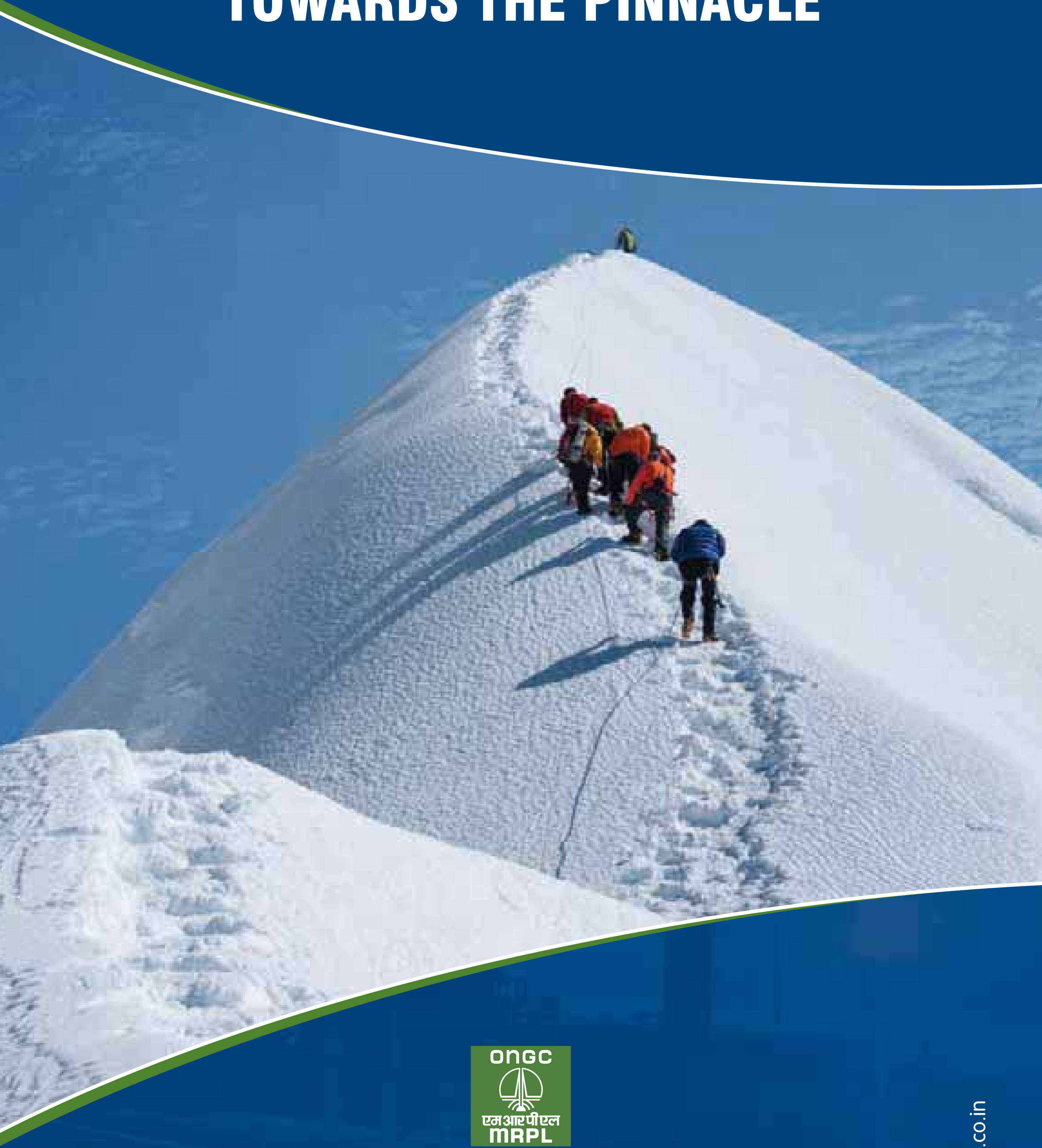
29TH ANNUAL REPORT 2016 - 2017

TOWARDS THE PINNACLE



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. A. Raghavendra Rao & Associates,
Chartered Accountants, Mangaluru

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

COST AUDITORS

M/s Bandyopadhyaya Bhaumik & Co,
Cost Accountants, Kolkata

SECRETARIAL AUDITORS

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

REGISTERED OFFICE AND INVESTOR RELATION CELL:

Mudapadav, Post. Kuthethoor, Via Katipalla
Mangaluru- 575030, Karnataka
Tel. No.: 0824-2270400 Fax No.: 0824-2273300
E-mail : investor@mrpl.co.in

INVESTOR RELATION CELL:

DELHI :

SCOPE COMPLEX
7th Floor, Core-8, Lodhi Road
New Delhi – 110003
Tel : 011-24306400 Fax : 011-24361744

MUMBAI :

Maker Towers, ' E ' Wing, 15th Floor,
Cuffe Parade, Mumbai - 400005
Tel : 022-22173000 Fax : 022-22173233

BENGALURU:

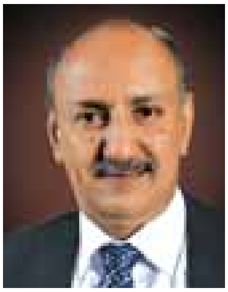
Plot A-1, Opp KSSIDC A.O. Building, Industrial Estate
Rajajinagar, Bengaluru – 560010 (Karnataka)
Tel : 080-22642200 Fax : 080-23505501

REGISTRARS & SHARE TRANSFER AGENT

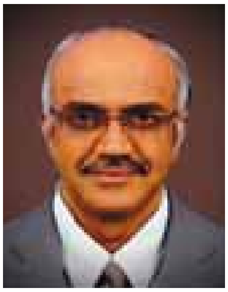
M/s. LINK INTIME INDIA PVT.LTD
C-101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai- 400 083
Tel.: 022-49186270 Fax No.: 022-49186060
E-mail: mrplirc@linkintime.co.in

BOARD OF DIRECTORS

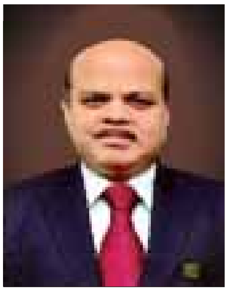
Shri Dinesh K. Sarraf
Chairman



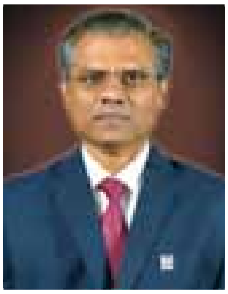
Shri H. Kumar
Managing Director



Shri M Venkatesh
Director (Refinery)



Shri A. K. Sahoo
Director (Finance)



Shri Vinod S. Shenoy
Director (HPCL Nominee)

Smt. Perin Devi
Govt. Director

Shri Diwakar Nath Misra
Govt. Director

Ms. Manjula C.
Independent Director

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.

Chairman's Message to Stakeholders

Dear Stakeholders,

It gives me immense pleasure to share my views with our valued stakeholders and present the 29th Annual Report for the year 2016-17.

I am pleased to report that during the year 2016-17, MRPL has shown outstanding financial and operational performance. Let me highlight some of the major accomplishment during the year 2016-17, which would not have been possible without your support.

- During the year 2016-17, your Company achieved turnover of ₹ 59,415 Crore against a turnover of ₹ 50,864 Crore during 2015-16.
- During the financial year 2016-17, your Company earned a profit after tax (PAT) of ₹ 3,644 Crore against ₹ 1,148 Crore during 2015-16 and the reported loss of ₹ 1,712 Crore during 2014-15.
- The Board has recommended a dividend of ₹ 6 per equity share of ₹ 10 each which is the highest-ever in MRPL's history.
- Highest-ever crude throughput of 16.27 MMT during the year 2016-17, against the previous highest of 15.69 MMT during 2015-16 - an increase of 3.69%. This could be achieved by optimal crude mix, better equipment reliability, timely shutdown adherence and commendable operational discipline.
- Highest-ever Gross Refining Margin (GRM) of 7.75$/bbl during 2016-17 as against 5.20 $/bbl during 2015-16.
- Market capitalisation of your Company has grown three-and-a-half times during last four years - on 17th July 2017 market capitalisation was ₹ 21,556 Crore as against ₹ 6,073 Crore on 17th July 2013.
- Your Company achieved 294 accident free days as on 31st March, 2017 with 4.75 million man hours worked.
- The highest Corporate Credit Rating has been reaffirmed by both CRISIL and ICRA in March, 2017.

During 2016-17, direct marketing sales volume, including Polypropylene, has been 1,858 TMT with a sales value of ₹ 5,132 Crore compared to sales volume of 1,610 TMT with a sales value of ₹ 3,308 Crore during 2015-16. Your company has already achieved dominant market share for its MANGPOL branded Polypropylene in its marketing zone in a very short time attaining the reputation of exceptional quality for its Polypropylene brand. MRPL also continues to maintain leadership position for sales of Bitumen, Sulphur, Pet Coke and Xylol in its marketing zone.

Lower oil price environment continues to drive strong demand growth across key markets. Global oil demand for 2016 grew by 1.6 mb/d, led by China and India. India's oil demand grew 5.2% during the year. India has now become a major force in driving global oil demand growth and is now the world's third largest oil consumer.

According to IMF World Economic Outlook Update, Indian economy has grown at 7.1 % during FY 2016-17, supported by strong consumption growth and government spending. The introduction of GST is a significant reform measure and will help India in simplifying tax structure and compliance, facilitating Indian businesses to remain globally competitive. India has emerged as the fastest growing major economy globally. Indian economy's growth rate is expected to accelerate to over 8 per cent, driven by the implementation of structural reforms, higher disposable income and improvement in economic activity. India's growth has been impressive in the recent years which along with expectations of better tax compliances in future, makes room for reduction in tax rates by the government. Elimination of fuel subsidies and direct transfer of social benefit to the bank accounts of beneficiaries would lead to better union budget management. Current account deficit at 0.7% of GDP and government's commitment to fiscal consolidation reinstated investor confidence in the economy, resulting in record Net Foreign Direct Investment of US$35.9 billion in FY 2016-17.

In terms of supplies, renewable energy has made rapid strides in the last few years. 2016 produced a new record for global investment in renewable energy. However, as per most industry outlooks, oil and gas would continue to account for majority of global energy requirement in the next 20-30 years.

On 08/11/2016, the Government announced a historic measure, with profound implications for the economy. The high value currencies were "demonetized" with immediate effect, which ceased to be legal tender except for a few specified purposes. The objective of demonetization was to eliminate black money, curb corruption, counterfeiting and eliminate fake currency being used for funding terrorism. The implications of demonetization are many, far and favourable to economy. The measure would certainly improve tax compliance and inspire confidence of international community that India is serious about its commitment to fight corruption. This will enhance India's ranking in ease of doing business as well as in various global indices on corruption.

A strong governance framework has been the most essential element of the company in supporting long term sustainable growth of the refinery business. The focus of the company has not just been on the products we make, but also about how responsibly we make them. Responsible production starts with respecting and ensuring a clean environment for the benefit of the employees and neighbouring communities in the areas where we operate. As business grows, investments must not only serve business interests but should also contribute to local development and community needs.

Our exceptionally skilled and dedicated employees have been instrumental in making the financial year 2016-17, the most successful year in MRPL's history. They continue to be the most important anchor in achieving the vision of the company i.e., "To be a world-class Refining & Petrochemicals Company, with a strong emphasis on Productivity, Customer Satisfaction, Safety, Health & Environment Management, Corporate Social Responsibility and Care for Employees".

Your Company continues to remain focused on employee welfare and employee relations and continues to enjoy cordial and harmonious relations with all the employees. As a result, the company takes pride in reporting that not a single man-hour was lost on account of any industrial disturbance.

We at MRPL are committed towards providing a healthy and safe work environment to our employees, contractors and all the visitors to the Refinery. We have adopted the best industry practices and built robust systems and standards for continuously reducing the risks in the refinery associated with Health, Safety and Environment (HSE).

Safety is an integral part of our culture, and several awareness programs are undertaken in the refinery to ensure safety of people, processes and assets. Emphasis has been given on Safety of contractor's staff. Your Company is committed to continuing excellence in petroleum refining in harmony with Nature. The product portfolio comprises quality products, eco-friendly grades and the processing itself is carried out in an eco friendly and safe environment using sound/ efficient technologies. All efforts have been made for efficient use of resources such as raw material, water and energy. Mangalore Refinery is a certified ISO 14001: 2004 for Environment Management Systems with several initiatives being taken for environment protection and continual improvement.

We at MRPL believe that businesses that address the needs and aspirations of consumers as well as social and environmental challenges will thrive in the long term. This is the foundation of what it means to be future ready. MRPL embraces environmental and social responsibility by creating value for its stakeholders. Your refinery remains focused on maximizing the use of clean energy and higher energy efficiency in refinery operations.

During the year, MRPL has contributed ₹ 1.45 Crore towards various community development initiatives focused in the areas of rural transformation, health, education, and sanitation. Your Company remains deeply committed to socially inclusive sustainable development, aimed at improving the living conditions of under-privileged people.

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 including the Government of India, Government of Karnataka and the promoter companies - ONGC & HPCL for their continued support, patronage, trust and confidence

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(Dinesh K. Sarraf)
Chairman

Place: New Delhi
Date: 19/07/2017

Board and Committee Composition as on 31st March, 2017										
Name	Board	Audit	CSR	Nomination/ Remuneration Committee	Stakeholders Relationship Committee	Human Resource Management Committee	Project Appraisal and Execution Committee	Marketing Business Committee	Committee of Director	Operation Review Committee
Shri Dinesh K. Sarraf	Chairperson									
Shri H. Kumar	Member		Member			Member	Member	Chairperson	Chairperson	
Shri M. Venkatesh	Member	Member	Member			Member	Member	Member	Member	Member
Shri A. K. Sahoo	Member		Member		Member	Member	Member	Member	Member	Member
Shri Vinod S. Shenoy	Member	Member	Member	Member	Member	Member	Member			Chairperson
Shri Diwakar Nath Misra	Member	Member	Member	Member		Member	Chairperson			
Smt. Perin Devi	Member	Member	Chairperson	Member	Member	Chairperson				
Ms. Manjula C.	Member	Chairperson	Member	Chairperson	Chairperson	Member				

Below Board level Committees

Sl No.	Composition	Executive Committee (EC)	Risk Management Committee (RMC)
1.	Shri H. Kumar, Managing Director	Chairperson	Chairperson
2.	Shri M. Venkatesh, Director (Refinery)	Member	Member
3.	Shri A. K. Sahoo, Director (Finance)	Member	Member
4.	Shri Vijay Bhatnagar, GGM (Marketing & BD)	Member	
5.	Shri Vinayakumar M, GGM (I/c), TS & BD	Member	Member
6.	Shri Sanjay Varma, GGM (HSE)	Member	
7.	Shri Sushilchandra, GGM (CS & Project)	Member	
8.	Shri Pankaj Agarwal, GGM (Materials)	Member	
9.	Shri S. Bandyopadhyay, GGM (Finance)	Special invitee	Member

Chairperson -

Member -

Highlights

Turnover

₹ 59,415 Crore

Market Cap

₹ 21,556 Crore

Profit

₹ 3,644 Crore

Dividend

₹ 1,052 Crore

Shri H. Kumar (Managing Director) and Shri A. K. Sahoo, Director (Finance) along with Shri S. Bandyopadhyay, GGM (Finance) and Shri S. Raviprasad, GM (Finance) receiving Highest Excise Duty award from Shri Subramanya, Commissioner of Excise Department (ED), Karnataka.

World environment day celebration Plantation of trees by MRPL employees.









World Environment Day Celebration

Display of Models prepared DPS-MRPL School Children

Shri H. Kumar, MD along with Shri Nalin Kumar Kateel, Hon'ble MP and Shri A. K. Sahoo, Director (Finance) & Shri M. Venkatesh, Director (Refinery) Launching of MRPL Kausal Vikas Kendra

Swachh Bharat: Pledge by MRPL Employees

BOARD'S REPORT 2016-17

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, 2017 and to present the 29th 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 2016-17 has been yet another year of achievements for your Company. The Company registered the highest ever throughput of 16.27 MMT.

STATE OF COMPANY'S AFFAIRS

Your Board is reporting the affairs of the Company for the FY 2016-17 as under:

Financial Performance

The standalone / consolidated financial highlights for the year ended 31/03/2017 are summarized below:

(₹ In Crore)

	Standalone		Consolidated	
	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016
Profit Before Tax	**5,531.41**	**1,158.30**	**5,053.85**	**286.51**
Less: Current Tax	1,185.37	234.56	1,185.38	234.56
Deferred Tax	702.36	(223.20)	575.26	(453.82)
Profit For The Year	**3,643.68**	**1,146.94**	**3,293.21**	**505.77**
Add: Other Comprehensive Income	(5.03)	0.32	(4.90)	(0.12)
Total Comprehensive Income for the Year	**3,638.65**	**1,147.26**	**3,288.31**	**505.65**
Less: Total Comprehensive Income Attributable to Non Controlling Interest	-	-	(179.55)	(318.13)
Total Comprehensive Income Attributable to owners of the Company	**3,638.65**	**1,147.26**	**3,467.86**	**823.78**
Add: Balance in Profit and Loss Account (Adjusted)	4,198.67	3,051.41	3,803.47	2,979.69
Sub-Total	**7,837.32**	**4,198.67**	**7,271.33**	**3,803.47**
Appropriation				
Transferred to General Reserve	-	-	-	-
Dividend on Equity Shares	1051.56	-	1051.56	-
Tax on Dividend	214.07	-	214.07	-
Closing Balance (Including other Comprehensive Income)	**7,837.32**	**4,198.67**	**7,271.33**	**3,803.47**

Your company achieved turnover of ₹ 59415 crore during the financial year 2016-17 against ₹ 50864 crore during the financial year 2015-16. The Company earned a profit after tax (PAT) of ₹ 3644 crore during the financial year 2016-17 against profit of ₹ 1147 crore earned during the financial year 2015-16. The Gross Refining Margin (GRM) for financial year 2016-17 was 7.75 $/bbl as against 5.20 $/bbl during the financial year 2015-16. Your Company has retained its highest corporate rating "[CCR AAA]" affirmed by CRISIL and IrAAA by ICRA during the FY 2016-17.

OPERATIONAL PERFORMANCE

The financial year 2016-17 has been a remarkable year for your Company. Some of the major highlights for the year 2016-17 are as under:

- Highest ever Gross crude processed for FY 2016-17 was 16.27 MMT against the previous highest of 15.69 MMT during FY 2015-16 registering an increase of 3.69 % in throughput. This high performance could be achieved by optimal crude mix, better equipment reliability, timely shutdown adherence and commendable operational discipline.
- New Crudes processed during FY 2016-17 were Pazflor (High TAN), Yombo & Soorosh.
- Yombo Crude from Congo processed was with the lowest ever API of 16.4.
- Received first parcel of crude oil for delivery into Mangalore cavern of Indian Strategic Petroleum Reserves Ltd (ISPRL). The first parcel of 260 TMT of Iran Mix was received in VLCC MT DINO.
- Highest ever production and dispatch of Poly - propylene, LPG, MS, HSD and throughput in MBPL pipeline.
- MRPL dispatched first parcel of HSD- Euro VI to HPCL during the month of October, 2016.

- MRPL has been awarded 'BEST MANUFACTURER EXPORT AWARD - MEDIUM / LARGE' (Petroleum & Petroleum products) for the year 2014-15, acknowledging the performance as the foremost exporter in the state of Karnataka.

MARKETING AND BUSINESS DEVELOPMENT

Your company continues to expand its market spread in the direct sales segment of petroleum products in the state of Karnataka and its adjoining states. Your Company has maintained significant market share and direct customer relations for products such as Bitumen, Fuel Oil, Sulphur, Diesel, Naphtha, Petcoke and Mixed Xylene in its refinery zone. The total sales volume of direct marketing products including Polypropylene during the FY 2016-17 has been 1858 TMT with a sales value of ₹ 5132 Crores compared to sales volume of 1610 TMT with a sales value of ₹ 3308 Crores in the previous FY 2015-16. MRPL has already achieved dominant market share for its MANGPOL branded Polypropylene in its marketing zone in a very short time. MRPL also continues to maintain leadership position for sales of Bitumen, Sulphur, Pet Coke and Xylol in its marketing zone.

Your Company continues to expand its Polymer product range with new grades and has also expanded its market reach. Your company achieved sales of 264 TMT Polypropylene in FY 2016-17 as against sales of 139 TMT in FY 2015-16. Your Company has also succeeded in marketing the entire production of Pet Coke on consistent basis with a sales volume of 838 TMT in 2016-17. Company also evacuated higher quantity of Sulphur in domestic market targeting major customer in adjoining states. 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 1049 TMT of petroleum products to STC Mauritius with a sales value of ₹ 2860 Crores in FY 2016-17 against sales volume of 1057 TMT at a sales value of ₹ 2757 Crores during FY 2015-16.

Your company has commenced the retail expansion plan by releasing the advertisement for appointment of dealers for retail outlets in the state of Karnataka & Kerala and is in the process of expanding its retail network in the its refinery zone. Letter of Intents have been issued to several shortlisted applicants for time bound commissioning of new retail outlets. Feasibility study for additional retail outlet locations is under progress and the company is expecting to commission a sizeable number of retail outlets during next few years.

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 ₹ 554.29 Crores during FY 2016-17 against ₹ 317.97 Crores in the previous FY 2015-16.

RECOGNITIONS

Your Company has been assigned Excellent Rating for the FY 2015-16 by Department of Public Enterprises, Government of India.

At a glittering Earth Day function organised by Srishti Publications at the India International Centre, New Delhi, on 22/04/2017, MRPL bagged Runner up in the manufacturing category after an intense scrutiny and verification by an expert panel.

Shri H Kumar, Managing Director has been conferred with the 'FORE - Top Rankers Excellence Award' for Organisational Excellence at the 18th National Management Summit on 'Leading Transformation of Organisations in the Digital Age', at New Delhi.

PROCUREMENT OF GOODS AND SERVICES FROM MSEs

In line with the public procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012, for the year 2016-17, against the set target of 20%, your Company has achieved 21.7% procurement of goods and services from Micro and small Enterprises (MSEs) and 40.3% (excluding proprietary items and catalysts & chemicals).

PROJECTS

Existing Projects:

BS VI Upgradation

As per Auto Fuel Policy and directives from MoP&NG, the entire country has to move towards BS VI quality specifications for MS and HSD by 01/04/2020. Products from the Refineries have to meet BSVI quality specifications from 01/01/2020. Further MoP&NG has directed the refineries to complete necessary modifications and construction activities and attain mechanical completion by July, 2019 and roll out the products to Oil marketing companies from 01/01/2020. MRPL requires additional units for MS and Revamp/Catalyst changes for HSD. As part of this project, new FCC Gasoline Treatment Facility, Sulphur Recovery Unit, Nitrogen and Utilities and Revamps of CHTU and DHDT is being carried out.

Axens, EIL, UOP are the licensors for the various units and EIL have been appointed as EPCM Consultant for the job. The Environment Clearance for the project was recommended by the EAC on 18/04/2017.

Engineering of these units are in advanced stages and tendering for material and works have commenced.

CCR2 Unit Revamp

MRPL currently has two numbers of NHT/ Plat former Unit. Both the units are of identical capacity and licensed by M/s UOP. The feedstock to the unit is heavy naphtha from crude distillation units and Hydrocracker units. The objective of the unit is to upgrade the low octane heavy naphtha to High octane reformate. The existing CCR-2 unit is being revamped to produce higher quantity of Reformate, yielding higher quantity of MS.

UOP are the Licensor and M/s L&T, Chiyoda are appointed as EPCM consultant for the project. The ordering works are in progress and the revamped unit is expected to get commissioned in 2018-19.

Railway Siding for Pet Coke

Dispatches by Railway Wagons will improve safety in transportation, reduced environmental pollution, Make MRPL products conveniently available in competitive markets and improve commercial realisation to MRPL. Construction of state of the art Railway siding for smooth evacuation of Petcoke with M/s Konkan Railway is being carried out. The Railway siding will be executed by M/s Konkan Railway Corporation Ltd and M/s Mecon have been appointed as the EPCM consultant to execute the balance of plant of the Project consisting of Closed conveyor system, Loading silos with Rapid Loading Systems, Measuring devices, Pollution control facilities etc.

The project is under execution and Engineering has been completed. Tendering is in progress and the project is expected to complete in December 2018.

Future Projects:

2G Ethanol

Your company has been mandated by the Ministry of Petroleum and Natural Gas (MoP&NG), to set up a 2G ethanol plant in Karnataka State. 2nd generation bio-fuels or "Advance Bio-fuels" are produced from sustainable feedstock which are not in competent for fodder (viz. Surplus Rice straw, Wheat straw, Maize cobs, Maize stalk, Bagasse, Cotton stalk, etc) .

Based on the Biomass feedstock assessment study, your company is planning to set-up a 2G ethanol plant with a capacity of 60 KLPD. The Prefeasibility study of the project has been completed. As the next course of action, MRPL is planning to take up the detailed feasibility study.

The benefits from the advance bio-fuels will be,

- Ethanol is blended with petrol as a part of ethanol blending program from the Government, this will help in reducing the oil import bill of the country.
- Reduction in CO_2 and CO emissions, thereby reducing the greenhouse gas emissions.
- Additional source of income to the farmers.

Power from open source:

MRPL is planning to meet all its future requirements through purchase of power through open access. A feasibility study was conducted by M/s PTC India Ltd. Basis this feasibility, a route survey and cost estimation for new facility to access power at 220kv level is under progress. This project is expected to complete in FY 2019-20.

Desalination Plant:

To mitigate the risk of river water as a single source of water, an alternate source of water is being planned through the installation of desalination plant. The Project has obtained permission from the Government of Karnataka. Feasibility studies along with studies for Environment Impact Assessment etc is being done. The project is expected to be commissioned in FY 2019-20.

USING INFORMATION AND COMMUNICATION TECHNOLOGY FOR PRODUCTIVITY ENHANCEMENT

MRPL has taken initiatives to leverage on Information Technology for improving business processes by implementing SAP (Systems and Application Products for Data processing) across all business functions. To run these applications, a state of the art Data Centre has been functioning at Mangalore site for supporting 24 x 7 business operations. Recently MRPL has completed technical upgrade of SAP from EHP 3 to EHP 7 to enhance functionalities of SAP system. MRPL has migrated its SAP system to GST Regime by incorporating all necessary changes in the system and it has gone live on 01/07/2017. With a strong focus on moving towards digitization, MRPL has initiated systems for digitization of documents and is in the process of implementing paperless E-Office system. All employees related self services has been digitized with the implementation of online systems like Leave Management System, Medical System, Travel Management, Time management, Monthly claims etc. These systems are being migrated to app based solution (SAP Fiori). MRPL is continuously upgrading its IT security to meet the new challenges of information threat thereby protecting all important information from any type of misuse. All IT infrastructures are provided to employees to carry out their regular business activities.

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:

A) Environment

- Environmental Impact Assessment (EIA) study carried out by M/s National Environmental Engineering Research Institute (NEERI), Nagpur for proposed BS-VI (Stage-1) Auto Fuel Quality Compliance & Associated Projects Facilities in line with the approved Terms of Reference (ToR) obtained from Ministry of Environment, Forest & Climate Change (MoEF&CC), New Delhi.

- Hydrogeological Investigation & Modelling study is being carried out by M/s. National Institute of Hydrology (NIH) in the Refinery.
- Grid Analysis study carried out by M/s. National Environmental Engineering Research Institute (NEERI), Nagpur to assess Environmental Impacts of MRPL Phase-III units operation on Air, Ground Water & Noise quality in surrounding villages. Draft report received and a presentation was given to Technical Advisory Committee of Karnataka State Pollution Control Board (KSPCB).
- As a part of Oil & Gas Conservation Month 2017, a campaign was conducted to make neighbouring Villages, Chelairu, Soorinje, Jokatte & Permude as 'Smoke Free Village' by facilitating LPG connections free of cost to those households using only biomass/ wood as cooking fuel.
- As per agreement between MRPL and M/s. Ramky Engineers (State Pollution Control Board approved TSDF Operator), total 1120 MT of Solid Hazardous Waste was disposed during 2016-17.
- Total 287 MT of Spent Catalyst generated from Petro Fluidized Catalytic Cracking Unit (PFCCU) was disposed during 2016-17 for co-processing in Cement Plant.
- Replacement of street light fixtures by LED undertaken.
- In Air conditioning package units of phase-3, R22 (Ozone depleting agents) replaced by R407C refrigerant.
- As part of greenbelt development, 20 acres of plantation developed in Pilikula Biological Park, Mangalore.
- Following activities were conducted to spread awareness on tree plantation:
  - ➢ Distribution of saplings in schools of neighbouring villages to spread awareness amongst students.
  - ➢ Mass tree plantation as a part of Koti Vriksha Andolan was carried out with active involvement of neighbouring villagers.
  - ➢ Contribution made to Karnataka State Forest Department towards the tree plantation program.
- 33,25,012 m^3 of Treated Municipal Sewage Water was utilized for Cooling Tower makeup (April, 2016 to March, 2017) to reduce fresh water intake.
- Two Fog Generators procured and installed in the refinery to mitigate the dust pollution, if any, from Coke Laydown and Sulphur Recovery Unit area.
- Work Environment Monitoring carried out in the Refinery by M/s. Shiva Analyticals, Bengaluru to access the impact of air borne chemicals in the work zone area.
- ONGC Group Sustainability Report generated incorporating MRPL's Sustainability Performance for the year 2015-16.
- Following proposals are initiated/completed to control pollution issues:
  1. Covering of Sulphur Open Storage Yard & Coke pit;
  2. Installation of closed blow out diverters at the top of the DCU Coke drums-completed;
  3. Shifting of existing Pet Coke loading silos to a distance ~700m from the neighbouring residential area;
  4. Noise reduction from SRU Incinerator blower by providing acoustic insulation on the discharge line up to Thermal incinerator-completed;
  5. Shifting of existing Phase-3 slop tanks away from the existing location;
  6. Construction of Railway Siding for reducing road transport.

B) Safety

- Surprise safety audit by OISD, External Safety Audit and audit by PESO were carried out.
- 294 days without Reportable Lost Time Injuries (RLTI) as on 31/03/2017.
- 3.41 Million Man Hours worked as on 31/03/2017.

C) Health

- Annual Medical Checkup of employees was carried out in three categories in compliance with the Rules under Factories Act and Karnataka Factories Rules.
- Two Occupational Health Centre (OHC) with 24x7 availability of Medical Staff are functional.
- Services of MRPL Hospital are available not only for the employees and their dependants but for Out Patients as well.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY DEVELOPMENT

Corporate Social Responsibility (CSR)

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.

MRPL has spent ₹ 1.45 Crore (previous year ₹ 4.11 Crore) for various CSR activities during the year 2016-17. Pursuant to Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 the Annual Report on CSR activities for 2016-17 is annexed herewith as **'Annexure A'**.

Sustainability Development and Performance

Sustainability efforts of your Company in foregoing year were intensified with footsteps towards the longevity of the company success in an era of continuous challenges. We as a company have emphasized on long term viable approaches in all segments of the organization. Embracing environmentally sustainable business practices were prioritized in all endeavors of the organization. Sustainable business processes to find novel solutions considering better and greener alternatives were initiated. Educating employees on eco-conscious business, sustainable business culture in all segments of company were given utmost importance. The focus on ensuring sustainability to build a culture of accountability throughout the organization was charted.

Your company improved its water foot print by enhancing intake of sewage treated water from City Corporation. Fresh water was eco-consciously replaced by treated sewage water from Mangalore by a quantity equivalent to 2 Million imperial gallons per day. This dual benefit of reducing fresh water intake and consuming urban effluent from city was seconded by using additional 1.5 Million imperial gallons per day treated effluent recycle to the cooling towers. Your company furthering its commitment to reduce its fresh water footprint is setting up a Reverse Osmosis system at a cost of ₹ 15 Crore to further process treated sewage water received from the City, to make the water usable directly in the refinery processes. Your company had initiated actions for Zero Liquid Discharge (ZLD) considering availability of fresh water for refinery processes. The water foot print of the refinery complex is envisaged to be improved with novel practices and engineering techniques.

Your company ventured into renewable sources to supply its energy demands. Your company initiated processes for harnessing solar energy that is available in abundance. A roadmap has been drawn to setup 5.6 MWe of solar power plant from all available rooftops. Your company aims to invest around ₹ 40 Crore in this project.

Your company had an innovative approach for improving the surrounding topography. The green cover of surrounding area was envisaged to be made denser by signing a Memorandum of Understanding (MOU) with Pilikula Nisarga Dhama, Vamanjoor, Mangaluru to take up the greenbelt development) at Pilikula Nisarga Dhama, Mangalore. In the novel cause termed "Let us plant a forest - Creation of Green Belt" MRPL sponsored plantation and subsequent maintenance for a period of three years in 20 acres of land by planting 2000 plants in Pilikula Nisarga Dhama with native species of Western Ghat.

Your company is endeavoring towards cleaner technologies by reducing vehicular emissions in refinery premises by switching to battery operated vehicles to its supervisory staff.

Naturally available sun light is used to alleviate the warehouse radiance using a novel technique of "SkyPipe "by harvesting day light.

Your company has envisaged an action plan to replace all existing street lights and office lighting to low power consuming LED's in its premises. Substantial progress has been made on this and we anticipate being 100% LED illuminated by 2018. Total saving of 163500 W and future saving of 80000 W in next one year is envisaged by the scheme

Your company had practiced and will endure to take the footpath of sustainability in all the upcoming endeavors.

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.

ANNUAL REPORT OF SUBSIDIARY AND CONSOLIDATED FINANCIAL STATEMENT

The Audited Consolidated financial statements for the year ended 31st March, 2017 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 01/04/2015. 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 01/04/2016. The reconciliations due to transition from previous GAAP to Ind AS have been set out in Note 51 in the notes to accounts in the standalone and consolidated financial statements.

TRANSFER TO RESERVES

No amount has been transferred to General Reserves for the financial year 2016-17.

DIVIDEND

The Board of Directors has recommended a dividend of ₹ 6 per equity share for the FY 2016-17. The dividend shall be paid after the approval of members at the Annual General Meeting. The dividend has been recognized in accordance with Company's Policy on Dividend Distribution. The Dividend Distribution Policy of the Company is annexed herewith as **'Annexure B'** to this report.

DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There have been no loans / guarantees given or securities provided during the financial year 2016-17 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 2016-17. The Issued, Subscribed and Paid up Equity Share Capital of your Company as on 31/03/2017 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 2016-17, various welfare related policies have been implemented by the Company for its employees.

The Company maintains an Employee Club known as MRPL Employees Club (MEC). The Club offers a wide range of pastime activities for the employees and their dependents. An Internal Departmental Cricket Tournament was also organised by MRPL Employees Club (MEC).

37th PSPB Inter Unit Carrom Tournament was held in MRPL Employees Club from 20/02/2017 to 04/03/2017. Players of International repute representing various Oil PSU companies participated in the prestigious tournament. IOCL won both Men's & Women's team events and ONGC was the Runner-up in both the team categories.

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 2016-17.

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. 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 31/03/2017, there are 28 permanent employees with disabilities on the roll of MRPL.

During the year, your Company has recruited 120 employees comprising of 3 women employees and 46 Schedules Caste (SC) / Schedule Tribe (ST) employees. Total employee strength as on 31/03/2017 was 1,917 including 132 women employees, 252 SC/ST employees and 28 employees belonging to persons with disability category (PWD). 821 employees belong to Management cadre whereas 1,096 employees belong to Non-Management cadre. During the Year 2016-17, the Company devoted 5142 Mandays for training, development and learning, which amounts to 3.71 Mandays per employee for Management staff and 2.42 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 is attached as **'Annexure – C'** 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. The first batch of 60 candidates of MRPL KVK is undergoing skill development training in "CNC Operator-Turning" and "Industrial Electrician" course at Nettur Technical Training Foundation (NTTF), Bangalore.

WOMEN EMPOWERMENT

Women employees constituted over 6.88 percent of the Company's workforce. During the year, programmes on women empowerment and development, including programmes on gender sensitization were orgainsed. 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 financial year 2016-17.

OFFICIAL LANGUAGE

Your Company is implementing Official Language Policy 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 records/documents for usage and promotion of Hindi were carried out.

Also, Hindi Fortnight was celebrated and many Hindi competitions such as Hindi Dictation, Handwriting, Admin Glossary, Hindi Padho, Samajho & Tick karo, News reading etc were conducted for the employees and their family members in the month of September 2016. In addition one more Hindi competition (Admin Glossary) was conducted in January 2017 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 GMs & GGMs during Hindi month celebrations.

Hindi classes were arranged regularly to employees to qualify in Prabodh, Praveen & Pragya examinations and Hindi Steno examination. 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 were activated on all computers used for daily office work.

Special awards were given to 30 students of Delhi Public School (DPS) 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 solo song competition was conducted for employees of TOLIC member organizations at MRPL. In addition Hindi debate competition was also organized for Degree College students of Mangalore University as a part of Hindi month celebrations under the auspices of TOLIC Mangalore. MRPL has been awarded first prize for outstanding performance in hindi implementation for the year 2016-17 at TOLIC level.

In order to propagate and to promote usage of Hindi in the company, in house Hindi Journal namely "MRPL PRATIBIMB" is being published. MRPL follow the guidelines of Official Language (OL), and conducted Official Language Implementation Committee (OLIC) 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

Company's RTI manual is available on Company's website which discloses all required information. During the year, 174 applications were received, out of which 150 were disposed off before 31/03/2017, 01 application was transferred to other Public Authority and balance 23 applications were disposed off after 31/03/2017.

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 Company has recently inducted an additional contingent of 62 CISF personnel to further augment security arrangements in Phase-3 area of the Refinery. Proposal to further augment the CISF strength is under consideration of the MHA.

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. An integrated CCTV cum Electronic Intrusion Detection system is under implementation to further strengthen electronic surveillance of the Refinery.

VIGILANCE FUNCTION

Your company has developed a structured mechanism of vigilance functions and 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. New Chief Vigilance Officer Shri Rajeev Kushwah, ITS has taken charge on 15/04/2017.

In compliance with CVC instructions, your company has implemented a complaint handling policy in which all complaints received from various sources are recorded and can be examined by vigilance. MRPL corporate website has been revamped by including the system for registering the online complaints. The details on the best vigilance practices and links to various useful websites is 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 evil effects of corruption. A public kiosk was set up at Mangalore City Corporation facilitating the citizens of Mangalore to take E-Integrity Pledge. A walkathon was conducted in Surathkal to spread the awareness on transparency in public life. Debate competition was also conducted for the school children. MRPL and All India Radio, Mangalore conducted several vigilance awareness programs during the year.

DoPT has developed a web enabled online system for vigilance status of employees working in Government sector. Your company is in process of updating the vigilance status of Board level and below board level employees in the web system.

Leveraging the technology to enhance transparency has been a thrust area of action in which vigilance has placed 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.

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- D**' 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- E'** which forms part of this Report.

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

All transactions entered with related parties during the financial year 2016-17 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. 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-F'**. 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 & DIRECTORS' RESPONSIBILITY STATEMENT

Changes in the Board of Directors and Key Managerial Personnel during the financial year 2016-17

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 A.K. Sahoo assumed the office of Director (Finance) on 01/02/2016 and was appointed as a Director in the 28th Annual General Meeting held on 03/09/2016, in place of Shri Vishnu Agarwal, who superannuated from the services of the Company. Shri Diwakar Nath Misra, Director (GP), MoP&NG was appointed as Additional Director with effect from 09/03/2016 and was also appointed as a Director in the 28th Annual General Meeting held on 03/09/2016. Shri B.K. Namdeo, Nominee Director, HPCL ceased to be a Director consequent upon his superannuation from the services of HPCL on 31/10/2016 and Shri Vinod S. Shenoy, Director (Refinery) HPCL was appointed as Director in casual vacancy with effect from 08/11/2016. The Board places on record its appreciation for the valuable services rendered by the outgoing Directors during their respective tenure.

Ms. Manjula C. nominated as Non official Independent Director by MoP&NG with effect from 31/01/2017 was appointed as an Additional Director by the Board with effect from 31/01/2017, vacates her office in this AGM and being eligible offers herself for appointment as Director in the 29th Annual General Meeting.

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 Director had been carried out by the Board. No meeting was held by the Independent Directors during the year as the company had only one Independent Director.

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 2016-17:

a) In the preparation of the Annual Financial Statements for the year ended March 31, 2017, 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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company 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.

