits expense

Particulars (refer note 32.1 below)	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	4,054.38	3,836.21
Contribution to provident and other funds	517.08	496.09
Gratuity	10.74	10.89
Post-retirement benefits - medical and others	12.74	12.15
Staff welfare expenses	213.16	234.30
Total	**4,808.10**	**4,589.64**

32.1 The Non Management employees wage revision is due for revision effective from January 1, 2017 and the negotiation with the employees union is in progress. Pending final negotiation, the company has made provision for wage revision on estimated basis for the year ended March 31, 2019 amounting to ₹ 255.70 million (Year ended March 31, 2018 ₹ 245.70 million) and is shown under 'Employee benefits expense'.

32.2 Subsidiary OMPL has aligned the pay scale of all employees from CTC pattern to IDA pattern with effect from 01.11.2018. In respect of executives, pending implementation of the same, provisions has been made on estimated basis for the year ended March 31, 2019.

33 Finance costs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Finance expense for financial liabilities measured at amortised cost		
- from related party	549.13	1,657.81
- from banks	6,805.10	6,091.18
- from others	413.50	486.98
	7,767.73	**8,235.97**
Financial guarantee charges	18.52	15.75
Exchange differences regarded as an adjustment to borrowing cost	2,801.02	874.77
Total	**10,587.27**	**9,126.49**

34 Depreciation and amortisation expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of Property, plant and equipment	10,457.96	9,646.84
Amortisation of intangible assets	17.28	14.08
Total	**10,475.24**	**9,660.92**

35 Other expenses

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Power, utility and fuel charges **[refer note 35.1 below]**	61,070.13		38,023.48	
Less : Own consumption	59,586.18	1,483.95	33,340.84	4,682.64
Repairs and maintenance				
- Plant and machinery	4,070.82		4,257.61	
- Building	5.86		14.36	
- Others	425.30	4,501.98	345.53	4,617.50
Stores, spares and chemical consumed		2,161.88		1,843.81
Packing material consumed		369.44		180.13
Rent		277.24		243.30
Insurance		427.22		354.52
Rates and taxes		725.09		1,806.17
Excise duty on stock (net) **[refer note 35.2 below]**		455.39		1,141.16
Exchange rate fluctuation loss/ (Income)		3,441.88		110.40
Director's sitting fees		6.20		2.58
Loss on sale of property, plant and equipment		90.18		250.07
Bank charges		28.29		24.24
Payment to auditors				
Audit fees	3.23		2.76	
For taxation matters	0.45		0.40	
For certification fees	2.61		2.90	
Reimbursement of expenses	2.12	8.41	2.76	8.82
Corporate social responsibility expenses (CSR) **[refer note 35.3 below]**		313.21		103.02
Impairment for:				
Doubtful trade receivables	30.62		-	
Returnable Stock	41.39		-	
Slow/non-moving Inventories	18.01	90.02	-	-
Write Offs:				
Doubtful trade receivables		-		472.34
Miscellaneous expenses		2,306.11		2,108.92
Total		**16,686.49**		**17,949.62**

35.1 The company has generated a total of 8,145,848 Kwh of Solar power for the year ended March 31, 2019 (Year ended March 31, 2018 Nil) and the same are captively consumed. The monetary values of such power generated that are captively consumed are not recognised for the purpose of disclosure in the financial statement.

35.2 Excise duty on sale of product has been included in'Revenue from operations' and excise duty shown above represents the difference between excise duty on opening and closing stock of finished goods.

35.3 The CSR expenditure comprises the following:

(a) Gross amount required to be spent by the Company during the year: ₹ 906.30 million (Year ended March 31, 2018 ₹ 338.70 million).

(b) Amount spent during the year on:

Particulars	Year ended March 31, 2019		
	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of asset	71.02	114.27	185.29
ii) On purpose other than (i) above	99.98	27.94	127.92
Total	**171.00**	**142.21**	**313.21**

Particulars	Year ended March 31, 2018		
	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of asset	71.23	7.41	78.64
ii) On purpose other than (i) above	13.04	11.34	24.38
Total	**84.27**	**18.75**	**103.02**

36 Exceptional items (income)/expenses (net)

Particulars (Refer note 36.1 and 36.2 below)	Year ended March 31, 2019	Year ended March 31, 2018
Terminalling Charges	-	258.90
Employee benefits expense	228.73	-
Power, utility and fuel charges	339.75	-
Repairs and maintenance - Plant and machinery	(420.54)	-
Total	**147.94**	**258.90**

36.1 The exceptional items for current year is on account of :

(a) Expense of ₹ 228.73 million is towards differential contribution to "MRPL Defined Contribution Pension Scheme" for Management Staff (pertaining to the period January 2007 to March 2018) and Non Management Staff (pertaining to the period April 2007 to March 2018).

(b) Expense of ₹ 339.75 million is on account of estimated cost of purchase of Renewable Energy Certificate (REC) from Indian Energy Exchange (IEX), as per the direction received from Karnataka Electricity Regulatory Commission, for meeting Renewable Energy Purchase Obligation (RPO) from the financial year 2015-16 to 2017-18 based on company's captive and auxiliary consumption.

(c) Income of ₹ 420.54 million relating to reclaim of input tax credit under Goods and Service Tax Act (GST Act) for the financial year 2017-18 represents the credit taken based on annual mix of products covered under GST and products not covered under GST.

36.2 Exceptional items for the previous year was on account of sharing of terminalling charges collected from oil marketing companies on cross country dispatch retrospectively from financial year 2003-04 amounting to ₹ 258.90 million.

37 Income taxes related to continuing operations

37.1 Income tax recognised in statement of profit and loss

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	1,355.33	6,988.58
Deferred tax	1,645.68	3,989.81
Total income tax expense recognised in the current year relating to continuing operations	**3,001.01**	**10,978.39**

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax from continuing operations	**6,513.62**	**28,714.02**
Income tax expense calculated at 34.944% (2017-2018: 34.608%)	2,276.12	9,937.35
Effect of income exempt from tax	(38.98)	(53.10)
Effect of Profit from Joint venture	(0.89)	(0.37)
Effect of investment allowance u/s 32AC of Income Tax Act, 1961	20.97	43.63
Effect of expenses not deductible in determining taxable profit	95.02	72.99
Effect of deferred tax due to change in tax rate from 34.608% to 34.9440%	-	(56.83)
Effect of recognition of MAT credit of earlier years at 21.3416%	(11.70)	(7.16)
Effect of recognition of Prior year tax of previous year	(122.06)	7.16
Effect of change in deferred tax balance due to true up adjustments	537.68	(330.05)
Effect of exemption under section 10AA of Income Tax Act, 1961.	222.74	1,384.72
Effect of Others	22.11	(19.95)
Income tax expense recognised in profit or loss (relating to continuing operations)	**3,001.01**	**10,978.39**

37.3 Income tax recognised in other comprehensive income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
(a) Remeasurement of the defined benefit plans	32.06	(19.21)
(b) Effective portion of gains (losses) on hedging instruments in cash flow hedges	(0.08)	-
Total income tax recognised in other comprehensive income	**31.98**	**(19.21)**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	31.98	(19.21)
Items that may be reclassified to profit or loss	-	-

38 Earnings per equity share:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit after tax for the year attributable to equity shareholders	3,400.43	19,926.45
Weighted average number of equity shares (Number in million)	1,752.60	1,752.60
Basic and Diluted earnings per equity share (₹)	1.94	11.37
Face Value per equity share (₹)	10.00	10.00

39 Leases

39.1 Obligations under finance leases

39.1.1 The Company has entered into lease agreements for lands which have been classified as finance leases. The ownership of the lands will be transferred to the Company at the end of the lease term with nominal payment of administrative charges. The lease term ranges from 5 - 44 years. The Company has pledged these leasehold lands for obtaining borrowings **[Refer note 5.1]**.

Financial lease obligation as at March 31, 2019 is immaterial (As at March 31, 2018 : immaterial).

39.2 Operating lease arrangements

39.2.1 Leasing arrangements

The Company has entered into arrangements for right of way for pipelines and lease of land which have been classified as operating leases. The lease period for right of way ranges from 11 months to 30 years and for leases of land ranges from 5 to 99 years. In case of leasehold land, the Company does not have option to purchase the land at the end of the lease period. Generally, the lease arrangements for land requires Company to make upfront payments at the time of the execution of the lease arrangement with annual recurring charges with escalations in annual lease rentals.

Subsidiary OMPL has entered into land lease agreement for setting up SEZ unit with Mangalore SEZ Limited whose lease period is 47 years. The same has been classified as operating lease. The Company does not have option to purchase the land at the end of the lease period. Further the Company has made upfront payments at the time of the execution of the lease arrangement with annual recurring charges with no escalations in annual lease rentals. The Company has an option to renew the lease agreement for further period of 47 years after the expiry of the lease term on mutually agreed terms.

Subsidiary OMPL has also entered into arrangements for lease of residential/office premises and lease of NMPT land which have been classified as operating leases. The average lease period ranges from 11 months to 47 years.

39.2.2 Payments recognized as an expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Minimum lease payments	186.89	130.15
Total	**186.89**	**130.15**

39.2.3 Non-cancellable operating lease commitments

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

40 Employee benefit plans

40.1 Defined Contribution plans

The amounts recognized in the financial statements for defined contribution plans are as under:

Defined Contribution Plans	Amount recognized during the year		Contribution for Key Management Personnel	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Employer's contribution to Provident Fund	211.39	199.56	0.86	1.15
Employer's contribution to Superannuation Fund **(Refer note 36)**	466.10	166.31	1.38	0.96

40.2 Other long term employee benefits

40.2.1 **Brief Description:** A general description of the type of Other long-term employee benefits 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 up to 300 days along with Earned leave.