As per SEBI Listing Regulations, 2015, Audit Committee has reviewed the Directors' Responsibility Statement.

NUMBER OF BOARD MEETINGS

The Board of Directors of your Company had six (6) Meetings during the FY 2016-17. 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.

Due to non-availability of sufficient number of Independent Directors, the Audit Committee is not constituted as per the provisions of the Companies Act, 2013 & SEBI Listing Regulation, 2015.

NOMINATION AND REMUNERATION COMMITTEE

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 and Remuneration Committee. The details on the Nomination and Remuneration 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. 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.

Due to non-availability of sufficient number of Independent Directors, the Nomination and Remuneration Committee is not constituted as per the provisions of the Companies Act, 2013 & SEBI Listing Regulation, 2015.

RISK MANAGEMENT POLICY

In line with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, your Company has developed and rolled out a comprehensive Enterprise-wide Risk Management (ERM) Policy throughout the organization. The Audit Committee periodically reviews the risk assessment and minimization process 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 and SEBI Listing Regulation, 2015 relating to the Corporate Governance requirements and mandatory guidelines on Corporate Governance for CPSEs issued by DPE, Government of India, except for the presence of requisite number of Independent Directors on the Board and Board Committees. The Corporate Governance Report for the FY 2016-17 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. The Company is pursuing with the Ministry of Petroleum & Natural Gas (MOPNG) for the appointment of requisite number of Independent Directors.

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.

BUSINESS RESPONSIBILITY REPORT

SEBI Listing Regulations, 2015 mandated inclusion of 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 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 2016-17 forms part of this Report.

INTERNAL FINANCIAL CONTROL

Your Company has a well-established and efficient internal control system and procedure. The Company has a well-defined delegation of financial powers to its various executives through the manual of Delegation of Powers (DOP). 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.

AUDITORS

Joint Statutory Auditors

M/s Shreedhar, Suresh & Rajagopalan, Chennai and M/s A. Raghavendra Rao and Associates, Mangalore were the Joint Statutory Auditors of the Company for the FY 2016-17. They have audited the Financial Statements for the Financial Year 2016-17 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 therefore do not call for any further comments.

Secretarial Auditor

Your Company engaged M/s Kumar Naresh Sinha & Associates, Practicing Company Secretary, Noida for conducting Annual Secretarial Audit for the year 2016-17 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 year 2016-17 which forms part of this report as **'Annexure-G'**. The Auditors have made observations on the appointment of Independent Directors on the Board of the Company and overtime working hours as per the provisions of the Factories Act, 1948. The Company is pursuing with the Ministry of Petroleum & Natural Gas (MoP&NG), Govt. of India, for the appointment of requisite number of Independent Directors. As regards the observations on working hours, the same has been taken up with the Department of Public Enterprises by the Industry Group.

Cost Auditor

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 2016 –17 are being audited by Cost Auditors M/s. Bandyopadhyaya Bhaumik & Co., Kolkata. M/s. Bandyopadhyaya Bhaumik & Co., Kolkata have been re-appointed as Cost Auditor for FY 2017-18.

COMMENTS OF C&AG ON THE JOINT STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED AND STANDALONE FINANCIAL STATEMENTS FOR THE FY 2016-17

The Comments of Comptroller & Auditor General of India (C&AG) forms part of this report and are attached as **'Annexure-H'**. You would be pleased to know that your company has received NIL comments from C&AG for the year 2016-17.

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 and the Government of Karnataka, for their valuable support, guidance and continued co-operation.

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 co-operation and support received from New Mangalore Port Trust, Financial Institutions, Banks and all other stakeholder. 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 2016-17.

For and on behalf of the Board

(Dinesh K. Sarraf)
Chairman
(DIN: 00147870)

Place: New Delhi
Date: 19/07/2017

ANNEXURE 'A'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FINANCIAL YEAR 2016-17

[Pursuant to clause (o) 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 Oil and Natural Gas Corporation Limited (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 formulated in line with Section 135 read with Schedule VII of the Companies Act 2013, and Companies (Corporate Social Responsibility Policy) Rules, 2014 issued by Ministry of Corporate Affairs and guidelines on Corporate Social Responsibility & Sustainability, issued by Department of Public Enterprises. The company's Policy on Corporate Social Responsibility and Sustainable Development is available on the Company's website at www.mrpl.co.in.

Overview of the projects & programs undertaken by the Company during 2016-17 is enclosed with this report.

2. The composition of CSR & SD Committee

Sl No.	Director name	Designation
1.	Smt Perin Devi	Chairperson
2.	Shri Vinod S. Shenoy	Member
3.	Shri Diwakar Nath Misra	Member
4	Ms Manjula C.	Member
5.	Shri H. Kumar, Managing Director	Member
6.	Shri M. Venkatesh, Director (Refinery)	Member
7.	Shri A. K. Sahoo, Director (Finance)	Member

3. Financial Details:

Particulars	₹ in Crore
Average Net Profit of the Company for the last three financial years	Negative
Amount to be spent on account of CSR expenditure carried forward from FY 2015-16	Nil
* Total Amount to be spent for the financial year 2016-17	5.00
Amount Spent during FY 2016-17	1.45
Amount Unspent	3.55

* As the average PBT during last three financial years was negative, the Board was considerate enough to grant ₹ 5.00 crore for CSR activities during FY 2016-17.

4. Manner in which the amount spent during the financial year 2016-17.

As per Annexure.

5. 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.

CSR activities of the Company are in line with the CSR & SD Policy of the Company and confirm with the provisions of the Companies Act, 2013 and DPE Guidelines.

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.

The average PBT during last three financial years was negative. However, the Board was considerate enough to grant ₹ 5.00 crore for undertaking CSR activities during FY 2016-17. In view of the above, the same is not applicable.

Sd/-
H. KUMAR
(Managing Director)
(DIN : 06851988)

Sd/-
PERIN DEVI
(Chairperson CSR & SD Committee)
(DIN : 07145051)

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)**	**Amount spent on the project / preprogram 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.	**Shiksha Samrakshan**						
1	Anganwadi building for Permude Panchayat at Mangalpete and Shanthalike	Promoting education	1. Local area 2. D.K District, Karnataka State	15.00	Same as (5). Direct expenditure, no overheads	0.00	N/a
2	Building repair of Nadugodu School	-do-	-do-	5.00	-do-	3.10	Payment released to Govt. High School Nadugodu
3	Support to Pejavara High School/Higher Primary School Kalavar – Books, furniture and other infrastructural development	-do-	-do-	5.00	-do-	5.00	Payment released to Pejavara High School and Higher Primary School
4	Development of Science Lab at Govt. P.U College Krishnapura	-do-	-do-	5.00	-do-	3.90	Payment released to Govt. P.U.College, Krishnapura
5	Class room for Permude Hindu aided Lower Primary School	-do-		5.00		5.00	Payment released to Permude Hindu Aided Higher Primary School
6	Anganwadi building at Mangalore	-do-	-do-	7.00	-do-	2.34	Payment released to DKNK Surathkal
II	**Swachh Bharath Projects**						
1	Smoke free village at Jokatte, Permude, Soorinje & Chelaieru Grama Panchayat	Promoting Preventive Health Care	-do-	10.26	-do-	10.26	Payment made to LPG three marketing agencies
2	Swachh Bharath Abhiyaan- Support to Ramakrishna Mission Mangalore	Promoting Preventive Health Care	-do-	50.00	-do-	42.50	Payment made to Ramakrishna Math based on numer of Swachhta drives
3	Support to Matha Amrithanandamayi Mutt Mangalore	Promoting Preventive Health Care	-do-	10.00	-do-	4.00	Payment made to Matha Amrithanandamayi Mutt based on numer of Swachhta drives
4	Maintenance of school toilets constructed under Swach Vidyalaya Abhiyaan	Promoting sanitation	1. Local area 2. D. K District, Karnataka State	15.00	-do-	0.00	Payment made to respective school account
5	Construction of one floor of the toilet for Balmata School Mangalore	Promoting sanitation	1. Local area 2. D.K District, Karnataka State	7.00	-do-	4.91	Payment released to a/c operated by College betterment committee.

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)**	**Amount spent on the project / preprogram subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
6	Construction of Toilets	Promoting sanitation	1. Local area 2. D.K District, Karnataka State	29.48	-do-	4.98	Payment released to respective school Development Management Committee
7	Support to Shri Rama School Kalladka	Promoting sanitation	1. Local area 2. D.K District, Karnataka State	25.00	-do-	25.00	Payment made to Shri. Rama Vidya Kendra, Kalladka.
III	**Arogya samrakshan**						
1	Running a Free Primary Health Centre at Chelaieru Rehabilitation Colony	Promoting Preventive Health Care	1. Local area 2. D.K District, Karnataka State	5.00	-do-	1.90	Direct to Doctor and rent to owner of the premises
2	Running a Free Primary Health Centre at Kalavar area	Promoting Preventive Health Care	-do-	5.00	-do-	0.87	Direct to Doctor
IV	**Rural Development**						
1	CSR activity at Jokatte Grama Panchayat -Retention wall	Rural development	1. Local area 2. D.K District, Karnataka State	14.00	-do-	0.00	N/a
2	Rural development at Chelaieru rehabilitation colony	Rural development	-do-	23.61	-do-	0.00	N/a
3	Sarpady Village development	Rural development	-do-	40.00	-do-	0.00	N/a
V	**Other CSR Projects**				-do-		N/a
1	Painting, Civil works of Community hall and Anganwadi Building of Bala Grama Panchayat	Rural development	1. Local area 2. D.K District, Karnataka State	13.50	-do-	0.00	N/a
2	Providing furniture to local organisation - Health Centre and other organisations	Rural development	-do-	4.37	-do-	0.00	N/a
3	CSR Projects at Dharwad	Rural development	1. Other 2. Dharwad District, Karnataka State	46.00	-do-	0.00	N/a
4	Infrastructural development at SC/ST hostels in Dakshina Kannada District	Welfare of Scheduled Caste, the Scheduled Tribes	1. Local area 2. D.K District, Karnataka State	10.00	-do-	0.00	N/a
5	Skill development programme for unemployed youth/women and girls through KPT Mangalore/other organisations	Employment enhancing vocational skills	-do-	30.00	-do-	20.00	Payment made directly to M/s NTTF, organisation for conducting training

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)**	**Amount spent on the project / preprogram subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
6	Drinking water purification system – Zilla Panchayat	Making available of safe drinking water	-do-	25.29	-do-	0.00	N/a
7	Green Nurturing Projects	Conservation of Natural resources	-do-	48.50	-do-	5.82	Payment made directly to Shri. Ramachandra P. U. College, Perne and DKZP Higher Primary School Angaragundi, Baikampady
8	Animal welfare projects- Support to Mahanadhi Goloka project by Ramachandrapura Mutt, Shimogga	Animal welfare	-do-	7.00	-do-		N/a
9	Support to Child Care Centre	Settingup homes & hostels for women and orphans	-do-	5.00	-do-		N/a
	Support to Mangala Seva Samithi	Settingup homes & hostels for women and orphans	-do-	5.00	-do-	5.00	Payment made directly to M/s Mangala Seva Samithi
10	Support of water shed management project proposed by Canara Organisation for Development & Peace (CODP)	Conservation of Natural Resources	-do-	4.25	-do-	0.00	N/a
11	Support to Old Age Home at Asaigoli	Settingup Old Age Homes	-do-	5.00	-do-	0.00	N/a
12	Computers to Women Santhwana Kendra	Empowering women	-do-	1.845	-do-	0.00	N/a
13	Drinking water through Tankers to Chellairu	making avilable safe drinking water	-do-	3.06	-do-	0.00	N/a
14	Reserve Fund			14.83		0.04	Payment made directly to MRPL & HPCL Nirvasithara Samithi towards mescom bill of community hall
	Total			**500.00**		**144.63**	

ANNEXURE 'B'

DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

As per Regulation 43A of SEBI (LODR) Regulations, 2015, the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

DIPAM under Ministry of Finance vide its Office Memorandum dated 27th May, 2016 has issued Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs) which mandate that CPSEs would require to a pay minimum dividend subjected to the maximum dividend permitted under the extant legal provisions.

MRPL is a CPSE and is amongst the top 500 listed entities which comply with SEBI (LODR) Regulations, 2016, DIPAM guidelines, provisions of Companies Act, 2013, Companies (Declaration and Payment of Dividend) Rules, 2014 and other guidelines to the extent applicable.

2. DEFINITIONS

i. **"Act"** means Companies Act, 2013.

ii. **"Company"** means Mangalore Refinery and Petrochemicals Limited (MRPL)

iii. **"Board"** means the Board of Directors of MRPL.

iv. **"SEBI (LODR) Regulations"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

v. **"DPE"** means Department of Public Enterprises.

vi. **"DIPAM"** means Department of Investment and Public Asset Management

vii. **"CPSEs"** means Central Public Sector Enterprises.

viii. **"Dividend"** includes any interim dividend.

ix. **"PAT"** means Profit After Tax.

3. EFFECTIVE DATE

The Policy shall be effective from the date of its approval by the Board i.e 08/11/2016.

4. OBJECTIVE OF THE POLICY

The Policy lay down a broad framework with regard to decision taking for distribution of dividend to its shareholders and/ or retaining or ploughing back of profits, in the interest of providing transparency to the shareholders. The Policy intent to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company.

The intent of the policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend, etc. The policy has been framed broadly in line with the provisions of the Companies Act and also taking into consideration, guidelines issued by Ministry of Finance/ SEBI/ DPE/ DIPAM and other guidelines, to the extent applicable.

5. FACTORS CONSIDERED WHILE DECLARING DIVIDEND

The Board of the Company shall take a decision to declare dividend after taking into account the following factors:

External Factors

- Economic Environment
- Statutory Provisions and Guidelines
- Taxation and other regulatory concern
- Cost of borrowings

Internal Factors

- Cash Flow
- Future Capital Expenditure Plan
- Profits of the Company

Apart from the above the Company may also consider various other factors, which inter alia include:

- Obligations towards creditors of the company;
- Additional investments in subsidiaries/associates of the Company;
- Expectation of shareholders/ stakeholders;
- Any other factor as deemed fit.

6. THE FINANCIAL PARAMETERS THAT SHALL BE CONSIDERED

As per the guidelines issued by DIPAM under Ministry of Finance, every CPSE would pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher subject to the maximum dividend permissible under the extant legal provisions. However, the Company may propose lower dividend with the approval of the Administrative Ministry/Department after analysing following financial Parameters with conclusion that the retention of funds augmenting its net-worth is being optimally leveraged to ensure higher investment by the CPSEs:

- ✓ Cash flow position
- ✓ Future Capital Expenditure Plan
- ✓ Borrowing capacity
- ✓ Long-term borrowings

7. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

The decision of dividend payout is very crucial as it has to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits for future growth. The Company shall declare a dividend for any financial year whenever there is net profit after tax for the year after taking into account the adjustments for previous years, write back of expenses, providing for depreciation etc.

The Company will be restrained to declare dividend when there are insufficient profits or non-availability of sufficient capital to meet the minimum capital requirements prescribed by RBI or any of the external or internal factors.

8. PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

Company has issued only one class of shares i.e equity shares. The policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

9. PROCEDURE FOR DIVIDEND PAYOUT

The following procedure shall be followed in the declaration and payment of dividends, and is subject to provisions of Companies Act, 2013, Companies (Declaration and Payment of Dividend) Rules, 2014, SEBI (LODR) Regulations, 2016, DIPAM guidelines:

Final Dividend:

1. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.
2. The dividend as recommended by the Board shall be approved/declared at the annual general meeting of the Company.
3. The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date/book closure period.

Interim Dividend:

1. Interim dividend(s), if any, shall be declared by the Board after considering the financial position of the Company that allows the payment of such dividend.
2. The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date/ book closure.
3. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the annual general meeting.

10. DISTRIBUTION OF DIVIDEND

The dividend (Interim and Final) shall be distributed to shareholders as per the provisions of Companies Act, 2013, Companies (Declaration and Payment of Dividend) Rules, 2014, SEBI (LODR) Regulations, 2016. The unpaid and unclaimed dividend shall be transferred to Investor Education and Protection Fund after 7 years of it becoming unpaid as provided under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

11. AMENDMENT

All changes and amendments to this policy shall be made with the approval of Company's Board of Directors.

ANNEXURE 'C'

SC/ST/OBC REPORT - II

Annual Statement showing the representation of SCs STs and OBCs in various group 'A' services as on 1st January 2017 and number of appointments made during the Preceding Calendar Year 2016.

Name of the Public Enterprises: Mangalore Refinery and Petrochemicals Ltd

Pay Scales (In ₹)	Representation of SCs/STs/OBCs (As on 01/01/2017)				Number of appointments made during the Calendar year 2016										
					By Direct Recruitment				By Promotion			By Deputation/Absorption			
	Total No. 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
24900-50500	92	16	4	28	5	1	0	1	09	-	-	4	-	-	-
29100-54500	62	11	2	16	3	1	0	0	48	-	-	-	-	-	-
32900-58000	91	17	9	17	-	-	-	-	48	05	01	-	-	-	-
36600-62000	27	3	2	5	1	1	0	0	25	-	-	-	-	-	-
43200-66000	17	1	1	4	-	-	-	-	05	-	-	-	-	-	-
51300-73000	3	-	-	1	-	-	-	-	11	-	-	-	-	-	-
51300-73000	1	-	-	-	-	-	-	-	11	-	-	1	-	-	-
51300-73000	4	1	-	-	-	-	-	-	04	-	-	-	-	-	-
51300-73000	2	-	-	-	-	-	-	-	03	-	-	-	-	-	-
Total	**299**	**49**	**18**	**71**	**9**	**3**	**0**	**1**	**164**	**05**	**01**	**5**	**-**	**-**	**-**

*Data with effect from 06/01/2005 (date on which MRPL became a PSU)

**Includes employees who joined prior to MRPL became a PSU

SC/ST/OBC REPORT - I

Annual Statement showing the representation of SCs STs and OBCs as on 1st January, 2017 and number of appointments made during the Preceding Calendar Year 2016.

Name of the Public Enterprises: Mangalore Refinery and Petrochemicals Ltd

Groups	Representation of SCs/STs/OBCs				Number of appointments made during the Calendar year 2016										
	(As on 01/01/2017)				By Direct Recruitment				By Promotion			By Deputation/Absorption			
	Total No. 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	299	49	18	71	9	3	0	1	164	05	01	5	-	-	-
Group B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group C	770	106	43	293	38	13	12	0	189	12	04	2	-	-	-
Group – D (Excluding Safai Karmacharis)	11	-	-	5	-	-	-	-	-	-	-	-	-	-	-
Total	**1080**	**155**	**61**	**369**	**47**	**16**	**12**	**1**	**353**	**17**	**05**	**7**	**-**	**-**	**-**

*Data with effect from 06/01/2005 (date on which MRPL became a PSU)

**Includes employees who joined prior to MRPL became a PSU

ANNUAL STATEMENT SHOWING REPRESENTATION OF THE PERSONS WITH DISABILITIES IN SERVICE AS ON 1st JANUARY 2017 AND DIRECT RECRUITMENT / PROMOTION DURING THE CALENDAR YEAR 2016.

Name of the Public Enterprises: Mangalore Refinery and Petrochemicals Ltd

Groups	Number of employees				Direct Recruitment - 2016							Promotion - 2016						
	(As on 01/01/2017)				No. of Vacancies Reserved			No. of Appointments Made				No. of Vacancies Reserved			No. of Appointments Made			
	Total	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	299	-	3	6	-	3	3	9	0	2	3	-	-	-		-	-	-
B	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
C	770	-	8	11	-	9	9	38	0	9	9	-	-			-	-	
D/DS	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**1080**	**-**	**11**	**17**	**-**	**12**	**12**	**47**	**-**	**11**	**12**	**-**	**-**			**-**	**-**	

(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 'D'

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

i) Steps taken or impact on conservation of energy

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

Major Energy Conservation measures taken during the year

a) Routing of Hot Diesel from phase1 crude distillation (CDU1) unit to Gas Oil Hydro-De-Sulphurising (GOHDS) unit, for additional waste heat recovery.

b) Slop reduction by routing of DCU blow down bottom to drum quench & reducing blow overhead.

c) Phase 1/2 non process plant area (buildings, street, control room, Offsites & township - total 7575 nos) lighting has been replaced with LED. Similarly, a process unit (Merox units- 250 nos) lighting has been replaced with flame proof LED lighting, on a trial basis. In the new CISF town-ship only LED lightings (380 nos) have been installed for general lighting.

d) Impeller Trimming of CPP-3 HP BFW Pump

The measures above resulted in Energy consumption reduction by 3345 SRFT/Year, equivalent to a net saving of ₹ 659 Lakhs/year, with an investment of ₹ 98 Lakhs.

Major Energy conservation measures being implemented/ under consideration for reduction of consumption of energy

i) Flare Gas Recovery for Phase-3 Complex

ii) Implementation of Diesel Pump around in Hydrocracker - 1&2 Recycle Splitter Column

iii) Heat recovery from Hydrocracker-1/2 Unconverted Oil by Cold DM Water

iv) Crude Distillation Unit-3 Crude Charge pump VSD installation

v) Routing of Amine Regeneration Unit-3 Flash drum off gas to incinerator for recovering heat of combustion.

ii) Steps taken by the company for utilizing alternative source of energy

As per requirement of Ministry of power, Govt of India & Karnataka State Electricity Regulatory Commission on power generation through renewable sources, the company has initiated steps for harvesting energy from renewable sources.

Installation of sky pipes: 110 nos. of Sky pipes have been installed for harvesting solar lighting inside buildings, in place of 220 nos. of existing 250W HPMV lamps in Ware houses. Total calculated savings are 180675 units/annum, equivalent to a net saving of ₹ 7 Lakhs / year, with an investment of ₹ 20.88 lacs.

Installation of Roof Top solar Panels: Feasibility study has been completed for roof top grid interactive PV solar power plant. The feasibility study report has identified shadow free 60 roof top buildings within refinery premises with a cumulative capacity of 5.63MW at an estimated cost of ₹ 44.5 crore.

iii) The capital investment on energy conservation equipment

₹ 118.70 Lakhs.

B. TECHNOLOGY ABSORPTION

i) Efforts in brief made towards technology absorption.

During FY 2016-17, the company has successfully maximized the capacity of PFCC unit.

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

Refinery throughput sustained at 15.965 MMTPA while meeting Clean Fuel specifications.

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

a) The details of Technology imported

HGU3, DHDT, PFCC, CHT & DCU units were commissioned by FY 2014-15. PPU unit commissioned by FY 2015-16.

b) Year of import

2014-2015, 2015-16

c) Has technology been fully absorbed?

Yes.

d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.

Not applicable.

iv) Expenditure incurred on Research and Development

Revenue: ₹ 5.35 Crore.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ In Crore)

	FY 2016- 17	FY 2015- 16
Foreign Exchange Earnings – (FOB value of exports)	10,031	8,746
Foreign Exchange Outgo	45,122	31,201

ANNEXURE 'E'

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2017

[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.: 0824-2270400
vi)	Whether listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	M/s. Link Intime India Pvt. Ltd, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai- 400 083 Tel.: +91 22 49186270 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)	U40107KA2006PLC041258	Subsidiary	51.00	2(87)
3	Shell MRPL Aviation Fuels and Services Limited (SMAFSL)	U51909KA2008PLC045558	Jt. Venture/ Associates	50.00	2(6)
4	Mangalore SEZ Limited	U45209KA2006PLC038590	Associate	NIL	2(6)
5	Petronet MHB Limited	U85110KA1998PLC024020	Associate	NIL	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) as on 31/03/2017:

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**									
(1)	**Institutions**									
(a)	Mutual Funds	24931625	143458	25075083	1.43	24067747	144958	24212705	1.38	-0.05
(b)	Banks/									
(c)	Financial Institutions	33173432	49650	33223082	1.90	30122169	46950	30169119	1.72	-0.17
(d)	Central Govt.	2400	0	2400	0.00	2400	0	2400	0.00	0.00
(e)	State Govt.	300	0	300	0.00	300	0	300	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	239505	0	239505	0.01	0.00
(h)	FIIS	7282980	100	7283080	0.42	5345663	100	5345763	0.31	-0.11
(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
	SUB TOTAL :(B)(1)	65630242	193208	65823450	3.76	59777784	192008	59969792	3.42	-0.33
(2)	**Non-Institutions**									
(a)	Bodies Corporate									
	i) Indian	13839832	128452	13968284	0.80	7697584	127752	7825336	0.45	-0.35
	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	60830964	34646280	95477244	5.45	54372455	34043996	88416451	5.04	-0.40
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	7794977	80000	7874977	0.45	7204407	0	7204407	0.41	-0.04

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	
(c)	**Others(Specify)**			0	0.00					
	Non Resident Indians (Non Repat)	683951	200	684151	0.04	673289	200	673489	0.04	0.00
	Non Resident Indians (Repat)	1825800	5157450	6983250	0.40	1584505	5121650	6706155	0.38	-0.02
	Foreign Nationals	1900	0	1900	0.00	700	0	700	0.00	0.00
	Foreign Portfolio Investors (Corporate)	6130524	0	6130524	0.35	26202242	0	26202242	1.50	1.15
	Hindu Undivided family	1749183	100	1749283	0.10	1598470	100	1598570	0.09	-0.01
	Director/ Relatives	500	0	500	0.00	500	0	500	0.00	0.00
	Trust	18500	1125	19625	0.00	8920	1125	10045	0.00	0.00
	Clearing Members	1377974	0	1377974	0.08	1483475	0	1483475	0.08	0.01
	SUB TOTAL :(B)(2)	**94254105**	**40013607**	**134267712**	**7.66**	**100826547**	**39294823**	**140121370**	**8.00**	**0.33**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**159884347**	**40206815**	**200091162**	**11.42**	**160604331**	**39486831**	**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)	**1712391962**	**40206815**	**1752598777**	**100.00**	**1713111946**	**39486831**	**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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1552507615	88.58	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	NA	NIL	NA
	At the End of the year	1552507615	88.58	1552507615	88.58

No change in promoter holding during 2016-17

(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 during the year	
		No. of Shares	% of Total Shares of The Company	No. of Shares	% of Total Shares of The Company
1	**Life Insurance Corporation of India**	**32617348**	**1.861**	**32617348**	**1.861**
	19/08/2016 (Market Sell)	-500000	-0.029	32117348	1.833
	26/08/2016 (Market Sell)	-929040	-0.053	31188308	1.780
	02/09/2016 (Market Sell)	-743237	-0.042	30445071	1.737
	09/09/2016 (Market Sell)	-144730	-0.008	30300341	1.729
	21/10/2016 (Market Sell)	-67776	-0.004	30232565	1.725
	11/11/2016 (Market Sell)	-100000	-0.006	30132565	1.719
	02/12/2016 (Market Sell)	-200554	-0.011	29932011	1.708
	09/12/2016 (Market Sell)	-30719	-0.002	29901292	1.706
	06/01/2017 (Market Sell)	-200000	-0.011	29701292	1.695
	At The End of The Year			**29701292**	**1.695**
2	**HDFC Trustee Company Limited - HDFC Prudence Fund**	**812394**	0.046	**812394**	0.046
	30/06/2016 (Market Purchase)	246000	0.014	1058394	0.060
	01/07/2016 (Market Purchase)	200000	0.011	1258394	0.072
	15/07/2016 (Market Purchase)	289000	0.017	1547394	0.088
	22/07/2016 (Market Purchase)	930000	0.053	2477394	0.141
	29/07/2016 (Market Purchase)	1771000	0.101	4248394	0.242
	05/08/2016 (Market Purchase)	910000	0.052	5158394	0.294
	12/08/2016 (Market Purchase)	1700000	0.097	6858394	0.391
	19/08/2016 (Market Purchase)	736000	0.042	7594394	0.433
	26/08/2016 (Market Purchase)	383000	0.022	7977394	0.455
	02/09/2016 (Market Purchase)	683000	0.039	8660394	0.494
	09/09/2016 (Market Purchase)	926000	0.053	9586394	0.547
	23/09/2016 (Market Purchase)	300000	0.017	9886394	0.564
	25/11/2016 (Market Purchase)	43000	0.003	9929394	0.567
	02/12/2016 (Market Purchase)	84400	0.005	10013794	0.571
	30/12/2016 (Market Purchase)	100000	0.006	10113794	0.577
	06/01/2017 (Market Purchase)	523000	0.030	10636794	0.607
	13/01/2017 (Market Sell)	-621000	-0.035	10015794	0.572
	20/01/2017 (Market Sell)	-329000	-0.019	9686794	0.553
	27/01/2017 (Market Sell)	-602300	-0.034	9084494	0.518
	03/02/2017 (Market Sell)	-205000	-0.012	8879494	0.507
	10/02/2017 (Market Sell)	-100000	-0.006	8779494	0.501
	17/02/2017 (Market Sell)	-474000	-0.027	8305494	0.474
	24/02/2017 (Market Sell)	-122000	-0.007	8183494	0.467
	10/03/2017 (Market Sell)	-49100	-0.003	8134394	0.464
	31/03/2017 (Market Purchase)	62000	0.004	8196394	0.468
	At The End of The Year			**8196394**	**0.468**

Sl. No.	For each of top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of The Company	No. of Shares	% of Total Shares of The Company
3	**L And T Mutual Fund Trustee Ltd-L And T India Value Fund**	**268061**	**0.015**	**268061**	**0.015**
	08/04/2016 (Market Purchase)	1084613	0.062	1352674	0.077
	22/04/2016 (Market Purchase)	51502	0.003	1404176	0.080
	29/04/2016 (Market Purchase)	698464	0.040	2102640	0.120
	06/05/2016 (Market Purchase)	339059	0.019	2441699	0.139
	13/05/2016 (Market Purchase)	842200	0.048	3283899	0.187
	10/06/2016 (Market Sell)	-211569	-0.012	3072330	0.175
	17/06/2016 (Market Sell)	-175238	-0.010	2897092	0.165
	30/06/2016 (Market Sell)	-220593	-0.013	2676499	0.153
	15/07/2016 (Market Purchase)	517776	0.030	3194275	0.182
	22/07/2016 (Market Purchase)	25	0.000	3194300	0.182
	02/12/2016 (Market Sell)	-6600	-0.000	3187700	0.182
	06/01/2017 (Market Purchase)	549600	0.031	3737300	0.213
	13/01/2017 (Market Purchase)	213000	0.012	3950300	0.225
	31/03/2017 (Market Purchase)	648400	0.037	4598700	0.262
	At The End of The Year			**4598700**	**0.262**
4	**Vanguard Emerging Markets Stock Index Fund, Aseries of Vanguard International Equity Inde X Fund**	**3607801**	**0.206**	**3607801**	**0.206**
	08/04/2016 (Market Purchase)	27524	0.002	3635325	0.207
	22/04/2016 (Market Purchase)	19000	0.001	3654325	0.209
	10/06/2016 (Market Purchase)	23046	0.001	3677371	0.210
	29/07/2016 (Market Purchase)	25170	0.001	3702541	0.211
	05/08/2016 (Market Purchase)	23538	0.001	3726079	0.213
	12/08/2016 (Market Purchase)	37260	0.002	3763339	0.215
	19/08/2016 (Market Purchase)	52992	0.003	3816331	0.218
	09/09/2016 (Market Purchase)	25710	0.002	3842041	0.219
	07/10/2016 (Market Purchase)	27424	0.002	3869465	0.221
	14/10/2016 (Market Purchase)	18854	0.001	3888319	0.222
	21/10/2016 (Market Purchase)	64275	0.004	3952594	0.226
	28/10/2016 (Market Purchase)	25710	0.002	3978304	0.227
	11/11/2016 (Market Purchase)	55705	0.003	4034009	0.230
	25/11/2016 (Market Purchase)	60240	0.003	4094249	0.234
	02/12/2016 (Market Purchase)	38565	0.002	4132814	0.236
	At The End of The Year			**4132814**	**0.236**
5	**Reliance Capital Trustee Co. Ltd-A/C Reliance Capital Builder Fund 2 Sr B**	**5379780**	**0.307**	**5379780**	**0.307**
	13/05/2016 (Market Sell)	-112700	-0.006	5267080	0.301
	03/02/2017 (Market Sell)	-1619160	-0.092	3647920	0.208
	At The End of The Year			**3647920**	**0.208**

Sl. No.	For each of top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of The Company	No. of Shares	% of Total Shares of The Company
6	**UTI-Mid Cap Fund**	**2051297**	**0.117**	**2051297**	**0.117**
	02/12/2016 (Market Sell)	-93000	-0.005	1958297	0.112
	30/12/2016 (Market Purchase)	100000	0.006	2058297	0.117
	13/01/2017 (Market Purchase)	544275	0.031	2602572	0.149
	At The End of The Year			**2602572**	**0.149**
7	**Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Small And Midcap Fund**	**8050054**	**0.459**	**8050054**	**0.459**
	08/04/2016 (Market Purchase)	115000	0.007	8165054	0.466
	15/04/2016 (Market Purchase)	200000	0.011	8365054	0.477
	22/04/2016 (Market Purchase)	525000	0.030	8890054	0.507
	06/05/2016 (Market Sell)	-85255	-0.005	8804799	0.502
	13/05/2016 (Market Sell)	-869217	-0.050	7935582	0.453
	20/05/2016 (Market Sell)	-279745	-0.016	7655837	0.437
	03/06/2016 (Market Purchase)	113000	0.006	7768837	0.443
	29/07/2016 (Market Sell)	-655000	-0.037	7113837	0.406
	12/08/2016 (Market Sell)	-2034850	-0.116	5078987	0.290
	26/08/2016 (Market Sell)	-400500	-0.023	4678487	0.267
	02/09/2016 (Market Sell)	-129487	-0.007	4549000	0.260
	07/10/2016 (Market Sell)	-790000	-0.045	3759000	0.215
	14/10/2016 (Market Sell)	-771000	-0.044	2988000	0.171
	21/10/2016 (Market Sell)	-300000	-0.017	2688000	0.153
	28/10/2016 (Market Sell)	-288000	-0.016	2400000	0.137
	18/11/2016 (Market Purchase)	76000	0.004	2476000	0.141
	25/11/2016 (Market Purchase)	124000	0.007	2600000	0.148
	At The End of The Year			**2600000**	**0.148**
8	**Vanguard Total International Stock Index Fund**	**1914836**	**0.109**	**1914836**	**0.109**
	08/04/2016 (Market Purchase)	77047	0.004	1991883	0.114
	20/05/2016 (Market Purchase)	132472	0.008	2124355	0.121
	29/07/2016 (Market Purchase)	237500	0.014	2361855	0.135
	13/01/2017 (Market Purchase)	148527	0.009	2510382	0.143
	At The End of The Year			**2510382**	**0.143**
9	**Old Mutual Global Investors Series Public Limited Company**	**0**	**0.000**	**0**	**0.000**
	29/07/2016 (Market Purchase)	869181	0.050	869181	0.050
	19/08/2016 (Market Purchase)	106611	0.006	975792	0.056
	26/08/2016 (Market Purchase)	480000	0.027	1455792	0.083
	07/10/2016 (Market Purchase)	575659	0.033	2031451	0.116
	14/10/2016 (Market Purchase)	150000	0.009	2181451	0.125
	At The End of The Year			**2181451**	**0.125**

Sl. No.	For each of top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of The Company	No. of Shares	% of Total Shares of The Company
10	**HDFC Standard Life Insurance Company Limited**	**3575210**	**0.204**	**3575210**	**0.204**
	06/05/2016 (Market Sell)	-11000	-0.001	3564210	0.203
	29/07/2016 (Market Sell)	-411350	-0.024	3152860	0.180
	23/09/2016 (Market Sell)	-100000	-0.006	3052860	0.174
	07/10/2016 (Market Purchase)	23500	0.001	3076360	0.176
	02/12/2016 (Market Sell)	-275000	-0.016	2801360	0.160
	09/12/2016 (Market Sell)	-243630	-0.014	2557730	0.146
	30/12/2016 (Market Sell)	-138561	-0.008	2419169	0.138
	06/01/2017 (Market Sell)	-260836	-0.015	2158333	0.123
	13/01/2017 (Market Sell)	-81973	-0.005	2076360	0.119
	At The End of The Year			**2076360**	**0.119**

(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 D. K. Sarraf, Chairman**				
	At the beginning of the year	**100**	**0.00**	**100**	**0.00**
	No transaction/ transfer/ bonus/ sweat equity etc	0	0	0	0
	At the end of the year			**100**	**0.00**
2	**Shri H. Kumar, Managing Director**				
	At the beginning of the year	**200**	**0.00**	**200**	**0.00**
	No transaction/ transfer/ bonus/ sweat equity etc	0	0	0	0
	At the end of the year			**200**	**0.00**
3	**Shri M. Venkatesh, Director (Refinery)**				
	At the beginning of the year	**0**	**0.00**	**0**	**0.00**
	No transaction/ transfer/ bonus / sweat equity etc	0	0	0	0
	At the end of the year			**0**	**0.00**
4	**Shri A. K. Sahoo, Director (Finance)**				
	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 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**

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
6	**Smt Perin Devi, 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**
7	**Shri Diwakar Nath Misra, 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**
8	**Ms. Manjula C.**				
	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 Dinesh Mishra, Company Secretary**				
	At the beginning of the year	**0**	**0.00**	**0**	**0.00**
	No transaction/ transfer/ bonus/ sweat equity etc	0	0	0	0
	At the end of the year			**0**	**0.00**

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment **(₹ In Crore)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4682.82	3417.46	-	8100.28
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	36.38	-	-	36.38
Total (i+ii+iii)	**4719.20**	**3417.46**	**-**	**8136.66**
Change in Indebtedness during the financial year				
i) Addition	19.88	-	-	19.88
ii) Reduction	658.37	731.53	-	1389.90
Net Change	**(638.49)**	**(731.53)**	**-**	**(1370.02)**
Indebtedness at the end of the financial year				
i) Principal Amount	4037.75	2685.93	-	6723.68
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	42.96	-	-	42.96
Total (i+ii+iii)	**4080.71**	**2685.93**	**-**	**6766.64**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In Crore)

Sl. No.	Particulars of Remuneration		Shri. H. Kumar, MD	Shri. M. Venkatesh Director (Refinery)	Shri. A. K. Sahoo Director (Finance)	Total Amount
1.	Gross salary					
	(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.47	0.35	0.31	1.13
	(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.04	0.03	0.03	0.10
	(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2.	Stock Option		NIL	NIL	NIL	NIL
3.	Sweat Equity		NIL	NIL	NIL	NIL
4.	Commission - as % of profit		NIL	NIL	NIL	NIL
	Total		**0.51**	**0.38**	**0.34**	**1.23**

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

B. Remuneration to other directors:

Independent Director	Sitting Fees (₹)
Ms. Manjula C.	15,000

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

(₹ In Crore)

Sl. No.	Particulars of Remuneration		Dinesh Mishra (Company Secretary)
1.	Gross salary		
	(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.23
	(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.02
	(c)	Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL
2.	Stock Option		NIL
3.	Sweat Equity		NIL
4.	Others		NIL
	Total		**0.25**

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 2016-17.

ANNEXURE 'F'

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

	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 price.	08/02/2014	Nil
2	ONGC*	Crude Oil Sale Agreement	w.e.f. from 01/04/2016 to 31/03/2018	Purchase of crude oil from ONGC at the delivery point of the quantity allocated at prices fixed as per price built up formula.	07/02/2017	Nil
3	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
4	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.	07/02/2017	Nil
5	Hindustan Petroleum Corporation Limited (HPCL)* -Promoter Company	MOU between ONGC & HPCL for Product Sale-Purchase, Providing Infrastructure services and Co-operation in Energy & Related fields	Ongoing Contract	(1) Product sale-purchase, providing infrastructure services and co-operation in Energy and related fields. Pricing for products (MS/HSD/SKO/ATF/LPG) shall be in line with PSU 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 ONGC for supplies to ROs/ Customers.	07/02/2017	Nil
6	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.	07/02/2017	Nil

	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
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	₹ 90.00 Crore
7(c)	Mangalore SEZ Limited	Setting up PP-Petcoke evacuation road & truck parking	w.e.f. 05/12/2016	MRPL has paid one time non-refundable amount ₹ 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.	07/02/2017	₹ 11.34 Crore

*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 'G'

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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

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 me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Mangalore Refinery and Petrochemicals Limited's books, papers, minutes 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 , 2017 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, minutes books, forms and returns filed and other records maintained by Mangalore Refinery and Petrochemicals Limited ("the Company") for the financial year ended on 31st March, 2017 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 Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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

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

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

(viii) Provisions of Gas Cylinder Rules, Petroleum Rules and Indian Boiler Regulations and Indian Boiler Act.

(ix) DPE Guidelines on Corporate Governance for Central Public Sector Enterprises on stipulated in the O.M. No.1898/2005-GM dated 14/05/2010 of the Ministry of Heavy Industries and Public Enterprises, Government of India.

(x) During the period under review, provisions of the following Regulations and Guidelines were not applicable to the Company:

  a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

  d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

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

(ii) The Uniform Listing Agreement entered into by the Company with National Stock Exchange of India Ltd and BSE Limited as per SEBI (LODR) Regulation, 2015.

(iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

ii. During the year under review the company did not have the required number of Independent Directors in term of section 149(1)(4) of Companies Act, 2013, and SEBI (LODR), Regulations 2015 and thereby not meeting the provisions relating to composition of Board, Audit Committee and Nomination Remuneration Committee and the Corporate Social Responsibility (CSR) and Sustainable Development (SD) Committee.

We further report that,

Subject to our observations at serial No. i and ii above, the Board of Directors of the Company is constituted of Executive Directors, Non-Executive Directors with the exception of the requisite number of Independent Directors on the Board of MRPL as on 13/03/2017. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All the decisions of the Board during the year are in conformity with the shareholder's 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 there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

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

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

Date: 09/06/2017
Place: Mangalore

To,
The Members
Mangalore Refinery and Petrochemicals Limited
Mudapadav, Post Kuthethoor,
Via. Katipalla, Mangalore- 575 030,
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/-
Naresh Kumar Sinha
Proprietor
FCS: 1807, COP: 14984

Date: 09/06/2017
Place: Mangalore

ANNEXURE 'H'

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 2017

The preparation of financial statements of Mangalore Refinery and Petrochemicals Limited, for the year ended 31 March 2017 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 standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 17/05/2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Mangalore Refinery and Petrochemicals Limited, Mangalore for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

Sd/-
(G. SUDHARMINI)
Principal Director of Commercial Audit and
Ex-Officio Member, Audit Board, Chennai

Place : Chennai
Date : 10/07/2017

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 2017

The preparation of consolidated financial statements of Mangalore Refinery and Petrochemicals Limited for the year ended 31 March 2017 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 Audit Report dated 17/05/2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of Mangalore Refinery and Petrochemicals Limited for the year ended 31 March 2017. We conducted a supplementary audit of the financial statements of Mangalore Refinery and Petrochemicals Limited and ONGC Mangalore Petrochemicals 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, C&AG has neither appointed the statutory Auditor 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.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

Sd/-
(G. SUDHARMINI)
Principal Director of Commercial Audit and
Ex-Officio Member, Audit Board, Chennai

Place : Chennai
Date : 10/07/2017

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (2016-17)

1.0 Economic Overview

1.1 World Economy

After a lackluster outturn in 2016, economic activity is projected to pick up pace in 2017 and 2018, especially in emerging market and developing economies. However, there is a wide dispersion of possible outcomes around the projections, given uncertainty surrounding the policy stance of the incoming U.S. administration and its global ramifications. The outlook for advanced economies improved for 2017–18, reflecting somewhat stronger activity in the second half of 2016 as well as a projected fiscal stimulus in the United States.

Global output growth is estimated at about 3% (at an annualized rate) broadly unchanged. This stable average growth rate, however, masks divergent developments in different country groups. There has been a stronger-than-expected pickup in growth in advanced economies, due mostly to a reduced drag from inventories and some recovery in manufacturing output. In contrast, it is matched by an unexpected slowdown in some emerging market economies. Forward-looking indicators such as purchasing indices have remained strong in most areas. Among advanced economies, activity rebounded strongly in the United States after a weak first half of 2016, and the economy is approaching full employment. Output remains below potential in a number of other advanced economies, notably in the euro area. In some economies, such as Spain and the United Kingdom, domestic demand held up better than expected in the aftermath of the Brexit vote. Historical growth revisions indicate that Japan's growth rate in 2016 and in preceding years was stronger than previously estimated. The picture for emerging market and developing economies remains much more diverse. The growth rate in China was a bit stronger than expected, supported by continued policy stimulus. But activity was weaker than expected in some Latin American countries currently in recession, such as Argentina and Brazil. Markets were focussed on geopolitical developments with change in leadership in the USA and the UK.

1.2 Indian Economy

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). According to IMF World Economic Outlook Update, Indian economy has grown at 7.1 % during FY 2016-17, despite the uncertainties in the global market and is expected to accelerate to 8 per cent in future, driven by the gradual implementation of structural reforms, higher disposable income and improvement in economic activity. The elimination of fuel subsidies and the targeting of social benefit has delivered in terms of allowing the union budget target to be achieved at 3.5% of GDP. Current account deficit at 0.7% of GDP and government's commitment to fiscal consolidation reinstated investor confidence in the economy, resulting in record Net Foreign Direct Investment of US$35.9 billion in FY 2016-17.

Two important developments took place in India in the year 2016. One was Demonetization and the other was GST Rollout. The Government announced a historic measure, with profound implications for the economy. The two largest denomination notes, ₹ 500 and ₹ 1000, were "demonetized" with immediate effect, ceasing to be legal tender except for a few specified purposes. The long term impacts of demonetization is to create a less-cash or cash-lite economy, as this is key to channelling more saving through the formal financial system and improving tax compliance.

The second one is the goods and services tax (GST), whose objective is to replace all taxes levied by the government and the states with one central tax. The rollout of Goods and Service tax (GST) effective from 01/07/2017 is an extremely important step that will create a true unified national market in India.

India became second largest contributor to the global oil demand growth in terms of the incremental oil demand. India's crude oil demand is expected to rise in future. Oil products demand is expected to grow annually by 7-9% over the next 5-10 years. Also, the demand for natural gas is expected to be significantly high. Utilisation of LNG terminal capacity is expected to grow from around the current 16 million tonne to 30 million tonne per year by 2022.

India's domestic gas production was 31.14 billion cubic meters in 2015-16. The domestic gas production could rebound and grow at 4% to 103 million standard cubic meters a day by 2020-21, fuelled by new pricing policy for deep water and ultra deep water blocks and freedom in gas marketing and pricing for new production. India is trying to cut its oil import by 10% but a report has said the demand was expected to grow at a compound annual growth rate of 5% a year till 2020.

2.0 Industry Overview

2.1 Global Scenario

Oil demand is expected to rise in the next five years, passing the 100 mb/d threshold in 2019 and reaching about 104 mb/d by 2022. Developing countries account for all of the growth and Asia dominates, with about seven out of every 10 extra barrels consumed globally. India's oil demand growth has already overtook China in 2016-17 itself. While electric vehicles are an important factor for oil demand, the IEA estimates they will displace only limited amounts of transportation fuel by 2022. Within OPEC, the bulk of new supplies will come from major low-cost Middle Eastern producers, namely Iraq, Iran, and the United Arab Emirates. Others like Nigeria, Algeria and Venezuela will decline. For its part, production from Russia is forecast to remain stable over the next five years.

Globally, renewable energy sees by far the fastest growth in the energy basket with India becoming the second most attractive destination for renewables. Natural gas fares best among the fossil fuels, with consumption rising Global oil supply could struggle to keep pace with demand after 2020, risking a sharp increase in prices, unless new projects are approved soon, according to the latest five-year oil market forecast from the International Energy Agency.The global picture appears comfortable for the next three years but supply growth slows considerably after that, according to IEA's market analysis and forecast report, the demand and supply trends point to a tight global oil market, with spare production capacity in 2022 falling to a 14-year low.

In the next few years, oil supply is growing in the United States, Canada and Brazil but this growth could stall by 2020 if the record two-year investment slump of 2015 and 2016 is not reversed.

Asia will need to look beyond the Middle East to meet its growing import requirements. With OPEC countries focused on boosting domestic refining capacity to meet local demand and ramp-up exports of refined products, additional crude oil exports from Brazil and Canada will be higher than those from the Middle East. Transformative change in the energy sector, the source of at least two-thirds of greenhouse-gas emissions, is essential. The changes already underway in the energy sector, demonstrating the promise and potential of low-carbon energy, in turn lend credibility to meaningful action on climate change.

Growth in energy-related CO_2 emissions was slowdown. This was mainly due to a 1.8% improvement in the energy intensity of the global economy, a trend bolstered by gains in energy efficiency, as well as the expanded use of cleaner energy sources worldwide, mostly renewables. An increasing slice of the roughly $1.8 trillion of investment each year in the energy sector has been attracted to clean energy, at a time when investment in upstream oil and gas has fallen sharply. The value of fossil-fuel consumption subsidies dropped in 2015 to $325 billion, from almost $500 billion the previous year, reflecting lower fossil-fuel prices but also a subsidy reform process that has gathered momentum in several countries.

Recent political developments in the middle east highlight a fraying consensus about the benefits of cross-border economic integration. A potential widening of global imbalances coupled with sharp exchange rate movements, should those occur in response to major policy shifts, could further intensify protectionist pressures. Increased restrictions on global trade and migration would hurt productivity and incomes and take an immediate toll on market sentiment.

Oil inventories across the world's most industrial nations rose in April by 18.6 million barrels to 3 billion barrels, thanks to higher refinery output and imports. The IEA said stocks were 292 million barrels above the five-year average. The agency continued to forecast an implied shortfall in supply relative to demand for the second quarter of this year. But it said slowing demand growth in China Europe in particular as well as increasing supply, meant the deficit should narrow to 500,000 bpd from a prior estimate of 700,000 bpd.

2.2 Indian Scenario

In its bid to streamline India's energy sector government think tank Niti Aayog is considering incentives for global oil majors to set up manufacturing and research and development facilities in the country. Niti Aayog has began discussions with MoPNG on the implementation of a new blue print for the sector for the next three years to significantly enhance domestic production and exploration while simultaneously augmenting refining and distribution of oil and gas to reduce India's dependence on imports. The Niti Aayog, in its three-year draft action plan, has pitched for speedy roll out of other initiatives that include launch of the open acreage licensing policy and rationalisation of all discoveries made so far.The government is already giving export incentives and subsidy on capital expenditure across some sectors to under its Make in India initiative.The centre is working with the nodal ministry to achieve what the major recommendations of the draft action plan sought for the sector in the short-term vis-a-vis the Aayog's 15-year vision document, which is likely to lay out a roadmap for transformation of the sector in the long-run. Niti Aayog has also firmed up the National Energy Policy, describing at length the interventions needed in the energy sector in the long-term to help India become self-sufficient in oil and gas, coal and renewable and consequently minimise imports.

India's consumption of oil and gas far exceeds its domestic production capabilities. Given the availability of oil reserves in the country, there is a strong case for increased exploration and production as well as overseas acreage.The oil and gas sector in India has undergone transformative changes over the past few years. The bourses attest to this. The S&P, BSE Oil & Gas Index, after deep hibernation, has surged more than 50 per cent since early 2014. Several of the sector's stocks have done spectacularly well in this period. India has been moving to the centre stage of the world's energy market. Indian refineries are already fulfilling requirements for Nepal, Bhutan, Bangladesh and Sri Lanka. Indian refineries currently have a capacity of 230 million metric tonnes (MMT), and work on Greenfield projects with an estimated 70 million metric tonne is already underway and brownfield projects with an expansion of 55 mmt is also being planned.

The requirement of oil and gas is expected to rise to 600 mmt by 2040, which is three fold to the current level. Refineries will be leapfrogging from the BS-IV fuel to BS-VI fuel, which will be beneficial for the environment. Several factors have contributed to the good show – the crash of crude oil, fuel pricing reforms, healthy refining margins, high priority to city gas distributors and favourable re-negotiation of terms with foreign gas suppliers. The key structural change, though, has been pricing reforms. This has largely resolved a fundamental problem that afflicted the sector for long fuel price control and benefited public sector oil companies by slashing their subsidy burden. The government, to boost domestic production, recently reallocated 31 discovered but not-yet developed small fields of ONGC and Oil-India. It has also revamped the hydrocarbon exploration regime.

Meanwhile, to improve the energy security of the country, the government has proposed two more strategic crude oil reserves in Odisha and Rajasthan in addition to the three reserves set up now at Visakhapatnam, Mangalore and Padur. This will take country's strategic reserve capacity to 15.33 million tonnes from 5.33 mmt currently.

While fuel pricing concerns have now been addressed to a large extent, the other big problem dogging the sector – stagnating domestic output and high import dependency – still poses a huge challenge. India now imports more than 80 per cent of its crude oil and 40 per cent of its natural gas requirement.

PSU oil companies have been acquiring international energy assets that are available relatively cheap after the oil price cut. The recent acquisition of stakes in Russian assets by a consortium of Indian energy companies is a case in point.

Also, in the recent Budget, the government has proposed to create an integrated public sector 'oil major'. Such an energy behemoth with enhanced financial muscle might be better placed in bidding for big-ticket foreign assets that see intense competition from major international players.

Consumption & production pattern of petroleum products of the Country during 2016-17.

('000 MT)

Product	Consumption		Production	
	2016-17	2015-16	2016-17	2015-16
LPG	21548	19551	11252	10600
MS	23765	21846	36524	35321
NAPHTHA	13254	13402	19757	17676
ATF	7019	6220	13809	11793
SKO	5396	6826	5978	7503
HSD	76012	74639	102121	98587
F.O & LSHS	7188	6673	11985	10791
PET COKE	23589	18323	12915	12298
TOTAL	**177771**	**167480**	**214341**	**204569**

(Source: PPAC)

Total Indian crude processing capacity is 245396 ('000 MT) and your Company has processed 15965 ('000 MT) in the financial year 2016-17.

Production by MRPL during the financial year 2016-17

PRODUCT	('000 MT)
HYDROGEN	0.07
LPG	858
FUEL GAS	15
MS	1306
XYLOL	249
NAPHTHA	1584
SKO	184
HSD	6565
ATF	1425
VGO	248
F.O	549
ASPHALT	199

PRODUCT	('000 MT)
CRMB	2
SULPHUR	162
PETCOKE	771
POLYPROPYLENE	264
A7	79
A9	82
LSWR	86
TOTAL	14628.07

Export of petroleum products by MRPL during 2016-17.

('000 MT)

PRODUCTS	MRPL	
	2016-17	2015-16
MS	167	174.23
NAPHTHA	844	928.38
ATF	1185	818.68
DIESEL	675	668.25
FUEL OIL	467	629.96
TOTAL	3338	3219.50

3.0 Crude Imports by India:

The crude oil import in the country over the years has been on increasing trend in line with refining capacity growth. India has imported about 249 Million Tonnes crude oil during the year 2016-17 as compared to 232 Million Tonnes during 2015-16. Total product exported about 65 Million Tonnes during the year 2016-17 against 60 Million Tonnes during 2015-16.

International Crude Oil prices rebounded from the lows due to the decisive move by the Opec nations to cut crude oil output in its meeting on November 30, 2016. Opec nations agreed to cut production from January 2017 by around 1.2 million barrels per day (bpd), or over 3 per cent, to 32.5 million bpd to remove the glut. Compliance rates to cuts of over 100%, has helped to bolster the crude prices. Despite OPEC sticking to its pledge to cut, prices were under pressure due to rise in output of US Shale, Non Opec producers supply gains and also the increase in output from exempted OPEC country from reduction compliance viz Iran, Nigeria and Libya. International crude oil prices were mostly stable during the year. Brent and Dubai Crude oil price averaged to $48.70 per barrel and $46.95 per barrel during 2016-17, an increase of 3% from previous year prices of $47.44 and $45.54 per barrel.

MRPL sources its crude oil requirement from various National Oil Companies of crude oil exporting countries on term basis and from open market on spot basis. The Company has processed some new grade of crude oil viz. Pazflor (Angola) and Yombo (Congo) during 2016-17 and would continue to expand its crude basket during 2017-18 as well. To explore the new sources of crude oil and look for optimize, MRPL is in discussion with prospective / new term crude oil suppliers from countries / sources for supply of crude oil in addition to enhancement of volumes from current suppliers. With the commissioning of Phase-III, the Company had established and started processing heavier and high acid crude oil(s).

Net export of petroleum products has fallen 42% in the three years as domestic demand has grown pet-coke as well as liquefied petroleum gas (LPG), the cleaner cooking gas mostly used by households.

It has also been adding refining capacity regularly, but accelerating demand for oil products in a fast expanding economy has steadily shrunk the import-export gap for the last three years. The domestic demand for petroleum products has risen 23% while production has increased only 10% in three years since 2013-14.

4.0 Opportunities & Threat :

Developing economies like India with low per capita energy consumption are bound to need higher energy for growth. The entire Asia Pacific region, besides Africa will need tremendous amount of energy for growth and development. The Government of India recently announced its plans to set up a mega 60 million tonnes per annum (mtpa) refinery on the west coast in two phases.

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

Increased use of LPG has followed a government programme that aims at rapid adoption of cooking gas by more and more households, especially in rural areas where hazardous firewood is still used in kitchens. LPG consumption has risen by third in last three years.

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

Increasing use of pet-coke and fuel oil by Industry has been a major concern for the environment. Pet-coke, a cheaper alternative to coal, is increasingly used by cement and power industry but is expected to face in future deeper policy restrictions due to environmental concerns.

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

Your Company imports as well exports, which provides a natural hedge against exchange fluctuation. Efforts are made to match the exposure in USD to the extent possible, thereby mitigating to a large extent. Volatility in crude and product prices impacting refining margins. Your Company imports around 80% of its requirement of crude oil and exports approximately 47% of the total production, where sale proceeds are realized in USD. Even in case of domestic sales the prices are based on trade/ import parity prices in International market which provides a natural hedge to a large extent. However sudden fluctuations in crude and product prices will have significant effect on the margins of your Company.

5.0 Risks & Concerns :

1. Strength

- Integrated refinery and petrochemicals plant ensures complete presence across value chain and capture margins across product categories
- Propylene manufacturing augments GRMs by $1-1.5/bl
- Oil jetties to receive crude and export petroleum products; MRPL can export high value-added products and earn higher margins
- One of the highly complex refinery (NCI at 10.63), with high distillate yields
- Capability to process heavier crudes in a refinery which has bottom conversion facilities
- Support and strong parentage of ONGC

2. Weakness

- Dependence on specific crude sourcing
- Product marketing infrastructure

3. Opportunity

- India's growing fuel demand at 6.5% p.a. (vs ~2% globally)
- Fuel retailing opportunities as petrol and diesel have been deregulated
- Locational advantage in South India, which shares ~30% of India's total fuel consumption

4. Threats

- Competition threat from relatively larger public sector PSUs and private players
- Crude prices are low hence, exports and production insignificantly reduced which may not meet the demand after 3/5 years and same will spike the crude cost posing threat to downstream industries

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

5. RISKS

- **Crude supply risk:**

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

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

- **Price risk**

This risk relates to the fluctuation of crude oil prices and refined petroleum product prices in the international market. With oil's stature as a high-demand global commodity comes the possibility that major fluctuations in price can have a significant economic impact. The two primary factors that impact the price of oil are supply & demand and market sentiment. In oil trade, demand refer to consumption pattern of oil by world's major economies and supply means output of crude oil from OPEC (Organisation of Petroleum Countries) & other oil Production. While market sentiment is attributed to geo-political situation like tensions as we have at present in the Middle East, Africa and Ukraine.

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

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

- **Foreign exchange risk**

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

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

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

- **Refinery margin risk**

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

Increased production efficiency through technological advances and reliable operation is another ongoing mitigating factor. Business Process Optimization meetings are held internally to analyse the trends and way forward for the following months to optimize the margins.

However, your Company has formulated a well-defined policy framework including implementation procedure and monitoring mechanism for the risk management system. Risk Managers are evaluating the identified risks on monthly basis and also identifying new risks with the mitigation measures.

- **Water Availability**

  The recent water crisis in Mangalore had resulted in partial shutdown of Units of the Refinery Complex in the past. To mitigate this risk, your Company has formulated short term plans by augmenting the production of Recycled water from ETP and increase intake of Sewage treated water from the city. In the long term MRPL is exploring option of alternate source of water by installing a desalination plant.

6.0 Strategic Business Pursuits & Future Outlook

- Looking at the opportunities available and for meeting the product specifications as per the Auto fuel policy of Govt. of India, your Company will be implementing Projects for production of BS VI grade fuels by 2020.
- Configuration study is underway to enhance the Refinery capacity to 18/25 MMTPA with a view for further value addition.
- The State High-Level Clearance Committee (SHLCC) GOK, has allocated 1050 acres of land adjoining the refinery location. The acquisition process is on.
- To chart the future growth strategy up to 2025, seven key areas have been identified and groups have been formed for evaluating the various opportunities and the roadmap for future growth of MRPL in the Short, Medium and Long Term has been drawn. The groups have brought out projects which will be taken up based on the Techno economic feasibility.
- Various other Projects are being taken up for improvement and development viz. CCR-2 Revamp, Marketing terminal with MS, HSD, ATF day tanks and parking facility, Pet Coke Silos for Wagon Loading at Railway siding facility have been taken up for improving the Logistical infrastructure. For all these projects, EPCM contractors have been lined up.

7.0 Internal Control Systems:

Your Company has a well established internal control review mechanism which assures effective internal control environment to the Audit committee and Board of Directors. Your Company is constantly improving and upgrading its system of internal control, towards ensuring management effectiveness and efficiency, reliable reporting on operations and finances and to secure high-level legal compliance and risk management. Your Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies.The Internal Audit Department is supervised by the Audit Committee and it continuously monitors the effectiveness of the internal control with an objective to provide to the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organization's risk management, control and governance processes. The Internal Audit Department assesses opportunities for improvement in business processes, systems and controls; provides recommendations designed to add value to the organization and follows up on the implementation of corrective actions and improvements in business processes after review by the Audit Committee and the Senior Management.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices, plant and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

8.0 Performance:

During the financial year 2016-17 your Company has achieved new heights of performance both on physical and financial parameters and surpassed its past performance by setting up a new bench mark.

Your company achieved turnover of ₹ 59415 crore during the financial year 2016-17 against ₹ 50864 crore during the financial year 2015-16. The Company earned a profit after tax (PAT) of ₹ 3644 crore during the financial year 2016-17 against profit of ₹ 1147 crore earned during the financial year 2015-16. The Gross Refining Margin (GRM) for financial year 2016-17 was 7.75 $/bbl as against 5.20 $/bbl during the financial year 2015-16.

Subsidiary Company

ONGC Mangalore Petrochemicals Limited (OMPL) is the only 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. During the year, 0.53 MMT of Para-xylene and 0.19 MMT of Benzene were exported. The revenue from operations was ₹ 5257 crore during the financial year 2016-17 against ₹ 4,188 crore during the previous financial year 2015-16. The Company incurred loss after tax of ₹ 366 crore during the financial year 2016-17 against ₹ 649 crore during the previous financial year 2015-16 mainly due to Interest, depreciation and lower capacity utilization.

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. SMAFSL supplies aviation turbine fuel (ATF) to both domestic and international airlines at several Indian airports. The revenue for FY 2016-17 is ₹ 560.37 Crores (Previous Year ₹ 324.37 Crores) with Pre-tax profit of ₹ 14.05 Crores (Previous Year ₹ 4.88 Crores) and post-tax profit of ₹ 9.06 Crores (Previous Year ₹ 3.92 Crores). The company commenced its operation at Chennai during FY 2015-16. The Company is currently present in 10 airports and entered into a facilitation model with HPCL for the three airports. The Company recommended a dividend of ₹ 0.75 Crores to MRPL for the FY 2016-17.

9.0 Human Resources:

During the financial year 2016-17, your Company continued to enjoy cordial and harmonious relations with the collectives and as evidence to the same not a single man-hour was lost on account of any industrial disturbance.

Total employee strength as on 31/03/2017 was 1917 including 132 women employees, 252 SC/ST employees and 29 Physically Challenged employees. 821 employees belong to Management cadre whereas 1096 employees belong to Non-Management cadre.

10.0 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 right;
- Committed to a transparent system and values, which recognize the rights of the stakeholders and encourage co-operation between Company and the Stakeholder;
- 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 function within the purview of Corporate Governance norms in transparent and effective manner. The Company has an exhaustive Book of Delegated Powers (BDP) and other manuals like Material Management, Works manual etc, which spell out the processes and defines the level (Board / Executive Committee / Functional Director) at which any decision is to be made and are reviewed from time to time to ensure that they are updated and meet the needs of the organization. The company has 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 as on 31/03/2017 : 8

Executive Directors : 3

Non Executive Directors : 5

B. Board of Directors as on 31/03/2017

Director	Executive/ Non-Executive	Category / Designation	No. of other Directorship		No. of outside Committees	
			Public	Private	Member	Chairman
Shri Dinesh K. Sarraf	Chairman Non-Executive	Chairman	7	-	1	-
Shri H. Kumar	Executive	Managing Director	4	-	2	-
Shri M. Venkatesh	Executive	Director (Refinery)	3	-	3	-

Director	Executive/ Non-Executive	Category / Designation	No. of other Directorship		No. of outside Committees	
			Public	Private	Member	Chairman
Shri A. K. Sahoo	Executive	Director (Finance)	2	-	2	-
Shri Vinod S. Shenoy	Non-Executive	(HPCL) Nominee Director	4	-	-	-
Smt. Perin Devi	Non-Executive	Government Director	1	-	3	2
Shri Diwakar Nath Misra	Non-Executive	Government Director	-	-	-	-
Ms. Manjula C.	Non-Executive	Independent Director	-	-	-	-

(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 29th Annual General Meeting.

- Shri Vinod S. Shenoy (DIN: 07632981) retires from office by rotation and being eligible offers himself for re-appointment as Director.
- Ms. Manjula C. (DIN: 07733175), appointed as an Additional Director is proposed for 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 B. K. Namdeo	Non-Executive	(HPCL) Nominee Director	6	-	-	-

(iii) Changes in the Board of Directors during 2016-17

Director	Date of Appointment	Date of cessation	Tenure	Remarks
Shri Vinod S. Shenoy	08/11/2016	NA	Tenure is based on nomination by HPCL.	Appointed as Casual Vacancy Director
Ms. Manjula C.	31/01/2017	NA	3 years from the date of notification of their appointment, or until further orders, whichever is earlier.	Appointed as Non-Official Independent Director by Ministry of Petroleum & Natural Gas.
Shri B. K. Namdeo	01/07/2013	31/10/2016	NA	Ceased to be a Director consequent upon superannuation from the services of HPCL. w.e.f. 31/10/2016

(iv) Changes in the Board of Directors after 31/03/2017

There has been no change in the composition of Board of Directors after 31/03/2017.

C. Attendance of Directors at the Board Meetings held during the Financial Year 2016 -17 and 28th Annual General Meeting held on 03/09/2016.

(i) Details of Board Meetings held during the Financial Year 2016-17

During the year 2016-17, Six (6) Board Meetings were held.

Sl. No.	Date of meeting	Meeting No.	Place
1	20/04/2016	203	New Delhi
2	12/05/2016	204	Bangalore
3	01/08/2016	205	New Delhi
4	03/09/2016	206	Mangaluru
5	08/11/2016	207	New Delhi
6	07/02/2017	208	New Delhi

(ii) Attendance of Directors during the Financial Year 2016-17.

Director	No. of Board Meetings Attended	Attended Last AGM
Shri Dinesh K. Sarraf	5	Yes
Shri H. Kumar	6	Yes
Shri M. Venkatesh	6	Yes
Shri A. K. Sahoo	6	Yes
Shri Diwakar Nath Misra	4	No
Smt. Perin Devi	6	Yes
Shri Vinod S. Shenoy	2	NA*
Ms. Manjula C.	1	NA*

*Shri Vinod S. Shenoy assumed the office of Director w.e.f. 08/11/2016 and Ms. Manjula C. w.e.f. 31/01/2017.

(iii) Attendance of the Past Directors during the Financial Year 2016-17.

Director	No. of Board Meetings Attended	Attended Last AGM
Shri B. K. Namdeo	4	Yes

D. Disclosure of relationships between Directors

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

E. Director's Shareholding:

Directors share holding in the Company as on 31/03/2017 are as under:

Name of the Director	No. of Shares held
Shri Dinesh K. Sarraf (Jointly with Spouse)	100
Shri H. Kumar (Jointly with Spouse)	200

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. The appointment of requisite number of Independent Directors on the Board is being pursued with MoP&NG. Presently Ms. Manjula C. is the only Independent Director appointed by MoP&NG on 31/01/2017. The evaluation of Independent Director is 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. However, there is non-compliance in the composition of Audit Committee, as it comprises of only one Independent Director against the mandatory requirement of two-third of members and majority as Independent Director pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 respectively. The Company is pursuing with Ministry of Petroleum & Natural Gas (MoP&NG) for the appointment of requisite number of Independent Directors.

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 31/03/2017

Members of Audit Committee	Category
Ms. Manjula C.	Chairperson
Smt. Perin Devi	Member
Shri Vinod S. Shenoy	Member
Shri Diwakar Nath Misra	Member
Shri M. Venkatesh	Member

Note:

- The Company has not complied with the requirement of Regulation 18(1)(b) of the SEBI Listing Regulations, 2015, as regards to constitution of Audit Committee with requisite number of Independent Directors. However, the Company is pursuing with MoP&NG for appointment of requisite number of Independent Directors.
- Director (Finance) and Internal Auditors are the Invitees to the Audit Committee Meetings.
- Company Secretary is the Secretary to the Audit Committee.
- Joint Statutory Auditors are Special Invitees while reviewing the financial statements by the Audit Committee.

c) Details of the Audit Committee Meetings held during the Financial Year 2016-17

During the year 2016-17, Five (5) Audit Committee Meetings were held.

Date of Meeting	Meeting No.	No. of members attended
12/05/2016	80	4
01/08/2016	81	4
03/09/2016	82	3
08/11/2016	83	3
07/02/2017	84	3

d) Attendance in Audit Committee Meetings held during the Financial Year 2016-17.

Members of Audit Committee	No. of Meetings attended
Ms. Manjula C. (from 31/01/2017)	NA
Smt. Perin Devi	5
Shri Vinod S. Shenoy (from 08/11/2016)	1
Shri Diwakar Nath Misra	3
Shri M. Venkatesh	5
Shri B. K. Namdeo (up to 31/10/2016)	3

4. NOMINATION AND REMUNERATION COMMITTEE:

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

Pursuant to 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.

a) Composition of Nomination and Remuneration Committee as on 31/03/2017:

The Company has not 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 and Remuneration Committee as regards to requisite number of Independent Directors. However, the Company is pursuing with MoP&NG for appointment of requisite number of Independent Directors.

Members of Nomination and Remuneration Committee	Category
Ms. Manjula C.	Chairperson
Shri Diwakar Nath Misra	Member
Shri Vinod S. Shenoy	Member
Smt. Perin Devi	Member

b) Details of Nomination and Remuneration Committee Meetings held during the Financial Year 2016 - 17

During the year 2016-17, One (1) Nomination and Remuneration Committee Meeting was held.

Date of Meeting	Meeting No.	No. of members attended
21/09/2016	10	3

c) Attendance in Nomination and Remuneration Committee Meetings held during the Financial Year 2016 - 17

Members of Nomination and Remuneration Committee	No. of Meetings attended
Shri Diwakar Nath Misra	1
Smt. Perin Devi	1
Shri Vinod S. Shenoy (from 08/11/2016)	NA
Shri B. K. Namdeo (upto 31/10/2016)	1

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 2016 –17:

Independent Director	Sitting Fees (₹)
Ms. Manjula C.	15,000

b) Details of Remuneration Paid to Managing Director, Director (Finance) and Director (Refinery) During FY 2016 - 17:

(₹ in Crore)

Particulars	Managing Director (Shri H. Kumar)	Director (Refinery) (Shri M. Venkatesh)	Director (Finance) (Shri A. K. Sahoo)	Total
Salaries, Allowances and Perquisites	0.51	0.38	0.34	1.23
Contribution to PF & Other Funds	0.04	0.04	0.04	0.12
Total	**0.55**	**0.42**	**0.38**	**1.35**

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 is 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.

b) Terms of Reference:

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

c) Composition of Stakeholders' Relationship committee as on 31/03/2017:

Members of Stakeholders' Relationship Committee	Category
Ms. Manjula C.	Chairperson
Smt. Perin Devi	Member
Shri Vinod S. Shenoy	Member
Shri A. K. Sahoo	Member

d) Details of Stakeholders' Relationship Committee Meetings held during the Financial Year 2016 – 17:

During the year 2016-17, four (4) Stakeholders' Relationship Committee Meetings were held.

Date of Meeting	Meeting No.	No. of members attended
12/05/2016	51	6
21/09/2016	52	6
08/11/2016	53	5
06/02/2017	54	5

e) Attendance in Stakeholders' Relationship Committee Meetings held during the Financial Year 2016 – 17:

Members of Stakeholders' Relationship Committee	No. of Meetings attended
Ms. Manjula C. (from 31/01/2017)	NA
Smt. Perin Devi	4
Shri Vinod S. Shenoy (from 08/11/2016)	1
Shri A. K. Sahoo	4
Shri Diwakar Nath Misra	3
Shri M. Venkatesh	4
Shri H. Kumar	4

f) Name and Designation of the Compliance officer: Shri Dinesh Mishra, Company Secretary & Compliance Officer.

g) References & Investor Complaints Received and Replied During 2016-17:

Sl. No.	Nature of Correspondence	For the year ended 31/03/2017
1	Share Transfer & Related issues/ Demat/ Warrant Conversion	4
2	Transmission of Shares/ Nomination of Shares	5
3	Issue of Duplicate Shares/ Bonus/ Rectification of Shares	6
4	Dividend related issues/ ECS/ Bank Mandates	17
5	Request for change of Address	1
6	References through Statutory/ Regulatory bodies like ROC/ SEBI/ NSE/ BSE/ NSDL/ CDSL	0
7	Others	23
	TOTAL	**56**

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.

(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 of 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

a) Terms of Reference:

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

b) Composition of Human Resource Management Committee as on 31/03/2017.

1.	**Smt. Perin Devi**	**Chairperson**
2.	Shri Diwakar Nath Misra	Member
3.	Shri Vinod S. Shenoy	Member
4.	Shri H. Kumar	Member
5.	Shri M. Venkatesh	Member
6.	Shri A. K. Sahoo	Member
7.	Ms. Manjula C.	Member

c) Details of HRM committee meeting held during the financial year 2016-17:

During the year 2016–17, two (2) 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
01/08/2016	40	6
06/02/2017	41	5

d) **Attendance in HRM Committee Meetings held during the Financial Year 2016 – 17:**

Members of HRM Committee	No. of meetings attended
Smt. Perin Devi	2
Shri. Diwakar Nath Misra	1
Shri. Vinod S. Shenoy	1
Shri. H. Kumar	2
Shri. M. Venkatesh	2
Shri. A. K. Sahoo	2
Shri. B. K. Namdeo (upto 31/10/2016)	1

9. PROJECT APPRAISAL AND EXECUTION / HEALTH SAFETY & ENVIRONMENT COMMITTEE

a) **Terms of Reference:**

- To review and recommend capital projects to the Board.
- To review the implementation of Board approved projects periodically.
- To review and advise on Health Safety and Environmental activities.

b) **Composition of PAE/HSE Committee as on 31/03/2017:**

1.	Shri Diwakar Nath Misra	Chairman
2.	Shri Vinod S. Shenoy	Member
3.	Shri H. Kumar, Managing Director	Member
4.	Shri M. Venkatesh, Director (Refinery)	Member
5.	Shri A. K. Sahoo, Director (Finance)	Member

c) **Details of PAE/ HSE Committee Meeting held during the Financial Year 2016-17:**

During the year 2016–17, 4 PAE/HSE Committee Meetings were held and dates of meeting and details of attendance are as under:

Date of Meeting	Meeting No.	No. of members attended
24/05/2016	29	5
21/09/2016	30	5
22/10/2016	31	4
06/02/2017	32	4

d) **Attendance in PAE/ HSE Committee Meetings held during the Financial Year 2016– 17:**

Members of PAE/ HSE Committee	No. of meetings attended
Shri. Diwakar Nath Misra	2
Shri. Vinod S. Shenoy (from 08/11/2016)	1
Shri. H. Kumar	4
Shri. M. Venkatesh	4
Shri. A. K. Sahoo	4
Shri. B. K. Namdeo (upto 31/10/2016)	3

10. DETAILS OF ANNUAL GENERAL BODY MEETING

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

Year	Location	Date	Time
2016 28th AGM	MRPL Employees Club, Mudapadav, Post Kuthethoor, Via Katipalla, Mangaluru –575 030	03/09/2016	4:00 p.m.
2015 27th AGM	MRPL Employees Club, Mudapadav, Post Kuthethoor, Via Katipalla, Mangaluru –575 030	08/08/2015	4:30 p.m.
2014 26th AGM	MRPL Employees Club, Mudapadav, Post Kuthethoor, Via Katipalla, Mangaluru –575 030	13/09/2014	4:00 p.m.

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

AGM	Special Resolutions
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%.
27th AGM	Two special resolutions were passed pursuant to: i) Section 180(1)(c) of the Companies Act, 2013 for enhancement of the Borrowing powers of Board from ₹ 15,000 crore to ₹ 25,000 crore. ii) Section 180(1)(a) of the Companies Act, 2013 for creating of charges on the movable and immovable properties of the Company, both present and future, in respect of borrowing.
26th AGM	One special resolution was passed pursuant to Section 14 of the Companies Act, 2013 for increasing the Authorised Share Capital of the Company.

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, except the availability of the requisite number of Independent Directors on the Board of Company. The Company is pursuing with the Ministry of Petroleum & Natural Gas (MoP&NG) for the appointment of requisite number of Independent Directors.

The disclosures mentioned in Regulation 46 have been made in the website of the Company.

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 Indian accounting standards (IND AS) 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 in the website of the Company i.e. www.mrpl.co.in.

(ii) **Key Management Personnel:**

1. Shri H. Kumar : Managing Director & CEO
2. Shri M. Venkatesh : Director (Refinery)
3. Shri A. K. Sahoo : Director (Finance) & CFO
4. Shri Dinesh Mishra : Company Secretary

There is no transaction with Key Management Personnel during the Financial Year 2016-17 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 9 of the Financial Statements for FY 2016-17.
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:**

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 in 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, General Manager and above including HoDs of the Company. The Code of conduct is available on the Company's website www.mrpl.co.in.

The Managing Director has declared that all the members of the Board and Senior Management have affirmed that they have complied with the code of conduct for the Financial Year 2016-17.

(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 22/06/2002 pursuant to *SEBI* (Insider Trading) (Amendment) Regulations, 2002. The same was amended by the Board at its 135th meeting held on 20/01/2009 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 15/01/2015 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 22/05/2015.

3.0 Further, SEBI vide its circular dated 16/09/2015 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 29/10/2015 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) BUSINESS RESPONSIBILITY REPORT (BRR)

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, 2015, a BRR for the Financial Year 2016-17 forms part of the Annual Report.

(xii) DEMATERIALISATION OF SHARES AND LIQUIDITY

97.75% of the equity shares of the Company have been dematerialized (NSDL – 44.89% and CDSL 52.86%) as on 31/03/2017. 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 mrplirc@linkintime.co.in.

(xvi) GOVERNANCE OF SUBSIDIARY 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. The Company does not have a material subsidiary as on the date of this report, having a net worth exceeding 20% of the consolidated net worth or income of 20% of the consolidated income of your Company.

(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 2016 to 31st March, 2017. 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.

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.

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

29th ANNUAL GENERAL MEETING

(i)	Company Registration Details	:	CIN : L23209KA1988GOI008959
(ii)	Day, Date, Time and Venue	:	Saturday, 19th August, 2017 at 16:00 hrs. MRPL Employees Club, Mudapadav, Post Kuthethoor, Via Katipalla, Mangaluru –575 030
(iii)	Financial Year	:	01/04/2016 to 31/03/2017
(iv)	Date of Book Closure	:	28/07/2017 to 04/08/2017 (both days inclusive)
(v)	Dividend Payment Date	:	Final Dividend would be paid on or after 19/08/2017.
(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 ISIN: 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 2017-18 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 2017-18 have been paid by the Company to CDSL and NSDL.