40.2.2 The liability for leaves are recognized on the basis of actuarial valuation.

40.3 Defined benefit plans

40.3.1 **Brief Description:** A general description of the type of Defined benefit plans are as follows:

a) Gratuity:

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

The MRPL- Gratuity Trust was formed on 20th April, 2007 and investments of the funds received from the company after actuarial valuation and the investment of the funds upto June 28, 2013 was made in the manner prescribed by Income tax Rule 67(1) of the Income Tax Rules ,1962 as amended from time to time.

The Funds of MRPL- Gratuity Trust after June 28, 2013 is being invested in Group Gratuity Cash Accumulation Scheme (Traditional Fund) in LIC, Bajaj Allianz, HDFC Standard Life Insurance Co., Birla Sunlife Insurance co and Inda First Life Insurance Co.

b) 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.

c) Resettlement Allowance:

At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Settlement Allowance.

40.3.2 The liability for Defined benefit plans is recognized on the basis of actuarial valuation.

40.3.3 These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently it has a relatively balanced mix of investments in government securities, insurance investment and other debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees.

In respect of the plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2019 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
	Gratuity (Funded)		
1	Expected return on plan assets	7.79%	7.85%
2	Rate of discounting	7.79%	7.85%
3	Rate of salary increase	7.50%	5.50%
4	Rate of employee turnover	2.00%	2.00%
5	Mortality rate during employment	Indian Assured lives Mortality (2006-08)	Indian Assured lives Mortality (2006-08)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
	Post-Retirement Medical Benefits		
1	Rate of discounting	7.79%	7.85%
2	Medical cost inflation	0.00%	0.00%
3	Rate of employee turnover	2.00%	2.00%
4	Mortality rate during employment	Indian Assured lives Mortality (2006-08)	Indian Assured lives Mortality (2006-08)
5	Mortality rate after employment	Indian Assured lives Mortality (2006-08)	Indian Assured lives Mortality (2006-08)
	Resettlement Allowance:		
1	Rate of discounting	7.79%	7.85%
2	Rate of salary increase	7.50%	5.50%
3	Rate of employee turnover	2.00%	2.00%
4	Mortality rate during employment	Indian Assured lives Mortality (2006-08)	Indian Assured lives Mortality (2006-08)

The rate of discounting based upon the market yield available on Government bonds at the accounting date with a term that matches. The salary growth takes account inflation, seniority, promotion and other relevant factor on long term basis. Expected rate of return on plan assets is based on market expectation, at the beginning of the year, for return over the entire life of the related obligation.

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

Gratuity:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Service Cost :		
Current service cost	30.38	34.53
Net interest expense	4.80	7.26
Past Service Cost	-	76.84
Components of defined benefit costs recognised in employee benefit expenses	**35.18**	**118.63**
Remeasurement on the net defined benefit liability:		
Return on plan assets excluding amounts included in net interest cost	(8.03)	(2.67)
Actuarial (gains) / losses arising from changes in financial assumptions	72.84	(39.64)
Actuarial (gains) / losses arising from experience adjustments	(2.01)	(3.10)
Components of Remeasurement	**62.80**	**(45.41)**
Total	**97.98**	**73.22**

Post-Retirement Medical Benefits:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Service Cost :		
Current service cost	5.05	4.82
Net interest expense	5.60	5.17
Components of defined benefit costs recognised in employee benefit expenses	**10.65**	**9.99**
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	0.64	(5.38)
Actuarial (gains) / losses arising from experience adjustments	1.13	2.04
Components of Remeasurement	**1.77**	**(3.34)**
Total	**12.42**	**6.65**

Resettlement Allowance:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Service Cost :		
Current service cost	1.23	1.21
Net interest expense	0.85	0.85
Components of defined benefit costs recognised in employee benefit expenses	**2.08**	**2.06**
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	3.81	(0.79)
Actuarial (gains) / losses arising from experience adjustments	1.11	(1.50)
Components	**4.92**	**(2.29)**
Total	**7.00**	**(0.23)**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income. The components of remeasurement of net defined benefit liability recognised in other comprehensive income is ₹ (-) 69.49 million (previous year ₹ 51.04 million)

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

Gratuity:

Particulars	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	797.05	703.51
Current service cost	30.38	34.53
Past Service Cost	-	76.84
Interest cost	62.57	51.64
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	72.84	(39.64)
Actuarial gains and losses arising from experience adjustments	(2.01)	(3.10)
Benefits paid	(26.06)	(26.73)
Closing defined benefit obligation	**934.77**	**797.05**
Current obligation	97.98	61.10

Post-Retirement Medical Benefits:

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Opening defined benefit obligation	71.39	70.42
Current service cost	5.05	4.82
Interest cost	5.60	5.17
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	0.64	(5.38)
Actuarial gains and losses arising from experience adjustments	1.13	2.04
Benefits paid	(5.98)	(5.68)
Closing defined benefit obligation	**77.83**	**71.39**
Current obligation	2.56	2.28
Non-Current obligation	75.27	69.11

Resettlement Allowance:

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Opening defined benefit obligation	10.85	11.54
Current service cost	1.23	1.21
Interest cost	0.85	0.85
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	3.81	(0.79)
Actuarial gains and losses arising from experience adjustments	1.11	(1.50)
Benefits paid	(2.97)	(0.46)
Closing defined benefit obligation	**14.88**	**10.85**
Current obligation	**0.39**	**0.35**
Non-Current obligation	**14.49**	**10.50**

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

Gratuity:

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Present value of funded defined benefit obligation	(934.77)	(797.05)
Fair value of plan assets	836.79	735.95
Funded status	**(97.98)**	**(61.10)**
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**(97.98)**	**(61.10)**

The amounts included in the fair value of plan assets of gratuity fund in respect of Company's own financial instruments and any property occupied by, or other assets used by the reporting enterprise are ₹ Nil (As at March 31, 2018 ₹ Nil)

Post-Retirement Medical Benefits and terminal benefits and Resettlement allowances are unfunded plans, and no plan assets are involved.

40.3.8 Movements in the fair value of the plan assets are as follows :

Gratuity:

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Opening fair value of plan assets	735.95	604.52
Interest income	57.77	44.37
Return on plan assets (excluding amounts included in net interest expense)	8.03	2.67
Contributions by the employer	61.10	98.99
Benefits paid	(26.06)	(14.60)
Closing fair value of plan assets	**836.79**	**735.95**

Expected Contribution in respect of Gratuity for next year will be ₹ 85.61 million (For the year ended March 31, 2018 ₹ 59.19 million)

The Company has recognized a gratuity liability of ₹ 97.98 million as at March 31, 2019 (As at March 31, 2018 ₹ 61.10 million).

40.3.9 The fair value of the plan assets at the end of the reporting period for each category, are as follows.

Fair value of plan assets as at

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Cash and Cash equivalents	1.00	0.87
Equity Investment	-	-
Mutual Fund-UTI Treasury Fund	20.23	18.91
Debt investment categorised by issuer's credit rating		
AAA	36.44	54.53
AA+	5.01	7.02
AA	2.03	6.00
AA-	-	-
A+	-	4.00
A-	3.01	-
BBB+	3.01	-
Group Gratuity Cash Accumulation Scheme (Traditional Fund)		
Life Insurance Corporation of India	156.90	141.67
Bajaj Allianz	137.01	121.78
HDFC Standard Life Insurance Co.	140.00	124.77
Birla Sunlife Insurance Co.	70.26	55.02
India First Life Insurance Co.	70.26	55.03
Investment in Government Securities	139.69	139.66
Other current assets - Interest Accrued	51.94	6.69
Total	**836.79**	**735.95**

40.3.9.1 The actual return on plan assets of gratuity was ₹ 57.77 million (As at March 31, 2018 ₹ 44.37 million).

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

40.3.11 Sensitivity Analysis as at March 31, 2019

Significant actuarial assumptions	Gratuity	Post-Retirement Medical Benefits	Re-settlement Allowances
Rate of discounting			
- Impact due to increase of 50 basis points	(44.11)	(5.09)	(1.06)
- Impact due to decrease of 50 basis points	47.78	5.65	1.17
Rate of salary increase			
- Impact due to increase of 50 basis points	15.56	-	1.17
- Impact due to decrease of 50 basis points	(15.97)	-	(1.06)
Rate of Employee turnover			
- Impact due to increase of 50 basis points	16.15	(2.02)	0.03
- Impact due to decrease of 50 basis points	(17.15)	1.72	(0.04)

40.3.12 Sensitivity Analysis as at March 31, 2018

Significant actuarial assumptions	Gratuity	Post-Retirement Medical Benefits	Re-settlement Allowances
Rate of discounting			
- Impact due to increase of 50 basis points	(69.32)	(4.74)	(0.70)
- Impact due to decrease of 50 basis points	80.82	5.27	0.78
Rate of salary increase			
- Impact due to increase of 50 basis points	34.95	-	0.79
- Impact due to decrease of 50 basis points	(37.85)	-	(0.72)
Rate of Employee turnover			
- Impact due to increase of 50 basis points	29.79	(1.90)	0.20
- Impact due to decrease of 50 basis points	(33.37)	1.60	(0.22)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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

40.3.13 Following are the details relating to the defined benefit plans that have a significant bearing on Company's future cash flows:

Gratuity:

Particulars	As at March 31, 2019	As at March 31, 2018
Number of active members	1,939	1,894
Per month salary for active members	160.97	147.89
Weighted average duration of the Projected Benefit Obligation (years)	12	11
Average Expected future service	17	17
Projected benefit obligation	934.77	797.05
Contribution to the defined benefit plan during the next financial year	130.29	91.48