(viii) Financial Calendar for financial year 2016-17 & 2017-18:

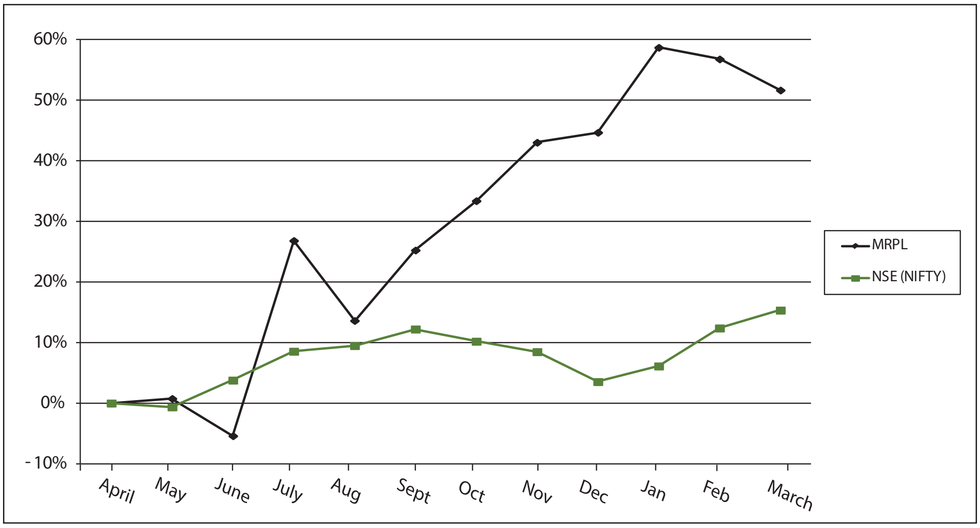
Particulars	Financial Year 2016-17		Financial Year 2017-18	
Accounting Period	01/04/2016 to 31/03/2017		01/04/2017 to 31/03/2018	
Announcement of Financial Results	1st Quarter	03/09/2016	First three Quarters	Announcement within 45 days from the end of each quarter
	2nd Quarter	08/11/2016		
	3rd Quarter	07/02/2017		
	4th Quarter & Annual Financial Results	17/05/2017	Fourth Quarter & Annual Financial Results	Announcement within 60 days from the end of the financial year.

(ix) Market Price Data

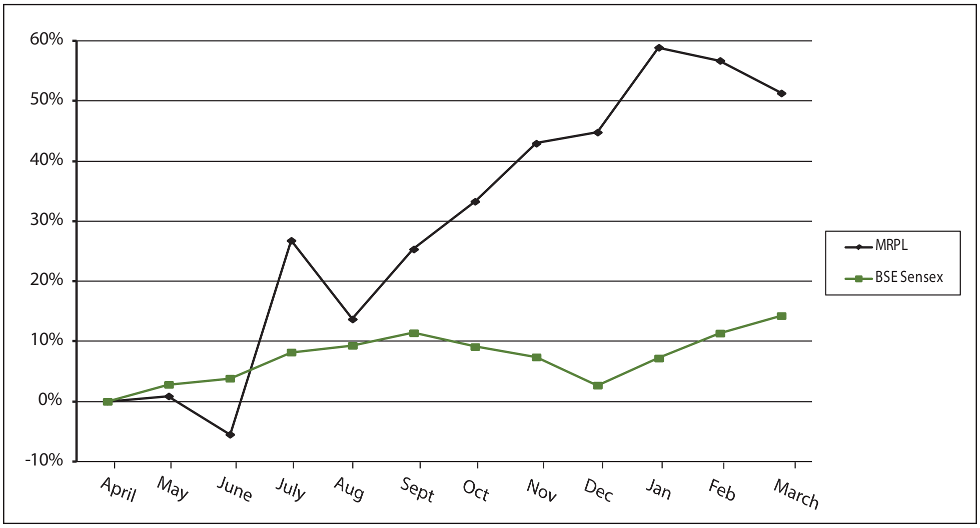
Month (2016-2017)	BSE Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-16	73.00	63.15	73.05	63.30
May-16	73.65	64.10	73.60	64.10
Jun-16	69.00	63.05	69.10	63.00
Jul-16	92.55	67.45	92.65	67.45
Aug-16	83.00	74.40	83.00	74.25
Sep-16	91.50	78.45	91.50	78.50
Oct-16	97.30	86.10	97.45	87.00
Nov-16	104.35	78.25	104.50	78.30
Dec-16	105.70	85.80	105.70	85.60
Jan-17	116.00	97.20	115.95	97.10
Feb-17	114.40	97.50	114.55	97.75
Mar-17	110.45	98.90	110.80	98.80

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

NSE (NIFTY) 2016-17



BSE (SENSEX) 2016-17



The share price of MRPL during the year 2016-17 beat the indies and as on 31/03/2017 the market capitalization of MRPL was 18,691.47 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, Tel: 022-49186270, 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. The data in respect of share transfers / name deletion and transmission for the last 3 financial years are as under.

Years	No. of transfer deeds / name deletion / transmission approved processed	No. of shares transferred
2016-17	897	170675
2015-16	1425	257600
2014-15	2690	460975

(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 and 2008-09 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 03/09/2016 (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 2009-10 will be due for transfer to the Investor Education and Protection Fund (IEPF) on or before 09/10/2017 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 shares in respect of whom the dividend hasn't been claimed by the shareholders, shall be credited to a DEMAT Account of the Authority. Accordingly, the Company issued two notices to individual shareholders who haven't claimed dividend for the last 7 years on 28/11/2016 and 02/05/2017 and also published notices in the newspapers on 03/12/2016 & 29/04/2017, requesting shareholders to send an application to the Company/ RTA for payment of unclaimed dividend for the year 2009-10 onwards. Shareholders are requested to claim the unclaimed dividend so that the shares will not be transferred to DEMAT Account of IEPF Authority. Please note that no claim shall lie against company in respect of the unclaimed dividend and shares transferred to the IEPF Authority. However, the unclaimed shares and dividend can be claimed from the IEPF by making necessary application in the prescribed Form (IEPF-5) available on website www.iepf.gov.in

(xiv) Distribution of Shareholding as on 31/03/2017.

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	216535	190164	38118841	32611970	2.175	1.861
501 - 1000	844	11569	644850	9272724	0.037	0.529
1001 - 2000	136	4214	197757	6394109	0.011	0.365
2001 - 3000	21	1186	54175	3049801	0.003	0.174
3001 - 4000	6	493	21608	1773352	0.001	0.101
4001 - 5000	14	443	65450	2093160	0.004	0.119
5001 - 10000	11	566	80950	4102257	0.005	0.234
10001 & above	8	523	303200	1653814573	0.017	94.364
Total	**217575**	**209158**	**39486831**	**1713111946**	**2.253**	**97.747**

(xv) Shareholding Pattern as on 31/03/2017:

Particulars	No. of Shares	Percentage
Oil and Natural Gas Corporation Ltd.	1255354097	71.63
Hindustan Petroleum Corporation Ltd.	297153518	16.96
Resident Individuals	95621358	5.46
Non Resident Individuals	7379644	0.42
Domestic Companies	7825336	0.45
Foreign Inst. Investor / Foreign Portfolio Investor (Corporate) / Foreign Nationals	31548705	1.80
GIC & Subsidiaries/Banks/Foreign Bank & Financial Institutions/Insurance/Mutual Funds	54621329	3.12
Central/State Govt. Institutions	2700	0.00
Trusts	10045	0.00
Clearing Members	1483475	0.08
Hindu Undivided Family	1598570	0.09
Total	**1752598777**	**100.00**

(xvi) Unclaimed/Undelivered Shares as on 31/03/2017.

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.	9085	1028225
2	Addition - Number of shareholders whose shares lying undelivered / unclaimed during the year (April, 2016 to March, 2017).	55	10691
3	Number of shareholders who approached the Company for their undelivered shares during the year and share issued.	27	5041
4	Aggregate number of shareholders and the outstanding shares in the "Unclaimed Share Suspense Account" lying at the end of the year.	9113	1033875
5	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

- **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
- Maker Towers,
  15th Floor, "E" Wing, Cuffe Parade, Mumbai – 400005.
  Tel.: 022-22173000 Email: investor@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 49186270 Fax No.: +91 22 49186060
  E-mail: mrplirc@linkintime.co.in
  Website: www.linkintime.co.in

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

The Members,

Mangalore Refinery and Petrochemicals Limited
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 2017 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:

   a. **Position of Independent Directors in the Board during the year-**

Period	Total No. of Directors	Independent Directors	Requirement
01/04/2016-31/01/2017	7	0	Not less than 50% should be Independent Directors
01/02/2017-31/03/2017	8	1	

   b. During the period 01/04/2016-31/01/2017 the Audit Committee and Nomination & Remuneration Committee did not have an independent director as Chairman.

   c. There was insufficient number of independent directors in all Board Committees.

   d. Quorum of independent directors in Audit Committee meeting was not met during the year.

   e. No meeting was held by the independent directors during the year as the company had only one Independent director.

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

For **A. Raghavendra Rao & Associates**
Chartered Accountants,
Firm Registration No. 003324S

Sd/-
CA. A. Kumara Bhat
Partner
Membership no: 022041

For **Sreedhar, Suresh & Rajagopalan**
Chartered Accountants,
Firm Registration No. 003957S

Sd/-
CA. V. Suresh
Partner
Membership no: 026525

Place : New Delhi
Date : 17th May,2017

CEO AND CFO CERTIFICATION

We the undersigned, in our respective capacities as CEO/Managing Director and CFO/Director(Finance) 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 year ended 31st March, 2017 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, 2017,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 March 31, 2017.

   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/-	Sd/-
A. K. Sahoo	H. Kumar
Director (Finance) & CFO	MD & CEO
DIN: 07355933	DIN: 06851988

ANNUAL BUSINESS RESPONSIBILITY REPORT (ABRR) 2016-17

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**	:	2016 -17
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

*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)
- Fuel Oil
- Aviation Turbine Fuel

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

i **Number of International Locations (Provide details of major 5)** : None

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.
- The Company has 4 offices set up, one each at Mangaluru, Bengaluru, Mumbai and Delhi which carries diverse functions ranging from Production, Finance, International Trade and Marketing.
- 3 depots, one each at Kasargod (Kerala), Hindupur (Andhra Pradesh) and Hosur (Tamil Nadu).
- 4 retail outlets, one each at Maddur, Hubli and 2 are at Mangaluru 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 supply contract with Mauritius.

Section B: Financial Details (FY 2016-17)

1	**Paid up Capital**	:	₹ 1,752 Crore
2	**Total Turnover**	:	₹ 59,415 Crore
3	**Profit After Tax (PAT)**	:	₹ 3,644 Crore
4	**Total Spending on Corporate Social Responsibility (CSR).** The Company has spent ₹ 1.45 Crores on CSR during the year 2016-17		
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 and community development projects.		

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 BR 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, Director (Refinery) & Occupier DIN : 07025342

b) **Details of the BR head**

Sl. No.	Particulars	Details
1	DIN	07025342
2	Name	Shri M. Venkatesh
3	Designation	Director (Refinery)
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 & CSR	Human Rights	Environment	Public policy	CSR	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 employees.	Yes	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 confirm 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 confirm 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 . Confirms to DPE Guidelines)	Yes . (ISO:9001 for Quality and ISO:14001 for environment
4	**Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/CEO/ appropriate Board of Directors**	Yes All policies mandate by GOI, DPE and other Indian Statutory bodies are followed by Company after due approval from the Company's Board.	Yes	Yes	Yes	Yes	Yes	Yes. The Company follows the policies of GOI. All the policies of the Company are approved by its Board of Directors.	Yes	Yes

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	Yes The same is overseen by CSR and SD Committee.	Yes	Yes, The Company has a PAEC/ 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	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 to all relevant internal and external stakeholders?**	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 P1	Product Responsibility P2	Well being of employees P 3	Stakeholders engagement & CSR P 4	Human Rights P 5	Environment P 6	Public policy P7	CSR P8	Customer Relations 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 2016-17 as required by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of 29th 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 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 56 investor complaints during the Financial Year 2016-17 of which 54 complaints have been resolved and 2 complaints were pending as on 31/03/2017 which were subsequently resolved.

Principle 2- Product Lifecycle Sustainability

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

   (a) Motor spirit product quality meeting BS III and BS IV specifications

   (b) High Speed Diesel (HSD) product quality meeting BS III and BS IV specifications.

   (c) Aviation Turbine Fuel.

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?**

   Following are the details of resources used per unit of Crude Feed Processed.

   Reduction in specific water consumption, specific energy consumption (MBN) and improvement is distillate yield as compared to 2015-16, details are given in the table below.

Sl. No.	Particulars	2016-17	2015-16
1	Specific water consumption	0.96	1.16
2	MBN	79.61	80.24
3	Distillate	77.39	76.68

   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. Net Consumption of Raw Water was reduced from 15312447 m3 for the year 2015-16 against 18092428 m3 for the year 2016-17.

   iii. 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.**

   The company has a well defined crude procurement procedure.

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.

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

   Company recycles minimum of 70 % of treated effluent water and re-uses it as make-up water. Further Company has installed an RO plant for increasing the treated effluent recycle further.

Principle 3- Employee Well-being

1. **Total number of employees**

   1917

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

   2900 approx employees on contractual basis

3. **Number of permanent women employees**

   132

4. Number of permanent employees with disabilities

28

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

Yes. The details are given below:

MSA, MEU, MSSEWA, WIPS

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 2016-17 the Company devoted 5142 Mandays for training, development and learning, which amounts to 3.71 Mandays per employee for Management staff and 2.42 Mandays per employee for Non-Management staff. Steps are being taken for skill up-gradation under Skill Development Centre.

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/Joint Ventures/ 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 2016-17.

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.**

   Distribution of saplings in nearby schools to spread awareness amongst students. Participation in Vanamahosthava 2016 to encourage public for the need of afforestation for survival. Mass tree plantation as a part of Koti Vriksha Andolan carried out with active involvement of neighbouring villagers. Contribution to Karnataka Forest Department towards the plantation program was made alongwith development of Greenbelt in 20 acres land at Pilikula Biological Park.

3. **Identification and assessment of potential environmental risks.**

   Yes. Regular assessment of the environmental risks associated with operations is carried out and same is being presented to the Board.

4. **Company's initiative towards Clean Development Mechanism?**

   Company has not applied for any projects under the Clean Development Mechanism. However, company has been active in reducing its GHG emissions by implementing many energy conservation measures and reducing flaring.

   Following initiatives are proposed in the company.

   a) To install Roof top solar panels in 10,000 m^2 area.

   b) To install Flare Gas Recovery System to recover Hydrocarbon Flare gases and the same will be put in fuel gas header for utilizing in process heaters.

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

   a) Various Energy conservation measures / power saving measures are testimony to drastic fuel reduction in the Refinery, which reduced CO_2 emissions to a large extent. In 2015-16, these measures resulted in Energy consumption reduction by approximately 3,046 SRFT/Year, equivalent to a net saving of approximately ₹ 53.1 Million/Year, with an investment of approximately ₹ 0.9 Million.

   b) Proposed to install Roof top solar panels in 10,000 m2 area.

   c) Day light harvesting using sky pipes in Stores - during day time electricity is not required for lighting / direct sun light is harvested.

   d) Replacing street light fixtures by LED fixtures. (400 no. Replaced)

   e) In Air conditioning package units of phase-3, R22 (ozone depleting agents) replaced by R407C refrigerant.

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

   Yes. The emissions/ waste generated by the company are within the permissible limits given by CPCB/ SPCB norms.

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 2016-17.**

   None

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. Petroleum Federation of India (PETROFED)
6. Federation of Indian Export Organisations (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, in addition to various CSR initiatives taken by the company (details furnished in Boards' Report **"Annexure-A"**).

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 done after completion of the project, by taking feedback, such as beneficiaries from Anganwadies, schools on construction of toilet. Apart from the above, feedback is taken from the school authorities on improvement of attendance, overall well being and academic performance of students after scholarship and construction of toilet blocks. Similarly feedback on improvement is also taken from the Grama Panchayat, where a project is carried out for the panchayat.

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

An expenditure of ₹ 1.45 Crore has been incurred by MRPL during 2016-17 towards community development projects pertaining to education, healthcare, 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, 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. Physically handicapped persons are supported with the help of Artificial Limbs/caliper/hands provided by MRPL/ONGC. Villagers are benefitted by the services of the doctor & free medicines are given by MRPL for neighbouring two villages.

Principle 9: Value for Customers.

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

Nil

2. Product information on the product labeling.

Product/Brand name/Manufacturer details like address, contact, email id/Grade/Lot Number, Bag number on Polypropylene bags under MANGPOL brand are displayed.

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.

The customer satisfaction survey carried out on half yearly basis has shown customer satisfaction improvement from 95.02% in FY 2015-16 to 96.35% in FY 2016-17.

INDEPENDENT AUDITORS' REPORT

To the members of **MANGALORE REFINERY AND PETROCHEMICALS LIMITED**

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of MANGALORE REFINERY AND PETROCHEMICALS LIMITED ("the Company"), which comprises the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended,and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS)prescribed under Section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017 and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31st March, 2016 and the transition date opening balance sheet as at 1st April, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and audited as follows:-

a. Opening balance sheet as at 1st April, 2015 audited by a predecessor auditor (**M/s. Gopalaiyer & Subramanian Chartered Accountants**) and one current auditor (**M/s. A. Raghavendra Rao & Associates Chartered Accountants)** whose report for the year ended 31st March, 2015 dated 22nd May, 2015 expressed an unmodified opinion on those standalone financial statements,

b. Financial information of the Company for the year ended 31st March, 2016 audited by both the current auditors whose report for the year ended 31st March, 2016 dated 12th May, 2016 expressed an unmodified opinion on those standalone financial statements, These comparative financial information of the Company for the year ended 31st March, 2016 and the transition date opening balance sheet as at 1st April, 2015 included in these standalone Ind AS financial statements were adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

2. Based on the verification of Records of the Company and based on the information and explanations given to us, we give below a report on the Directions issued by the Comptroller and Auditor General of India in terms of Sec 143(5) of the Companies Act, 2013.

a. The company has clear title/lease deeds for freehold and leasehold land except for leasehold land (18.18 acres) costing ₹ 28.82 Million which is in possession of the company towards which formal lease deeds are yet to be executed. Refer Note No-5 to the standalone Ind AS financial statements.

b. The company has written off trade receivable considered no longer recoverable amounting to ₹ 59.37 million in the Statement of Profit and Loss as these amounts are long pending and disputed by the parties as not payable. Refer Note No-34 to the standalone Ind AS financial statements.

c. The company has maintained adequate records in respect of inventories lying with third parties. No assets have been received by the Company as gift from Government or other authorities.

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 have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section133 of the Act.

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 over the financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.

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

i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements-Refer Note 44.1 and 44.2 to the standalone Ind AS financial statements;

ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses. The Company did not have any long-term contracts including derivative contracts and hence question of reporting on losses does not arise.

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

iv) The Company has provided requisite disclosures in the financial statements as to the holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on audit procedures and relying on management representation we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management – Refer Note No.–16 to the standalone Ind AS financial statements.

For **A. RAGHAVENDRA RAO & ASSOCIATES**	For **SREEDHAR, SURESH & RAJAGOPALAN**
Chartered Accountants	Chartered Accountants
Firm Registration Number: 003324S	Firm Registration Number: 003957S
Sd/-	Sd/-
CA. A. KUMARA BHAT	**CA. V SURESH**
Partner	Partner
Membership no: 022041	Membership no: 026525

Place: New Delhi
Date: 17th May, 2017

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT – 31ST MARCH 2017

(Referred to in our report of even date)

i.

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

b. 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 (18.18 acres) costing ₹ 28.82 Million which is in the possession of the company towards which formal lease deeds are yet to be executed. Refer Note No-5 to the standalone Ind AS 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. Accordingly, reporting under clauses 3 (iii) (a), (b) and (c) of the Order does not arise.

(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. Accordingly, reporting under clause 3 (iv) of the Order does not arise.

(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. Accordingly, reporting under clause 3 (v) of the Order does not arise.

(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, Sales Tax, Service Tax, Duty of Excise, Value Added Tax 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, Service Tax, Duty of Excise, Value Added Tax and other statutory dues outstanding as at 31st March, 2017 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, 2017 are given below.

NAME OF THE STATUTE	NATURE OF THE DUES	TOTAL DEMAND (₹ MILLIONS)	TOTAL AMT PAID UNDER PROTEST/ ADJUSTED (₹ MILLIONS)	PERIOD TO WHICH THE AMOUNT RELATES (FINANCIAL YEAR)	FORUM WHERE THE DISPUTE IS PENDING
The Karnataka Sales tax Act,1957/ Central Sales Act, 1956	Value Added Tax – Interest	0.43	0.21	2006-07	Appellate Authority – Mangalore
	Value Added Tax – Interest	4.80	2.48	2011-12	Karnataka Appellate Tribunal
	Value Added Tax – Penalty	1.69	Nil	2011-12	Karnataka Appellate Tribunal
Income Tax Act, 1961	Income Tax / Interest / Penalty	296.31	296.31	AY 1993-03	Mumbai High Court
		10.93	10.93	AY 2003-04	Income Tax Appellate Tribunal – Mumbai
		233.58	182.05	AY 2006-07	Income Tax Appellate Tribunal – Mumbai
		129.39	129.39	AY 2007-08	Income Tax Appellate Tribunal – Mumbai
		362.49	362.49	AY 2008-09	Income Tax Appellate Tribunal – Mumbai
		1,014.82	1,014.82	AY 2009-10	Income Tax Appellate Tribunal – Mumbai
		126.72	126.72	AY 2008-09	Commissioner of Income Tax (Appeals) –Mangalore
		754.77	754.77	AY 2010-11	Commissioner of Income Tax (Appeals) –Mangalore
		594.02	594.02	AY 2011-12	Commissioner of Income Tax (Appeals) –Mangalore
		546.71	546.71	AY 2012-13	Commissioner of Income Tax (Appeals) –Mangalore
		76.74	38.37	AY 2013-14	Commissioner of Income Tax (Appeals) –Mangalore
		35.70	17.75	AY 2014-15	Commissioner of Income Tax (Appeals) –Mangalore
		29.78	14.89	AY 2015-16	Commissioner of Income Tax (Appeals) –Mangalore
		32.13	16.07	AY 2016-17	Commissioner of Income Tax (Appeals) –Mangalore
The Customs Act, 1962	Custom Duty / Interest / Penalty	55.57	Nil	1997-2000	Supreme Court Of India
		721.97	Nil	1997-2000	CESTAT – Bangalore
Central Excise Act, 1944	Central Excise Duty / Service Tax / Interest / Penalty	1.94	0.08	2015-16	Commissioner (Appeals) – Mangalore
		4212.15	128.84	2002-03 to 2016-17	CESTAT – Bangalore
		1.71	0.75	2002-03 to 2015-16	Joint Secretary, MOF
		5.82	0.50	2010-11	Commissioner – Mangalore
		20.31	-	1996-97 to 2003-2004	Supreme Court

(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. The Company did not have any outstanding dues to financial institutions or debenture holders 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. A sum of ₹ 6,766.88 million (Previous Year – ₹ 8,078.42 million) being unutilized amount of term loan availed in the earlier years has been kept in a non-interest bearing account as per the Reserve Bank of India guidelines. Refer Note No.17.4 of the standalone Ind AS financial statements.

(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 course of our audit.

(xi) According to the information and explanations given to us, and the records of the Company examined by us, in our opinion, managerial remuneration has been paid in accordance with the DPE Guide Lines.

(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. Accordingly, reporting under Clause 3(xiv) of the Order does not arise.

(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. Accordingly, reporting under Clause 3(xv) of the Order does not arise.

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

For **A. RAGHAVENDRA RAO & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 003324S

Sd/-
CA. A. KUMARA BHAT
Partner
Membership no: 022041

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

Sd/-
CA. V SURESH
Partner
Membership no: 026525

Place: New Delhi
Date: 17th May, 2017

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT– 31ST MARCH 2017

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Mangalore Refinery and Petrochemicals Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **A. RAGHAVENDRA RAO & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 003324S

Sd/-
CA. A. KUMARA BHAT
Partner
Membership no: 022041

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

Sd/-
CA. V SURESH
Partner
Membership no: 026525

Place: New Delhi
Date: 17th May, 2017

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in ₹ million unless otherwise stated)

A Equity share capital

Particulars	Amount
Balance as at April 1, 2015	**17,526.64**
Changes in equity share capital during the year	-
Balance as at March 31, 2016	**17,526.64**
Changes in equity share capital during the year	-
Balance as at March 31, 2017	**17,526.64**

B Other equity

Particulars	Deemed equity	Reserves and surplus				Total
		General reserve	Capital redemption reserve	Securities premium reserve	Retained earnings	
Balance as at April 1, 2015	**26.05**	**1,192.00**	**91.86**	**3,490.53**	**30,514.06**	**35,314.50**
Profit for the year		-	-	-	11,469.37	11,469.37
Remeasurement of the defined benefit plans, net of income tax		-	-	-	3.23	3.23
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**11,472.60**	**11,472.60**
Balance as at March 31, 2016	**26.05**	**1,192.00**	**91.86**	**3,490.53**	**41,986.66**	**46,787.10**
Profit for the year		-	-	-	36,436.87	36,436.87
Remeasurement of the defined benefit plans, net of income tax		-	-	-	(50.34)	(50.34)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**36,386.53**	**36,386.53**
Addition during the year	4.48					4.48
Balance as at March 31, 2017	**30.53**	**1,192.00**	**91.86**	**3,490.53**	**78,373.19**	**83,178.11**

As per our report of even date attached

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

Sd/-
CA. A. KUMARA BHAT
Partner
Membership No. 022041

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

Sd/-
CA. V. SURESH
Partner
Membership No. 026525

Place : New Delhi
Date : 17/05/2017

For and on behalf of the Board

Sd/-
H KUMAR
Managing Director
DIN: 06851988

Sd/-
A K SAHOO
Director (Finance)
DIN: 07355933

Sd/-
DINESH MISHRA
Company Secretary

STANDALONE BALANCE SHEET AS AT MARCH 31, 2017

(All amounts are in ₹ million unless otherwise stated)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
I Non-current assets				
(a) Property, plant and equipment	5	141,581.42	148,806.37	140,164.23
(b) Capital work-in-progress	6	2,198.74	1,882.26	13,826.60
(c) Goodwill	7	4.04	4.04	4.04
(d) Other intangible assets	8	20.40	0.81	1.38
(e) Financial assets				
(i) Investments	9	13,496.42	13,496.73	13,496.73
(ii) Loans	10	415.98	381.77	368.59
(iii) Others financial assets	11	68.74	46.66	34.94
(f) Non-current tax assets (net)	12	4,575.49	4,628.58	4,554.60
(g) Deferred tax assets (net)	24	-	2,230.27	-
(h) Other non-current assets	13	7,685.76	2,279.57	1,452.16
Total non current assets (I)		**170,046.99**	**173,757.06**	**173,903.27**
II Current assets				
(a) Inventories	14	40,390.02	31,967.20	33,996.05
(b) Financial assets				
(i) Trade receivables	15	26,211.64	23,952.47	23,681.63
(ii) Cash and cash equivalents	16	2,331.66	13,541.07	13,670.00
(iii) Bank balances other than (ii) above	17	18,976.79	123,585.30	89,016.18
(iv) Loans	10	59.58	52.88	48.14
(v) Other financial assets	11	3,144.97	1,698.71	1,546.20
(c) Other current assets	13	2,806.60	4,208.03	6,886.60
Sub-total current assets		**93,921.26**	**199,005.66**	**168,844.80**
Non-current assets held for sale	18	77.96	77.96	77.96
Total current assets (II)		**93,999.22**	**199,083.62**	**168,922.76**
TOTAL ASSETS (I+II)		**264,046.21**	**372,840.68**	**342,826.03**
EQUITY AND LIABILITIES				
I Equity				
(a) Equity share capital	19	17,526.64	17,526.64	17,526.64
(b) Other equity	20	83,178.11	46,787.10	35,314.50
Total equity (I)		**100,704.75**	**64,313.74**	**52,841.14**
LIABILITIES				
II Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	48,157.83	68,060.40	78,369.76
(ii) Other financial liabilities	22	-	-	0.13
(b) Provisions	23	596.67	403.72	346.27
(c) Deferred tax liabilities (net)	24	4,766.63	-	-
Total non current liabilities (II)		**53,521.13**	**68,464.12**	**78,716.16**
III Current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	18,172.88	25.61	108.73
(ii) Trade payables	25	60,339.67	213,388.71	183,310.01
(iii) Other financial liabilities	22	26,203.10	21,682.34	21,684.98
(b) Other current liabilities	26	1,805.57	1,422.33	4,067.62
(c) Provisions	23	2,851.24	3,543.83	2,097.39
(d) Current tax liabilities	12	447.87	-	-
Total current liabilities (III)		**109,820.33**	**240,062.82**	**211,268.73**
IV Total liabilities (II+III)		**163,341.46**	**308,526.94**	**289,984.89**
TOTAL EQUITY AND LIABILITIES (I+IV)		**264,046.21**	**372,840.68**	**342,826.03**

See accompanying notes to the standalone financial statements (1-51)

As per our report of even date attached

For and on behalf of the Board

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

Sd/-
CA. A. KUMARA BHAT
Partner
Membership No. 022041

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

Sd/-
CA. V. SURESH
Partner
Membership No. 026525

Sd/-
H KUMAR
Managing Director
DIN: 06851988

Sd/-
A K SAHOO
Director (Finance)
DIN: 07355933

Sd/-
DINESH MISHRA
Company Secretary

Place : New Delhi
Date : 17/05/2017

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in ₹ million unless otherwise stated)

Particulars		Note No.	Year ended March 31, 2017	Year ended March 31, 2016
I.	Revenue from operations	27	594,304.86	508,795.78
II.	Other income	28	4,232.01	8,572.55
III.	**Total income (I + II)**		**598,536.87**	**517,368.33**
IV.	**Expenses:**			
	Cost of materials consumed	29	374,887.61	345,516.10
	Changes in inventories of finished goods, stock-in-process and stock-in-trade	30	(2,883.03)	6,831.66
	Excise duty on sale of goods		162,226.14	112,321.37
	Employee benefits expense	31	3,520.06	2,855.19
	Finance costs	32	5,171.74	5,904.93
	Depreciation and amortisation expense	33	6,779.19	7,104.71
	Other expenses	34	9,493.87	23,421.45
	Total expenses (IV)		**559,195.58**	**503,955.41**
V.	**Profit before exceptional items and tax (III-IV)**		**39,341.29**	**13,412.92**
VI.	Exceptional items (income)/expenses (net)	35	(15,972.91)	1,829.94
VII.	**Profit before tax (V - VI)**		**55,314.20**	**11,582.98**
VIII.	Tax expense:	36		
	(1) Current tax		11,853.78	2,345.58
	(2) Deferred tax	24	7,023.55	(2,231.97)
	Total tax expense (VIII)		**18,877.33**	**113.61**
IX.	**Profit for the year (VII - VIII)**		**36,436.87**	**11,469.37**
X.	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurement of the defined benefit plans		(76.99)	4.93
	(b) Income tax relating to above		26.65	(1.70)
	Total other comprehensive income (X)		**(50.34)**	**3.23**
XI.	**Total comprehensive income for the year (IX+X)**		**36,386.53**	**11,472.60**
XII.	Earnings per equity share:	37		
	(1) Basic (in ₹)		20.79	6.54
	(2) Diluted (in ₹)		20.79	6.54

See accompanying notes to the standalone financial statements (1-51)

As per our report of even date attached

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

Sd/-
CA. A. KUMARA BHAT
Partner
Membership No. 022041

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

Sd/-
CA. V. SURESH
Partner
Membership No. 026525

For and on behalf of the Board

Sd/-
H KUMAR
Managing Director
DIN: 06851988

Sd/-
A K SAHOO
Director (Finance)
DIN: 07355933

Sd/-
DINESH MISHRA
Company Secretary

Place : New Delhi
Date : 17/05/2017

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in ₹ million unless otherwise stated)

Particulars			Year ended March 31, 2017	Year ended March 31, 2016
A	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit after tax		**36,436.87**	**11,469.37**
	Adjustments for :			
	Tax expense		18,877.33	113.61
	Depreciation and amortisation expense		6,779.27	7,104.79
	Loss/ (profit) on sale of property, plant and equipment (net)		56.70	3.82
	Liability no longer required written back		(65.67)	(363.45)
	Impairment of doubtful trade receivables		302.80	378.49
	Write off of doubtful trade receivables		59.37	0.70
	Exchange rate fluctuation (net)		(1,565.83)	8,094.00
	Finance costs		5,171.74	5,904.93
	Interest income		(3,838.87)	(6,964.36)
	Dividend income		(262.86)	(1,177.10)
	Amortisation of prepayments		9.83	10.15
	Others		(76.99)	82.14
			61,883.69	**24,657.09**
	Movements in working capital :			
	- (Increase)/ decrease in trade and other receivables		(2,652.27)	(715.86)
	- (Increase)/ decrease in loans		(40.91)	(17.92)
	- (Increase)/ decrease in other assets		102,623.83	(34,817.01)
	- (Increase)/ decrease in inventories		(8,422.82)	2,028.85
	- Increase/ (decrease) in trade payable other liabilities		(150,732.13)	24,341.15
	Cash generated from operations		**2,659.39**	**15,476.30**
	Income taxes paid, net of refunds		(11,176.30)	(1,721.17)
	Net cash generated from / (used in) operations	(a)	**(8,516.91)**	**13,755.13**
B	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Payments for property, plant and equipment		(8,618.26)	(3,923.91)
	Proceeds from disposal of property, plant and equipment		1.59	2.52
	Interest received		5,402.93	7,004.02
	Dividend received from joint ventures		7.50	9.00
	Dividend received from investments in mutual fund		255.36	1,168.10
	Investment in joint venture companies		0.31	-
	Tax Paid on interest income		(416.30)	(667.63)
	Net cash generated from / (used in) investing activities	(b)	**(3,366.87)**	**3,592.10**

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in ₹ million unless otherwise stated)

Particulars			Year ended March 31, 2017	Year ended March 31, 2016
C	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Repayment of long term borrowings		(12,855.78)	(11,624.56)
	Proceeds from short term borrowings, net		18,494.45	(83.12)
	Finance costs paid		(4,964.30)	(5,768.48)
	Net cash generated from / (used in) financing activities	(c)	**674.37**	**(17,476.16)**
	Net increase / (decrease) in cash and cash equivalents	(a+b+c)	**(11,209.41)**	**(128.93)**
	Cash and cash equivalents as at the beginning of the year		**13,541.07**	**13,670.00**
	Cash and cash equivalents as at the end of the year		**2,331.66**	**13,541.07**
			(11,209.41)	**(128.93)**

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 (1-51)

As per our report of even date attached

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

Sd/-
CA. A. KUMARA BHAT
Partner
Membership No. 022041

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

Sd/-
CA. V. SURESH
Partner
Membership No. 026525

Place : New Delhi
Date : 17/05/2017

For and on behalf of the Board

Sd/-
H KUMAR
Managing Director
DIN: 06851988

Sd/-
A K SAHOO
Director (Finance)
DIN: 07355933

Sd/-
DINESH MISHRA
Company Secretary

Notes to the Standalone Financial Statements for the year ended March 31, 2017

(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. Standards / Amendments issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

As the Company has not issued any stock options plans, hence this amendment will have no effect on the Company's financial statements.

3. Significant accounting policies

3.1. Statement of compliance

In accordance with the notification dated ***16th February, 2015***, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016.

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The date of transition to Ind AS is April 1, 2015. Refer note 3.24 for details of first time adoption-mandatory exceptions and optional exemptions availed by the Company.

Previous period figures in the financial statements have been restated in compliance with Ind AS.

Upto the year ended March 31, 2016, the Company had prepared its financial statements under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (Previous GAAP) applicable in India and the applicable Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

In accordance with Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), the Company has presented a reconciliation of Shareholders' equity under Previous GAAP and Ind AS as at March 31, 2016, and April 1, 2015 and of the Profit / (Loss) after tax as per previous GAAP and Total Comprehensive Income under Ind AS for the year ended March 31, 2016.

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. Sales are recognised when risks and rewards (transfer of custody of goods) are passed to customers and includes all statutory levies except Value Added Tax (VAT) and is net of discounts.

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

3.6.3. Interest income 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).

3.6.4. For non financial assets, interest income is recognised on a time proportion basis.

3.6.5. Revenue from sale of scrap are recognised when risks and rewards (transfer of custody of goods) are passed to customers.

3.6.6. Revenue in respect of Liquidated Damages from contractors/ suppliers is recognised when determined as not payable.

3.6.7. 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.

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

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

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions except low value items not exceeding ₹ 5,000/- (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-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. First-time adoption – mandatory exceptions and optional exemptions

3.24.1. Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the 'transition date') by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

3.24.2. Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015.

3.24.3. Business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015.

3.24.4. Classification of debt instruments

The Company has determined the classification of debt instruments in terms of amortised cost criteria based on the facts and circumstances that existed as of the transition date.

3.24.5. Impairment of financial assets

The Company has applied impairment requirement of Ind AS 109 prospectively from the transition date.

3.24.6. Government loans

The Company has applied the exception available and accordingly carried the amount pertaining to government loans at the carrying amount under Previous GAAP at the transition date.

3.24.7. Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2015 measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.24.8. Investments in subsidiaries and joint ventures

The Company has elected to carry its investments in subsidiaries and joint ventures at deemed cost being carrying amount under Previous GAAP on the transition date.

3.24.9. Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17'Determining whether an Arrangement contains a Lease' at the transition date on the basis of facts and circumstances existing at that date.

3.24.10. Long Term Foreign Currency Monetary Items

The Company has adopted the same accounting policy as per Previous GAAP for the treatment of exchange differences arising from translation of long-term foreign currency monetary items those were recognized as at March 31, 2016.

3.24.11. Non-current assets held for sale

The Company has measured non-current assets held for sale at the lower of carrying value and fair value less cost to sell at transition date in accordance with Ind AS 105.

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.

5. Property, plant and equipment

Carrying amount of:	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Freehold lands	17.65	17.65	17.65
Leasehold lands **[refer note a and b below]**	253.26	253.26	249.97
Buildings	2,893.52	2,464.47	2,451.77
Plant and equipment **[refer note c below]**	138,073.07	145,942.99	137,314.33
Furniture and fixtures	311.49	94.17	90.68
Vehicles	18.47	14.35	14.77
Office equipment	13.96	19.48	25.06
Total	**141,581.42**	**148,806.37**	**140,164.23**

Cost or deemed cost	Freehold lands	Leasehold lands	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Balance as at April 1, 2015	**17.65**	**249.97**	**2,451.77**	**137,314.33**	**90.68**	**14.77**	**25.06**	**140,164.23**
Add: Additions	-	3.29	149.40	15,576.32	19.36	4.65	0.02	15,753.04
Less: Disposal / adjustments / transfer of assets	-	-	-	3.80	0.44	1.75	0.35	6.34
Balance as at March 31, 2016	**17.65**	**253.26**	**2,601.17**	**152,886.85**	**109.60**	**17.67**	**24.73**	**155,910.93**
Add: Additions	-	-	581.16	(1,233.24)	251.94	7.76		(392.38)
Less: Disposal / adjustments / transfer of assets	-	-	-	56.51	0.61	0.02	1.16	58.30
Balance as at March 31, 2017	**17.65**	**253.26**	**3,182.33**	**151,597.10**	**360.93**	**25.41**	**23.57**	**155,460.25**

Accumulated depreciation	Freehold lands	Leasehold lands	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Balance as at April 1, 2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Add: Depreciation Expense	-	-	136.70	6,943.86	15.43	3.32	5.25	7,104.56
Less: Eliminated on disposal / adjustments / transfer of assets	-	-	-	-	-	-	-	-
Balance as at March 31, 2016	**-**	**-**	**136.70**	**6,943.86**	**15.43**	**3.32**	**5.25**	**7,104.56**
Add: Depreciation expense	-	-	152.11	6,580.17	34.01	3.62	4.36	6,774.27
Balance as at March 31, 2017	**-**	**-**	**288.81**	**13,524.03**	**49.44**	**6.94**	**9.61**	**13,878.83**

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 ₹ 28.82 million (As at March 31, 2016 ₹ 28.82 million; As at April 1, 2015 ₹ 28.82 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, 2016 ₹ 39.15 million; As at April 1, 2015 ₹ 39.15 million) being Company's share of an asset jointly owned with another company.

5.1 The Company has elected to continue with the carrying value of its property, plant and equipment recognised as of April 1, 2015 measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per para D7AA of Ind AS 101 'First-time adoption of Indian Accounting Standards' **[Refer note 3.24.7]**. The deemed cost is further reduced for the unamortised transaction costs on borrowings as at April 1, 2015, which were earlier capitalised with Property, Plant and Equipment.

5.2 Property plant and equipment pledged as security:

External commercial borrowing and loan availed from Oil Industry Development Board (OIDB) are secured by first pari passu charge over immovable property, plant and equipment and first ranking pari passu charge over movable property, plant and equipment both present and future. Working capital borrowings from consortium banks are secured 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, plant and equipment both present and future **[Refer note 21]**.

5.3 Foreign exchange differences and borrowing costs capitalised

Additions to property, plant and equipment includes ₹ (766.49) million (For the year ended March 31, 2016 ₹ 2,406.17 million) in relation to foreign exchange differences and Nil (For the year ended March 31, 2016 ₹ 124.17 million) borrowing costs capitalised. Asset class wise addition details are disclosed below:

Year	**For the year ended March 31, 2017**		**For the year ended March 31, 2016**	
Asset class	**Exchange differences**	**Borrowing costs**	**Exchange differences**	**Borrowing costs**
Buildings	(7.97)	-	18.17	2.11
Plant and equipment	(758.52)	-	2,388.00	122.06
Total	**(766.49)**	**-**	**2,406.17**	**124.17**

5.4 The rate used to determine the amount of borrowing costs eligible for capitalisation was NIL (For the year ended March 31, 2016 was 6.94 %) which is the effective interest rate on borrowings.

5.5 Under the Previous GAAP, the Company reported an amount of ₹ 138,226.10 million as carrying amount of plant and equipment as at March 31, 2015. During the year ended March 31, 2016 the Company made an adjustment of ₹ 499.67 million to comply with requirements of Schedule II of the Companies Act, 2013. The same amount is taken in the opening balance of plant and equipment with corresponding adjustment to retained earnings as at April 1, 2015. Accordingly, an amount of ₹ 137,726.43 million (₹ 138,226.10 million minus ₹ 499.67 million) has been considered as deemed cost on transition date. Deferred tax impact was ₹ 172.93 million on account of this adjustment.

5.6 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 amounting to ₹ 3,622.28 million. The Company has not made retrospective adjustment to the value of the respective property, plant and equipment as they are in the nature of Government assistance rather than Goverment grant as defined in Ind AS 20.

6. Capital work-in-progress (CWIP)

Cost or deemed cost	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
Leasehold land	717.86	717.86	717.86
Buildings	352.25	454.78	388.26
Plant and equipment	1,128.63	709.62	12,720.48
Total	**2,198.74**	**1,882.26**	**13,826.60**

6.1 Additions to CWIP includes exchange differences amounting to Nil (For the year ended March 31, 2016 ₹ 5.26 million) and includes borrowing costs amounting to ₹ Nil (For the year ended March 31, 2016 ₹ 2.61 million) and allocated to different class of assets. The rate used to determine the amount of borrowing costs eligible for capitalisation was nil (For the year ended March 31, 2016 was 6.94%) which is the effective interest rate on borrowings.

6.2 CWIP includes nil (For the year ended March 31, 2016: ₹ 0.42 million) in relation to depreciation capitalised during construction period.

6.3 The Company has elected to continue with the carrying value of its CWIP recognised as of April 1, 2015 measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per para D7AA of Ind AS 101 'First-time Adoption of Indian Accounting Standards' **[Refer note 3.24.7]**.

7 Goodwill

Particulars	Amount
Balance as at April 1, 2015	**4.04**
Less: Impairment	-
Balance as at March 31, 2016	**4.04**
Less: Impairment	-
Balance as at March 31, 2017	**4.04**

7.1 Goodwill represents excess of consideration paid over net assets acquired for acquisition of nitrogen plant.

7.2 The Company has elected not to apply Ind AS 103 'Business Combinations' retrospectively in relation to acquisition of nitrogen plant that occurred before the transition date April 1, 2015 **[Refer note 3.24.3]**.

8. Other intangible assets

Carrying amount of:	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Computer software	20.40	0.81	1.38
Total	**20.40**	**0.81**	**1.38**

Cost or deemed cost	Amount
Balance as at April 1, 2015	**1.38**
Add: Additions	-
Less: Disposals/ adjustments / transfer	-
Balance as at March 31, 2016	**1.38**
Add: Additions	24.49
Less: Disposals/ adjustments / transfer	
Balance as at March 31, 2017	**25.87**

Accumulated amortisation	Amount
Balance as at April 1, 2015	**-**
Add: Amortisation expense	0.57
Less: Eliminated on disposal / adjustment / transfer	-
Balance as at March 31, 2016	**0.57**
Add: Amortisation expense	4.90
Less: Eliminated on disposal / adjustment / transfer	-
Balance as at March 31, 2017	**5.47**

8.1 The Company has elected to continue with the carrying value of its other intangible assets, recognised as of April 1, 2015 measured as per the previous GAAP and used that carrying value as its deemed cost as on the transition date as per para D7AA of Ind AS 101 'First-time Adoption of Indian Accounting Standards' **[Refer note 3.24.7]**.

9. Investments

9.1 Investments in equity instruments

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number in million	Amount	Number in million	Amount	Number in million	Amount
(i) Investments in subsidiary						
(a) ONGC Mangalore Petrochemicals Limited (at cost) (Unquoted- fully paid up) (Face value of ₹ 10 per share)	957.62	13,346.23	957.62	13,346.23	957.62	13,346.23
(ii) Investments in joint ventures						
(a) Shell MRPL Aviation Fuels and Services Limited (at cost) (Unquoted- fully paid up) (Face value of ₹ 10 per share)	15.00	150.00	15.00	150.00	15.00	150.00
(b) Mangalam Retail Services Limited (at cost) (Unquoted- fully paid up) (Face value of ₹ 10 per share)	-	-	0.05	0.50	0.05	0.50
(iii) Investments						
(a) Mangalam Retail Services Limited (at fair value) (Unquoted- fully paid up) (Face value of ₹ 10 per share)"	0.02	0.19	-	-	-	-
Total investments		**13,496.42**		**13,496.73**		**13,496.73**
Aggregate carrying value of unquoted investments		**13,496.42**		**13,496.73**		**13,496.73**
Aggregate amount of impairment in value of investments		-		-		-

9.1.1 The Company has elected to continue with the carrying value of its investment in subsidiary and joint ventures measured as per the Previous GAAP and used that carrying value on the transition date April 1, 2015 as per Para D15(b)(ii) of Ind AS 101.

9.1.2 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.

9.1.3 Restrictions on disinvestment of shares in Shell MRPL Aviation Fuels and Services Limited and Mangalam Retail Services Limited are subject to the approval of the Oil and Natural Gas Corporation Limited.

9.1.4 **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, 2017	As at March 31, 2016	As at April 1, 2015
ONGC Mangalore Petrochemicals Limited	Petrochemicals	India	51.00%	51.00%	51.00%

Refer Note 3.4 for method followed for accounting of investment in subsidiary

9.1.5 **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, 2017	As at March 31, 2016	As at April 1, 2015
(a) Shell MRPL Aviation Fuels and Services Limited	Trading of aviation fuels	India	50.00%	50.00%	50.00%
(b) Mangalam Retail Services Limited	Distribution of petroleum products through retail outlet and transport terminal	India	-	49.98%	49.98%

Refer Note 3.4 for method followed for accounting of investment in joint ventures.

9.1.6 **Details of investments**

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, 2017	As at March 31, 2016	As at April 1, 2015
(a) Mangalam Retail Services Limited	Distribution of petroleum products through retail outlet and transport terminal	India	18.98%	-	-

During the year, the Company has sold 31% equity stake in MRSL which has resulted in loss of joint control over MRSL. As at March 31, 2017 the investment in MRSL has been measured at fair value through profit or loss. The management has considered the fair value (level 3 heirarchy) of such investment equivalent to the carrying amount as at reporting period.

10. Loans

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)						
(a) Deposits						
With related Party:	12.68	-	12.68	-	5.27	-
With customers						
- Considered doubtful	-	4.40	-	6.84	-	6.87
Less: Impairment for doubtful deposits	-	4.40	-	6.84	-	6.87
	-	-	-	-	-	-
With vendors	100.42	4.98	109.06	6.00	108.35	5.36
	113.10	**4.98**	**121.74**	**6.00**	**113.62**	**5.36**
(b) Loans to employees	301.89	55.17	258.80	47.45	254.71	43.55
Less: Impairment for doubtful loans	-	0.81	-	0.81	-	0.81
	301.89	**54.36**	**258.80**	**46.64**	**254.71**	**42.74**
(c) Loans to directors and other officers	0.99	0.24	1.23	0.24	0.26	0.04
Total	**415.98**	**59.58**	**381.77**	**52.88**	**368.59**	**48.14**

11. Others financial assets

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)						
(a) Interest accrued on employee loans	68.74	0.42	46.66	-	34.94	-
(b) Interest accrued but not due on bank deposits	-	111.23	-	1,698.66	-	1,546.15
(c) Claims receivable from insurance company	-	0.05	-	0.05	-	0.05
(d) Receivable from other	-	3,033.27	-	-	-	-
Total	**68.74**	**3,144.97**	**46.66**	**1,698.71**	**34.94**	**1,546.20**

12. Tax assets/ (liabilities)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Tax assets (a)						
(i) Advance tax	45,296.13	-	34,324.10	-	32,729.76	-
(ii) Income tax paid under dispute	3,994.28	-	3,373.70	-	2,579.25	-
Tax liabilities (b)						
Income tax	44,714.92	447.87	33,069.22	-	30,754.41	-
Total (a-b)	**4,575.49**	**(447.87)**	**4,628.58**	**-**	**4,554.60**	**-**

13. Other assets

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)						
(i) Capital advances						
-To related party	980.61	-	904.50	-	80.00	-
-To Others	5,938.05	-	737.15	-	718.14	-
-To Others: considered doubtful	-	-	3.40	-	3.40	-
Less: Impairment for doubtful capital advances	-	-	3.40	-	3.40	-
	6,918.66	**-**	**1,641.65**	**-**	**798.14**	**-**
(ii) Deposits						
with Customs/Port Trusts, etc.	378.73	-	378.73	-	378.73	-
(iii) Advance recoverable in kind						
from related parties	-	10.22	-	26.00	-	20.26
from others	-	1,127.52	-	573.01	-	1,055.79
	-	**1,137.74**	**-**	**599.01**	**-**	**1,076.05**
(iv) Balance with government authorities	-	1,566.97	-	3,513.41	-	5,706.08
(v) Prepayments						
Leasehold land	6.73	0.08	6.81	0.08	6.88	0.08
Guarantee charges	-	-	-	7.68	7.68	18.37
Others	381.64	100.90	252.38	86.94	260.73	85.08
	388.37	**100.98**	**259.19**	**94.70**	**275.29**	**103.53**
(vi) Gold coins	-	0.91	-	0.91	-	0.94
Total	**7,685.76**	**2,806.60**	**2,279.57**	**4,208.03**	**1,452.16**	**6,886.60**

14. Inventories

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Amount	Total	Amount	Total	Amount	Total
Raw materials						
(a) on hand	13,162.94		9,053.33		6,383.37	
(b) In transit	6,938.24	20,101.18	6,013.76	15,067.09	4,785.51	11,168.88
Stock-in-process		4,517.38		3,185.52		3,757.27
Finished goods	12,464.28		10,913.11		17,173.02	
Less: Allowance for stock loss	5.91	12,458.37	5.91	10,907.20	5.91	17,167.11
Stores and spares						
(a) on hand	3,272.12		2,742.54		1,765.06	
(b) In transit	126.45		150.33		223.21	
Less : Impairment for slow/non-moving inventories	85.48	3,313.09	85.48	2,807.39	85.48	1,902.79
Total		**40,390.02**		**31,967.20**		**33,996.05**

14.1 The cost of inventories (cost of sales) recognised as an expense during the year in respect of continuing operations was ₹ 385,732.81 million (For the year ended March 31, 2016 ₹ 368,305.20 million).

14.2 The method of valuation of inventories has been stated in **Note 3.18**.

15. Trade receivables

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured **(Refer note 15.4 below)**			
- Considered good	363.08	318.20	515.50
Unsecured			
- Considered good	25,848.56	23,634.27	23,166.13
- Considered doubtful	1,714.71	1,468.95	1,091.16
Less: Impairment for doubtful receivables	1,714.71	1,468.95	1,091.16
Total	**26,211.64**	**23,952.47**	**23,681.63**

15.1 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. 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 over the applicable bank rate on the outstanding balance.

15.2 Of the trade receivables, balance as at March 31, 2017 of ₹ 24,308.83 million (As at March 31, 2016 ₹ 21,531.97 million and as at April 1, 2015 ₹ 23,180.40 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, 2017	As at March 31, 2016	As at April 1, 2015
Customer 1	6,239.93	5,072.24	6,988.58
Customer 2	9,070.12	6,870.70	5,986.25
Customer 3	3,425.16	2,415.33	2,055.91
Customer 4	1,903.24	4,693.62	1,483.65
Customer 5	1,695.95	2,480.08	4,559.04
Customer 6	-	-	2,106.97
Customer 7	1,974.43	-	-
Total	**24,308.83**	**21,531.97**	**23,180.40**

15.3 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.

15.4 Secured by bank guarantees received from customers.

15.5 The Company has concentration of credit risk due to the fact that the Company has significant receivables from customers mentioned in **note 15.2**, however these customers are reputed and credit worthy.

15.6 Age of Trade receivables:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Within the credit period	25,958.23	20,586.55	22,768.11
1-30 days past due	276.24	2,911.84	619.80
31-90 days past due	135.07	639.84	394.00
More than 90 days past due	1,556.81	1,283.19	990.88

15.7 Movement of Impairment for doubtful receivables

Particulars	As at March 31, 2017	As at March 31, 2016
Balance at beginning of the year	1,468.95	1,091.16
Add: Additions in expected credit loss allowance	302.80	378.49
Less: Reclassification/ Other adjustments	57.04	0.70
Balance at end of the year	**1,714.71**	**1,468.95**

16. Cash and cash equivalents

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with banks			
Current accounts	0.95	1.03	3.24
Bank deposits with original maturity upto 3 months	2,330.00	13,540.00	13,665.92
Cash on hand	0.71	0.04	0.84
Total	**2,331.66**	**13,541.07**	**13,670.00**

Details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 as provided in the table below:-

(All Amount in ₹)

Particulars	SBN's #	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	947,500.00	54,058.00	1,001,558.00
(+) Permitted receipts	11,219,500.00	10,524,399.00	21,743,899.00
(-) Permitted payments	-	32,725.00	32,725.00
(-) Amount deposited in bank	12,167,000.00	10,161,329.00	22,328,329.00
Closing cash in hand as on 30.12.2016	**-**	**384,403.00**	**384,403.00**

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated the November 8, 2016.

17. Other bank balances

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Bank deposits with original maturity more than 3 months upto 12 months **[Refer note 17.1]**	2,755.46	108,439.09	58,019.61
Other bank deposits under lien	9,370.60	6,958.21	30,864.62
Unclaimed interest on debentures account **[Refer note 17.2]**	0.01	0.19	0.19
Unclaimed dividend account **[Refer note 17.3]**	74.70	101.24	124.49
Restricted bank balance **[Refer note 17.4]**	6,766.88	8,078.42	-
Restricted bank balance for employee benevolent fund	9.14	8.15	7.27
Total	**18,976.79**	**123,585.30**	**89,016.18**

17.1 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.

17.2 Amount deposited in the unclaimed interest on debentures account is earmarked for payment of interest and cannot be used for any other purpose.

17.3 Amount deposited in the unclaimed dividend account is earmarked for payment of dividend and cannot be used for any other purpose.

17.4 Restricted bank balance represents unutilized capital expenditure fund drawn by way of external commercial borrowing which has been kept in a non-interest bearing account as per the Reserve Bank of India guidelines and can be utilised only for the stated purposes.

18. Non-current assets held for sale

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Freehold land **[Refer Note 18.1]**	77.96	77.96	77.96
Others **[Refer note 18.2]**	-	-	-
Total	**77.96**	**77.96**	**77.96**

18.1 Based on the Board's approval in the year 2007, the Company has been reclassifying unutilised freehold land to be disposed of as "Assets held for sale" under " Current assets". The Company intends to dispose off the freehold land in the next twelve months rather than utilising it for business purposes. The Company is actively searching prospective buyer. No impairment loss was recognised on reclassification of the freehold land as at March 31, 2017 as the Company expects that the fair value (estimated based on the recent market prices of similar properties in similar locations) less costs to sell is higher than the carrying amount.

18.2 Assets held for sale includes certain Property, plant and equipments which have been fully depreciated.

19. Equity share capital

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorised share capital:			
2,900,000,000 Equity shares of ₹ 10 each	29,000.00	**29,000.00**	**29,000.00**
(as at March 31, 2016: 2,900,000,000 Equity shares of ₹10 each; as at April 1, 2015: 2,900,000,000 Equity shares of ₹10 each)			
100,000,000 Redeemable preference shares of ₹10 each	1,000.00	**1,000.00**	**1,000.00**
(as at March 31, 2016: 100,000,000 preference shares of ₹10 each; as at April 1, 2015: 100,000,000 preference shares of ₹10 each)			

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Issued and Subscribed:			
1,752,598,777 Equity shares of ₹10 each	17,525.99	**17,525.99**	**17,525.99**
(as at March 31, 2016: 1,752,598,777 Equity shares of ₹10 each; as at April 1, 2015: 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**	**17,525.99**
(as at March 31, 2016: 1,752,598,777 Equity shares of ₹10 each; as at April 1, 2015: 1,752,598,777 Equity shares of ₹10 each)			
Add: Shares forfeited **[Refer Note 19.5]**	0.65	**0.65**	**0.65**
Total	**17,526.64**	**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, 2015	**1,752.59**	**17,525.99**
Changes during the year	-	-
Balance as at March 31, 2016	**1,752.59**	**17,525.99**
Changes during the year	-	-
Outstanding as at March 31, 2017	**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, 2017		As at March 31, 2016		As at April 1, 2015	
	Number in million	% holding	Number in million	% holding	Number in million	% holding
Oil and Natural Gas Corporation Limited	1,255.35	71.63	1,255.35	71.63	1,255.35	71.63

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, 2017		As at March 31, 2016		As at April 1, 2015	
	Number in million	% holding	Number in million	% holding	Number in million	% holding
Oil and Natural Gas Corporation Limited	1,255.35	71.63	1,255.35	71.63	1,255.35	71.63
Hindustan Petroleum Corporation Limited	297.15	16.96	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, 2016: Nil ; As at April 1, 2015: 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, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Deemed equity **[Refer note 3.22.2 (a)]**	30.53	26.05	26.05
(b)	Reserves and surplus			
	Capital redemption reserve	91.86	91.86	91.86
	Securities premium reserve	3,490.53	3,490.53	3,490.53
	General reserve	1,192.00	1,192.00	1,192.00
	Retained earnings	78,373.19	41,986.66	30,514.06
	Total	**83,178.11**	**46,787.10**	**35,314.50**

Particulars			As at March 31, 2017	As at March 31, 2016
(a)	**Deemed equity**			
	Balance at beginning of the year		26.05	26.05
	Add: Transfer during the the year		4.48	-
	Balance at end of the year		**30.53**	**26.05**
(b)	**Reserves**			
	(i)	**Capital redemption reserve [Refer Note 20.1]**		
		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 reserve [Refer Note 20.2]**		
		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 20.3]**		
		Balance at beginning of the year	1,192.00	1,192.00
		Add: Transfer from retained earnings	-	-
		Balance at end of the year	**1,192.00**	**1,192.00**
	(iv)	**Retained earnings**		
		Balance at beginning of the year	41,986.66	30,514.06
		Profit after tax for the year	36,436.87	11,469.37
		Other comprehensive income for the year, net of income tax	(50.34)	3.23
		Balance at end of the year	**78,373.19**	**41,986.66**

20.1 The Company created capital redemption reserve on redemption of preference share capital during the financial years 2011-12 and 2012-13.

20.2 The Company created securities premium reserve on issue of equity share capital and the same can be utilized as per the requirement of the Companies Act, 2013.

20.3 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.

20.4 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, 2017, the Board of Directors has proposed a final dividend of ₹ 6/- 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 ₹ 10,515.59 million and the dividend distribution tax thereon amounts to ₹ 2,140.73 million.

21. Borrowings

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Secured – at amortised cost						
Term Loans:-						
From banks						
External commercial borrowing (ECB)	27,932.30	-	38,701.13	-	38,945.12	-
[Refer note 21.1]						
From others						
Loan from Oil Industry Development Board (OIDB)	750.00	-	2,500.00	-	-	-
[Refer note 21.2]						
Working capital loan from banks	-	5,201.88	-	25.61	-	108.73
[Refer note 21.3]						
Unsecured – at amortised cost						
Term loan :-						
From related party -						
Oil and Natural Gas Corporation Limited (ONGC)	18,856.90	-	25,714.10	-	32,571.30	-
[Refer note 21.4]						
From others :-						
Deferred payment liabilities	618.63	-	1,145.17	-	1,603.34	-
[Refer note 21.5]						
Loan from Oil Industry Development Board (OIDB)	-	-	-	-	5,250.00	-
[Refer note 21.2]						
Working capital loan from banks						
Foreign currency non repatriable loan (FCNR)	-	12,971.00	-	-	-	-
[Refer note 21.6]						
Total	**48,157.83**	**18,172.88**	**68,060.40**	**25.61**	**78,369.76**	**108.73**

21.1 External commercial borrowing (ECB)

21.1.1 ECB taken by the Company are USD denominated loans and carries variable rate of interest which is LIBOR (6 months) plus spread. These are secured by first pari passu charge over immovable property, plant and equipment and first ranking pari passu charge over movable property, plant and equipment both present and future.

21.1.2 ₹ 9,945.16 million (As at March 31, 2016 of ₹ 2,600.25 million, As at April 1, 2015 of ₹ 1,266.93 million) is repayable within one year and the same has been shown as "Current maturities of long term debts (secured)" under **Note 22**.

21.1.3 Repayment schedule of ECB is as follows:

Year of repayment (refer note 21.7 below)	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
2015-16	-	-	1,406.36
2016-17	-	2,733.23	2,578.33
2017-18	10,052.53	10,270.30	9,688.28
2018-19	26,509.48	27,083.78	25,548.91
2019-20	972.83	993.90	937.58
2020-21	486.41	496.94	468.79
Total	**38,021.25**	**41,578.15**	**40,628.25**

21.2 Loan from Oil Industry Development Board (OIDB)

21.2.1 Loan from OIDB taken by the Company carries fixed rate of interest. These are secured by first pari passu Charge over immovable property, plant and equipment and first ranking pari passu Charge over movable property, plant and equipment both present and future. Prior to December 10, 2015 the loan from OIDB was unsecured.

21.2.2 ₹ 1,750.00 million (As at March 31, 2016 of ₹ 2,750.00 million, As at April 1, 2015 of ₹ 2,750.00 million) is repayable within one year and the same has been shown as "Current maturities of long term debts" (secured)" as at march 31, 2017 and as at march 31,2016 and "Current maturities of long term debts (unsecured)" as at April 1,2017 under **Note 22**.

21.2.3 Repayment schedule of loan from OIDB is as follows:

Year of repayment (refer note 21.7 below)	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
2015-16	-	-	2,750.00
2016-17	-	2,750.00	2,750.00
2017-18	1,750.00	1,750.00	1,750.00
2018-19	750.00	750.00	750.00
Total	**2,500.00**	**5,250.00**	**8,000.00**

21.3 Working capital loan from Banks

21.3.1 Working capital borrowings from consortium banks are secured 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, plant and equipment both present and future.

21.4 Term loan from related party

21.4.1 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 (earlier SBAR minus spread).

21.4.2 ₹ 6,857.20 million (As at March 31, 2016 of ₹ 6,857.20 million, As at April 1, 2015 of ₹ 6,857.20) is repayable within one year and the same has been shown as "Current maturities of long-term debts (unsecured)" under **Note 22**.

21.4.3 Repayment schedule of loan from ONGC is as follows:

Year of repayment (refer note 21.7 below)	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
2015-16	-	-	6,857.20
2016-17	-	6,857.20	6,857.20
2017-18	6,857.20	6,857.20	6,857.20
2018-19	6,857.20	6,857.20	6,857.20
2019-20	6,857.20	6,857.20	6,857.20
2020-21	5,142.50	5,142.50	5,142.50
Total	**25,714.10**	**32,571.30**	**39,428.50**

21.5 Deferred payment liabilities

21.5.1 Deferred payment liability represents amount payable on account of sales tax liability to be paid after a specified period to the sales tax authority. Such deferral of sales tax liability is not liable for any interest. The Company has applied the mandatory exception provided under Ind AS 101 and accordingly has not fair valued the deferred payment liabilities that existed as at April 1, 2015.

21.5.2 ₹ 526.54 million (As at March 31, 2016 of ₹ 458.17 million, As at April 1, 2015 of ₹ 555.83) 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 Deferred payment liability loan is as follows:**

Year of repayment (refer note 21.7 below)	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
2015-16	-	-	555.83
2016-17	-	458.17	458.17
2017-18	526.54	526.54	526.54
2018-19	400.00	400.00	400.00
2019-20	218.63	218.63	218.63
Total	**1,145.17**	**1,603.34**	**2,159.17**

21.6 Foreign currency non repatriable loan (FCNR)

21.6.1 Foreign Currency Non Repatriable Loan from bank are USD denominated loans carries variable rate of interest which is LIBOR (6 months) plus spread and is repayable at the end of one year from the date of each disbursement.

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

22. Other financial liabilities

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Current maturities of long term debt (secured) **[Refer note 21.1.2 and 21.2.2]**	-	11,695.16	-	5,350.25	-	1,266.93
Current maturities of long term debt (Unsecured) **[Refer note 21.4.2 and 21.5.2]**		7,383.74	-	7,315.37	-	10,163.03
Unclaimed dividends **[Refer note 22.1 below]**	-	74.70	-	101.24	-	124.49
Unclaimed interest on matured debentures **[Refer note 22.2 below]**	-	0.01	-	0.19	-	0.19
Interest accrued but not due on loans		430.39		363.76		312.15
Deposits from suppliers/ contractors/ others	-	281.60	-	190.74	-	139.40
Payable against capital goods **[Refer note 22.3 below]**	-	4,233.96	-	6,863.46	-	8,468.68
Liability for employees	-	609.34	-	296.10	-	157.46
Other liabilities relating to customers and vendors	-	1,494.20	-	1,201.23	0.13	1,052.65
Total	**-**	**26,203.10**	**-**	**21,682.34**	**0.13**	**21,684.98**

22.1 No amount is due for payment to the Investor Education Protection Fund.

22.2 Unclaimed interest on matured debentures represents interest payable towards disputed claims.

22.3 Price reduction clause

Payable against capital goods includes ₹ 985.46 million (As at March 31, 2016 ₹ 2,024.28 million, As at April 1, 2015 ₹1,557.42 million) relating to amounts withheld from vendors pursuant to price reduction clause 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, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Provision for employee benefits **[Refer note 39]**						
(a) Leave encashment	517.01	51.26	338.79	34.91	287.76	33.10
(b) Post retirement medical and other benefits	79.66	2.30	64.93	1.94	58.51	1.91
Others **[Refer note 23.1 below]**	-	2,797.68	-	3,506.98	-	2,062.38
	596.67	**2,851.24**	**403.72**	**3,543.83**	**346.27**	**2,097.39**

23.1 Others include provision for excise duty on closing stock.

Movement for the year 2016-17

Particulars	Excise duty on closing stock
Opening Balance as at March 31, 2016	3,506.98
Less: Reduction on account of provision reversal	3,506.98
Add: Addition	2,797.68
Closing Balance as at March 31, 2017	**2,797.68**

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, 2017 ₹ 2,797.68 million (As at March 31, 2016 ₹ 3,506.98 million, As at April 1, 2015 ₹ 2,057.60 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, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax assets	19,439.37	24,838.27	18,360.96
Deferred tax liabilities	(24,206.00)	(22,608.00)	(18,360.96)
Deferred tax Asset/ (Liability) -Net	**(4,766.63)**	**2,230.27**	**-**

2015-16	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities in relation to				
Property, plant and equipment	(18,369.57)	(4,245.43)	-	(22,615.00)
Intangible assets	8.61	(1.61)	-	7.00
Total	**(18,360.96)**	**(4,247.04)**	**-**	**(22,608.00)**
Deferred tax assets in relation to				
Other liabilities	10.68	0.19	-	10.87
Brought forward buisness losses and unabsorbed depreciation	17,944.56	3,269.40	(1.70)	21,212.26
MAT credit entitlement	-	3,071.31	-	3,071.31
Financial and other assets	374.66	137.54	-	512.20
Inventories	31.06	0.57	-	31.63
Total	**18,360.96**	**6,479.01**	**(1.70)**	**24,838.27**
Deferred tax asset / (liability) (net)	**-**	**2,231.97**	**(1.70)**	**2,230.27**

2016-17	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities in relation to				
Property, Plant and equipment	(22,615.00)	(1,598.17)	-	(24,213.17)
Intangible assets	7.00	0.17	-	7.17
Total	**(22,608.00)**	**(1,598.00)**	**-**	**(24,206.00)**
Tax effect of items constituting deferred tax assets				
Other liabilities	10.87	12.73	-	23.60
Brought forward buisness losses and unabsorbed depreciation	21,212.26	(17,375.10)	26.65	3,863.81
MAT credit entitlement	3,071.31	11,853.79	-	14,925.10
Financial and other assets	512.20	83.03	-	595.23
Inventories	31.63	-	-	31.63
Total	**24,838.27**	**(5,425.55)**	**26.65**	**19,439.37**
Deferred tax asset / (liability) (net)	**2,230.27**	**(7,023.55)**	**26.65**	**(4,766.63)**

25 Trade payables

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade payables	60,339.67	213,388.71	183,310.01
Total	**60,339.67**	**213,388.71**	**183,310.01**

25.1 Trade payables include ₹ 9,102.11 million (As at March 31, 2016 of ₹ 4,638.87 million; As at April 1, 2015 of ₹ 3,282.95 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 7 to 90 days. Thereafter, interest is charged upto 6.75% p.a. 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, 2017	As at March 31, 2016	As at April 1, 2015
i	the Principal amount due thereon remaining unpaid to any supplier at the end of year.	70.84	9.07	8.46
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.	-	-	-

26. Other liabilities

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Revenue received in advance	-	1.56	-	1.71	-	1.84
Liability for gratuity **[Refer note 26.1 below]**	-	94.65	-	27.08	-	24.98
Liability for statutory payments	-	1,709.36	-	1,393.54	-	1,156.32
Payable to Oil Companies on refund from commercial tax authorities	-	-	-	-	-	2,884.48
Total	**-**	**1,805.57**	**-**	**1,422.33**	**-**	**4,067.62**

26.1 Net of amount receivable/ payable from/to gratuity trust.

27 Revenue from operations

Particulars		Year ended March 31, 2017	Year ended March 31, 2016
27.1	**Sale of products**		
	Domestic sales (including excise duty)	449,579.09	382,486.41
	Export sales	144,571.40	126,155.36
27.2	**Other operating revenues**		
	Sale of scrap	83.60	81.85
	Facilitation charges	36.67	41.70
	Liquidated damages	34.10	30.46
	Total	**154.37**	**154.01**
	Total	**594,304.86**	**508,795.78**

28 Other income

Particulars		Year ended March 31, 2017	Year ended March 31, 2016
28.1	**Interest on:**		
	Contractor mobilisation advance	-	41.29
	Others	252.47	81.88
	Financial assets measured at amortised cost :		
	- bank deposits	3,538.97	6,796.49
	- direct marketing customers	22.36	24.20
	- employee loans	25.07	20.50
	Total	**3,838.87**	**6,964.36**
28.2	**Dividend income from:-**		
	Investment in mutual funds (measured at FVTPL)	**255.36**	**1,168.10**
	Investment in Shell MRPL Aviation Fuels and Services Limited (measured at cost)	**7.50**	**9.00**
28.3	**Other non-operating income**		
	Royalty income	9.04	4.39
	Liability no longer required written back	2.79	362.72
	Excess provisions written back	62.88	0.73
	Tender form sale	1.18	1.01
	Hire charges	2.30	4.10
	Recoveries from employees	8.39	9.05
	Miscellaneous receipts	43.70	49.09
	Total	**130.28**	**431.09**
	Total	**4,232.01**	**8,572.55**

29 Cost of materials consumed

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Raw material: Crude oil		
Imported	292,337.60	301,442.61
Indigenous	71,721.91	36,849.57
Raw material: Others		
Imported		
Hydrogen	1,857.42	1,476.11
Paraffin raffinate	5,463.03	4,707.47
De- Ethanizer	408.73	-
Reformate	3,094.99	1,033.52
Indigenous		
CRMB modifier	3.44	6.70
Stock-in-trade		
Indigenous	0.49	0.12
Total	**374,887.61**	**345,516.10**

30 Changes in inventories of finished goods, stock-in-process and stock-in-trade

Particulars		Year ended March 31, 2017	Year ended March 31, 2016
30.1	**Closing stock of:**		
	Finished goods and stock-in-trade	12,464.28	10,913.11
	Stock-in-process	4,517.38	3,185.52
	Total closing stock	**16,981.66**	**14,098.63**
30.2	**Opening stock of:**		
	Finished goods and stock-in-trade	10,913.11	17,173.02
	Stock-in-process	3,185.52	3,757.27
	Total opening stock	**14,098.63**	**20,930.29**
	Changes in inventories of finished goods, stock-in-process and stock-in-trade	**(2,883.03)**	**6,831.66**

31 Employee benefits expense

Particulars (refer note 31.1 below)	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and wages	3,022.95	2,397.04
Contribution to provident and other funds	343.99	317.70
Post-retirement benefits - medical and others	10.53	9.85
Staff welfare expenses	142.59	130.60
Total	**3,520.06**	**2,855.19**

31.1 Provision for revision in salary w.e.f January 01, 2017 is considered as per recommendation of "Third Pay Revision Committee Report".

32 Finance costs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Finance expense for financial liabilities measured at amortised cost		
- from related party	2,435.03	3,880.57
- from banks	1,911.60	1,367.93
- from others	808.46	638.06
	5,155.09	**5,886.56**
Financial guarantee charges	16.65	18.37
Total	**5,171.74**	**5,904.93**

33 Depreciation and amortisation expense

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation of Property, plant and equipment	6,774.29	7,104.14
Amortisation of intangible assets	4.90	0.57
Total	**6,779.19**	**7,104.71**

34 Other expenses

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
Power, utility and fuel charges	27,380.26		26,978.88	
Less : Own consumption	26,774.50	605.76	24,872.26	2,106.62
Repairs and maintenance				
- Plant and machinery	2,189.70		2,112.69	
- Building	6.78		8.84	
- Others	565.94	2,762.42	513.74	2,635.27
Stores, spares and chemical consumed		1,271.46		851.62
Packing material consumed		209.30		45.80
Rent		93.32		83.72
Insurance		243.05		242.50
Rates and taxes		2,401.33		2,199.61
Excise duty on stock (net) [Refer note below 34.1]		(675.16)		1,588.96
Exchange rate fluctuation loss/ (Income)		593.17		11,902.67
Director's sitting fees		0.02		-
Loss on sale of property, plant and equipment		57.02		3.86
Bank charges		27.53		31.30
Payment to auditors				
Audit fees	2.31		1.90	
For taxation matters	0.40		0.50	
For certification fees	1.70		1.50	
Reimbursement of expenses	2.71	7.12	3.06	6.96
Corporate social responsibility expenses (CSR) [refer note below 34.2]		32.23		23.40

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
Impairment for:				
Doubtful trade receivables		302.80		378.49
Write Offs:				
Doubtful trade receivables		59.37		0.70
Miscellaneous expenses		1,503.13		1,319.97
Total		**9,493.87**		**23,421.45**

34.1 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.

34.2 The CSR expenditure comprises the following:

(a) Gross amount required to be spent by the Company during the year: ₹ 50.00 million (Year ended March 31, 2016 ₹ 23.40 million).

(b) Amount spent during the year on:

Particulars	Year ended March 31, 2017		
	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of asset	24.92	-	24.92
ii) On purpose other than (i) above	7.31	-	7.31
Total	**32.23**	**-**	**32.23**

Particulars	Year ended March 31, 2016		
	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of asset	19.45	-	19.45
ii) On purpose other than (i) above	3.95	-	3.95
Total	**23.40**	**-**	**23.40**

35 Exceptional items (income)/expenses (net)

Particulars (Refer note 35.1 below)	Year ended March 31, 2017	Year ended March 31, 2016
Cost of materials consumed	-	988.16
Employee benefits expense	-	211.15
Miscellaneous expenses		630.63
Exchange rate fluctuation loss/ (Income)	(15,972.91)	-
Total	**(15,972.91)**	**1,829.94**

35.1 Exceptional items for the current year is on account of exchange rate variation gain arising out of settlement of overdue trade payables which got accumulated on account of non finalisation of remittance channel.

35.2 The exceptional items for the previous year consists of ₹ 1,541.87 million expenses arising out of differential wharfage for the period October 16, 2009 to March 31, 2015 paid as per order issued by Ministry of Shipping, Government of India, ₹ 211.15 million towards adhoc contribution to Super Annuation Benefit Fund for the non-management staff as per Long Term settlement signed effective April 01, 2007 (contribution pertains to the period April 2007 to March 2015) and ₹ 76.92 million on account of re-worked out Custom Duty on the basis of judgment of Hon'ble Supreme Court in MRPL's Civil Appeals.

36 Income taxes related to continuing operations

36.1 Income tax recognised in statement of profit and loss

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Current tax	11,853.78	2,345.58
Deferred tax	7,023.55	(2,231.97)
Total income tax expense recognised in the current year relating to continuing operations	**18,877.33**	**113.61**

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit before tax from continuing operations	**55,314.20**	**11,582.98**
Income tax expense calculated at 34.608% (2015-2016: 34.608%)	19,143.14	4,008.64
Effect of income that is exempt from tax	(90.97)	(407.36)
Effect of investment allowance u/s 32AC of Income Tax Act, 1961	29.84	(617.30)
Effect of expenses that are not deductible in determining taxable profit	113.83	127.34
Effect of deferred tax balance due to change in income tax rate from 33.99% to 34.608%	-	(45.80)
Effect of recognition of MAT credit of earlier years at 21.3416%	-	(725.73)
Effect of change in deferred tax balance due to true up adjustments	(318.51)	292.68
Effect of deferred tax on unrecognised tax losses of previous years.	-	(2,518.86)
Income tax expense recognised in profit or loss (relating to continuing operations)	**18,877.33**	**113.61**

36.3 Income tax recognised in other comprehensive income

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	26.65	(1.70)
Total income tax recognised in other comprehensive income	**26.65**	**(1.70)**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	26.65	(1.70)
Items that may be reclassified to profit or loss	-	-

37 Earnings per equity share:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit after tax for the year attributable to equity shareholders (₹ in million)	36,436.87	11,469.37
Weighted average number of equity shares (Number in million)	1,752.60	1,752.60
Basic and Diluted earnings per equity share (₹)	20.79	6.54
Face Value per equity share (₹)	10.00	10.00

38 Leases

38.1 Obligations under finance leases

38.1.1 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 5.2]**.

Financial lease obligation as at March 31, 2017 is immaterial (As at March 31, 2016 : immaterial; As at April 1, 2015: immaterial).

38.2 Operating lease arrangements

38.2.1 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 44 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.

38.2.2 Payments recognized as an expense

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Minimum lease payments	46.23	36.31
	46.23	**36.31**

38.2.3 Non-cancellable operating lease commitments

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

39 Employee benefit plans

39.1 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, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
Employer's contribution to Provident Fund	166.61	152.73	0.92	0.85
Employer's contribution to Superannuation Fund	140.91	338.38	0.76	0.79

39.2 Other long term employee benefits

39.2.1 **Brief Description:** A general description of the type of Other long-term employee benefits is 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.

39.2.2 The liability for leaves is recognized on the basis of actuarial valuation.

39.3 Defined benefit plans

39.3.1 **Brief Description:** A general description of the type of Defined benefit plans is as follows:

a) **Gratuity:**

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

The MRPL- Gratuity Trust was formed on 20th April,2007 and invesments 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.

39.3.2 The liability for Defined benefit plans is recognized on the basis of actuarial valuation.

39.3.3 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, 2017 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.