Post-Retirement Medical Benefits:

Particulars	As at March 31, 2019	As at March 31, 2018
Number of active members	1,943	1,915
Number of retired employees	112	91
Weighted average duration of the Projected Benefit Obligation	15	15
Average expected future service	17	17
Projected benefit obligation	77.83	71.39

Resettlement Allowance:

Particulars	As at March 31, 2019	As at March 31, 2018
Number of active members	1,943	1,915
Per month salary for active members	161.10	148.38
Weighted average duration of the Projected Benefit Obligation	16	16
Average expected future service	17	17
Projected benefit obligation	14.88	10.85

40.3.14 Maturity Profile for Defined Benefit Obligations

Defined Benefit	As at March 31, 2019	As at March 31, 2018
Gratuity		
Less than one year	49.49	55.23
One to Three years	108.58	89.60
Three to Five years	122.20	111.20
More than Five years	398.88	321.31
Post-Retirement Medical Benefits		
Less than one year	2.55	2.27
One to Three years	5.70	5.06
Three to Five years	6.52	5.90
More than Five years	22.30	19.88
Resettlement Allowance		
Less than one year	0.39	0.35
One to Three years	0.91	0.75
Three to Five years	0.89	0.75
More than Five years	2.66	2.06

Employee benefit disclosure of Subsidiary OMPL

40.4 Defined benefit plans

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

40.4.2 Gratuity:

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

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

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

In respect of gratuity, the actuarial valuation was carried out as at March 31, 2019 by M/s. K. A. Pandit Consultants and Actuaries, Fellow firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

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

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	Discount rate	7.78%	7.87%
2	Annual increase in salary	8.00%	8.00%
3	Employee turnover	2.00%	2.00%

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

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

Particulars	As at March 31, 2019	As at March 31, 2018
Service Cost :		
Current service cost	7.57	6.99
Past service cost	-	1.80
Net interest expense	2.65	2.10
Components of defined benefit costs recognised in profit or loss	**10.22**	**10.89**
Re-measurement on the net defined benefit liability:		
Actuarial (gains)/losses arising from experience adjustments	21.67	(4.18)
Components of remeasurment	**21.67**	**(4.18)**
Total	**31.89**	**6.71**

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

Particulars	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	33.72	27.39
Current service cost	7.57	6.99
Past service cost	-	1.80
Interest cost	2.65	2.10
Benefit paid directly by the employer	(1.29)	(0.38)
Re-measurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	0.89	(1.12)
Actuarial gains and losses arising from experience adjustments	20.78	(3.06)
Closing defined benefit obligation	**64.32**	**33.72**
Current obligation	1.94	1.24
Non-Current obligation	62.38	32.48

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

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded defined benefit obligation	(64.32)	(33.72)
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	**(64.32)**	(33.72)

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

Sensitivity analysis as on March 31, 2019

Significant actuarial assumptions	Gratuity
Discount Rate	
- Impact due to increase of 50 basis points	(4.72)
- Impact due to decrease of 50 basis points	5.26
Salary increase	
- Impact due to increase of 50 basis points	4.21
- Impact due to decrease of 50 basis points	(4.22)
Employee turnover	
- Impact due to increase of 50 basis points	(0.09)
- Impact due to decrease of 50 basis points	0.09

40.4.9 Sensitivity analysis as on March 31, 2018

Significant actuarial assumptions	Gratuity
Discount Rate	
- Impact due to increase of 50 basis points	(2.48)
- Impact due to decrease of 50 basis points	2.76
Salary increase	
- Impact due to increase of 50 basis points	2.72
- Impact due to decrease of 50 basis points	(2.47)
Employee turnover	
- Impact due to increase of 50 basis points	(0.13)
- Impact due to decrease of 50 basis points	0.14

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

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

41 Segment Reporting

The Company has "petroleum products" as single reportable segment.

Subsidiary OMPL has "petrochemicals" as single reportable segment.

41.1 Information about major customers

Company's significant revenues are derived from sales to oil marketing companies which is 64% and 66% of the Company's total revenue for the year ending March 31, 2019 & March 31, 2018 respectively. The total sales to such companies amounted to ₹ 380,853.71 million for the year ended March 31, 2019 and ₹ 413,922.96 million for the year ended March 31, 2018.

No customer (excluding oil marketing companies mentioned above) for the years ended March 31, 2019 and March 31, 2018 contributed 10% or more to the Company's revenue. The total sales to such customer amounted to Nil for the year ended March 31, 2019 and Nil for the year ended March 31, 2018.

Subsidiary OMPL's significant revenues are derived from sales to export customers which is 85% (Year ended March 31, 2018: 83%) of the Company's total revenue. The total sales to such customers amounted to ₹ 70,704.29 million for the period ended March 31, 2019 and ₹ 46,315.23 million for the year ended March 31, 2018.

Three customers (Year ended March 31, 2018: Four customers) for the period ended March 31, 2019 contributed 10% or more to the Company's revenue. The total sales to such customers amounted to ₹ 63,547.28 million for the period ended March 31, 2019 and ₹ 42,770.68 million for the year ended March 31, 2018.

41.2 Information about geographical areas:

a) The Group is domiciled in India. The amount of its revenue from customers broken down by location of customers is tabulated below:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
India	4,48,934.32	4,63,284.92
Other Countries	2,85,755.33	1,73,474.39
Total	**7,34,689.65**	**6,36,759.31**

b) Non-current assets (excluding financial assets and deferred tax assets) broken down by location of customers is tabulated below:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
India	2,27,063.60	2,28,523.82
Other Countries	-	-
Total	**2,27,063.60**	**2,28,523.82**

41.3 Revenue from major products

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
High speed Diesel (HSD)	2,67,812.95	3,37,309.70
Motor Spirit (MS)	76,364.65	84,126.90
Total	**3,44,177.60**	**4,21,436.60**

Threshold limit of 10% of total turnover of each product is considered for reporting revenue from major products.

42 Related Party Disclosures

42.1 Name of related parties and description of relationship:

A Entity having control over the Company (Holding Company)

Oil and Natural Gas Corporation Limited (ONGC)

B Entity having significant influence over the Company

Hindustan Petroleum Corporation Limited (HPCL)

C Subsidiary

ONGC Mangalore Petrochemicals Limited (OMPL)

D Joint Ventures

1 Shell MRPL Aviation Fuels and Services Limited (SMAFSL)

2 Mangalam Retail Services Limited(MRSL) (upto January 16, 2017)

E Trusts (including post retirement employee benefit trust) where in MRPL is having control

1 MRPL Gratuity Fund Trust

2 MRPL Provident Fund Trust

F Key Management Personnel

F.1 Non-Executive directors

Shri Shashi Shanker, Chairman, from October 01, 2017

F.2 Executive Directors

1 Shri M. Venkatesh, Managing Director with additional charge of Director (Refinery) from June 1, 2018. Additional charge of Director (Finance) from November 20, 2018.

2 Shri H. Kumar, Managing Director, from August 14, 2014 to May 31, 2018.

3 Shri M. Venkatesh Director (Refinery), from April 1, 2015 to May 31, 2018.

4 Shri A. K. Sahoo, Director (Finance), from February 1, 2016 to December 11, 2018.

F.3 Other Non-Executive Directors

1 Shri Vinod S. Shenoy, Nominee Director (HPCL) from November 8, 2016

2 Shri Subhash Kumar, Nominee Director (ONGC) from May 15, 2018

3 Shri K.M. Mahesh, Government Nominee Director from November 24, 2017

4 Shri Sanjay Kumar Jain, Government Nominee Director from November 24, 2017

5 Ms. Manjula C, Independent Director from January 31, 2017

6 Shri V.P. Haran , Independent Director from September 08, 2017

7 Shri Sewa Ram , Independent Director from September 08, 2017

8 Dr. G.K. Patel , Independent Director from September 08, 2017

9 Shri Balbir Singh Yadav, Independent Director from September 08, 2017

10 Shri Vivek Mallya, Independent Director from January 7, 2019

F.4 Chief Financial Officer

Shri S. Raviprasad from February 07, 2019

F.5 Company Secretary

Shri Dinesh Mishra, Company Secretary

42.2 Details of Transactions:

42.2.1 Transactions with Holding Company

Oil and Natural Gas Corporation Limited (ONGC)	Nature of Transactions	Year ended March 31, 2019	Year ended March 31, 2018
Sales of products	a) Sales of HSD	7.14	13.46
	b) Sales of High Flash High Speed Diesel	8,687.41	8,847.37
Purchase of Crude & Retail Outlet	a) Purchase of Crude Oil	54,415.27	49,439.47
	b) Purchase of Retail Outlet	-	12.16
Services received	a) Deputation of ONGC Employees	6.45	7.17
	b) Rent and Electricity Charges paid for Mumbai and Delhi Office	48.97	73.64
Guarantee Fees	Charges for Guarantee given to Saudi Aramco	16.52	15.75
Services provided	Expenses incurred on behalf of ONGC	-	0.18
Dividend	Dividend Paid	3,766.06	7,532.12
Loan	Repayment of Loan	18,856.90	6,857.20
Interest Expense	Interest on Term Loan	549.13	1,657.81

42.2.2 Outstanding balances with Holding Company

Oil and Natural Gas Corporation Limited (ONGC)	Nature of Transactions	As at March 31, 2019	As at March 31, 2018
Loans	Term Loan	-	18,856.90
Amount receivable	Sale of Oil products	6.92	985.40
Amount payable	Purchase of Crude Oil	4,102.59	6,665.62
Amount payable	Purchase of Others	25.88	62.76