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

Assumptions as at March 31, 2017

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
	Gratuity (Funded)		
1	Expected return on plan assets	7.34%	8.08%
2	Rate of discounting	7.34%	8.08%
3	Rate of salary increase	5.50%	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)

Assumptions as at March 31, 2017

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
	Post-Retirement Medical Benefits		
1	Rate of discounting	7.34%	8.08%
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	7.34%	8.08%
2	Rate of salary increase	5.50%	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.

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

Gratuity:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Service Cost :		
Current service cost	28.30	26.94
Net interest expense	2.34	2.69
Components of defined benefit costs recognised in employee benefit expenses	30.64	29.63
Remeasurement on the net defined benefit liability:		
Return on plan assets excluding amounts included in net interest cost	(7.53)	(1.91)
Actuarial (gains) / losses arising from changes in financial assumptions	53.36	(5.49)
Actuarial (gains) / losses arising from experience adjustments	20.83	1.88
Components of Remeasurement	**66.66**	**(5.52)**
Total	**97.30**	**24.11**

Post-Retirement Medical Benefits:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Service Cost :		
Current service cost	4.13	3.59
Net interest expense	4.61	4.34
Components of defined benefit costs recognised in employee benefit expenses	8.74	7.93
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	7.14	3.30
Actuarial (gains) / losses arising from experience adjustments	1.74	(3.06)
Components of Remeasurement	**8.88**	**0.24**
Total	**17.62**	**8.17**

Resettlement Allowance:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Service Cost :		
Current service cost	1.14	1.13
Net interest expense	0.79	0.80
Components of defined benefit costs recognised in employee benefit expenses	1.93	1.93
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	1.14	(0.13)
Actuarial (gains) / losses arising from experience adjustments	0.30	0.48
Components of Remeasurement	**1.44**	**0.35**
Total	**3.37**	**2.28**

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 ₹ (75.55) million (previous year ₹ 5.28 million)

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

Gratuity:

Particulars	As at March 31, 2017	As at March 31, 2016
Opening defined benefit obligation	563.39	508.85
Current service cost	28.30	26.94
Interest cost	45.52	43.25
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	53.36	(5.49)
Actuarial gains and losses arising from experience adjustments	20.83	1.88
Benefits paid	(7.89)	(12.04)
Closing defined benefit obligation	**703.51**	**563.39**
Current obligation	98.99	28.95
Non-Current obligation	**604.52**	**534.44**

Post-Retirement Medical Benefits:

Particulars	As at March 31, 2017	As at March 31, 2016
Opening defined benefit obligation	57.06	51.06
Current service cost	4.13	3.59
Interest cost	4.61	4.34
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	7.14	3.30
Actuarial gains and losses arising from experience adjustments	1.74	(3.06)
Benefits paid	(4.26)	(2.17)
Closing defined benefit obligation	**70.42**	**57.06**
Current obligation	1.99	1.67
Non-Current obligation	**68.43**	**55.39**

Resettlement Allowance:

Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Opening defined benefit	9.81	9.37
Current service cost	1.14	1.13
Interest cost	0.79	0.80
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	1.14	(0.13)
Actuarial gains and losses arising from experience adjustments	0.30	0.48
Benefits paid	(1.64)	(1.84)
Closing defined benefit obligation	**11.54**	**9.81**
Current obligation	0.32	0.27
Non-Current obligation	**11.22**	**9.54**

39.3.7 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, 2017**	**As at March 31, 2016**
Present value of funded defined benefit obligation	(703.51)	(563.39)
Fair value of plan assets	604.52	534.44
Funded status	(98.99)	(28.95)
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	(98.99)	(28.95)

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, 2016 Nil ; As at April 1, 2015 Nil)

Post-Retirement Medical Benefits and terminal benefits and Resettlement allowances are unfunded plans, and no plan assets are involved.

39.3.8 Movements in the fair value of the plan assets are as follows :

Gratuity:

Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Opening fair value of plan assets	534.44	477.16
Interest income	43.18	40.56
Return on plan assets (excluding amounts included in net interest expense)	7.53	1.91
Contributions from the employer	27.26	24.98
Benefits paid	(7.88)	(10.17)
Closing fair value of plan assets	**604.53**	**534.44**

Expected Contribution in respect of Gratuity for next year will be ₹ 94.65 million (For the year ended March 31, 2016 ₹ 27.08 million)

The Company has recognized a gratuity liability of ₹ 98.99 as at March 31, 2017 (As at March 31, 2016 ₹ 28.95 million; As at April 1, 2015 ₹ 31.68 million).

39.3.9 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, 2017**	**As at March 31, 2016**
Cash and Cash equivalents	1.91	1.07
Equity Investment	-	-
Mutual Fund-UTI Treasury Fund	17.75	16.45
Debt investment categorised by issuer's credit rating		
AAA	66.74	62.00
AA+	12.03	15.68
AA	6.02	10.36
AA-	1.00	4.98
A+	5.98	0.98
A-	11.00	11.00
Group Gratuity Cash Accumulation Scheme (Traditional Fund)		
Life Insurance Corporation of India	95.95	87.95
Bajaj Allianz	79.48	62.97
HDFC Standard Life Insurance Co.	79.41	62.91
Birla Sunlife Insurance Co.	20.42	8.91
India First Life Insurance Co.	20.42	8.91
Investment in Government Securities	151.35	151.33
Other current assets - Interest Accrued	35.07	28.94
Total	**604.53**	**534.44**

39.3.9.1 The actual return on plan assets of gratuity was ₹ 43.18 million (As at March 31, 2016 ₹ 40.56 million).

39.3.10 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.

39.3.11 Sensitivity Analysis as at March 31, 2017

Significant actuarial assumptions	**Gratuity**	**Post-Retirement Medical Benefits**	**Other Retirement Benefits**
Rate of discounting			
- Impact due to increase of 50 basis points	(36.75)	(4.95)	(0.79)
- Impact due to decrease of 50 basis points	39.88	5.53	0.88
Rate of salary increase			
- Impact due to increase of 50 basis points	40.41	-	-
- Impact due to decrease of 50 basis points	(37.53)	-	-
Rate of Employee turnover			
- Impact due to increase of 50 basis points	6.72	(2.15)	0.18
- Impact due to decrease of 50 basis points	(7.17)	1.85	(0.19)

39.3.12 Sensitivity Analysis as at March 31, 2016

Significant actuarial assumptions	Gratuity	Post-Retirement Medical Benefits	Other Retirement Benefits
Rate of discounting			
- Impact due to increase of 50 basis points	(28.55)	(3.89)	(0.65)
- Impact due to decrease of 50 basis points	30.94	4.34	0.72
Rate of salary increase			
- Impact due to increase of 50 basis points	31.57	-	-
- Impact due to decrease of 50 basis points	(29.35)	-	-
Rate of Employee turnover			
- Impact due to increase of 50 basis points	7.72	(1.59)	0.22
- Impact due to decrease of 50 basis points	(8.21)	1.29	(0.23)

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.

39.3.13 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, 2017	As at March 31, 2016
Number of active members	1885	1785
Per month salary for active members	139.24	111.57
Weighted average duration of the Projected Benefit Obligation (years)	13	12
Average Expected future service	17	17
Projected benefit obligation	703.51	563.39
Contribution to the defined benefit plan during the next financial year	133.52	57.25

Post-Retirement Medical Benefits:

Particulars	As at March 31, 2017	As at March 31, 2016
Number of active members	1,912	1,812
Number of retired employees	79	63
Weighted average duration of the Projected Benefit Obligation	15	15
Average expected future service	17	17
Projected benefit obligation	70.42	57.06

Resettlement Allowance:

Particulars	As at March 31, 2017	As at March 31, 2016
Number of active members	1,912	1,785
Per month salary for active members	139.68	111.57
Weighted average duration of the Projected Benefit Obligation	16	16
Average expected future service	17	17
Projected benefit obligation	11.54	9.81

39.3.14 Maturity Profile for Defined Benefit Obligations

Defined Benefit	As at March 31, 2017	As at March 31, 2016
Gratuity		
Less than one year	31.21	26.03
One to Three years	63.81	56.87
Three to Five years	75.14	65.67
More than Five years	239.24	198.48
Post-Retirement Medical Benefits		
Less than one year	1.97	1.67
One to Three years	4.49	3.78
Three to Five years	5.24	4.51
More than Five years	17.47	15.30
Resettlement Allowance		
Less than one year	0.32	0.39
One to Three years	0.77	0.75
Three to Five years	0.75	0.74
More than Five years	2.00	1.67

40 Segment Reporting

The Company has "petroleum products" as single reportable segment.

40.1 Information about major customers

Company's significant revenues are derived from sales to oil marketing companies which is 68% and 70% of the Company's total revenue for the year ending 31st March 2017 & 31st March 2016 respectively. The total sales to such companies amounted to ₹ 405,803.37 million for the year ended March 31, 2017 and ₹ 354,414.95 million for the year ended March 31, 2016.

Nil customer (excluding oil marketing companies mentioned above) for the year ended March 31, 2017 and [nil] customers (excluding oil marketing companies mentioned above) for the year ended March 31, 2016 contributed 10% or more to the Company's revenue. The total sales to such customer amounted to nil million for the year ended March 31, 2017 and nil million for the year ended March 31, 2016.

40.2 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, 2017	Year ended March 31, 2016
India	493,842.89	421,180.29
Other Countries	100,307.60	87,461.48
Total	**594,150.49**	**508,641.77**

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, 2017	Year ended March 31, 2016
India	156,065.85	157,601.63
Other Countries	-	-
Total	**156,065.85**	**157,601.63**

40.3 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, 2017	Year ended March 31, 2016
High speed Diesel (HSD)	322,098.73	270,788.68
Motor Spirit (MS)	80,464.16	64,712.07
Total	**402,562.89**	**335,500.75**

41 Related Party Disclosures

41.1 Name of related parties and description of relationship:

A Entity having control over the Company

Oil and Natural Gas Corporation (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) wherein MRPL having control

1 MRPL Gratuity Fund Trust

2 MRPL Provident Fund Trust

F Key Management Personnel

F.1 Non-Executive directors

Shri D. K. Saraff (Chairman)

F.2 Executive Directors

1 Shri H. Kumar, Managing Director.

2 Shri M. Venkatesh Director (Refinery).

3 Shri Vishnu Agrawal, Director (Finance) up to January 31, 2016.

4 Shri A. K. Sahoo, Director (Finance) from February 1, 2016.

F.3 Other Non-Executive Directors

1 Shri B.K.Namdeo, Nominee Director (HPCL) upto November 8, 2016.

2 Shri Nalin Kumar Srivastava, Government Nominee Director, upto March 3, 2016.

3 Shri Diwakar Nath Misra, Government Nominee Director, from March 9, 2016.

4 Shri Vinod S. Shenoy, Nominee Director (HPCL), from November 8, 2016.

5 Smt.Perin Devi, Government Nominee Director.

6 Ms.Manjula C, Independent Director, from January 31, 2017.

F.4 Company Secretary

Shri Dinesh Mishra, Company Secretary

41.2 Details of Transactions:

41.2.1 Transactions with Holding Company

Oil and Natural Gas Corporation Limited (ONGC)	Nature of Transactions	Year ended March 31, 2017	Year ended March 31, 2016
Sales of products	a) Sales to ONGC-Karaikal & Retail Outlet	20.48	71.65
	b) Sales of High Flash High Speed Diesel	5,302.12	3,078.45
Purchase of Crude & Retail Outlet	a) Purchase of Crude Oil	53,305.01	25,952.10
	b) Purchase of Retail Outlet	25.10	-
Services received	a) Deputation of ONGC Employees	2.94	1.03
	b) Rent and Electricity Charges paid for Mumbai Office	15.36	5.89
Guarantee Fees	Charges for Guarantee given to Saudi Aramco	16.65	18.37
Services provided	Expenses incurred on behalf of ONGC	10.53	23.35
Interest Expense	Interest on Term Loan	2,435.03	3,973.54

41.2.2 Outstanding balances with Holding Company

Oil and Natural Gas Corporation Limited (ONGC)	Nature of Transactions	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Loans	Term Loan	25714.10	32,571.30	39,428.50
Amount receivable	Sale of Oil products	614.59	891.25	90.11
Amount payable	Purchase of Crude Oil	3,191.80	2340.35	1,730.94

41.2.3 Transactions with Entity having significant influence over the Company

Hindustan Petroleum Corporation Limited (HPCL)	Nature of Transactions	Year ended March 31, 2017	Year ended March 31, 2016
Sales of products	Sale of petroleum products	185,334.75	136,162.92
Services provided	a) Received / Receivable on account of Terminalling Charges	49.25	46.18
	b) Reimbursement of water charges, facilitation charges	4.92	17.07
	c) State Specific Cost ratio - ET reimbursement	390.49	1,020.74
	d) Receipts of contaminated charges, Hospitality Charges, Wharfage and stock loss etc.	3.05	3.53

41.2.4 Outstanding balances with Entity having significant influence over the Company

Hindustan Petroleum Corporation Limited (HPCL)	Nature of Transactions	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Amount receivable	Sale of Oil products	8963.13	6,763.62	5,899.38
	Transit Loss and Others	95.50	95.59	95.58

41.2.5 Transactions with Subsidiary

ONGC Mangalore Petrochemicals Limited (OMPL)	Nature of Transactions	Year ended March 31, 2017	Year ended March 31, 2016
Sales of products	Sale of Oil products	46,624.71	39,855.43
Purchase of products	Purchase of Raffinate and Hydrogen	8,987.03	7,224.20
Services received	Purchase of Electrical Items	-	3.88
Services provided	a) Crane Charges and reimbursement of Consultancy Fee	0.03	1.01
	b) Facilitation Charges	36.67	41.70
Interest income	Interest Charges for delayed payments	57.05	70.88

41.2.6 Outstanding balances with Subsidiary

ONGC Mangalore Petrochemicals Limited (OMPL)	Nature of Transactions	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Loans	Short Term Loans & Advances	0.03	17.58	17.19
Amount receivable	Sales of Oil products, Facilitation Charges & Others	1,903.24	4,693.62	1,483.65
Amount payable	a) Purchase of Raffinate, Hydrogen & Other Service Charges	96.11	111.94	107.90
	b) Feed Transfer Facility within MRPL Provided by OMPL	344.40	429.14	429.16

41.2.7 Transactions with Joint Ventures:

Name of related party	Nature of Transactions	Year ended March 31, 2017	Year ended March 31, 2016
1 Shell MRPL Aviation Fuels and Services Ltd (SMAFSL)			
Sales of products	ATF Sales	4720.78	2597.06
Services provided	a) Reimbursement of Electrical Charges	0.34	0.05
	b) Royalty Income	10.44	5.01
Dividend Income	Dividend received	7.50	9.00
2 Mangalam Retail Services Limited (MRSL)			
Services provided	Professional Services	-	0.01

41.2.8 Outstanding balances with Joint Ventures:

Name of related party	Nature of Transactions	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Amount receivable:				
Shell MRPL Aviation Fuels and Services Ltd (SMAFSL)	a) Royalty and Terminalling Charges, etc.	509.86	209.13	289.09
	b) Receivable for the Services	0.31	0.01	0.01

41.2.9 Transactions with Associates

Name of Associates	Nature of Transactions	Year ended March 31, 2017	Year ended March 31, 2016
a Services received from:			
1 Mangalore SEZ Limited	a) River Water, STP Water & Road Repairs	416.96	521.61
	b) Cost sharing on account of Permude Kateel Road	-	8.14
	c) Advance for Right of Way for Pipeline-cum-Road Corridor	87.09	950.51
	d) Advance for Development of Bypass Road	51.50	108.30
	e) Lease Rent paid for Petcoke Road	130.45	-
2 Petronet MHB Limited	Pipeline Transportation Charges	-	13.89
b) Services provided to:			
1 Mangalore SEZ Limited	Lease Rent for Sarapady	0.03	0.03
2 Petronet MHB Limited	Reimbursement of Electricity Charges	30.18	36.70

41.2.10 Outstanding balances with Associates:

Name of Associates	Nature of Transactions	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Amount receivable:				
Petronet MHB Limited	Reimbursement of Electricity Charges	2.73	1.21	0.20
Amount payable:				
1. Mangalore SEZ Limited	River Water, STP Water and Road Repairs	38.84	55.87	63.54
2. ONGC Nile Ganga BV	Balance Outstanding on account of Crude procurement	67.65	69.11	62.50
Advances to:				
Mangalore SEZ Limited	a) Advance for Right of Way for Pipeline-cum-Road Corridor	980.61	904.50	80.00
	b) Advance for Khana Jokatte Road Project	-	51.50	51.50

41.2.11 Transactions with Trusts

Name of Trusts	Nature of Transactions	Year ended March 31, 2017	Year ended March 31, 2016
Remittance of payments:			
Provident Fund of MRPL Limited	Contributions	352.16	320.87
Reimbursement of Gratuity payment made on behalf of Trust:			
MRPL Gratuity Fund Trust	Reimbursements and Contributions	12.20	13.11

41.2.12 Compensation to Key Management Personnel:

Whole Time Directors and Company Secretary

	Year ended March 31, 2017	Year ended March 31, 2016
Short Term employee benefits	14.25	12.60
Post-employment benefits (includes provision for leaves, gratuity and other post retirement benefits)	8.37	6.60
Other long-term benefits (includes contribution to provident fund)	1.69	1.64
Total	**24.30**	**20.85**

Independent Directors

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Sitting Fees	0.02	0.00

41.3 Disclosure in respect of Government related entities

41.3.1 Name of Government related entities and description of relationship wherein significant amount of transactions were carried out:

Government related entities		Relation
1	Oil and Natural Gas Corporation (ONGC) (Entity having control over the Company)	Central PSU
2	Hindustan Petroleum Corporation Ltd (HPCL) (Entity having significant influence over the Company)	Central PSU
3	ONGC Mangalore Petrochemicals Limited (OMPL) (Entity controlled by the Company)	Central PSU
4	Petronet MHB Limited (PMHBL) (Entity over which Company has significant influence)	Central PSU
5	ONGC Nile Ganga BV (ONGBV) (Entity over which Company has significant influence)	Central PSU
6	Bharat Petroleum Corporation Ltd (BPCL)	Central PSU
7	Indian Oil Corporation Limited (IOCL)	Central PSU
8	Bharat Heavy Electrical Limited	Central PSU
9	Oriental Insurance Co. Limited	Central PSU
10	Bridge & Roof Co (India) Limited	Central PSU
11	Engineers India Limited	Central PSU
12	The Shipping Corporation of India Limited	Central PSU
13	Konkan Railway Corporation Limited	Central PSU
14	Indian Strategic Petroleum Reserves Limited (ISPRL)	Central Government
15	Centre for High Technology	Central Government
16	MESCOM	State Government
17	Karnataka Power Transmission Corporation Limited	State Government
18	New Mangalore Port Trust	Central Port Trust

41.3.2 Transactions with Government related Entities (Note 41.3.4):

Name of related party		Nature of transactions	Year ended March 31, 2017	Year ended March 31, 2016
A	**Sale of products during year to:**			
1	Indian Oil Corporation Limited (IOCL)	Sale of petroleum products	114,796.19	139,640.72
2	Bharat Petroleum Corporation Ltd (BPCL)	Sale of petroleum products	89,965.39	69,258.19
B	**Purchase of product during year from:**			
1	Bharat Heavy Electrical Ltd	CPP Phase III	33.09	43.31
2	Indian Strategic Petroleum Reserves Limited (ISPRL)	Purchase of Crude Oil on behalf of ISPRL	6,186.72	-
3	Indian Oil Corporation Limited (IOCL)	Purchase of Naphta	433.24	-
C	**Services Received from:**			
1	Karnataka Power Transmission Corporation Ltd	Purchase of electricity	209.11	151.71
2	Oriental Insurance Co. Ltd	Insurance premium	271.44	246.31
3	New Mangalore Port Trust	Port Services	39.51	51.34
4	Bridge & Roof Co (India) Ltd	Job Work Service	28.98	67.85
5	Engineers India Ltd	Technical Services	552.06	2,613.24
6	The Shipping Corporation of India Ltd	Service	3,945.37	883.36
7	New Mangalore Port Trust	Port Services	1,275.43	2,969.00
8	Konkan Railway Corporation Limited	Railway Siding	320.64	9.19
D	**Advance for Acquisition for Land**			
1	Karnataka Industrial Area Development Board	Purchase of Phase IV Land	5,905.19	0.01

41.3.3 Outstanding balances with Government related entities (Note 41.3.4):

Name of related party		Nature of transaction	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Amount receivable:					
1	Indian Oil Corporation Limited	Trade and other receivable	6,216.48	5,051.23	6,988.58
2	Bharat Petroleum Corporation Ltd	Trade and other receivable	3,406.15	2,396.31	2,055.91
3	Indian Strategic Petroleum Reserves Limited (ISPRL)	Trade and other receivable	3,033.27	-	-
4	New Mangalore Port Trust	Trade and other receivable	8.37	8.38	349.48
Amount payable:					
1	Centre for High Technology	Trade and other payable	29.82	52.16	52.16
2	Bridge & Roof Co (India) Ltd	Trade and other payable	42.79	160.02	167.19
3	Engineers India Ltd	Trade and other payable	1,087.32	1,986.15	1,935.80
4	Bharat Heavy Electrical Ltd	Trade and other payable	1,485.93	1,531.50	2,001.54
5	The Shipping Corporation of India Ltd	Trade and other payable	309.97	37.88	41.54
6	Konkan Railway Corporation Limited	Trade and other payable	0.03	9.19	-
7	Karnataka Power Transmission Corporation Ltd	Trade and other payable	19.43	18.94	32.26
8	Karnataka Industrial Area Development Board	Advance for Land	5,909.11	4.32	4.31
9	Oriental Insurance Co. Ltd	Trade and other payable	-	-	1.34

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.

41.3.4 Transactions and outstanding balances with ONGC, HPCL, OMPL, PMHBL and ONGBV have been disclosed in Note 41.2.1 to 41.2.10 above.

42 Financial instruments

42.1 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.

42.1.1 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, 2017	As at 31 March, 2016	As at 1 April, 2015
i)	Debt *	85,409.61	80,751.63	89,908.45
ii)	Total cash and bank balances	21,308.45	137,126.37	102,686.18
	Less : cash and bank balances required for working capital	21,308.45	137,126.37	102,686.18
	Net cash and bank balances	-	-	-
iii)	Net Debt	85,409.61	80,751.63	89,908.45
iv)	Total equity	100,704.75	64,313.74	52,841.14
v)	Net Debt to equity ratio	0.85	1.26	1.70

* Debt is defined as long-term and short term borrowings as described in notes 21 and note 22

42.2 Categories of financial instruments

Particulars		As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Financial assets (Refer Note 42.2.1 below)				
Measured at amortised cost				
(a)	Trade and other receivables	26,211.64	23,952.47	23,681.63
(b)	Cash and cash equivalents	2,331.66	13,541.07	13,670.00
(c)	Other bank balances	18,976.79	123,585.30	89,016.18
(d)	Loans	475.56	434.65	416.73
(e)	Other financial assets	3,213.71	1,745.37	1,581.14
Measured at fair value				
(a)	Investments	0.19	-	-
Financial liabilities				
Measured at amortised cost				
(a)	Borrowings	66,330.71	68,086.01	78,478.49
(b)	Trade payables	60,339.67	213,388.71	183,310.01
(c)	Other financial liabilities	26,203.10	21,682.34	21,685.11

42.2.1 Investments in subsidiary and joint ventures have not been disclosed above as these are measured at cost less impairment, if any

42.3 Financial risk management objectives

The Company's risk management committee monitors and manages key financial risks relating to the operations of the Company by 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.

42.4 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.

42.5 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 (Amount in ₹ million)			Assets (Amount in ₹ million)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at 31 March, 2017	As at 31 March, 2016	As at April 1, 2015
USD	92,114.85	249,658.40	220,043.23	5,867.18	4,501.03	6,853.20

42.5.1 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, 2017	Year ended March 31, 2016
Receivables:		
Weakening of INR by 5%	293.36	225.05
Strengthening of INR by 5%	(293.36)	(225.05)
Payable		
Weakening of INR by 5%	(2704.68)	(10404.01)
Strengthening of INR by 5%	2704.68	10404.01

42.5.2 Forward foreign exchange contracts

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

42.6 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, 2017 would decrease/increase by ₹ 318.68 million (for the year ended March 31, 2016 : decrease/increase by ₹ 370.75 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

42.7 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, 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 11% 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.

42.8 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 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total
As at March 31, 2017						
(i) Borrowings	Long term - 5.92% Short Term - 7.19%	5,201.88	12,971.00	42,529.76	5,628.07	66,330.71
(ii) Trade payables	-	35,258.93	25,080.74	-	-	60,339.67
(iii) Other financial liabilities	-	6,810.00	19,393.10	-	-	26,203.10

Particulars	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total
As at March 31, 2016						
(i) Borrowings	Long term - 6.94% Short Term - 7.60%	25.61	-	54,356.25	13,704.15	68,086.01
(ii) Trade payables	-	200,890.96	12,497.75	-	-	213,388.71
(iii) Other financial liabilities	-	8,750.28	12,932.06	-	-	21,682.34

Particulars	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total
As at April 1,2015						
(i) Borrowings	Long term - 7.32 % Short Term - 9.50%	108.73	-	31,225.37	47,144.39	78,478.49
(ii) Trade payables	-	183,310.01	-	-	-	183,310.01
(iii) Other financial liabilities	-	10,027.97	11,657.01		0.13	21,685.11

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	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total
As at March 31, 2017						
(i) Investments	-	-	-	-	13,496.42	13,496.42
(ii) Loans - Interest Bearing	7.60%	10.61	44.00	84.79	218.08	357.48
- Others	-	3.27	1.70	0.01	113.10	118.08
(iii) Trade receivables	-	26,184.83	26.81	-	-	26,211.64
(iv) Cash and cash equivalents	-	2,331.66	-	-	-	2,331.66
(v) Other Bank balances	-	16,220.73	2,755.97	-	0.09	18,976.79
(vi) Other financial assets	-	3,136.17	8.80	2.24	66.50	3,213.71

Particulars	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total
As at March 31, 2016						
(i) Investments	-	-	-	-	13,496.73	13,496.73
(ii) Loans - Interest Bearing	8.81%	12.43	34.45	108.45	151.58	306.91
- Others		3.27	2.74	-	121.73	127.74
(iii) Trade receivables	-	21,457.93	2,494.54	-	-	23,952.47
(iv) Cash and cash equivalents	-	13,541.07	-	-	-	13,541.07
(v) Other Bank balances	-	52,688.00	70,897.21	-	0.09	123,585.30
(vi) Other financial assets	-	1,077.17	621.54	2.28	44.38	1,745.37

Particulars	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total
As at April 1, 2015						
(i) Investments	-	-	-	-	13,496.73	13,496.73
(ii) Loans - Interest Bearing	8.81%	8.84	33.94	71.55	183.43	297.76
- Others		3.22	2.13	-	113.62	118.97
(iii) Trade receivables	-	19,104.33	4,577.30	-	-	23,681.63
(iv) Cash and cash equivalents	-	13,670.00	-	-	-	13,670.00
(v) Other Bank balances	-	45,578.65	43,437.53	-	-	89,016.18
(vi) Other financial assets	-	997.54	548.67	0.28	34.65	1,581.14

The Company has access to financing facilities as described below, of which ₹ 3239.60 million were unused at the end of the reporting period (As at March 31, 2016 ₹ 6958.20 million ; As at April 1, 2015 ₹ 30864.62 million). The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured bank overdraft facility payable at call :	8,433.00	6,958.20	30,864.62
- amount used	5,193.40	-	-
- amount unused	3,239.60	6,958.20	30,864.62

42.9 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.

43 The Financial position of the Joint Ventures are as under:

Particulars (As at March 31, 2017)	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	2,242.21	86.68	1,495.82	1.33	5,603.71	90.62	-	7.63	98.25
Total	**2,242.21**	**86.68**	**1,495.82**	**1.33**	**5,603.71**	**90.62**	**-**	**7.63**	**98.25**

Particulars (As at March 31, 2016)	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	1,689.92	94.71	1,031.59	1.50	3,243.72	39.27	-	(1.27)	38.00
Mangalam Retail Services Ltd.	1.26	0.09	0.08	0.09	0.13	0.04	-	-	0.04
Total	**1,691.18**	**94.80**	**1,031.67**	**1.59**	**3,243.85**	**39.31**	**-**	**(1.27)**	**38.04**

Particulars (As at April 1, 2015)	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	1,917.78	104.38	1,285.58	1.37	-	-	-	-	-
Mangalam Retail Services Ltd.	1.26	0.08	0.13	0.08	-	-	-	-	-
Total	**1,919.04**	**104.46**	**1,285.71**	**1.45**	**-**	**-**	**-**	**-**	**-**

43.1 Additional Financial information related to Joint venture are as under:

Particulars (As at March 31, 2017)	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	375.11	1,351.14	-	7.45	22.02	1.11	49.88
Total	**375.11**	**1,351.14**	**-**	**7.45**	**22.02**	**1.11**	**49.88**

Particulars (As at March 31, 2016)	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	992.65	916.24	-	5.90	20.92	2.51	9.60
Mangalam Retail Services Ltd.	0.02	-	-	-	0.13	-	-
Total	**992.67**	**916.24**	**-**	**5.90**	**21.05**	**2.51**	**9.60**

Particulars (As at April 1, 2015)	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	742.79	1,227.34	-	-	-	-	-
Mangalam Retail Services Ltd.	0.04	-	-	-	-	-	-
Total	**742.83**	**1,227.34**	**-**	**-**	**-**	**-**	**-**

44 Contingent liabilities

44.1 Claims against the Company/ disputed demands not acknowledged as debt:-

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
1	**Claims of Contractors / vendors in Arbitration / Court** 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 ₹ 1735.60 million / charged to revenue account would be ₹ 36.56 million (Year ended March 31, 2016; ₹ 1969.75 and ₹ 37.31 Million, Year ended March 31,2015 ₹ 340.73 million and ₹ 38.13 million respectively).	1,772.16	2,007.06	378.86
2	**Claims of Customers** One of the customer has lodged a claim for damages for pre-closure of the contract. The Company has disputed the claim based on Force Major condition. In case of non acceptance of the stand taken by the Company the amount will be debited to Statement of Profit and Loss account.	85.20	85.20	85.20
3	**Others**			
a)	The New Mangalore Port Trust (NMPT)has claimed from the Company notified wharfage charges for handling cargo at oil berths for the period beyond MOU term (berth No 10 from October16, 2009 to March 31, 2015 & for berth no 11 from April 1, 2011 toMarch 31, 2015). The Company has claimed that the Memorandum of Understanding, provides for arriving at a mutually agreeable rate subject to Government /TAMP (Tariff Authority for Major Ports) approval for the post MOU period. The issue has been settled during financial year 2015-16.	NIL	NIL	2,105.44
b)	This represents the potential liability which the Company has undertaken for reimbursement to lessors, in case of any liability in their respective tax assessments. Since, no communication is received from the lessors, therefore the amount has been withdrawn during the year 2015-16.	NIL	NIL	133.67
c)	The claim of Mangalore SEZ Limited over and above the advance paid for land and rehabilitation & resettlement work.	20.05	16.71	109.25
	Total	**1,877.41**	**2,108.97**	**2,812.42**

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.

44.2 Disputed tax / Duty demands pending in appeal as at 31st March,2017

44.2.1 Income Tax: ₹ 4,231.68 million as at March 31,2017 (As at March 31, 2016 ₹ 6649.42 million; As at April 1, 2015 ₹ 5942.35 million). Against this ₹ 3,994.28 million as at March 31,2017 (As at March 31, 2016 ₹ 3373.70 million; As at April 1, 2015 ₹ 2579.25 million). is adjusted / paid under protest and is included under tax assets/ liability **[Note 12]**.

44.2.2 Commercial Tax: ₹ 0.43 million as at March 31,2017 (As at March 31, 2016 ₹ 32.36 million; As at April 1, 2015 ₹ 32.36 million). Against this ₹ 0.21 million as at March 31,2017 (As at March 31, 2016 ₹ 15.58 million; As at April 1, 2015 ₹ 15.58 million) is paid under protest and is included under other assets (non current) **[note 13]**.

44.2.3 Excise Duty: ₹ 5,962.90 million as at March 31,2017 (As at March 31, 2016 ₹ 304.80 million ; As at April 1, 2015 ₹ 315.27 million). Against this ₹ 130.06 million as at March 31,2017(As at March 31, 2016 ₹ 59.78 million; As at April 1, 2015 ₹ 72.87 million) was paid under protest and is included under other assets (non current) **[note 13]**.

44.2.4 Customs Duty: ₹ 777.54 million as at March 31,2017 (As at March 31, 2016 ₹ 737.82 million; As at April 1, 2015 ₹ 747.56 million).

45 Commitments

45.1 Capital Commitments:

The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at March 31, 2017 ₹ 3,012.07 Million (As at March 31, 2016 ₹ 1,153.52 million; As at April 1, 2015 ₹ 1,602.96 million). The Company has requested KIADB for an allotment of 1050 acres of land for Phase IV expansion. The total capital commitment in this regard is around ₹ 1,042.02 million (As at March 31,2016 ₹ 6,946.81 million) as per the letter No.KIADB/Central Ofc/LA-MNG/2480/16195/2015-16 dated 22/02/2016.

45.2 Other Commitments

a Pending commitment on account of Refinery-MRPL is in possession of certain land provisionally measuring 39.76 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, 2017 USD 1.46 Million (As at March 31, 2016 USD 2.06 Million; As at April 1, 2015 USD 2.44 Million)

c The Company has an export obligation as at March 31,2017 ₹ 1,313.68 million (As at March 31, 2016 ₹ 1,556.36 million; As at April 1, 2015 ₹ 1,346.93 Million) on account of concessional rate of customs duty availed under EPCG licence scheme on import of capital goods.

46 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.

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

48 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.

49 Figures in parenthesis as given in these notes to financial statements relate to previous years.

50 Approval of financial statements

The financial statements were approved for issue by the board of directors on May 17, 2017

51 First-time Ind AS adoption reconciliations

51.1 Effect of Ind AS adoption on the balance sheet as at March 31, 2016 and April 1, 2015

Particular	Notes	As at March 31 2016 (End of last period presented under Previous GAAP)			As at April 01 2015 (Date of transition)		
		Previous GAAP #	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP #	Effect of transition to Ind AS	As per Ind AS balance sheet
ASSETS							
I. Non-current assets							
a) Property, Plant and Equipment	1,2 & 3	149,211.81	(405.44)	148,806.37	141,087.06	(922.83)	140,164.23
b) Capital Work-in-Progress	4	1,830.76	51.50	1,882.26	13,775.10	51.50	13,826.60
c) Goodwill	5	2.03	2.01	4.04	4.04	-	4.04
d) Other Intangible Assets		0.81	-	0.81	1.38	-	1.38
e) Financial Assets			-			-	-
i) Investment		13,496.73	-	13,496.73	13,496.73	-	13,496.73
ii) Loans	6	388.23	(6.46)	381.77	374.20	(5.61)	368.59
iii) Other financial assets		46.66	-	46.66	34.94	-	34.94
f) Non-current tax assets (net)		4,628.58	-	4,628.58	4,554.60	-	4,554.60
g) Deferred tax assets (net)	12	2,265.00	(34.73)	2,230.27	-	-	-
h) Other non-current assets	1,4,6,7 &11	2,071.88	207.69	2,279.57	1,228.36	223.80	1,452.16
Total non current assets (I)		**173,942.49**	**-185.43**	**173,757.06**	**174,556.41**	**-653.14**	**173,903.27**

Particular	Notes	As at March 31 2016 (End of last period presented under Previous GAAP)			As at April 01 2015 (Date of transition)		
		Previous GAAP #	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP #	Effect of transition to Ind AS	As per Ind AS balance sheet
II. Current assets							
a) Inventories		31,967.20	-	31,967.20	33,996.05	-	33,996.05
b) Financial assets			-	-		-	-
(i) Trade receivables	8	23,690.30	262.17	23,952.47	23,588.16	93.47	23,681.63
(ii) Cash and cash equivalents	9	103,180.40	(89,639.33)	13,541.07	41,139.65	(27,469.65)	13,670.00
(iii) Bank balances other than (ii) above	9	33,946.88	89,638.42	123,585.30	61,547.47	27,468.71	89,016.18
(iv) Loans		52.88	-	52.88	48.14	-	48.14
(v) Other financial assets		1,698.71	-	1,698.71	1,546.20	-	1,546.20
c) Other current assets	1,6,7 & 11	4,189.21	18.82	4,208.03	6,857.17	29.43	6,886.60
Sub-total current assets		**198,725.58**	**280.08**	**199,005.66**	**168,722.84**	**121.96**	**168,844.80**
Non-current assets held for sale	10	77.96	-	77.96	77.96	-	77.96
Total current assets (II)		**198,803.54**	**280.08**	**199,083.62**	**168,800.80**	**121.96**	**168,922.76**
TOTAL ASSETS (I+II)		**372,746.03**	**94.65**	**372,840.68**	**343,357.21**	**(531.18)**	**342,826.03**

Particular	Notes	As at March 31 2016 (End of last period presented under Previous GAAP)			As at April 01 2015 (Date of transition)		
		Previous GAAP #	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP #	Effect of transition to Ind AS	As per Ind AS balance sheet
EQUITY AND LIABILITIES							
I. Equity							
a) Equity share capital		17,526.64	-	17,526.64	17,526.64	-	17,526.64
b) Other Equity		46,677.80	109.30	46,787.10	35,522.95	(208.45)	35,314.50
Total Equity (I)		**64,204.44**	**109.30**	**64,313.74**	**53,049.59**	**(208.45)**	**52,841.14**
LIABILITIES							
II. Non-current liabilities							
a) Financial liabilities							
(i) Borrowings	3	68,204.19	(143.79)	68,060.40	78,646.53	(276.77)	78,369.76
(ii) Other financial liabilities		-	-	-	0.13	-	0.13
b) Provisions		403.72	-	403.72	346.27	-	346.27
Total Non Current Liabilities (II)	-	**68,607.91**	**(143.79)**	**68,464.12**	**78,992.93**	**(276.77)**	**78,716.16**
III. Current liabilities							
a) Financial liabilities							
(i) Borrowings		25.61	-	25.61	108.73	-	108.73
(ii) Trade payables		213,388.71	-	213,388.71	183,310.01	-	183,310.01
(iii) Other financial liabilities	3 & 6	21,554.91	127.43	21,682.34	21,732.78	(47.80)	21,684.98
b) Other current liabilities	6	1,420.62	1.71	1,422.33	4,065.78	1.84	4,067.62
c) Provisions		3,543.83	-	3,543.83	2,097.39	-	2,097.39
d) Current tax liabilities		-	-	-	-	-	-
Total current liabilities (III)	-	**239,933.68**	**129.14**	**240,062.82**	**211,314.69**	**(45.96)**	**211,268.73**
IV. Total Liabilities (II+III)	-	**308,541.59**	**(14.65)**	**308,526.94**	**290,307.62**	**(322.73)**	**289,984.89**
TOTAL EQUITY AND LIABILITIES (I+IV)	-	**372,746.03**	**94.65**	**372,840.68**	**343,357.21**	**(531.18)**	**342,826.03**

#Previous GAAP figures have been reclassified to conform with Ind AS presentation requirements for the purpose of this note.

Explanatory Notes to Balance sheet Reconciliation

1 **Reclassification of leasehold land :** Under Previous GAAP, upfront premium paid for leasehold land was recognised as property, plant and equipment. Under Ind AS, 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. Consequently, as on the transition date, an amount of ₹ 6.96 million has been reclassified from property, plant and equipment and shown as prepayments under Ind AS. Similarly, an amount of ₹ 6.88 million has been shown as prepayments as at March 31, 2016. This reclassification has no impact on equity as on transition date.

2 **Adjustment relating to property, plant and equipment:** Under the Previous GAAP, the Company reported an amount of ₹ 138,226.10 million as carrying amount of plant and equipment as at March 31, 2015. During the year ended March 31, 2016 the Company made an adjustment of ₹ 499.67 million to comply with requirements of Schedule II of the Companies Act, 2013. The same amount is taken in the opening balance of plant and equipment with corresponding adjustment to retained earnings as at April 1, 2015. Accordingly, an amount of ₹ 137,726.43 million (₹ 138,226.10 million minus ₹ 499.67 million) has been considered as deemed cost on transition date. Deferred tax impact was ₹ 172.93 million on account of this adjustment.