42.2.3 Transactions with Entity having significant influence over the Company

Hindustan Petroleum Corporation Limited (HPCL)	Nature of Transactions	Year ended March 31, 2019	Year ended March 31, 2018
Sales of products	Sale of petroleum products	1,56,578.87	2,07,663.45
Services provided	a) Received / Receivable on account of Terminalling Charges	-	8.28
	b) Reimbursement of water charges, facilitation charges	9.73	16.41
	c) Receipts of contaminated products, Hospitality Charges, Wharfage and stock loss etc.	44.56	6.22
	d) Dividend	891.46	1,782.92

42.2.4 Outstanding balances with Entity having significant influence over the Company

Hindustan Petroleum Corporation Limited (HPCL)	Nature of Transactions	As at March 31, 2019	As at March 31, 2018
Amount receivable	Sale of Oil products	7,168.79	8,789.87
	Transit Loss and Others	40.26	40.26
Amount payable	HPCL R &D & Chemical Cleaning	2.39	2.26

42.2.5 Transactions with Subsidiary

ONGC Mangalore Petrochemicals Limited (OMPL)	Nature of Transactions	Year ended March 31, 2019	Year ended March 31, 2018
Sales of products	Sale of products	59,579.45	43,169.50
Purchase of products	Purchases	15,863.32	10,621.09
Services received	a) Salary for OMPL staff on deputation	1.22	12.35
	b) Road Facility	(0.43)	7.94
Services provided	a) Facilitation Charges	68.82	44.41
	b) Deputation of MRPL Employees, Energy Charges,Survey Fees reimbursement	3.83	35.99
	c) Consultancy back charges/credit note for metering charges	33.69	61.70
	Investment in Equity	1,530.05	-
Interest income and Other Recovery	Reimbursement of Charges	158.57	34.38

42.2.6 Outstanding balances with Subsidiary

ONGC Mangalore Petrochemicals Limited (OMPL)	Nature of Transactions	As at March 31, 2019	As at March 31, 2018
Loans	Short Term Loans & Advances	2.96	8.93
Amount receivable	Sales of Oil products, Facilitation Charges & Others	2,491.87	1,754.77
Amount payable	a) Purchase of Raffinate, Hydrogen & Other Service Charges	570.65	540.35
	b) Feed Transfer Facility within MRPL Provided by OMPL	-	1.73

42.2.7 Transactions with Joint Ventures:

Shell MRPL Aviation Fuels and Services Ltd (SMAFSL)	Nature of Transactions	Year ended March 31, 2019	Year ended March 31, 2018
Sales of products	Petroleum Products	6,434.29	4,749.18
Services provided	a) Reimbursement of Electrical Charges	0.02	0.04
	b) Royalty Income	9.73	9.19
Dividend Income	Dividend received	21.00	112.50
Product Purchase	Contaminated Product	-	0.62

42.2.8 Outstanding balances with Joint Ventures:

Shell MRPL Aviation Fuels and Services Ltd (SMAFSL)	Nature of Transactions	As at March 31, 2019	As at March 31, 2018
Amount receivable:			
Shell MRPL Aviation Fuels and Services Ltd (SMAFSL)	a) Royalty and Terminalling Charges, etc.	496.31	426.40
	b) Receivable for the Services	-	0.01

42.2.9 Transactions with Other Related Parties

Name of Associates	Nature of Transactions	Year ended March 31, 2019	Year ended March 31, 2018
a) Services received from:			
1 Mangalore SEZ Limited	a) River Water, STP Water & Road Repairs	616.34	553.69
2 Petronet MHB Limited	Pipeline Transportation Charges	254.18	44.89
3 ONGC Nile Ganga BV	a) Purchase of Crude Oil	17,740.96	-
	b) Tendering services	0.08	-
4 ONGC Campos Ltd.	Tendering services	0.06	-
b) Services provided to:			
Petronet MHB Limited	Reimbursement of Electricity Charges	36.95	41.31

42.2.10 Outstanding balances with Other Related Parties :

Name of Associates	Nature of Transactions	As at March 31, 2019	As at March 31, 2018
Amount receivable:			
1. Petronet-MHB Limited	Reimbursement of Electricity Charges	37.48	5.77
2. ONGC Nile Ganga BV	Outstanding on account of services	0.08	-
3. ONGC Campos Ltd.	Outstanding on account of services	0.10	-
Amount payable:			
1. Mangalore SEZ Limited	River Water, STP Water and Road Repairs	44.49	43.89
2. ONGC Nile Ganga BV	Balance Outstanding on account of Crude procurement	39.05	67.99
Advances to:			
Mangalore SEZ Limited	Advance for Right of Way for Pipeline-cum-Road Corridor	-	980.61

42.2.11 Transactions with Trusts

Name of Trusts	Nature of Transactions	Year ended March 31, 2019	Year ended March 31, 2018
Remittance of payments:			
Provident Fund of MRPL Limited	Contributions	462.76	428.25
Reimbursement of Gratuity payment made on behalf of Trust:			
MRPL Gratuity Fund Trust	Reimbursements and Contributions	38.85	12.12

42.2.12 Compensation to Key Management Personnel:

Whole Time Directors/ Company Secretary/ Chief Financial Officer Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short Term employee benefits	23.66	23.55
Post-employment benefits (includes provision for leaves, gratuity and other post retirement benefits)	8.61	7.42
Other long-term benefits (includes contribution to provident fund)	2.21	2.11
Total	**34.48**	**33.08**

Loans / Accrued Interest on Loan to directors and other officers:

Whole Time Directors and Company Secretary Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Loans to Director and Company Secretary	0.82	1.65
Accrued interest on Loans to Director and Company Secretary	0.11	0.42
Total	**0.93**	**2.07**

Independent Directors

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sitting Fees	6.20	2.58

42.3 Disclosure in respect of Government related entities (Note 42.3.4):

42.3.1 Name of Government related entities and description of relationship wherein significant amount of transactions were carried out:

	Government related entities	Relation
1	Bharat Petroleum Corporation Ltd (BPCL)	Central PSU
2	Indian Oil Corporation Limited (IOCL)	Central PSU
3	Bharat Heavy Electrical Limited	Central PSU
4	Oriental Insurance Co. Limited	Central PSU
5	Bridge & Roof Co (India) Limited	Central PSU
6	Engineers India Limited	Central PSU
7	The Shipping Corporation of India Limited	Central PSU
8	Konkan Railway Corporation Limited	Central PSU
9	Indian Strategic Petroleum Reserves Limited (ISPRL)	Central Government
10	Centre for High Technology	Central Government
11	Karnataka Power Transmission Corporation Limited	State Government
12	Karnataka Industrial Area Development Board	State Government
13	New Mangalore Port Trust	Central Port Trust

42.3.2 Transactions with Government related Entities (Note 42.3.4):

	Name of related party	Nature of transactions	Year ended March 31, 2019	Year ended March 31, 2018
A	**Sale of products during year to:**			
1	Indian Oil Corporation Limited (IOCL)	Sale of petroleum products	1,20,102.25	1,18,197.54
2	Bharat Petroleum Corporation Ltd (BPCL)	Sale of petroleum products	87,668.44	71,354.03
3	New Mangalore Port Trust	Sale of petroleum products	2.37	1.34
4	Indian Strategic Petroleum Reserves Limited (ISPRL)	a) Sale of petroleum products	0.14	3.06
		b) Sale of Crude oil (High Sea Sale)	5,342.16	4.99
B	**Purchase of product during year from:**			
1	Bharat Heavy Electrical Ltd	CPP Phase III and other supplies	62.52	75.39
2	Indian Oil Corporation Limited (IOCL)	Purchase of Naphtha / Contaminated Product / Lubes	11.39	13.16
3	Bharat Petroleum Corporation Ltd (BPCL)	Purchase of Contaminated Product	0.96	2.33
C	**Service Provided**			
1	Bharat Petroleum Corporation Ltd (BPCL)	a) Received / Receivable on account of Terminalling Charges	-	4.32
		b) Loading Arm Charges	-	0.07
2	Indian Strategic Petroleum Reserves Limited (ISPRL)	Deputation of MRPL Employees	9.43	9.02
3	Indian Oil Corporation Limited (IOCL)	Received / Receivable on account of Terminalling Charges	-	7.16

Name of related party		Nature of transactions	Year ended March 31, 2019	Year ended March 31, 2018
D	**Services Received from:**			
1	Karnataka Power Transmission Corporation Ltd	Purchase of electricity	204.59	235.92
2	Oriental Insurance Co. Ltd	Insurance premium	316.81	251.20
3	New Mangalore Port Trust	Port Services	394.52	132.30
4	Bridge & Roof Co (India) Ltd	Job Work Service	1,118.60	185.59
5	Engineers India Ltd	Technical Services	397.74	752.49
6	The Shipping Corporation of India Ltd	Service	2,044.40	2,831.76
7	New Mangalore Port Trust	Port Services	1,275.37	1,304.23
8	Konkan Railway Corporation Limited	Railway Siding	-	248.09
9	Indian Oil Corporation Limited (IOCL)	Testing Fees & Demurrage	3.02	0.04
10	Bharat Petroleum Corporation Ltd (BPCL)	PT Programme Services	0.06	-
E	**Advance for Acquisition for Land**			
1	Karnataka Industrial Area Development Board	Advance towards land for expansion	158.23	1,107.21

42.3.3 Outstanding balances with Government related entities (Note 42.3.4):

Name of related party		Nature of transaction	As at March 31, 2019	As at March 31, 2018
Amount receivable:				
1	Indian Oil Corporation Limited	Trade and other receivable	7,306.93	5,348.27
2	Bharat Petroleum Corporation Ltd	Trade and other receivable	2,445.86	3,148.87
3	Indian Strategic Petroleum Reserves Limited (ISPRL)	Trade and other receivable	1.36	4.75
4	New Mangalore Port Trust	Trade and other receivable	222.66	53.46
Advance to Vendors :				
1	Centre for High Technology	Advance	29.62	29.82
2	Karnataka Industrial Area Development Board	Advance for Land	7,175.77	7,017.10
3	Karnataka Power Transmission Corporation Ltd	Advance	-	60.56
4	Indian Strategic Petroleum Reserves Limited (ISPRL)	Advance	7.53	0.53
Amount payable:				
1	Bridge & Roof Co (India) Ltd	Trade and other payable	114.05	103.84
2	Engineers India Ltd	Trade and other payable	157.93	561.00
3	Bharat Heavy Electrical Ltd	Trade and other payable	874.55	870.52
4	The Shipping Corporation of India Ltd	Trade and other payable	118.23	43.49
5	Konkan Railway Corporation Limited	Trade and other payable	-	16.85
6	Karnataka Power Transmission Corporation Ltd	Trade and other payable	20.08	21.01
7	Indian Oil Corporation Limited	Trade and other payable	0.08	0.08

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

42.3.4 Relationship, transactions and outstanding balances with ONGC, HPCL, OMPL, PMHBL and ONGC Nile Ganga BV have been disclosed in Note 42.2.1 to 42.2.10 above.

42.4 Related party disclosures of Subsidiary OMPL

42.4.1 Name of related parties and description of relationship:

A Ultimate holding company

Oil and Natural Gas Corporation Limited [ONGC]

B Subsidiary of Ultimate Holding Company

Hindustan Petroleum Corporation Limited

C Joint Venture of Ultimate holding company

Mangalore SEZ Limited (MSEZL)

D Key Management Personnel

D.1 Non-Executive directors

Shri D. K. Saraff (Chairman) (upto 30th September, 2017)

Shri Shashi Shanker (Chairman) (w.e.f. 11th October 2017)

Shri H. Kumar, Director (upto 30th May 2018)

Shri M. Venkatesh Director (w.e.f 01st April 2015)

Shri Rajesh Shyamsunder Kakkar (w.e.f. 15th May 2018)

Shri Sanjay Kumar Moitra (w.e.f. 15th May 2018)

Shri A. K. Sahoo, Director (upto 11th December 2018)

Shri V P Mahawar, Director (upto 28th February 2018)

Smt Alka Mittal, Director (w.e.f 28th February 2015)

Shri Vinay Kumar, Director (w.e.f. 14th November 2018)

D.3 Shri. K Sushil Shenoy, Chief Financial Officer & Chief Executive Officer I/c (upto 30th September, 2018)

D.4 Shri. Sujir S Nayak, Chief Executive Officer (w.e.f. 1st October, 2018)

D.5 Shri. Surendra Nayak, Chief Financial Officer (Secondment from holding company w.e.f. 1st October, 2018)

D.6 Shri. K.B. Shyam Kumar, Company Secretary

42.5 Details of transactions:

42.5.1 Transactions with ultimate holding company and joint venture and subsidiary of ultimate holding company -

Name of related party	Nature of Transactions	For the year ended March 31, 2019	For the year ended March 31, 2018
Mangalore SEZ Limited	Supplies and services received	391.87	378.69
	Security deposit for 2MVA power	-	8.13
	Lease rent	23.40	23.40
Hindustan Petroleum Corporation Limited (HPCL)	Purchase of Product	281.55	3,474.75

An amount of ₹ 10.2 million earmarked by MSEZL as third party Share payable to the Company towards pipelines -cum - road corridor usage which is not considered in the current period as the same has not been finalized pending freezing of the project cost of pipeline corridor project.

42.5.2 Outstanding balances with ultimate holding company and joint venture and subsidiary of ultimate holding company -

Name of related party	Nature of Transactions	As at March 31,2019	As at March 31,2018
A. Amount payable:			
Mangalore SEZ Limited	Trade and other payables	126.63	189.58
Hindustan Petroleum Corporation Limited (HPCL)	Trade and other payables	-	662.01

Name of related party	Nature of Transactions	As at March 31,2019	As at March 31,2018
B. Amount receivable:			
Oil and Natural Gas Corporation Limited [ONGC]	Trade and other receivables	0.05	0.05
Mangalore SEZ Limited	Trade and other receivables	0.87	-
C. Loans and other assets:			
Mangalore SEZ Limited	Security Deposit (Power)	3.59	3.59
	Security Deposit (Power)	15.40	15.40
	Security Deposit (Water)	3.13	3.13

42.5.3 Compensation of key management personnel

A. Chief Executive Officer*

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short term employee benefits	3.69	4.29
Post-employment benefits (gratuity) & long-term benefit (Compensated absences)	2.27	2.88
Contribution to provident fund	0.50	0.52
Total	**6.46**	**7.69**

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

B. Chief Financial Officer*

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short term employee benefits	1.74	4.33
Post-employment benefits (gratuity) & long-term benefit (Compensated absences)	1.53	1.40
Contribution to provident fund	0.25	0.50
Total	**3.52**	**6.23**

* Chief Financial Officer superannuated on 30th September 2018

C. Company secretary

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short term employee benefits	2.27	2.35
Post-employment benefits (gratuity) & long-term benefit (Compensated absences)	0.74	0.40
Contribution to provident fund	0.28	0.28
Total	**3.29**	**3.03**

42.6 Disclosure in respect of Government related entities :

42.6.1 Name of Government related entities and description of relationship wherein significant amount of transactions were carried out: (Other than those which are disclosed in 42.5)

Sr. No.	Government related entities	Relation
i	Bridge and Roof Co. (India) Ltd.	Central PSU
ii	Engineers India Limited	Central PSU
iii	National Insurance Company Limited	Central PSU
iv	Karnataka State Pollution Control Board	State Govt
v	New Mangalore Port Trust	Trust
vi	Balmer Lawrie & Co. Ltd.	Central PSU
vii	New India Assurance Company Limited	Central PSU
viii	Central Warehousing Corporation	Central PSU
ix	Bharat Petroleum Corporation	Central PSU
x	Gail India Ltd.	Central PSU

42.6.2 Transaction with Government related Entities (Other than those which are disclosed in 42.5.1)

Name of related party	Nature of transaction	Year ended March 31, 2019	Year ended March 31, 2018
Bridge and Roof Co. (India) Ltd.	Services	-	6.79
Engineers India Limited	Services	16.99	18.87
National Insurance Company Limited	Insurance premium	29.38	12.09
Karnataka State Pollution Control Board	Services	0.07	0.10
New Mangalore Port Trust	Port Services	84.18	67.24
Balmer Lawrie & Co. Ltd.	Services	5.34	3.19
New India Assurance Company Limited	Services	41.44	117.64
Central Warehousing Corporations	Services	0.11	0.50
Bharat Petroleum Corporation	Supply of goods	6.70	1.43
Gail India Ltd	Supply of goods	0.85	1.81

42.6.3 Outstanding balances with Government related entities (Other than those which are disclosed in 42.5.2):

Name of related party	Nature of transaction	As at March 31, 2019	As at March 31, 2018
Amount payable:			
New Mangalore Port Trust	Trade and other payable	0.74	(0.09)
National Insurance Company	Services	0.25	-
Central Warehousing Corporations	Services	(0.08)	(0.06)
Engineers India Limited	Services	-	(2.36)

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

43 Financial instruments

43.1 Capital Management

The Group's objective when managing capital is to safeguard its ability to continue as going concern so that the Group is able to provide maximum return to stakeholders and benefits for other stakeholders; and maintain an optimal capital structure to reduce the cost of capital.

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

The capital structure of the Group consists of net debt (borrowings as detailed in notes 21 and 22 offset by cash and bank balances) and total equity of the Group.

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

43.1.1 Gearing Ratio

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

Particulars	As at 31 March, 2019	As at 31 March, 2018
i) Debt *	1,56,176.85	1,49,210.18
ii) Total cash and bank balances	4,896.17	8,330.01
Less : cash and bank balances required for working capital	4,875.35	8,329.85
Net cash and bank balances	20.82	0.16
iii) Net Debt	1,56,156.03	1,49,210.02
iv) Total equity	1,02,459.13	1,03,873.92
v) Net Debt to equity ratio	1.52	1.44

*** Debt is defined as long-term and short term borrowings as described in notes 21 and note 22.**

43.2 Categories of financial instruments

Particulars	As at 31 March, 2019	As at 31 March, 2018
Financial assets		
Measured at amortised cost		
(a) Trade and other receivables	23,739.22	25,767.94
(b) Cash and cash equivalents	46.73	4,403.69
(c) Other bank balances	4,849.44	3,926.32
(d) Loans	1,061.70	713.59
(e) Other financial assets	141.53	167.54
Measured at fair value through profit and loss		
(a) Investments	5.08	5.08
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	1,22,383.59	1,07,403.12
(b) Trade payables	46,932.38	47,925.45
(c) Other financial liabilities	42,471.57	49,157.35

43.3 Financial risk management objectives

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

43.4 Market Risk

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

43.5 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies, primarily for purchases of crude oil and exports sales and has borrowings denominated in foreign currency; consequently, exposures to exchange rate fluctuations arise. Significant carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows :-

Transaction Currency	Liabilities		Assets	
	As at March 31, 2019	As at March 31, 2018	As at 31 March, 2019	As at 31 March, 2018
USD	1,52,742.52	1,31,722.28	6,232.89	6,933.51
EURO	-	0.97	-	-

43.5.1 Foreign currency sensitivity analysis

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

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

USD sensitivity at year end	Year ended March 31, 2019	Year ended March 31, 2018
Receivables:		
Weakening of INR by 5%	311.65	346.68
Strengthening of INR by 5%	(311.65)	(346.68)
Payable		
Weakening of INR by 5%	(7,115.03)	(4,652.66)
Strengthening of INR by 5%	7,115.03	4,652.66

43.5.2 Forward foreign exchange contracts

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

43.6 Interest rate risk management

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

Interest rate sensitivity analysis

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended March 31, 2019 would decrease/increase by ₹ 628.60 million (for the year ended March 31, 2018 : decrease/increase by ₹ 613.00 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

43.7 Credit risk management

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

Major customers, being public sector undertakings oil marketing companies having highest credit ratings, carry negligible credit risk. Concentration of credit risk to any other counterparty did not exceed 10% of total monetary assets at any time during the year.