3 **Transaction Cost:** Under Previous GAAP, transaction costs related to ECB loan were capitalised with the cost of property, plant and equipment (being costs eligible for capitalisation). Under Ind AS, borrowings are recognised net of transactions costs on initial recognition and subsequently measured at amortised cost. As at transition date, transaction costs amounting to ₹ 416.20 million has been reduced from the property, plant and equipment and corresponding reduction in ECB Loan. Subsequent to the transition date, the transaction cost is amortised over the loan period using effective interest rate method and depreciation on property, plant and equipment is calculated on the reduced amount over the remaining useful life. Amortisation of transaction costs for the year ended March 31, 2016 has been recognized as finance costs in the Statement of Profit and Loss resulting in increase in finance cost by ₹ 139.43 million. Depreciation reduction on account of above adjustment relating to property, plant and equipment amount to ₹ 17.64 million for the year ended March 31, 2016

4 **Reclassification of long term loans and advances :** Under Previous GAAP, an advance paid towards capital expenditure which was presented as part of long-term loans and advances which has been re-classified as capital work-in-progress under Ind AS. Consequently, an amount of ₹ 51.50 million has been reclassified from long-term loans and advances and classified as capital work-in-progress as at transition date and as at March 31, 2016. This reclassification has no impact on equity as on transition date.

5 **Amortisation on Goodwill :** Under Previous GAAP, Goodwill was amortised over the useful life of the assets, whereas under Ind AS Goodwill is tested for impairment at each reporting period and is not amortised. Consequently, goodwill amount as the transition date has been tested for impairment under Ind AS. Amortisation amounting to ₹ 2.01 million for the year ended March 31, 2016 has been reversed. This reclassification has no impact on equity as on transition date.

6 **Re-measurement of financial assets and financial liabilities :** Under Ind AS, certain security deposits taken and other deposits given have been fair valued and subsequently accounted at amortised cost. The fair valuation impact of other deposit given and security deposit taken at transition date amounts to ₹ 5.61 million and ₹ 1.84 million respectively. This adjustment at transition date has resulted in decrease in the carrying balance of Other Deposit (financial asset) and Security Deposit (financial liability) by ₹ 5.61 million and ₹ 1.84 million respectively and recognition of Prepaid Rent and Advance Rental respectively. Subsequent to transition date, Other Deposit (financial asset) and Security Deposit (financial liability) have been accounted at amortised cost resulting in recognition of finance income and finance expense respectively. Prepaid Rent and Advance Rental are amortised on straight line basis over the period of deposit. This remeasurement has no impact on equity as on transition date. Subsequent to the transition date, such valuation difference on financial assets and liabilities has been recognized in statement of profit & loss resulting in increase in other expenditure by ₹ 1.33 million, interest income by ₹ 1.19 million, increase in finance cost by ₹ 0.08 million and increase in other income by ₹ 0.13 million for the year ended March 31, 2016. The net effect of above is decrease in financial assets by ₹ 0.14 million, decrease in financial liabilities by ₹ 0.05 million and decrease in total equity by ₹ 0.09 million as at March 31, 2016.

7 **Recognition of amount paid for certain facility having future economic benefits :** An amount of ₹ 265.17 million paid for ETP facility has been recognised as "Prepayments" on transition date which was charged to Statement of Profit and Loss account under Previous GAAP. This has resulted in increase the retained earning on transition date. Subsequent to transition date, the amount is amortised over the remaining useful life of the ETP facility. The amount recognised in the Statement of Profit and Loss account for the year ended March 31, 2016 in relation to amortisation is ₹ 8.95 million.

8 **Reclassification of rebate accrued :** Under Previous GAAP, accrual for rebate to customers (current) was shown as deduction from trade receivables. Under Ind AS, it has been reclassified and shown as "Other Financial Liabilities" under current liabilities. Therefore an amount of ₹ 93.47 million as at April 1, 2015 and ₹ 262.16 million as at March 31, 2016 towards accrual of rebate is reclassified to "Other Financial Liabilities".

9 **Reclassification Cash and Cash Equivalents and Other Bank Balances :** Under Previous GAAP, the classification of bank deposits was based on the remaining maturity period of bank deposits as on the balance sheet date. Under Ind AS , the classification for the bank deposit is based on the original maturity period of the bank deposit. Accordingly, an amount of ₹ 27468.71 million and ₹ 81560.00 million has been re-classified from cash and cash equivalents to "other bank balances" as at transition date and March 31, 2016 respectively.

Under Previous GAAP, gold coins were shown cash and cash equivalents. Under Ind AS, gold coin are classified "other assets". Accordingly, an amount of ₹ 0.94 million and ₹ 0.91 million have been reclassified from cash and cash equivalent to "other current assets" as at transition date and March 31, 2016 respectively.

Under Previous GAAP, unutilized CAPEX fund drawn by way of External Commercial Borrowing lying in the Current Account was shown as Cash and Cash Equivalent. Under Ind AS, the same is reclassified to "other bank balances" as restricted cash as withdrawal from this account is only for the purpose for meeting capital expenditure. Accordingly an amount of ₹ Nil and ₹ 8,078.42 million has been reclassified from cash and cash equivalents to "other bank balances" as at transition date and March 31, 2016 respectively.

10 **Reclassification of assets held for sale:** As at transition date, an amount of ₹ 77.96 million have been reclassified from Other Current Assets to Asset held for sale. These reclassifications have no impact on equity.

11 **Financial Guarantees:** Under Ind AS, financial guarantee given by holding company on behalf of subsidiary without charging any guarantee fees are fair valued. Accordingly, an amount of ₹ 26.05 million has been recognized as Additional Paid in Capital as at April 1, 2015 with corresponding debit to prepayment for Guarantee Charges. Prepayment for guarantee charges is amortised over the guarantee period. For the year ended March 31, 2016, an amount of ₹ 18.37 million has been amortised as Guarantee fees which has been charged to Statement of Profit and loss.

12 **Deferred Tax:** Deferred tax has been recognized on the account of adjustments made due to application of Ind AS. These adjustments have resulted in an increase in deferred tax liability by ₹ 34.73 million as at March 31, 2016

51.2 Reconciliation of total equity as at March 31, 2016 and April 1, 2015

Particulars	Refer Note 51.1	As at March 31, 2016 (End of last period presented under Previous GAAP)	As at April 1, 2015 (Date of transition)
Total equity (shareholders' funds) under Previous GAAP		64,204.44	53,049.59
Adjustments:			
Adjustment relating to property, plant and equipment	2	-	(499.67)
Unwinding of finance charges on ECB Loan	3	(139.43)	-
Adjustment relating to depreciation on property, plant and equipment on account of ECB transaction cost	3	17.64	-
Reversal of Goodwill Amortisation	5	2.01	-
Others	6	(0.09)	-
Recognition of Prepayments for ETP facility, net of amortisation	7	256.22	265.17
Recognition of Financial Guarantee fees, net of amortisation	11	7.68	26.05
Recognition of Deferred Taxes using the Balance Sheet approach under Ind AS	12	(34.73)	-
Total adjustment to equity		**109.30**	**(208.45)**
Total equity under Ind AS		**64,313.74**	**52,841.14**

51.3 Effect of Ind AS adoption on the Standalone Statement of Profit and Loss for the year ended March 31, 2016

	Particulars	Notes	Year ended March 31, 2016 (Latest period presented under Previous GAAP)		
			Previous GAAP	Effect of transition to Ind AS	Ind AS
I.	Revenue from operations	1	508,795.78	-	508,795.78
II.	Other income	7	8,571.23	1.32	8,572.55
III.	**Total income (I + II)**		**517,367.01**	**1.32**	**517,368.33**
IV.	**Expenses:**				
	Cost of materials consumed		345,516.10	-	345,516.10
	Changes in inventories of finished goods, stock-in-process and stock-in-trade		6,831.66	-	6,831.66
	Excise duty on sale of goods		112,321.37	-	112,321.37
	Employee benefits expense	2	2,850.26	4.93	2,855.19
	Finance costs	3, 4 & 7	5,747.05	157.88	5,904.93
	Depreciation and amortisation expense	3, 5 & 6	7,124.44	(19.73)	7,104.71
	Other expenses	5, 7 & 8	23,411.09	10.36	23,421.45
	Total expenses (IV)		**503,801.97**	**153.44**	**503,955.41**
V.	**Profit before exceptional items and tax (III-IV)**		**13,565.04**	**(152.12)**	**13,412.92**
VI.	Exceptional items (income)/expenses (net)		1,829.94	-	1,829.94
VII.	**Profit before tax (V - VI)**		**11,735.10**	**(152.12)**	**11,582.98**
VIII.	**Tax expense:**				
	(1) Current tax		2,345.58	-	2,345.58
	(2) Deferred tax	9	(2,092.07)	(139.90)	(2,231.97)
	Total tax expense (VIII)		**253.51**	**(139.90)**	**113.61**
IX	**Profit for the year (VII - VIII)**		**11,481.59**	**(12.22)**	**11,469.37**
X	**Other comprehensive income**				
	Items that will not be reclassified to profit or loss				
	(a) Remeasurement of the defined benefit plans		-	4.93	4.93
	(b) Income tax relating to above		-	(1.70)	(1.70)
	Total other comprehensive income (X)		**-**	**3.23**	**3.23**
XI	**Total comprehensive income for the year (IX+X)**		**11,481.59**	**(8.99)**	**11,472.60**

Notes to Profit Reconciliation for the year 2015-16:

1 **Revenue from Operations:** Excise duty: Under Previous GAAP, revenue from sale of products was presented excluding excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty and the excise duty paid is presented separately as an expense. This has resulted in an **increase in total revenue and total expenses by ₹ 112321.37 million** for the year ended March 31, 2016.

2 **Employee benefit expenses :** Under Previous GAAP, actuarial gains and losses on post-retirement defined benefit plans were recognised in Statement of Profit and Loss. Under Ind AS, the same is recognised in the "Other comprehensive income".

3 **Transaction Cost :** Under Previous GAAP, transaction costs related to ECB loan were capitalised with the cost of property, plant and equipment (being costs eligible for capitalisation). Under Ind AS, borrowings are recognised net of transactions costs on initial recognition and subsequently measured at amortised cost. As at transition

date, transaction costs amounting to ₹ 416.20 million has been reduced from the property, plant and equipment and corresponding reduction in ECB Loan. Subsequent to the transition date, the transaction cost is amortised over the loan period using effective interest rate method and depreciation on property, plant and equipment is calculated on the reduced amount over the remaining useful life. Amortisation of transaction costs for the year ended March 31, 2016 has been recognized as finance costs in the Statement of Profit and Loss resulting in increase in finance cost by ₹ 139.43 million. Depreciation reduction on account of above adjustment relating to property, plant and equipment amount to ₹ 17.64 million for the year ended March 31, 2016

4 **Amortization of financial guarantees charges :** As stated at note 3.20.2(a), financial guarantees charges have been recognized as Prepaid Guarantee Charges as at the transition date. Such guarantees have been amortized to Statement of Profit and Loss over the guarantee period, resulting in **increase in finance cost by ₹18.37 million** during year ended March 31, 2016.

5 **Reclassification of leasehold land :** Under Previous GAAP, leasehold land was shown as part of property, plant and equipment and depreciated over the lease period. Under Ind AS, 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 and therefore are shown as prepayments and amortized over the lease period. This reclassification resulted in **decrease in depreciation expense by ₹ 0.08 million** with **corresponding increase in other expenditure**.

6 **Reversal of Amortisation on Goodwill :** Under Previous GAAP, Goodwill was amortised over the useful life of the assets, whereas under Ind AS Goodwill is tested for impairment at each reporting period and is not amortised. Consequently, goodwill amount as the transition date has been tested for impairment under Ind AS. Amortisation amounting to ₹ 2.01 million for the year ended March 31, 2016 has been reversed.

7 **Re-measurement of financial assets and financial liabilities :** Under Ind AS, certain security deposits taken and other deposits given have been fair valued and subsequently accounted at amortised cost. The fair valuation impact of other deposit given and security deposit taken at transition date amounts to ₹ 5.61 million and ₹ 1.84 million respectively. This adjustment at transition date has resulted in decrease in the carrying balance of Other Deposit (financial asset) and Security Deposit (financial liability) by ₹ 5.61 million and ₹ 1.84 million respectively and recognition of Prepaid Rent and Advance Rental respectively. Subsequent to transition date, Other Deposit (financial asset) and Security Deposit (financial liability) have been accounted at amortised cost resulting in recognition of finance income and finance expense respectively. Prepaid Rent and Advance Rental are amortised on straight line basis over the period of deposit. This remeasurement has no impact on equity as on transition date. Subsequent to the transition date, such valuation difference on financial assets and liabilities has been recognized in statement of profit & loss resulting in increase in other expenditure by ₹ 1.33 million, interest income by ₹ 1.19 million, increase in finance cost by ₹ 0.08 million and increase in other income by ₹ 0.13 million for the year ended March 31, 2016. The net effect of above is decrease in financial assets by ₹ 0.14 million, decrease in financial liabilities by ₹ 0.05 million and decrease in total equity by ₹ 0.09 million as at March 31, 2016.

8 **Recognition of amount paid for certain facility having future economic benefits :** An amount of ₹ 265.17 million paid for ETP facility has been recognised as "Prepayments" on transition date which was charged to Statement of Profit and Loss account under Previous GAAP. This has resulted in increase the retained earnings on transition date. Subsequent to transition date, the amount is amortised over the remaining useful life of the ETP facility. The amount recognised in the Statement of Profit and Loss account for the year ended March 31, 2016 in relation to amortisation is ₹ 8.95 million.

9 **Deferred Tax:** Deferred tax has been recognized on the account of adjustments made due to application of Ind AS. These adjustments have resulted in an net ***increase in deferred tax by ₹ 140.03 million*** during year ended March 31, 2016.

51.4 Reconciliation of total comprehensive income for the year ended March 31, 2016

Particulars	Refer Note 51.3	Year ended March 31, 2016 (Latest period presented under Previous GAAP)
Profit after tax as per Previous GAAP		**11,481.59**
Adjustments:		
Reclassification of actuarial gain, arising in respect of employee benefit schemes	2	(4.93)
Unwinding of finance charges on ECB Loan	3	(139.43)
Adjustment relating to depreciation on property, plant and equipment on account of ECB transaction cost	3	17.64
Amortisation of prepaid financial guarantee fees	4	(18.37)
Reversal of goodwill amortisation	6	2.01
Others	7	(0.09)
Amortisation of prepayments	8	(8.95)
Deferred tax adjustment relating to Sch II on property, plant and equipment	9	172.93
Recognition of Deferred Taxes using the Balance Sheet approach under Ind AS	9	(33.03)
Total effect of transition to Ind AS		**(12.22)**
Net Profit for the year as per Ind AS		**11,469.37**
Other comprehensive income for the year (net of tax)		
Reclassification of actuarial gain, arising in respect of employee benefit schemes (net of tax)	2	3.23
Total comprehensive income under Ind AS		**11,472.60**

Note: Under Previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit after tax under the Previous GAAP.

51.5 Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2016

Particulars	Year ended 31st March 2016 (Latest period presented under Previous GAAP)		
	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	72,284.30	(58,529.17)	13,755.13
Net cash flows from investing activities	3,592.11	(0.01)	3,592.10
Net cash flows from financing activities	(17,507.46)	31.30	(17,476.16)
Net increase (decrease) in cash and cash equivalents	**58,368.95**	**(58,497.88)**	**(128.93)**
Cash and cash equivalents at the beginning of the period	71,690.55	(58,020.55)	13,670.00
Effects of exchange rate changes on the balance of cash held in foreign currencies	-	-	-
Cash and cash equivalents at the end of the period	**130,059.50**	**(116,518.43)**	**13,541.07**

Particulars	As at 31st March 2016	As at 1st April 2015
	(End of last period presented under Previous GAAP)	(Date of transition)
Cash and cash equivalents for the purpose of statement of cash flows as per Previous GAAP	130,059.50	71,690.55
Bank overdrafts which form an integral part of cash management system		
Other bank balances earlier considered as cash and cash equivalent		
Bank deposits with original maturity more than 3 months upto 12 months	108,439.10	58,019.61
Restricted bank balance	8,078.42	-
Gold coin	0.91	0.94
	116,518.43	**58,020.55**
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS	13,541.07	13,670.00

As per our report of even date attached

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

Sd/-
CA.A.KUMARA BHAT
Partner
Membership No. 022041

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

Sd/-
CA.V.SURESH
Partner
Membership No. 026525

Place : New Delhi
Date : 17/05/2017

For and on behalf of the Board

Sd/-
H KUMAR
Managing Director
DIN: 06851988

Sd/-
A K SAHOO
Director (Finance)
DIN: 07355933

Sd/-
DINESH MISHRA
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the members of **MANGALORE REFINERY AND PETROCHEMICALS LIMITED**

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **MANGALORE REFINERY AND PETROCHEMICALS LIMITED** (hereinafter referred to as "the Holding Company"), and its subsidiary **"ONGC MANGALORE PETROCHEMICALS LIMITED"** (the Holding Company and its subsidiary together hereinafter referred to as " the Group") and its jointly controlled entity **"SHELL MRPL AVIATION FUELS AND SERVICES LIMITED"**, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on other financial information of the subsidiary and jointly controlled entity, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group, and its jointly controlled entity as at 31st March, 2017 and their consolidated profit (financial performance including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

We did not audit the financial statements of one subsidiary and one jointly controlled entity, whose financial statements reflect total assets of ₹ 83,334.17 Million as at 31st March, 2017, total revenue of ₹ 58,217.50 Million and net cash flows amounting to ₹ 504.98 Million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 46.75 Million for the year ended 31st March 2017, as considered in the consolidated financial statements, in respect of one jointly controlled entity, whose financial statements/financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and jointly controlled 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 on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. Based on the verification of Records of the Holding Company and based on the information and explanations given to us, we give below a report on the Directions issued by the Comptroller and Auditor General of India in terms of Sec 143(5) of the Companies Act, 2013. For the subsidiary and jointly controlled entity no directions have been issued.

    a. The holding company has clear title/lease deeds for freehold and leasehold land except for leasehold land (18.18 acres) costing to the extent of ₹ 28.82 Million which is in possession of the holding company towards which formal lease deeds are yet to be executed. Refer Note No-5 to the consolidated financial statements.

    b. The holding company has written off trade receivable considered no longer recoverable amounting to ₹ 59.37 Million in the Statement of Profit and Loss as these amounts are long pending and disputed by the parties as not payable. Refer Note No-34 to the consolidated financial statements.

    c. The Holding Company has maintained adequate records in respect of inventories lying with third parties. No assets have been received by the Holding Company as gift from Government or other authorities.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements and the other financial information of subsidiary and jointly controlled entity, as noted in the "other matter" paragraph, 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 purpose 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, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity 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 Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    e. As far as 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.

    f. In respect of jointly controlled entity based on the reports of the statutory auditor and on the basis of written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors of the jointly controlled entity incorporated in India, none of the directors of the jointly controlled entity is disqualified from being appointed in terms of Section 164(2) of the Act.

    g. With respect to the adequacy of the internal financial controls over the financial reporting of the Holding Company, its subsidiary and its jointly controlled entity incorporated in India and the operating effectiveness of such controls, refer to our separate report Annexure A. With regard to Subsidiary and the jointly controlled entity, the reports of the other auditors are taken into account.

h. With respect to other matters to be included in the Auditor's Report in accordance with Rule11 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary and jointly controlled entity as noted in the "other matter" paragraph:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. -Refer Note 44.1 and 44.2 to the consolidated financial statements;

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses. The Company did not have any long-term contracts including derivative contracts and hence question of reporting on losses does not arise.

iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund during the year ended 31st March 2017, by the Holding Company, its subsidiary and its jointly controlled entity incorporated in India.

iv) The Group have provided requisite disclosures in the consolidated financial statements as to the holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on audit procedures and relying on management representation we report that the disclosures are in accordance with the books of account maintained by the Group and as produced to us by the Management – Refer Note No–16 to the consolidated financial statements. With regard to the Subsidiary, the report of the other auditor has been taken into account.

For **A. RAGHAVENDRA RAO & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 003324S

Sd/-
CA. A. KUMARA BHAT
Partner
Membership no: 022041

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

Sd/-
CA. V SURESH
Partner
Membership no: 026525

Place: New Delhi

Date: 17th May, 2017

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT– 31ST MARCH 2017

(Referred to in our report of even date)

Report on the Internal Financial Controls 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, 2017, We have audited the internal financial controls over financial reporting of Mangalore Refinery and Petrochemicals Limited (hereinafter referred to as "the Holding Company") and its subsidiary and jointly controlled entity, 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, and jointly controlled entity, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary and jointly controlled entity, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company and one jointly controlled entity, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **A. RAGHAVENDRA RAO & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 003324S

Sd/-
CA. A. KUMARA BHAT
Partner
Membership no: 022041

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

Sd/-
CA. V SURESH
Partner
Membership no: 026525

Place: New Delhi
Date: 17th May, 2017

FORM AOC-1

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures as on 31.03.2017

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

Part "A": Subsidiary

					As at 31.03.2017					For the year 2016-17 (from 1st April 2016 to 31st March 2017)						
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 Invest-ment *	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Total Compre-hensive Income	Proposed Dividend	% of share-holding
1	ONGC Mangalore Petrochemicals Limited	February 28, 2015	01.04.16 to 31.03.17	INR	18,776.26	(11,188.03)	81,005.28	73,417.05	4.80	52,565.68	(4,932.77)	(1,270.91)	(3,661.86)	(3,664.33)	-	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 2016-17: Nil

Part "B": Joint Ventures

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

Name of joint Venture	Shell MRPL Aviation Fuels and Services Limited
1. Latest audited Balance Sheet Date	March 31, 2017
2. Date on which the Joint Venture was acquired	March 11, 2008
3. Shares of Joint Ventures 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	415.87
7. Profit or Loss for the year	
i. Considered in Consolidation	49.13
ii. Not Considered in Consolidation	-

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

2. Names of joint ventures which have been liquidated or sold during the year 2016-17: Mangalam Retail Services Limited *

*(During the year, the Company has sold 31% equity stake in MRSL which has resulted in loss of joint control over MRSL)

As per our report of even date attached

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

Sd/-
CA.A.KUMARA BHAT
Partner
Membership No. 022041

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

Sd/-
CA.V.SURESH
Partner
Membership No. 026525

Place : New Delhi
Date : 17/05/2017

For and on behalf of the Board

Sd/-
H KUMAR
Managing Director
DIN: 06851988

Sd/-
A K SAHOO
Director (Finance)
DIN: 07355933

Sd/-
DINESH MISHRA
Company Secretary

AOC-1

Schedule-III additional disclosure on Consolidated Financial Statements as on 31st March, 2017

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 % of Consolidated Assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
1		2	3	4	5	4	5	4	5
Parent									
Mangalore Refinery and Petrochemicals Limited	India	91.89%	90,747.54	110.98%	36,548.65	102.76%	(50.35)	110.99%	36,498.30
Subsidiary									
Indian									
ONGC Mangalore Petrochemicals Ltd. OMPL	India	3.91%	3,858.94	-5.67%	(1,867.55)	2.57%	(1.26)	-5.68%	(1,868.81)
Non controlling interest in subsidiary		3.78%	3,729.29	-5.45%	(1,794.31)	2.47%	(1.21)	-5.46%	(1,795.52)
Joint ventures Entities									
Indian									
Shell MRPL Aviation Fuels & Services Limited	India	0.42%	415.87	0.14%	45.31	-7.80%	3.82	0.15%	49.13
Net		**100%**	**98,751.64**	**100.00%**	**32,932.10**	**100.00%**	**(49.00)**	**100.00%**	**32,883.10**

As per our report of even date attached

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

Sd/-
CA.A.KUMARA BHAT
Partner
Membership No. 022041

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

Sd/-
CA.V.SURESH
Partner
Membership No. 026525

For and on behalf of the Board

Sd/-
H KUMAR
Managing Director
DIN: 06851988

Sd/-
A K SAHOO
Director (Finance)
DIN: 07355933

Sd/-
DINESH MISHRA
Company Secretary

Place : New Delhi
Date : 17/05/2017

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in ₹ million unless otherwise stated)

A Equity share capital

Particulars	Amount
Balance as at April 1, 2015	17,526.64
Changes in equity share capital during the year	-
Balance as at March 31, 2016	**17,526.64**
Changes in equity share capital during the year	-
Balance as at March 31, 2017	**17,526.64**

B Other equity

Particulars	Deemed equity	Reserves and surplus					Total
		General reserve	Capital redemption reserve	Securities premium reserve	Capital reserve	Retained earnings	
Balance as at April 1, 2015	**26.05**	**1,192.00**	**91.86**	**3,467.98**	**0.07**	**29,796.85**	**34,574.81**
Profit for the year		-	-	-		8,237.13	8,237.13
Remeasurement of the defined benefit plans, net of income tax		-	-	-		0.67	0.67
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**8,237.80**	**8,237.80**
Balance as at March 31, 2016	**26.05**	**1,192.00**	**91.86**	**3,467.98**	**0.07**	**38,034.65**	**42,812.61**
Profit for the year		-	-	-		34,726.41	34,726.41
Remeasurement of the defined benefit plans, net of income tax		-	-	-		(47.79)	(47.79)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**34,678.62**	**34,678.62**
Addition during the year	4.48	-	-	-	-	-	4.48
Balance as at March 31, 2017	**30.53**	**1,192.00**	**91.86**	**3,467.98**	**0.07**	**72,713.27**	**77,495.71**

As per our report of even date attached

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

Sd/-
CA. A. KUMARA BHAT
Partner
Membership No. 022041

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

Sd/-
CA. V. SURESH
Partner
Membership No. 026525

Place : New Delhi
Date : 17/05/2017

For and on behalf of the Board

Sd/-
H KUMAR
Managing Director
DIN: 06851988

Sd/-
A K SAHOO
Director (Finance)
DIN: 07355933

Sd/-
DINESH MISHRA
Company Secretary

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

(All amounts are in ₹ million unless otherwise stated)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
I Non-current assets				
(a) Property, plant and equipment	5	202,384.34	213,652.91	206,785.55
(b) Capital work-in-progress	6	2,199.15	1,981.29	13,938.44
(c) Goodwill	7	3,772.78	3,772.78	3,772.78
(d) Other intangible assets	8	27.08	45.28	82.19
(e) Financial assets				
(i) Investments	9	418.52	375.77	365.46
(ii) Loans	10	446.59	412.36	398.44
(iii) Others financial assets	11	68.74	46.66	34.94
(f) Non-current tax assets (net)	12	4,575.49	4,628.58	4,554.60
(g) Deferred tax assets (net)	24	3,106.87	8,831.72	4,293.22
(h) Other non-current assets	13	10,966.06	5,539.26	5,399.63
Total non current assets (I)		**227,965.62**	**239,286.61**	**239,625.25**
II Current assets				
(a) Inventories	14	44,140.49	33,824.39	37,818.92
(b) Financial assets				
(i) Trade receivables	15	26,189.78	20,740.86	22,716.25
(ii) Cash and cash equivalents	16	2,461.53	13,553.18	13,671.19
(iii) Bank balances other than (ii) above	17	18,976.79	124,535.30	89,016.18
(iv) Loans	10	59.58	52.88	48.14
(v) Other financial assets	11	3,145.02	1,702.41	1,564.25
(c) Current tax assets (net)	12	-	2.57	13.01
(d) Other current assets	13	5,380.57	6,927.51	8,542.54
Sub-total current assets		**100,353.76**	**201,339.10**	**173,390.48**
Non-current assets held for sale	18	77.96	77.96	77.96
Total current assets (II)		**100,431.72**	**201,417.06**	**173,468.44**
Total assets (I+II)		**328,397.34**	**440,703.07**	**413,093.69**
EQUITY AND LIABILITIES				
I Equity				
(a) Equity share capital	19	17,526.64	17,526.64	17,526.64
(b) Other equity	20	77,495.71	42,812.61	34,574.81
(c) Non controlling interest		3,729.29	5,524.81	8,706.15
Total equity (I)		**98,751.64**	**65,864.06**	**60,807.60**
LIABILITIES				
II Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	85,909.49	89,520.21	117,476.73
(ii) Other financial liabilities	22	-	-	0.13
(b) Provisions	23	661.53	444.06	365.72
(c) Other non-current liabilities	26	-	-	3.24
Total non current liabilities (II)		**86,571.02**	**89,964.27**	**117,845.82**
III Current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	46,686.29	38,049.18	15,475.83
(ii) Trade payables	25	60,444.97	212,872.72	183,672.28
(iii) Other financial liabilities	22	30,814.36	28,863.89	28,908.04
(b) Other current liabilities	26	1,830.05	1,543.28	4,285.10
(c) Provisions	23	2,853.57	3,546.27	2,099.02
(d) Current tax liabilities (net)	12	445.44	-	-
Total current liabilities (III)		**143,074.68**	**284,875.34**	**234,440.27**
IV Total liabilities (II+III)		**229,645.70**	**374,839.61**	**352,286.09**
TOTAL EQUITY AND LIABILITIES (I+IV)		**328,397.34**	**440,703.67**	**413,093.69**

See accompanying notes to the consolidated financial statements (1-51)

As per our report of even date attached

For and on behalf of the Board

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

Sd/-
CA. A. KUMARA BHAT
Partner
Membership No. 022041

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

Sd/-
CA. V. SURESH
Partner
Membership No. 026525

Sd/-
H KUMAR
Managing Director
DIN: 06851988

Sd/-
A K SAHOO
Director (Finance)
DIN: 07355933

Sd/-
DINESH MISHRA
Company Secretary

Place : New Delhi
Date : 17/05/2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in ₹ million unless otherwise stated)

	Particulars	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
I.	Revenue from operations	27	599,891.40	509,623.29
II.	Other income	28	4,188.52	8,555.05
III.	**Total income (I + II)**		**604,079.92**	**518,178.34**
IV.	**Expenses:**			
	Cost of materials consumed	29	372,689.85	340,627.87
	Changes in inventories of finished goods, stock-in-process and stock-in-trade	30	(3,319.80)	7,948.62
	Excise duty on sale of goods		162,226.14	112,321.37
	Employee benefits expense	31	3,902.90	3,228.22
	Finance costs	32	9,659.22	10,803.33
	Depreciation and amortisation expense	33	9,841.20	10,130.41
	Other expenses	34	14,561.55	28,443.48
	Total expenses (IX)		**569,561.06**	**513,503.30**
V.	**Profit before exceptional items and tax (III-IV)**		**34,518.86**	**4,675.04**
VI.	Exceptional items (income)/expenses (net)	35	(15,972.91)	1,829.94
VII.	**Share of profit of joint ventures**		**46.75**	**19.94**
VIII.	**Profit before tax (V- VI+VII)**		**50,538.52**	**2,865.04**
IX.	Tax expense:	36		
	(1) Current tax		11,853.78	2,345.58
	(2) Deferred tax	24	5,752.64	(4,538.19)
	Total tax expense (IX)		**17,606.42**	**(2,192.61)**
X.	**Profit for the year (VIII-IX)**		**32,932.10**	**5,057.65**
XI.	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurement of the defined benefit plans		(79.53)	(2.13)
	(b) Effective portion of gains (losses) on hedging instruments in cash flow hedges		3.00	0.02
	(c) Income tax relating to above		27.53	0.92
	Total other comprehensive income (XI)		**(49.00)**	**(1.19)**
XII	**Total comprehensive income for the year (X+XI)**		**32,883.10**	**5,056.46**
XIII.	**Profit for the year attributable to**			
	Owners of the Company		**34,726.41**	**8,237.13**
	Non controlling interest		**(1,794.31)**	**(3,179.48)**
XIV.	**Other comprehensive income for the year attributable to**			
	Owners of the Company		**(47.79)**	**0.67**
	Non controlling interest		**(1.21)**	**(1.86)**
XV.	**Total comprehensive income for the year attributable to**			
	Owners of the Company		**34,678.62**	**8,237.80**
	Non controlling interest		**(1,795.52)**	**(3,181.34)**
XIV	Earnings per equity share:	37		
	(1) Basic (in ₹)		19.81	4.70
	(2) Diluted (in ₹)		19.81	4.70

See accompanying notes to the consolidated financial statements (1-51)

As per our report of even date attached

For and on behalf of the Board

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

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

Sd/-
H KUMAR
Managing Director
DIN: 06851988

Sd/-
CA. A. KUMARA BHAT
Partner
Membership No. 022041

Sd/-
CA. V. SURESH
Partner
Membership No. 026525

Sd/-
A K SAHOO
Director (Finance)
DIN: 07355933

Sd/-
DINESH MISHRA
Company Secretary

Place : New Delhi
Date : 17/05/2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in ₹ million unless otherwise stated)

Particulars			Year ended March 31, 2017	Year ended March 31, 2016
A	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit after tax		**32,932.10**	**5,057.65**
	Adjustments for :			
	Tax expense		17,606.42	2,419.83
	Share of profit of joint ventures		(39.25)	(10.94)
	Depreciation and amortisation expense		9,841.28	10,130.49
	Loss/ (profit) on sale of property, plant and equipment (net)		56.70	3.82
	Liability no longer required written back		(65.67)	(363.45)
	Impairment of doubtful trade receivables		302.80	378.49
	Write off of doubtful trade receivables		59.37	0.70
	Exchange rate fluctuation (net)		(1,592.88)	8,262.67
	Finance costs		9,716.27	10,638.02
	Interest income		(3,840.71)	(6,969.43)
	Dividend income		(275.51)	(1,182.18)
	Amortisation of prepayments		9.83	10.15
	Others		(76.99)	82.14
			64,633.76	**28,457.96**
	Movements in working capital :			
	- (Increase)/ decrease in trade and other receivables		(3,008.76)	(1,616.12)
	- (Increase)/ decrease in loans		(40.93)	(18.66)
	- (Increase)/ decrease in other assets		102,590.77	(39,060.75)
	- (Increase)/ decrease in inventories		(10,316.10)	3,994.53
	- Increase/ (decrease) in trade payable other liabilities		(155,646.61)	26,553.51
	Cash generated from operations		**(1,787.87)**	**18,310.47**
	Income taxes paid, net of refunds		(9,905.25)	(4,025.42)
	Net cash generated from / (used in) operations	(a)	**(11,693.12)**	**14,285.05**
B	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Payments for property, plant and equipment		(8,618.34)	(4,493.09)
	Proceeds from disposal of property, plant and equipment		1,043.99	2.52
	Interest received		5,404.77	7,009.09
	Dividend received from joint ventures		7.50	9.00
	Dividend received from investments in mutual fund		268.01	1,173.18
	Investment in joint venture companies		0.31	-
	Tax Paid on interest income		(416.30)	(667.63)
	Net cash generated from / (used in) investing activities	(b)	**(2,310.06)**	**3,033.07**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in ₹ million unless otherwise stated)

Particulars			Year ended March 31, 2017	Year ended March 31, 2016
C	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from long term borrowings		19,997.44	6,978.79
	Repayment of long term borrowings		(16,561.37)	(36,250.51)
	Proceeds from short term borrowings, net		8,984.29	22,573.35
	Finance costs paid		(9,508.83)	(10,737.76)
	Net cash generated from / (used in) financing activities	(c)	**2,911.53**	**(17,436.13)**
	Net increase / (decrease) in cash and cash equivalents	(a+b+c)	**(11,091.65)**	**(118.01)**
	Cash and cash equivalents as at the beginning of the year		**13,553.18**	**13,671.19**
	Cash and cash equivalents as at the end of the year		**2,461.53**	**13,553.18**
			(11,091.65)	**(118.01)**

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 consolidated financial statements (1-51)
As per our report of even date attached

For and on behalf of the Board

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

Sd/-
CA. A. KUMARA BHAT
Partner
Membership No. 022041

Place : New Delhi
Date : 17/05/2017

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

Sd/-
CA. V. SURESH
Partner
Membership No. 026525

Sd/-
H KUMAR
Managing Director
DIN: 06851988

Sd/-
A K SAHOO
Director (Finance)
DIN: 07355933

Sd/-
DINESH MISHRA
Company Secretary

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

(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. Standards / Amendments issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Group from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the consolidated financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

As the Group has not issued any stock options plans, hence this amendment will have no effect on the Group's consolidated financial statements.

3. Significant accounting policies

3.1. Statement of compliance

In accordance with the notification ***dated 16th February, 2015***, issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016.

The consolidated financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. These are the Group's first Ind AS consolidated financial statements. The date of transition to Ind AS is April 1, 2015. Refer note 3.27 for details of first time adoption- mandatory exceptions and optional exemptions availed by the Group.

Previous period figures in the consolidated financial statements have been restated in compliance with Ind AS.

Upto the year ended March 31, 2016, the Group had prepared its consolidated financial statements under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (Previous GAAP) applicable in India and the applicable Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

In accordance with Ind AS 101-"First Time adoption of Indian accounting Standards" (Ind AS 101), the Group has presented a reconciliation of Shareholders' equity under Previous GAAP and Ind AS as at March 31, 2016, and April 1, 2015 and of the Profit / (Loss) after tax as per previous GAAP and Total Comprehensive Income under Ind AS for the year ended March 31, 2016.

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 any is 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. Sales are recognised when risks and rewards (transfer of custody of goods) are passed to customers and includes all statutory levies except Value Added Tax (VAT) and is net of discounts.

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

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

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

3.9.5. Revenue from sale of scrap are recognised when risks and rewards (transfer of custody of goods) are passed to customers.

3.9.6. Revenue in respect of Liquidated Damages from contractors/ suppliers is recognised when determined as not payable.

3.9.7. The Group has entered into certain "take or pay" arrangements with its customers which requires the Group to deliver specified quantities as per the arrangement. In the event of short lifting by the customer as per the terms of the arrangement, the Group is entitled to receive revenue in respect of the short lifted quantities. Revenue in respect of short lifted quantities under take or pay arrangements is recognised when the Group's obligation to supply short-lifted quantity ceases as per the arrangement and it is probable that the economic benefits will flow to the Group.

3.9.8. The Group is entitled to export incentive in the form of duty credit scrips under MEIS scheme notified in Foreign Trade Policy of India. Income arising from duty credit scrips is recognised at the fair value of the duty credit scrips when there is reasonable certainty that the Group will receive duty credit scrips for the export sales made, which is generally the time when SEZ authorities issues the duty credit scrips to the Group.

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.

3.13. 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 /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.

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

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

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions except low value items not exceeding ₹ 5,000/- (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.	Licence 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-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. First-time adoption – mandatory exceptions and optional exemptions

3.27.1. Overall principle

The Group has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the 'transition date') by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below.

3.27.2. Derecognition of financial assets and financial liabilities

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015.

3.27.3. Business combinations

The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015.

3.27.4. Classification of debt instruments

The Group has determined the classification of debt instruments in terms of amortised cost criteria based on the facts and circumstances that existed as of the transition date.

3.27.5. Impairment of financial assets

The Group has applied impairment requirement of Ind AS 109 prospectively from the transition date.

3.27.6. Government loans

The Group has applied the exception available and accordingly carried the amount pertaining to government loans at the carrying amount under Previous GAAP at the transition date.

3.27.7. Deemed cost for property, plant and equipment and intangible assets

The Group has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2015 measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.27.8. Investments in joint ventures

The Group has elected to recognise investment in joint ventures at the aggregate of the carrying amount of the assets and liabilities that the Group has proportionately consolidated under Previous GAAP at transition date.

3.27.9. Determining whether an arrangement contains a lease

The Group has applied Appendix C of Ind AS 17 'Determining whether an Arrangement contains a Lease' at the transition date on the basis of facts and circumstances existing at that date.

3.27.10. Long Term Foreign Currency Monetary Items

The Group has adopted the same accounting policy as per Previous GAAP for the treatment of exchange differences arising from translation of long-term foreign currency monetary items those were recognized as at March 31, 2016.

3.27.11. Non-current assets held for sale

The Group has measured non-current assets held for sale at the lower of carrying value and fair value less cost to sell at transition date in accordance with Ind AS 105.

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 that the company has recognised deferred tax asset of ₹ 1,270.91 million as at March 31, 2017. The Company has incurred losses in the past including current year. The Company has convincing evidence in respect of the recognition of deferred tax asset which includes committed long-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, arrangement with parent company to source the reformate to augment the aromatic feed stock requirement of the aromatic complex 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.