Subsidiary OMPL makes sales to its customer which are secured by letter of credit other than sales made to holding company.

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

43.8 Liquidity risk management

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

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

Particulars As at March 31, 2019	Weighted average effective interest rate	Less than 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total	Gross Carrying Value
(i) Borrowings	Long term - 5.41% Short Term - 7.40% Subsidiary OMPL Long term - 7.13% Short Term - 4.31%	43,242.26	39,783.83	26,861.38	12,988.56	1,22,876.03	1,22,383.59
(ii) Trade payables	Refer note 25.2	37,838.22	9,094.16	-	-	46,932.38	46,932.38
(iii) Other financial liabilities		8,027.69	34,462.32	-	-	42,490.01	42,471.57

Particulars As at March 31, 2018	Weighted average effective interest rate	Less than 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total	Gross Carrying Value
(i) Borrowings	Long term - 5.16% Short Term - 6.24% Subsidiary OMPL Long term - 6.93% Short Term - 2.34%	28,257.00	34,359.26	44,080.70	1,062.64	1,07,759.60	1,07,403.12
(ii) Trade payables	Refer note 25.2	39,558.93	8,366.52	-	-	47,925.45	47,925.45
(iii) Other financial liabilities		6,934.75	42,255.51	-	-	49,190.26	49,157.35

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

Particulars As at March 31, 2019	Weighted average effective interest rate	Less than 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total	Gross Carrying Value
(i) Investments	-	-	-	-	287.58	287.58	287.58
(ii) Loans - Interest Bearing	6.24%	17.58	90.25	195.95	575.05	878.83	878.83
- Others		6.48	0.92	0.35	362.78	370.53	182.87
(iii) Trade receivables	Refer note 16.1	23,665.42	73.80	-	-	23,739.22	23,739.22
(iv) Cash and cash equivalents		46.73	-	-	-	46.73	46.73
(v) Bank balances Other than (iv) above		4,849.35	-	0.09	-	4,849.44	4,849.44
(vi) Other financial assets		4.86	1.63	3.15	131.89	141.53	141.53

Particulars As at March 31, 2018	Weighted average effective interest rate	Less than 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total	Gross Carrying Value
(i) Investments		-	-	-	306.26	306.26	306.26
(ii) Loans - Interest Bearing	7.19%	4.95	74.21	135.21	341.32	555.69	555.69
- Others		6.45	0.78	0.01	168.14	175.38	157.90
(iii) Trade receivables	Refer note 16.1	25,680.81	87.13	-	-	25,767.94	25,767.94
(iv) Cash and cash equivalents		1,006.19	3,397.50	-	-	4,403.69	4,403.69
(v) Bank balances Other than (iv) above		3,926.22	-	0.10	-	3,926.32	3,926.32
(vi) Other financial assets		69.55	3.16	1.93	92.90	167.54	167.54

The Group has access to financing facilities as described below, of which ₹ 8,379.91 million were unused at the end of the reporting period (As at March 31, 2018 ₹ 8,032.25 million. The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Particulars	As at March 31, 2019	As at March 31, 2018
Secured bank overdraft facility payable at call :	11,620.50	10,179.00
- amount used	3,240.59	2,146.75
- amount unused	8,379.91	8,032.25

43.9 Fair value measurement

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

44 The Financial position of the Joint Ventures are as under:

Particulars (As at March 31, 2019)	Current Assets	Non-Current Assets	Current Liabilities	Non-Curent Liabilities	Total Revenue	Profit or Loss from continuing operations	Profit or Loss from discontinued operations	Other Compre-hensive Income	Total Compre-hensive Income
Shell MRPL Aviation Fuels and Services Limited	3,084.68	94.82	2,602.38	3.36	7,277.44	15.94	-	(0.48)	15.46
Total	**3,084.68**	**94.82**	**2,602.38**	**3.36**	**7,277.44**	**15.94**	**-**	**(0.48)**	**15.46**

Particulars (As at March 31, 2018)	Current Assets	Non-Curent Assets	Current Liabilities	Non-Curent Liabilities	Total Revenue	Profit or Loss from continuing operations	Profit or Loss from discontinued operations	Other Compre-hensive Income	Total Compre-hensive Income
Shell MRPL Aviation Fuels and Services Limited	2,100.75	104.96	1,596.40	1.81	5,491.94	54.18	-	(1.62)	52.56
Total	**2,100.75**	**104.96**	**1,596.40**	**1.81**	**5,491.94**	**54.18**	**-**	**(1.62)**	**52.56**

44.1 Additional Financial information related to Joint venture are as under:

Particulars (As at March 31, 2019)	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense	Income Tax Expense on Income
Shell MRPL Aviation Fuels and Services Limited	203.48	2,487.63	-	11.36	43.99	13.68	14.06
Total	**203.48**	**2,487.63**	**-**	**11.36**	**43.99**	**13.68**	**14.06**

Particulars (As at March 31, 2018)	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense	Income Tax Expense on Income
Shell MRPL Aviation Fuels and Services Limited	195.74	1,457.25	-	10.44	28.36	3.73	27.16
Total	**195.74**	**1,457.25**	**-**	**10.44**	**28.36**	**3.73**	**27.16**

45 Contingent liabilities

45.1 Claims against the Company/ disputed demands not acknowledged as debt:-

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
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 ₹ 3,001.29 million / charged to revenue account would be ₹ 46.93 million (Year ended March 31, 2018; ₹ 3,880.08 million and ₹ 43.34 million).	3,048.22	3,923.42
b)	Subsidiary OMPL has 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	2,958.38	1,732.79
2	**Others**		
a)	The claim of Mangalore SEZ Ltd. over and above the advance paid for land and rehabilitation & resettlement work.	20.05	20.05
b)	Subsidiary OMPL - The Mangalore SEZ Limited [MSEZL] has claimed the Zone O&M Charges for the period FY 2015-16 and FY 2016-17 which is disputed by the Company as not admissible. No such liability for the current year.	-	53.08
	Total	**6,026.65**	**5,729.34**

In respect of all these claims, it is being contested by the Group 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.

45.2 Disputed tax / Duty demands pending in appeal as on 31st March,2019

45.2.1 Income Tax: ₹ 2,990.62 million as at March 31,2019 (As at March 31, 2018 ₹ 2,577.93 million). Against this ₹ 307.24 million as at March 31,2019 (As at March 31, 2018 ₹ 1,898.44 million) is adjusted / paid under protest and is included under tax assets/ liability **[Note 13]**.

45.2.2 Excise Duty: ₹ 6,888.27 million as at March 31,2019 (As at March 31, 2018 ₹ 6,280.26 million). Against this ₹ 182.10 million as at March 31,2019 (As at March 31, 2018 ₹ 133.13 million) is paid under protest and is included under other assets (non current) **[Note 14]**.

45.2.3 Customs Duty: ₹ 873.25 million as at March 31,2019 (As at March 31, 2018 ₹ 817.25 million).

46 Commitments

46.1 Capital Commitments:

a The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at March 31, 2019 ₹ 18,483.67 million (As at March 31, 2018 ₹ 10,216.14 million).

b The Company has requested KIADB for an allotment of 1,050 acres of land for Phase IV expansion. The balance capital commitment in this regard is around ₹ 6,407.14 million (As at March 31,2018 ₹ 6,407.14 million).

c The Company has requested KIADB for an allotment of 47.65 acres of land at Hanagavadi Industrial Area, Davangere District for setting up 2G Ethanol Plant. The balance capital commitment in this regard is around ₹ 367.87 million (As at March 31,2018 ₹ Nil).

46.2 Other Commitments

a Pending commitment on account of Refinery-MRPL is in possession of certain land provisionally measuring 36.69 acres ceded by HPCL for use by MRPL Phase III expansion and upgradation 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.

b Pending commitment on account of Refinery performance improvement programme by M/s.Shell Global International Solution (M/s.Shell GIS) as at March 31, 2019 USD 1.46 million net of advance (As at March 31, 2018 USD 1.46 million net of advance).

c The Company has an export obligation as at March 31,2019 ₹ Nil (As at March 31, 2018 ₹ 496.81 million) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.

d In response to an enquiry from the Customs Department contending incorrect classification of reformate for the purpose of payment of Import duty, the Group has deposited an amount of ₹ 2,125.25 million under protest towards differential customs duty being pre-deposit. As the duty paid under protest by the group could be refundable or otherwise only upon the completion of assessments and reaching finality, it is not practicable to make a realistic impact of the actual liability if any at this stage on the company.

e The Subsidiary company, OMPL has taken 441.438 acres of land on lease for a period of 47 years and 10 months from Mangalore SEZ Limited. The annual lease rental payable to Mangalore SEZ Limited is ₹ 23.40 million.

f The Subsidiary company, OMPL has entered into tripartite agreement with Mangalore SEZ Limited and holding company for supply of 3.86 million gallons per day (MGD) of water by Mangalore SEZ Limited for 15 years. The annual charges payable to Mangalore SEZ Limited is ₹ 85.60 million.

47 Reconciliation of liabilities arising from financing activities.

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

Sr. No.	Particulars	Opening balance as at 01/04/2018	Financing cash Flows	Non-cash changes	Closing balance as at 31/03/2019
I	**Borrowing - Long Term**				
	1 External commercial borrowing (ECB)	38,596.06	(4,978.51)	883.21	34,500.76
	2 Loan from Oil Industry Development Board (OIDB)	750.00	1,930.00	-	2,680.00
	3 Non Convertible Debentures	24,995.79	(5,000.00)	3.82	19,999.61
	4 Deferred payment liabilities - VAT Loan	169.24	107.52	(51.20)	225.56
	5 Working capital loan from banks	-	68.18	0.34	68.52
	6 Oil and Natural Gas Corporation Limited (ONGC)	18,856.90	(18,856.90)	-	-
	7 Deferred payment liabilities - CST	618.63	(400.00)	-	218.63
	8 Foreign Currency Term Loan (FCTL)	2,607.20	661.70	189.10	3,458.00
	9 Rupee Term Loan	-	11,999.70	-	11,999.70
	Total	**86,593.82**	**(14,468.31)**	**1,025.27**	**73,150.78**
II	**Borrowing - Short Term**				
	1 Working capital loan from banks	2,289.76	2,357.85	7.26	4,654.87
	2 Foreign currency non repatriable loan (FCNR)	42,367.00	6,916.46	511.74	49,795.20
	3 Commercial Papers	-	4,000.00	-	4,000.00
	4 Buyers Credit & Pre/Post Shipment Export Credit	14,339.60	10,110.65	(244.25)	24,206.00
	5 Short Term Rupee Loan	3,620.00	(3,250.00)	-	370.00
	Total	**62,616.36**	**20,134.96**	**274.75**	**83,026.07**

Sr. No.	Particulars	Opening balance as at 01/04/2017	Financing cash Flows	Non-cash changes	Closing balance as at 31/03/2018
I	**Borrowing - Long Term**				
	1 External commercial borrowing (ECB)	53,731.46	(15,473.20)	337.80	38,596.06
	2 Loan from Oil Industry Development Board (OIDB)	2,500.00	(1,750.00)	-	750.00
	3 Non Convertible Debentures	24,991.90	-	3.89	24,995.79
	4 Deferred payment liabilities - VAT Loan	-	485.53	(316.29)	169.24
	5 Oil and Natural Gas Corporation Limited (ONGC)	25,714.10	(6,857.20)	-	18,856.90
	6 Deferred payment liabilities - CST	1,145.17	(526.54)	-	618.63
	7 Foreign Currency Term Loan (FCTL)	-	2,570.16	37.04	2,607.20
	Total	**1,08,082.63**	**(21,551.25)**	**62.44**	**86,593.82**
II	**Borrowing - Short Term**				
	1 Working capital loan from banks	6,471.24	(4,183.37)	1.89	2,289.76
	2 Foreign currency non repatriable loan (FCNR)	12,971.00	28,562.01	833.99	42,367.00
	3 Commercial Papers	27,244.05	(27,244.05)	-	-
	4 Buyers Credit & Pre/Post Shipment Export Credit	-	14,216.64	122.96	14,339.60
	5 Short Term Rupee Loan	-	3,620.00	-	3,620.00
	Total	**46,686.29**	**14,971.23**	**958.84**	**62,616.36**

The cash flows bank loans, loans from related parties and other borrowings make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

48 The Company has a periodic system of physical verification of inventory, property, plant and equipment and capital stores in a phased manner to cover all items over a period. Adjustment differences, if any, is carried out on completion of reconciliation.

Subsidiary OMPL has a system of physical verification of inventory, property, plant and equipment and capital stores in a phased manner to cover all items over a period of 3 years. Adjustment differences, if any, is carried out on completion of reconciliation.

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

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

51 Subsidiary OMPL has prepared the Financials statements on going concern basis. The Company is a greenfield project and had incurred losses in earlier Financial Years resulting in significant reduction in net worth. However, through improved physical performance and various profitability improvement measures, the Company after overcoming initial period challenges, has earned profits during current financial year besides achieving considerable improvement in net worth. The promoter Companies have extended support by way of equity infusion during current financial year. Company has fully serviced its debt and interest obligations till date. The company has developed firm plans to ensure sustained operations of the company. Based on future projections of the performance and with strong parentage of promoters, the company believes that it will be able to service its debt as well as interest obligations on time.

52 Subsidiary OMPL has recognised deferred tax asset on tax losses as at March 31, 2019. The Company has incurred losses in the past and is having convincing evidence in respect of the recognition of deferred tax asset which includes committed long-term/short-term offtake arrangement entered with customer for its products, various measures taken to enhance the capacity utilization and the profitability.

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. Such assessment has been carried out based on detailed analysis of past and future performance of the Company besides budget and profitability forecast as well as compatibility with legal and economic factors.

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

54 The Board had accorded consent for amalgamation of the subsidiary ONGC Mangalore Petrochemicals Limited with the Mangalore Refinery and Petrochemicals Limited (MRPL), subject to necessary approvals. The Company had received "No Objection" vide letter dated April 18, 2018 from Ministry of Petroleum & Natural Gas. No effect is considered towards the same in the financial statements as it is still at a preliminary stage.

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

56 Approval of financial statements

The financial statements were approved for issue by the board of directors on May 13, 2019.

TEN YEAR PERFORMANCE AT A GLANCE

(₹ in million unless otherwise stated)

	Ind AS 2018-19	Ind AS 2017-18	Ind AS 2016-17	IGAAP 2015-16	IGAAP 2014-15	IGAAP 2013-14	IGAAP 2012-13	IGAAP 2011-12	IGAAP 2010-11	IGAAP 2009-10
What We Owe										
Equity Share Capital	17,526.64	17,526.64	17,526.64	17,526.64	17,526.64	17,526.64	17,526.64	17,572.57	17,618.50	17,618.50
Other Equity	89,743.65	92,804.09	83,178.11	46,677.80	35,522.95	53,162.08	47,150.26	54,719.37	47,670.51	38,347.02
Net Worth	**1,07,270.29**	**1,10,330.73**	**1,00,704.75**	**64,204.44**	**53,049.59**	**70,688.72**	**64,676.90**	**72,291.94**	**65,289.01**	**55,965.52**
Borrowings	91,310.39	79,501.65	85,409.61	81,028.40	90,324.65	97,927.21	75,576.54	61,831.10	15,569.75	16,963.97
Deferred Tax Liability (Net)	10,155.44	9,061.70	4,766.63	806.31	-	4,702.69	7,343.28	4,531.40	3,471.64	6,602.22
TOTAL	**2,08,736.12**	**1,98,894.08**	**1,90,880.99**	**1,46,039.15**	**1,43,374.24**	**1,73,318.62**	**1,47,596.72**	**1,38,654.44**	**84,330.40**	**79,531.71**
What We Own										
PPE, Intanglibles and Goodwill (Including Capital WIP)	1,77,357.71	1,67,426.17	1,57,688.90	2,26,935.30	2,23,190.91	2,08,025.23	1,88,929.44	1,61,134.49	1,30,871.85	92,954.50
Less : Depreciation and Amortisation	27,649.10	20,445.65	13,884.30	75,889.89	68,323.33	62,595.55	55,578.31	49,644.32	45,301.36	41,428.08
	1,49,708.61	**1,46,980.52**	**1,43,804.60**	**1,51,045.41**	**1,54,867.58**	**1,45,429.68**	**1,33,351.13**	**1,11,490.17**	**85,570.49**	**51,526.42**
Investments	15,026.47	13,496.42	13,496.42	13,496.73	13,496.73	150.02	150.02	422.80	948.25	16,236.62
Current and Non Current Assets/ (Liability) (Net)	44,001.04	38,417.14	33,579.97	(18,502.99)	(24,990.07)	27,738.92	14,095.57	26,741.47	(2,188.34)	11,768.67
TOTAL	**2,08,736.12**	**1,98,894.08**	**1,90,880.99**	**1,46,039.15**	**1,43,374.24**	**1,73,318.62**	**1,47,596.72**	**1,38,654.44**	**84,330.40**	**79,531.71**
Income										
Sales (Net Of Excise Duty)	6,20,301.12	4,84,340.12	4,31,924.35	3,96,320.40	5,74,381.45	7,18,104.96	6,56,915.16	5,37,633.43	3,89,566.73	3,18,851.74
Other Income	1,872.90	2,211.39	4,386.38	8,725.24	8,101.56	3,244.67	1,160.36	3,543.09	2,171.83	2,915.12
Exchange Fluctuation (net) : Income	-	-	-	-	-	-	-	-	184.48	3,903.97
Changes in inventories of finished goods, stock-in-process and stock-in-trade	5,616.39	7,667.19	2,883.03	(6,831.66)	(18,861.34)	6,740.75	11,161.53	1,502.05	8,152.71	2,958.77
TOTAL	**6,27,790.41**	**4,94,218.70**	**4,39,193.76**	**3,98,213.98**	**5,63,621.67**	**7,28,090.38**	**6,69,237.05**	**5,42,678.57**	**4,00,075.75**	**3,28,629.60**
Expenditure										
Cost of Materials Consumed	5,85,137.08	4,32,481.63	3,74,887.61	3,46,504.26	5,58,860.55	7,07,406.32	6,54,001.82	5,12,367.50	3,72,193.37	3,02,308.74
Purchase of Stock-in-trade	5,260.88	-	-	-	-	-	-	-	-	-
Sales Tax & Excise Duty on Stocks (net)	455.39	1,141.16	(675.16)	1,588.96	916.85	199.63	217.99	(606.16)	647.77	894.23
Employee Benefits Expense	4,286.56	4,173.45	3,520.06	3,061.41	2,407.42	2,154.74	1,845.60	1,606.42	1,845.35	958.95
Exchange Fluctuation (net) : Loss/ (Income)	2,919.37	(128.43)	(15,379.74)	11,902.67	6,835.01	19.03	5,364.91	6,482.20	-	-
Other Expenses	11,638.47	11,926.07	9,575.86	10,519.18	7,103.78	3,935.12	3,245.56	3,221.08	3,056.42	2,500.98
Finance Costs	4,717.49	4,404.57	5,171.74	5,778.35	4,070.88	3,214.41	3,285.53	2,066.77	1,043.73	1,154.98
Depreciation & Amortisation expense	7,567.52	6,713.21	6,779.19	7,124.05	4,986.10	7,064.17	6,044.10	4,338.73	3,914.19	3,893.27
TOTAL	**6,21,982.76**	**4,60,711.66**	**3,83,879.56**	**3,86,478.88**	**5,85,180.59**	**7,23,993.42**	**6,74,005.51**	**5,29,476.54**	**3,82,700.83**	**3,11,711.15**
Profit Before Tax	**5,807.65**	**33,507.04**	**55,314.20**	**11,735.10**	**(21,558.92)**	**4,096.96**	**(4,768.46)**	**13,202.03**	**17,374.92**	**16,918.45**
Tax Expense	2,488.09	11,265.81	18,877.33	253.51	(4,436.58)	(1,914.86)	2,800.65	4,116.25	5,608.59	5,794.68
Profit After Tax	**3,319.56**	**22,241.23**	**36,436.87**	**11,481.59**	**(17,122.34)**	**6,011.82**	**(7,569.11)**	**9,085.78**	**11,766.33**	**11,123.77**
Total Comprehensive Income	**3,274.35**	**22,274.43**	**36,386.53**							
Dividend (Refer Note below)	1,752.60	5,257.80	10,515.59	-	-	-	-	1,752.60	2,103.13	2,103.13
Dividend Distribution Tax	360.25	1,080.76	2,140.73	-	-	-	-	284.32	341.18	349.30
GRM ($/bbl)	4.06	7.54	7.75	5.20	(0.64)	2.67	2.45	5.60	5.90	4.58

(Figures are regrouped and rearranged wherever required)

Note: During the year 2018-19 dividend @ ₹ 1 per share has been recommended by Board of Directors for approval of Shareholders in AGM, which would be accounted for in accounts on payments basis as per Ind AS.

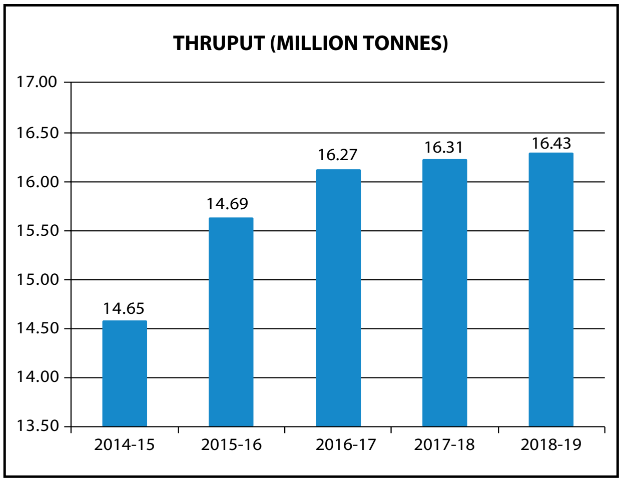
THREE YEAR PERFORMANCE AT A GLANCE

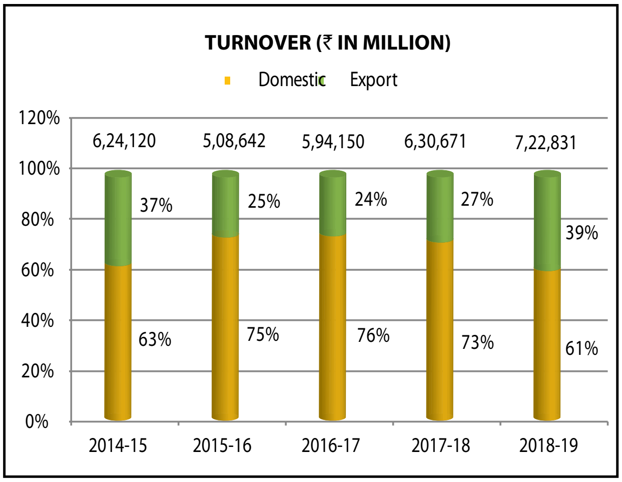
	($ in million unless otherwise stated)		
	2018-19	**2017-18**	**2016-17**
What We Owe			
Equity Share Capital	253.42	268.90	270.26
Other Equity	1,297.62	1,423.81	1,282.63
Net Worth	**1,551.04**	**1,692.71**	**1,552.89**
Borrowings	1,320.28	1,219.72	1,317.03
Deferred Tax Liability (Net)	146.84	139.03	73.50
TOTAL	**3,018.16**	**3,051.46**	**2,943.42**
What We Own			
PPE, Intangibles and Goodwill (Including Capital WIP)	2,564.46	2,568.67	2,431.59
Less : Depreciation and Amortisation	399.78	313.68	214.10
	2,164.68	**2,254.99**	**2,217.49**
Investments	217.27	207.06	208.12
Current and Non Current Assets / (Liability) (Net)	636.21	589.41	517.81
TOTAL	**3,018.16**	**3,051.46**	**2,943.42**
Income			
Sales (Net Of Excise Duty)	8,877.93	7,513.81	6,438.94
Other Income	26.81	34.31	65.39
Changes in inventories of finished goods, stock-in-process and stock-in-trade	80.38	118.94	42.98
TOTAL	**8,985.12**	**7,667.06**	**6,547.31**
Expenditure			
Cost of Materials consumed	8,374.65	6,709.30	5,588.66
Purchase of Stock-in-trade	75.30	-	-
Sales Tax & Excise Duty on Stocks (net)	6.52	17.70	(10.06)
Employee Benefits Expense	61.35	64.74	52.48
Exchange Fluctuation (net) : Loss/ (Income)	41.78	(1.99)	(229.27)
Other Expenses	166.57	185.02	142.75
Finance Costs	67.52	68.33	77.10
Depreciation & Amortisation Expense	108.31	104.15	101.06
TOTAL	**8,902.00**	**7,147.25**	**5,722.72**
Profit Before Tax	**83.12**	**519.81**	**824.59**
Tax Expense	35.61	174.77	281.42
Profit After Tax	**47.51**	**345.04**	**543.17**
Total Comprehensive income	**46.86**	**345.55**	**542.43**
Dividend (Refer Note below)	25.08	81.57	156.76
Dividend Distribution Tax	5.16	16.77	31.91
GRM ($/bbl)	4.06	7.54	7.75

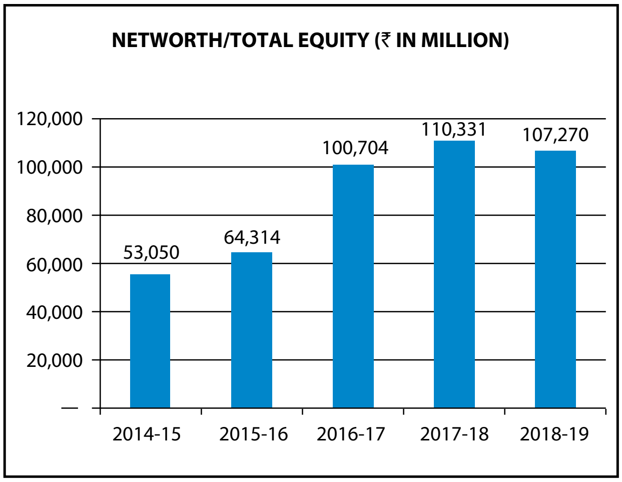
(Figures are regrouped and rearranged wherever required)

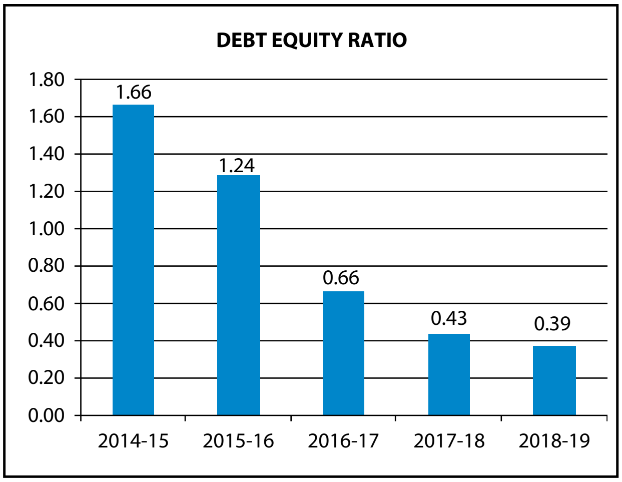
Note: During the year 2018-19 dividend @ ₹ 1 per share has been recommended by Board of Directors for approval of Shareholders in AGM, which would be accounted for in accounts on payments basis as per Ind AS.

MRPL PERFORMANCE









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