5. Property, plant and equipment

Carrying amount of:	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Freehold lands	17.65	17.65	17.65
Leasehold lands **[refer note a and b below]**	253.26	253.26	249.97
Buildings	3,687.99	3,219.04	3,248.54
Plant and equipment **[refer note c below]**	197,538.05	209,422.16	202,471.04
Furniture and fixtures	347.23	120.44	113.04
Vehicles	131.88	138.84	138.68
Office equipment	408.28	481.52	546.63
Total	**202,384.34**	**213,652.91**	**206,785.55**

Cost or deemed cost	Freehold lands	Leasehold lands	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Balance as at April 1, 2015	**17.65**	**249.97**	**3,248.54**	**202,471.04**	**113.04**	**138.68**	**546.63**	**206,785.55**
Add: Additions	-	3.29	155.14	17,014.07	27.48	16.69	19.18	17,235.85
Less: Disposal / adjustments / transfer of assets	-	-	2.26	271.87	0.44	1.75	0.41	276.73
Balance at at March 31, 2016	**17.65**	**253.26**	**3,401.42**	**219,213.24**	**140.08**	**153.62**	**565.40**	**223,744.67**
Add: Additions	-	-	764.76	(1,045.69)	266.16	8.90	12.99	7.12
Less: Disposal / adjustments / transfer of assets	-	-	96.34	1,374.49	0.61	0.93	4.91	1,477.28
Balance at at March 31, 2017	**17.65**	**253.26**	**4,069.84**	**216,793.06**	**405.63**	**161.59**	**573.48**	**222,274.51**

Accumulated depreciation	Freehold lands	Leasehold lands	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Balance as at April 1, 2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Add: Depreciation expense	-	-	182.60	9,793.30	19.64	14.78	83.88	10,094.20
Less: Eliminated on disposal / adjustments / transfer of assets	-	-	0.22	2.22	-	-	-	2.44
Balance as at March 31, 2016	**-**	**-**	**182.38**	**9,791.08**	**19.64**	**14.78**	**83.88**	**10,091.76**
Add: Depreciation expense	-	-	199.47	9,463.93	38.76	14.93	81.32	9,798.41
Balance as at March 31, 2017	**-**	**-**	**381.85**	**19,255.01**	**58.40**	**29.71**	**165.20**	**19,890.17**

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 ₹ 28.82 million (As at March 31, 2016 ₹ 28.82 million; As at April 1, 2015 ₹ 28.82 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, 2016 ₹ 39.15 million; As at April 1, 2015 ₹ 39.15 million) being Company's share of an asset jointly owned with another company.

5.1 The Group has elected to continue with the carrying value of its property, plant and equipment recognised as of April 1, 2015 measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per para D7AA of Ind AS 101 'First-time adoption of Indian Accounting Standards' **[Refer note 3.27.7]**. The deemed cost is further reduced for the unamortised transaction costs on borrowings as at April 1, 2015, which were earlier capitalised with Property, Plant and Equipment.

5.2 Property plant and equipment pledged as security:

External commercial borrowing and loan availed from Oil Industry Development Board (OIDB) are secured by first pari passu charge over immovable property, plant and equipment and first ranking pari passu charge over movable property, plant and equipment both present and future. Working capital borrowings from consortium banks are secured 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, plant and equipment both present and future **[Refer note 21]**.

The Subsidiary OMPL, 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 **[Refer note 21]**.

5.3 Foreign exchange differences and borrowing costs capitalised

Additions to property, plant and equipment includes ₹ (1,102.75) million (For the year ended March 31, 2016 ₹ 3,702.43 million) in relation to foreign exchange differences and Nil (For the year ended March 31, 2016 ₹ 124.17 million) borrowing costs capitalised. Asset class wise addition details are disclosed below:

Year	**For the year ended March 31, 2017**		**For the year ended March 31, 2016**	
Asset class	**Exchange differences**	**Borrowing costs**	**Exchange differences**	**Borrowing costs**
Buildings	(7.97)	-	18.17	2.11
Plant and equipment	(1,094.78)	-	3,684.26	122.06
Total	**(1,102.75)**	**-**	**3,702.43**	**124.17**

5.4 The rate used to determine the amount of borrowing costs eligible for capitalisation was NIL (For the year ended March 31, 2016 was 6.94 %) which is the effective interest rate on borrowings..

5.5 Under the Previous GAAP, the Company reported an amount of ₹ 138,226.10 million as carrying amount of plant and equipment as at March 31, 2015. During the year ended March 31, 2016 the Company made an adjustment of ₹ 499.67 million to comply with requirements of Schedule II of the Companies Act, 2013. The same amount is taken in the opening balance of plant and equipment with corresponding adjustment to retained earnings as at April 1, 2015. Accordingly, an amount of ₹ 137,726.43 million (₹ 138,226.10 million minus ₹ 499.67 million) has been considered as deemed cost on transition date. Deferred tax impact was ₹ 172.93 million on account of this adjustment.

5.6 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 amounting to ₹ 3,622.28 million. The Company has not made retrospective adjustment to the value of the respective property, plant and equipment as they are in the nature of Government assistance rather than Goverment grant as defined in Ind AS 20.

The Subsidiary OMPL, operates in special economic zone (SEZ) in Mangalore, accordingly is eligible for certain economic benefits such as exemptions from 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.

6. Capital work-in-progress (CWIP)

Cost or deemed cost	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
Leasehold land	717.86	717.86	717.86
Buildings	352.25	553.81	418.15
Plant and equipment	1,129.04	709.62	12,802.43
Total	**2,199.15**	**1,981.29**	**13,938.44**

6.1 Additions to CWIP includes exchange differences amounting to Nil (For the year ended March 31, 2016 ₹ 5.26 million) and includes borrowing costs amounting to ₹ Nil (For the year ended March 31, 2016 ₹ 2.61 million) and allocated to different class of assets. The rate used to determine the amount of borrowing costs eligible for capitalisation was nil (For the year ended March 31, 2016 was 6.94%) which is the effective interest rate on borrowings.

6.2 CWIP includes nil (For the year ended March 31, 2016: ₹ 0.42 million) in relation to depreciation capitalised during construction period.

6.3 The Group has elected to continue with the carrying value of its CWIP recognised as of April 1, 2015 measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per para D7AA of Ind AS 101 'First-time Adoption of Indian Accounting Standards' **[Refer note 3.27.7]**.

7. Goodwill

7.1 Goodwill on account of Nitrogen plant

Particualrs	Amount
Balance as at April 1, 2015	**4.04**
Less: Impairment	-
Balance as at March 31, 2016	**4.04**
Less: Impairment	-
Balance as at March 31, 2017	**4.04**

7.1.1 Goodwill represents excess of consideration paid over net assets acquired for acquisition of nitrogen plant.

7.2 The Company has elected not to apply Ind AS 103 'Business Combinations' retrospectively in relation to acquisition of nitrogen plant that occurred before the transition date April 1, 2015 **[Refer note 3.27.3]**.

7.2 Goodwill on consolidation

Particualrs	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Goodwill on consolidation	3,768.74	3,768.74	3,768.74
Total Goodwill (7.1+7.2)	**3,772.78**	**3,772.78**	**3,772.78**

8. Other intangible assets

Carrying amount of:	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Computer software	27.08	45.28	82.19
Total	**27.08**	**45.28**	**82.19**

Cost or deemed cost	Amount
Balance as at April 1, 2015	**82.19**
Add: Additions	2.16
Less: Disposals/ adjustments / transfer	-
Balance as at March 31, 2016	**84.35**
Add: Additions	24.57
Less: Disposals/ adjustments / transfer	-
Balance as at March 31, 2017	**108.92**

Accumulated amortisation	Amount
Balance as at April 1, 2015	**-**
Add: Amortisation expense	39.07
Less: Eliminated on disposal / adjustment / transfer	-
Balance as at March 31, 2016	**39.07**
Add: Amortisation expense	42.77
Less: Eliminated on disposal / adjustment / transfer	-
Balance as at March 31, 2017	**81.84**

8.1 The Group has elected to continue with the carrying value of its other intangible assets, recognised as of April 1, 2015 measured as per the previous GAAP and used that carrying value as its deemed cost as on the transition date as per para D7AA of Ind AS 101 'First-time Adoption of Indian Accounting Standards' **[Refer note 3.27.7]**.

9. Investments

9.1 Investments in equity instruments

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number in million	Amount	Number in million	Amount	Number in million	Amount
(i) Investments (at fair value)						
(a) Mangalore SEZ Limited (Unquoted- fully paid up) (Face value of ₹ 10 per share)	0.48	4.80	0.48	4.80	0.48	4.80
(b) Mangalam Retail Services Limited (Unquoted- fully paid up) (Face value of ₹ 10 per share)	0.02	0.28				
(ii) Investments in joint ventures (Equity method)						
(a) Shell MRPL Aviation Fuels and Services Limited (Unquoted- fully paid up) (Face value of ₹ 10 per share)	15.00	413.44	15.00	370.38	15.00	360.09
(b) Mangalam Retail Services Limited (Unquoted- fully paid up) (Face value of ₹ 10 per share)	-	-	0.05	0.59	0.05	0.57
Total investments		**418.52**		**375.77**		**365.46**
Aggregate carrying value of unquoted investments		418.52		375.77		365.46
Aggregate amount of impairment in value of investments		-		-		-

9.1.1 The Company has elected to continue with the carrying value of its investment in joint ventures measured as per the Previous GAAP and used that carrying value on the transition date April 1, 2015 as per Para D15(b)(ii) of Ind AS 101.

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

9.1.3 Restrictions on disinvestment of shares in Shell MRPL Aviation Fuels and Services Limited and Mangalam Retail Services Limited are subject to the approval of the Oil and Natural Gas Corporation Limited.

9.1.4 Details of investments

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, 2017	As at March 31, 2016	As at April 1, 2015
(a) Mangalore SEZ Limited	Developer of Special Economic Zone	India	0.96%	0.96%	0.96%
(b) Mangalam Retail Services Limited	Distribution of petroleum products through retail outlet and transport terminal	India	18.98%	-	-

During the year, the Company has sold 31% equity stake in MRSL which has resulted in loss of joint control over MRSL. As at March 31, 2017 the investment in MRSL has been measured at fair value through profit or loss. The management has considered the fair value (level 3 heirarchy) of such investment equivalent to the carrying amount as at reporting period.

9.1.5 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, 2017	As at March 31, 2016	As at April 1, 2015
(a) Shell MRPL Aviation Fuels and Services Limited	Trading of aviation fuels	India	50.00%	50.00%	50.00%
(b) Mangalam Retail Services Limited	Distribution of petroleum products through retail outlet and transport terminal	India	-	49.98%	49.98%

Refer Note 3.6 for method followed for accounting of investment in joint ventures.

10. Loans

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)						
(a) Deposits						
With related Party:	42.92	-	42.92	-	32.38	-
With customers						
- Considered doubtful	-	4.40	-	6.84	-	6.87
Less: Impairment for doubtful deposits	-	4.40	-	6.84	-	6.87
	-	-	-	-	-	-
With vendors	100.79	4.98	109.41	6.00	111.09	5.36
	143.71	**4.98**	**152.33**	**6.00**	**143.47**	**5.36**
(b) Loans to employees	301.89	55.17	258.80	47.45	254.71	43.55
Less: Impairment for doubtful loans	-	0.81	-	0.81	-	0.81
	301.89	**54.36**	**258.80**	**46.64**	**254.71**	**42.74**
(c) Loans to directors and other officers	**0.99**	**0.24**	**1.23**	**0.24**	**0.26**	**0.04**
	446.59	**59.58**	**412.36**	**52.88**	**398.44**	**48.14**

11. Others financial assets

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)						
(a) Interest accrued on employee loans	68.74	0.42	46.66	-	34.94	-
(b) Interest accrued but not due on bank deposits	-	111.23	-	1,701.45	-	1,546.15
(c) Claims receivable from insurance company	-	0.05	-	0.05	-	0.05
(d) Receivable from other	-	3,033.27	-	-	-	-
(e) Receivable from holding company	-	0.05	-	0.91	-	18.05
	68.74	**3,145.02**	**46.66**	**1,702.41**	**34.94**	**1,564.25**

12. Tax assets/ (liabilities)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Tax assets (a)						
(i) Advance tax	45,296.13	2.43	34,324.10	2.74	32,729.76	13.18
(ii) Income tax paid under dispute	3,994.28	-	3,373.70	-	2,579.25	-
Tax liabilities (b)						
Income tax	44,714.92	447.87	33,069.22	0.17	30,754.41	0.17
Total (a-b)	**4,575.49**	**(445.44)**	**4,628.58**	**2.57**	**4,554.60**	**13.01**

13. Other assets

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)						
(i) Capital advances						
-To related party **[Refer note 13.1]**	1,956.31	-	1,804.50	-	880.00	-
-To Others	5,938.05	-	737.15	-	718.14	-
-To Others: considered doubtful	-	-	3.40	-	3.40	-
Less: Impairment for doubtful capital advances	-	-	3.40	-	3.40	-
	7,894.36	**-**	**2,541.65**	**-**	**1,598.14**	**-**
(ii) Deposits						
with Customs/Port Trusts, etc.	**378.73**	**-**	**378.73**	**-**	**378.73**	**-**
(iii) Advance recoverable in kind						
from related parties	-	10.19	-	8.42	-	3.07
from others	-	1,491.74	-	983.80	732.59	1,166.68
	-	**1,501.93**	**-**	**992.22**	**732.59**	**1,169.75**
(iv) Balance with government authorities	**-**	**3,721.65**	**-**	**5,784.58**	**-**	**7,213.22**
(v) Prepayments						
Leasehold land	2,311.33	55.18	2,366.50	55.18	2,421.76	55.18
Guarantee charges	-	-	-	7.68	7.68	18.37
Others	381.64	100.90	252.38	86.94	260.73	85.08
	2,692.97	**156.08**	**2,618.88**	**149.80**	**2,690.17**	**158.63**
(vi) Gold coins	**-**	**0.91**	**-**	**0.91**	**-**	**0.94**
Total	**10,966.06**	**5,380.57**	**5,539.26**	**6,927.51**	**5,399.63**	**8,542.54**

13.1 Subsidiary OMPL - Mangalore SEZ Limited ('the Developer') is constructing the Corridor pipeline and allied facilities ('the Facilities'). The Facilities are under construction and accordingly the contribution paid by the Company amounting ₹ 975 million is shown under capital advances pending completion of the Facilities and execution of the Right of Way agreement. The same would be amortised on a systematic basis on completion of the Facilities by the Developer.

14. Inventories

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Amount	Total	Amount	Total	Amount	Total
Raw materials						
(a) on hand	14,816.96		9,358.41		7,264.40	
(b) In transit	6,938.24	21,755.20	6,013.76	15,372.17	5,272.71	12,537.11
Stock-in-process		4,773.98		3,346.00		4,046.02
Finished goods	13,672.15		11,780.33		19,028.93	
Less: Allowance for stock loss	5.91	13,666.24	5.91	11,774.42	5.91	19,023.02
Stores and spares						
(a) on hand	3,904.10		3,266.95		2,075.04	
(b) In transit	126.45		150.33		223.21	
Less : Impairment for slow/non-moving inventories	85.48	3,945.07	85.48	3,331.80	85.48	2,212.77
Total		**44,140.49**		**33,824.39**		**37,818.92**

14.1 The cost of inventories (cost of sales) recognised as an expense during the year in respect of continuing operations was ₹ 437,564.94 million (For the year ended March 31, 2016 ₹ 412,527.30 million).

14.2 Subsidiary OMPL has recognised cost of inventories as an expense includes ₹ 155.24 million (For the year ended March 31, 2016 ₹ Nil) in respect of write down of finished goods inventory to net realisable value.

14.3 The method of valuation of inventories has been stated in **Note 3.21**.

15. Trade receivables

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured **(Refer note 15.4 below)**			
- Considered good	2,244.46	1,800.21	1,033.77
Unsecured			
- Considered good	23,945.32	18,940.65	21,682.48
- Considered doubtful	1,714.71	1,468.95	1,091.16
Less: Impairment for doubtful receivables	1,714.71	1,468.95	1,091.16
Total	**26,189.78**	**20,740.86**	**22,716.25**

15.1 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. 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 over the applicable bank rate on the outstanding balance.

Subsidiary OMPL does exports 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 7-21 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 SBI lending rate on the outstanding balance.

15.2 Of the trade receivables, balance as at March 31, 2017 of ₹ 24,308.83 million (As at March 31, 2016 ₹ 21,531.97 million and as at April 1, 2015 ₹ 23,180.40 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, 2017	As at March 31, 2016	As at April 1, 2015
Customer 1	6,239.93	5,072.24	6,988.58
Customer 2	9,070.12	6,870.70	5,986.25
Customer 3	3,425.16	2,415.33	2,055.91
Customer 4	1,903.24	4,693.62	1,483.65
Customer 5	1,695.95	2,480.08	4,559.04
Customer 6	-	-	2,106.97
Customer 7	1,974.43	-	-
	24,308.83	**21,531.97**	**23,180.40**

15.3 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.

15.4 Secured by bank guarantees and letter of credit received from customers.

15.5 The Company has concentration of credit risk due to the fact that the Company has significant receivables from customers mentioned in **note 15.2**, however these customers are reputed and creditworthy.

15.6 Age of Trade receivables:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Within the credit period	25,936.37	17,374.94	21,802.73
1-30 days past due	276.24	2,911.84	619.80
31-90 days past due	135.07	639.84	394.00
More than 90 days past due	1,556.81	1,283.19	990.88

15.7 Movement of Impairment for doubtful receivables

Particulars	As at March 31, 2017	As at March 31, 2016
Balance at beginning of the year	1,468.95	1,091.16
Add: Additions in expected credit loss allowance	302.80	378.49
Less: Reclassification/ Other adjustments	57.04	0.70
Balance at end of the year	**1,714.71**	**1,468.95**

16. Cash and cash equivalents

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with banks			
Current accounts	130.79	13.13	4.39
Bank deposits with original maturity upto 3 months	2,330.00	13,540.00	13,665.92
Cash on hand	0.74	0.05	0.88
	2,461.53	**13,553.18**	**13,671.19**

Details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 as provided in the table below:-

(All amounts are in ₹)

Particulars	SBN's #	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	956,500.00	54,920.00	1,011,420.00
(+) Permitted receipts	11,219,500.00	10,619,399.00	21,838,899.00
(-) Permitted payments	-	121,786.00	121,786.00
(-) Amount deposited in bank	12,176,000.00	10,161,329.00	22,337,329.00
Closing cash in hand as on 30.12.2016	**-**	**391,204.00**	**391,204.00**

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016.

17. Other bank balances

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Bank deposits with original maturity more than 3 months upto 12 months **[Refer note 17.1]**	2,755.46	108,439.09	58,019.61
Other bank deposits under lien	9,370.60	7,908.21	30,864.62
Unclaimed interest on debentures account **[Refer note 17.2]**	0.01	0.19	0.19
Unclaimed dividend account **[Refer note 17.3]**	74.70	101.24	124.49
Restricted bank balance **[Refer note 17.4]**	6,766.88	8,078.42	-
Restricted bank balance for employee benevolent fund	9.14	8.15	7.27
Total	**18,976.79**	**124,535.30**	**89,016.18**

17.1 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.

17.2 Amount deposited in the unclaimed interest on debentures account is earmarked for payment of interest and cannot be used for any other purpose.

17.3 Amount deposited in the unclaimed dividend account is earmarked for payment of dividend and cannot be used for any other purpose.

17.4 Restricted bank balance represents unutilized capital expenditure fund drawn by way of external commercial borrowing which has been kept in a non-interest bearing account as per the Reserve Bank of India guidelines and can be utilised only for the stated purposes.

18. Non-current assets held for sale

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Freehold land **[Refer Note 18.1]**	77.96	77.96	77.96
Others **[Refer note 18.2]**	-	-	-
Total	**77.96**	**77.96**	**77.96**

18.1 Based on the Board's approval in the year 2007, the Company has been reclassifying unutilised freehold land to be disposed of as "Assets held for sale" under " Current assets". The Company intends to dispose off the freehold land in the next twelve months rather than utilising it for business purposes. The Company is actively searching prospective buyer. No impairment loss was recognised on reclassification of the freehold land as at March 31, 2017 as the Company expects that the fair value (estimated based on the recent market prices of similar properties in similar locations) less costs to sell is higher than the carrying amount.

18.2 Assets held for sale includes certain Property, plant and equipments which have been fully depreciated.

19. Equity share capital

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorised share capital:			
2,900,000,000 Equity shares of ₹ 10 each	**29,000.00**	**29,000.00**	**29,000.00**
(as at March 31, 2016: 2,900,000,000 Equity shares of ₹10 each; as at April 1, 2015: 2,900,000,000 Equity shares of ₹10 each)			
100,000,000 Redeemable preference shares of ₹10 each	**1,000.00**	**1,000.00**	**1,000.00**
(as at March 31, 2016: 100,000,000 preference shares of ₹10 each; as at April 1, 2015: 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**	**17,525.99**
(as at March 31, 2016: 1,752,598,777 Equity shares of ₹10 each; as at April 1, 2015: 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	17,525.99
(as at March 31, 2016: 1,752,598,777 Equity shares of ₹10 each; as at April 1, 2015: 1,752,598,777 Equity shares of ₹10 each)			
Add: Shares forfeited **[Refer Note 19.5]**	0.65	0.65	0.65
	17,526.64	**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, 2015	**1,752.59**	**17,525.99**
Changes during the year	-	-
Balance as at March 31, 2016	**1,752.59**	**17,525.99**
Changes during the year	-	-
Outstanding as at March 31, 2017	**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, 2017		As at March 31, 2016		As at April 1, 2015	
	Number in million	% holding	Number in million	% holding	Number in million	% holding
Oil and Natural Gas Corporation Limited	1,255.35	71.63	1,255.35	71.63	1,255.35	71.63

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, 2017		As at March 31, 2016		As at April 1, 2015	
	Number in million	% holding	Number in million	% holding	Number in million	% holding
Oil and Natural Gas Corporation Limited	1,255.35	71.63	1,255.35	71.63	1,255.35	71.63
Hindustan Petroleum Corporation Limited	297.15	16.96	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, 2016: Nil; As at April 1, 2015: 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, 2017	As at March 31, 2016	As at April 1, 2015
(a) Deemed equity **[Refer note 3.25.2 (a)]**	30.53	26.05	26.05
(b) Reserves and surplus			
Capital redemption reserve	91.86	91.86	91.86
Securities premium reserve	3,467.98	3,467.98	3,467.98
Capital reserve	0.07	0.07	0.07
General reserve	1,192.00	1,192.00	1,192.00
Retained earnings	72,713.27	38,034.65	29,796.85
Total	**77,495.71**	**42,812.61**	**34,574.81**

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Deemed equity		
Balance at beginning of the year	26.05	26.05
Add: Transfer during the the year	4.48	-
Balance at end of the year	**30.53**	**26.05**
(b) Reserves		
(i) Capital redemption reserve [Refer Note 20.1]		
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 reserve [Refer Note 20.2]		
Balance at beginning of the year	3,467.98	3,467.98
Transfer during the year	-	-
Balance at end of the year	**3,467.98**	**3,467.98**
(iii) Capital reserve [Refer Note 20.3]		
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 20.4]		
Balance at beginning of the year	1,192.00	1,192.00
Add: Transfer from retained earnings	-	-
Balance at end of the year	**1,192.00**	**1,192.00**
(v) Retained earnings		
Balance at beginning of the year	38,034.65	29,796.85
Profit after tax for the year	34,726.41	8,237.13
Other comprehensive income for the year, net of income tax	(47.79)	0.67
Less: transfer to general reserve	-	-
Balance at end of the year	**72,713.27**	**38,034.65**

20.1 The Company created capital redemption reserve on redemption of preference share capital during the financial years 2011-12 and 2012-13.

20.2 The Company created securities premium reserve on issue of equity share capital and the same can be utilized as per the requirement of the Companies Act, 2013.

20.3 Capital reserve created on account of consolidation during the year 2014-15.

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, 2017, the Board of Directors has proposed a final dividend of ₹ 6/- 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 ₹ 10,515.59 million and the dividend distribution tax thereon amounts to ₹ 2,140.73 million.

21. Borrowings

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Secured – at amortised cost						
Term Loans:-						
From banks						
External commercial borrowing (ECB)	40,692.06	-	54,839.97	-	56,984.80	-
[Refer note 21.1]						
Rupee loan	-		326.51		18,617.72	
[Refer note 21.2]						
From others						
Loan from Oil Industry Development Board (OIDB)	750.00	-	2,500.00	-	-	-
[Refer note 21.3]						
Non-convertible debentures:-	24,991.90		4,994.46			
[Refer note 21.4]						
Working capital loan from banks	-	6,471.24	-	57.46	-	3,276.74
[Refer note 21.5]						
Unsecured – at amortised cost						
Term loan :-						
From related party -						
Oil and Natural Gas Corporation Limited (ONGC)	18,856.90	-	25,714.10	-	32,571.30	-
[Refer note 21.6]						
From others :-						
Deferred payment liabilities	618.63	-	1,145.17	-	2,052.91	-
[Refer note 21.7]						
Loan from Oil Industry Development Board (OIDB)	-	-	-	-	5,250.00	-
[Refer note 21.3]						
From banks:-	-	-	-	19,244.40	2,000.00	10,524.72
[Refer note 21.8]						
Commercial papers (net of discount)	-	27,244.05	-	18,747.32	-	-
[Refer note 21.9]						
Buyers credit	-	-	-	-	-	1,674.37
[Refer note 21.10]						
Working capital loan from banks						
Foreign currency non repatriable loan (FCNR)	-	12,971.00	-	-	-	-
[Refer note 21.11]						
Total	**85,909.49**	**46,686.29**	**89,520.21**	**38,049.18**	**117,476.73**	**15,475.83**

21.1 External commercial borrowing (ECB)

21.1.1 ECB taken by the Company are USD denominated loans and carries variable rate of interest which is LIBOR (6 months) plus spread. These are secured by first pari passu charge over immovable property, plant and equipment and first ranking pari passu charge over movable property, plant and equipment both present and future.

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 3.13% . 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 3.15%. 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 3.15%.

21.1.2 ₹ 13,039.40 million (As at March 31, 2016 of ₹ 5,665.58 million, As at April 1, 2015 of ₹ 2,686.39 million) is repayable within one year and the same has been shown as "Current maturities of long term debts (secured)" under **Note 22**.

21.1.3 **Repayment schedule of ECB is as follows:**

Year of repayment (refer note 21.12 below)	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
2015-16	-	-	2,790.40
2016-17	-	5,768.51	5,441.59
2017-18	13,122.21	13,406.48	12,646.73
2018-19	29,579.16	30,219.96	28,507.36
2019-20	4,042.51	4,130.08	3,896.03
2020-21	3,556.09	3,633.12	3,427.24
2021-22	3,069.68	3,136.18	2,958.45
2022-23	475.48	485.78	458.25
2023-24	98.76	100.90	95.20
Total	**53,943.89**	**60,881.01**	**60,221.25**

21.2 Rupee Loan

Subsidiary OMPL secured RTL with various bankers 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. The said RTL was entirely repaid in December 2015. The rate of interest for RTL was SBI Base Rate plus 1.25% payable on monthly basis.

21.2.1 ₹ Nil (As at March 31, 2016 of ₹ 203.78 million, As at April 1, 2015 of ₹ 1,087.50 million) is repayable within one year and the same has been shown as "Current maturities of long term debts (secured)" under **Note 22**.

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

Year of repayment (refer note 21.12 below)	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
2015-16	-	-	1,087.50
2016-17	-	-	2,175.00
2017-18	-	-	2,175.00
2018-19	-	-	2,175.00
2019-20	-	-	2,175.00
2020-21	-	-	2,175.00
2021-22	-	-	2,175.00
2022-23	-	-	2,175.00
2023-24	-	-	2,175.00
2024-25	-	-	1,071.84
Total	**-**	**-**	**19,559.34**

21.3 Loan from Oil Industry Development Board (OIDB)

21.3.1 Loan from OIDB taken by the Company carries fixed rate of interest. These are secured by first pari passu Charge over immovable property, plant and equipment and first ranking pari passu Charge over movable property, plant and equipment both present and future. Prior to December 10, 2015 the loan from OIDB was unsecured.

21.3.2 ₹ 1,750.00 million (As at March 31, 2016 of ₹ 2,750.00 million, As at April 1, 2015 of ₹ 2,750.00 Million) is repayable within one year and the same has been shown as "Current maturities of long term debts" (secured)" as at march 31, 2017 and as at march 31,2016 and "Current maturities of long term debts (unsecured)" as at April 1, 2017 under **Note 22**.

21.3.3 Repayment schedule of loan from OIDB is as follows:

Year of repayment (refer note 21.12 below)	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
2015-16	-	-	2,750.00
2016-17	-	2,750.00	2,750.00
2017-18	1,750.00	1,750.00	1,750.00
2018-19	750.00	750.00	750.00
Total	**2,500.00**	**5,250.00**	**8,000.00**

21.4 Non-convertible debentures

21.4.1 Subsidiary OMPL has issued ₹ 5,000 million non-cumulative, secured, redeemable, taxable, listed, rated Non-Convertible Debentures (NCDs) during February 2016 with a coupon rate of 8.4% p.a., and interest payable annually. The Company has also 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 ranking 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 Repayment schedule of non-convertible debentures is as follows:

Year of repayment (refer note 21.12 below)	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
2018-19	5,000.00	5,000.00	-
2019-20	20,000.00	-	-
Total	**25,000.00**	**5,000.00**	**-**

21.5 Working capital loan from Banks

21.5.1 Working capital borrowings from consortium banks are secured 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, plant and equipment both present and future.

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 (earlier SBAR minus spread).

21.6.2 ₹ 6,857.20 million (As at March 31, 2016 of ₹ 6,857.20 million, As at April 1, 2015 of ₹ 6,857.20) 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 21.12 below)	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
2015-16	-	-	6,857.20
2016-17	-	6,857.20	6,857.20
2017-18	6,857.20	6,857.20	6,857.20
2018-19	6,857.20	6,857.20	6,857.20
2019-20	6,857.20	6,857.20	6,857.20
2020-21	5,142.50	5,142.50	5,142.50
Total	**25,714.10**	**32,571.30**	**39,428.50**

21.7 Deferred payment liabilities

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. Such deferral of sales tax liability is not liable for any interest. The Company has applied the mandatory exception provided under Ind AS 101 and accordingly has not fair valued the deferred payment liabilities that existed as at April 1, 2015.

Subsidiary OMPL deferred payment liability refers to the amount payable to a licensor for aromatic complex as per the licensor of agreement.

21.7.2 ₹ 526.54 million (As at March 31, 2016 of ₹ 905.77 million, As at April 1, 2015 of ₹ 1,006.66 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 21.12 below)	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
2015-16	-	-	1,058.09
2016-17	-	909.00	909.00
2017-18	526.54	526.54	526.54
2018-19	400.00	400.00	400.00
2019-20	218.63	218.63	218.63
Total	**1,145.17**	**2,054.17**	**3,112.26**

21.8 Term loan - from banks

Subsidiary OMPL long-term loan refers to the unsecured RTL availed from Axis Bank which was entirely repaid in September 2015 and short-term loan includes secured STL availed from various banks with average interest varying from (As at March 31, 2016 : 9.34%-9.35% p.a. As at March 31, 2015: 10.25%-10.50% p.a.). ₹ Nil (As at March 31, 2016 of ₹ Nil, As at April 1, 2015 of ₹ 6.86 million) is repayable within one year and the same has been shown as "Current maturities of long term debts (unsecured)" under **Note 22**.

21.9 Commercial paper

21.9.1 Subsidiary OMPL commercial papers are unsecured fixed rate debt instruments with tenure varying between 30 to 180 days.

21.10 Buyers credit

21.10.1 Subsidiary OMPL buyer's credits availed from banks are foreign currency denominated fixed rate unsecured loans which are rolled over for every six months period.

21.11 Foreign currency non repatriable loan (FCNR)

21.11.1 Foreign Currency Non Repatriable Loan from bank are USD denominated loans carries variable rate of interest which is LIBOR (6 months) plus spread and is repayable at the end of one year from the date of each disbursement.

21.12 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, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Current maturities of long term debt (secured) **[Refer note 21.1.2, 21.2.1 and 21.3.2]**	-	14,789.40	-	8,619.36	-	3,773.89
Current maturities of long term debt (Unsecured) **[Refer note 21.6.2 and 21.7.2]**	-	7,383.74	-	7,762.97	-	10,620.72
Unclaimed dividends **[Refer note 22.1 below]**	-	74.70	-	101.24	-	124.49
Unclaimed interest on matured debentures **[Refer note 22.2 below]**	-	0.01	-	0.19	-	0.19
Interest accrued but not due on loans	-	785.62	-	724.70	-	315.49
Deposits from suppliers/ contractors/ others	-	977.29	-	399.98	-	420.63
Payable against capital goods **[Refer note 22.3 below]**	-	4,262.30	-	8,403.86	-	12,152.42
Liability for employees	-	609.34	-	296.10	-	157.46
Other liabilities relating to customers and vendors **[Refer Note 22.4 below]**	-	1,931.96	-	2,555.49	0.13	1,342.75
Total	**-**	**30,814.36**	**-**	**28,863.89**	**0.13**	**28,908.04**

22.1 No amount is due for payment to the Investor Education Protection Fund.

22.2 Unclaimed interest on matured debentures represents interest payable towards disputed claims.

22.3 Price reduction clause

Payable against capital goods includes ₹ 988.40 million (As at March 31, 2016 ₹ 2,042.91 million, As at April 1, 2015 ₹ 1,570.94 million) relating to amounts withheld from vendors pursuant to price reduction clause 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, 2017	As at March 31, 2016	As at April 1, 2015
i	the Principal amount due thereon remaining unpaid to any supplier at the end of year.	10.67	1.37	6.81
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, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Provision for employee benefits **[Refer note 39]**						
(a) Leave encashment	554.71	53.36	363.12	37.25	300.61	34.68
(b) Post retirement medical and other benefits	79.66	2.30	64.93	1.94	58.51	1.91
(c) Gratuity	27.16	0.23	16.01	0.10	6.60	0.05
Others **[Refer note 23.1 below]**	-	2,797.68	-	3,506.98	-	2,062.38
	661.53	**2,853.57**	**444.06**	**3,546.27**	**365.72**	**2,099.02**

23.1 Others include provision for excise duty on closing stock.

Movement for the year 2016-17

Particulars	Excise duty on closing stock
Opening Balance as at March 31, 2016	3,506.98
Less: Reduction on account of provision reversal	3,506.98
Add: Addition	2,797.68
Closing Balance as at March 31, 2017	**2,797.68**

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, 2017 ₹ 2,797.68 million (As at March 31, 2016 ₹ 3,506.98 million, As at April 1, 2015 ₹ 2,057.60 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, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax assets	37,119.22	40,344.91	30,231.31
Deferred tax liabilities	(34,012.35)	(31,513.19)	(25,938.09)
Deferred tax Asset/ (Liability) -Net	**3,106.87**	**8,831.72**	**4,293.22**

2015-16	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities in relation to				
Property, plant and equipment	(25,935.43)	(5,576.35)	-	(31,511.78)
Intangible assets	(2.66)	1.25	-	(1.41)
Total	**(25,938.09)**	**(5,575.10)**	**-**	**(31,513.19)**
Deferred tax assets in relation to				
Other liabilities	17.97	9.71	-	27.68
Brought forward buisness losses and unabsorbed depreciation	29,803.84	6,894.16	0.31	36,698.31
MAT credit entitlement	3.78	3,071.31	-	3,075.09
Financial and other assets	374.66	137.54	-	512.20
Inventories	31.06	0.57	-	31.63
Total	**30,231.31**	**10,113.29**	**0.31**	**40,344.91**
Deferred tax asset / (liability) (net)	**4,293.22**	**4,538.19**	**0.31**	**8,831.72**

2016-17	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities in relation to				
Property, Plant and equipment	(31,511.78)	(2,508.24)	-	(34,020.02)
Intangible assets	(1.41)	9.08	-	7.67
Total	**(31,513.19)**	**(2,499.16)**	**-**	**(34,012.35)**
Tax effect of items constituting deferred tax assets				
Other liabilities	27.68	22.49	-	50.17
Brought forward buisness losses and unabsorbed depreciation	36,698.31	(15,212.79)	27.96	21,513.48
MAT credit entitlement	3,074.92	11,853.79	-	14,928.71
Financial and other assets	512.20	83.03	-	595.23
Inventories	31.63	-	-	31.63
Total	**40,344.74**	**(3,253.48)**	**27.96**	**37,119.22**
Deferred tax asset / (liability) (net)	**8,831.55**	**(5,752.64)**	**27.96**	**3,106.87**

Subsidiary OMPL being an SEZ unit is eligible for certain exemptions under Section 10AA of the Income tax Act, 1961. Accordingly, the deferred tax assets on unused tax losses and unused tax credits are recognised to the extent it is probable that future taxable profit will be available considering the following (i) Committed long term off-take arrangement entered with customer for its main product namely Paraxylene (ii) Arrangements with the parent company for sale of other products namely Paraffinic Raffinate, Hydrogen and De Ethanizer Column Bottom Liquid (iii) Revision in pricing terms for procurement of feed stock with the parent company (iv) Arrangements for procurement of Naptha from other oil companies to enhance the capacity utilisation (v) Arrangement with parent company to source the reformate to augment the aromatic feed stock requirement of the aromatic complex (vi) Agreement for Gas transportation with Gas Authority of India Ltd. to source the Natural Gas for fuel requirement.

25 Trade payables

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade payables	60,444.97	212,872.72	183,672.28
Total	**60,444.97**	**212,872.72**	**183,672.28**

25.1 Trade payables include ₹ 9,102.11 million (As at March 31, 2016 of ₹ 4,638.87 million; As at April 1, 2015 of ₹ 3,282.95 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 7 to 90 days. Thereafter, interest is charged upto 6.75% p.a. 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, 2017	As at March 31, 2016	As at April 1, 2015
i	the Principal amount due thereon remaining unpaid to any supplier at the end of year.	70.84	9.07	8.46
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.	-	-	-

26. Other liabilities

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Revenue received in advance	-	1.56	-	1.71	-	1.84
Liability for gratuity **[Refer note 26.1 below]**	-	94.65	-	27.08	-	24.98
Liability for statutory payments	-	1,733.84	-	1,511.25	-	1,324.13
Others	-	-	-	3.24	3.24	49.67
Payable to Oil Companies on refund from commercial tax authorities	-	-	-	-	-	2,884.48
Total	**-**	**1,830.05**	**-**	**1,543.28**	**3.24**	**4,285.10**

26.1 Net of amount receivable/ payable from/to gratuity trust.

27 Revenue from operations

Particulars		Year ended March 31, 2017	Year ended March 31, 2016
27.1	**Sale of products**		
	Domestic sales (including excise duty)	457,003.48	382,937.23
	Export sales	142,770.22	126,553.05
27.2	**Other operating revenues**		
	Sale of scrap	83.60	81.85
	Liquidated damages	34.10	30.46
	Sale of services	-	20.70
	Total	117.70	133.01
	Total	**599,891.40**	**509,623.29**

28 Other income

Particulars		Year ended March 31, 2017	Year ended March 31, 2016
28.1	**Interest on:**		
	Contractor mobilisation advance	-	41.29
	Others	195.75	12.97
	Financial assets measured at amortised cost :		
	- bank deposits	3,540.48	6,799.59
	- direct marketing customers	22.36	24.20
	- employee loans	25.07	20.50
	Total	**3,783.66**	**6,898.55**
28.2	**Dividend income from:-**		
	Investment in mutual funds (measured at FVTPL)	**268.01**	**1,173.18**
28.3	**Other non-operating income**		
	Royalty income	9.04	4.39
	Liability no longer required written back	2.79	362.72
	Excess provisions written back	62.88	0.73
	Tender form sale	1.18	1.01
	Hire charges	2.30	4.10
	Recoveries from employees	8.39	9.05
	Miscellaneous receipts	50.27	101.32
	Total	136.85	483.32
	Total	**4,188.52**	**8,555.05**

29 Cost of materials consumed

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Raw material: Crude oil		
Imported	292,204.20	301,442.61
Indigenous	71,721.91	36,849.57
Raw material: Others		
Imported		
Reformate	3,094.99	1,033.52
Indigenous		
CRMB modifier	3.44	6.70
Naptha Stream	5,664.82	1,295.35
Stock-in-trade		
Indigenous	0.49	0.12
Total	**372,689.85**	**340,627.87**

30 Changes in inventories of finished goods, stock-in-process and stock-in-trade

Particulars		Year ended March 31, 2017	Year ended March 31, 2016
30.1	**Closing stock of:**		
	Finished goods and stock-in-trade	13,666.24	11,774.42
	Stock-in-process	4,773.98	3,346.00
	Total closing stock	**18,440.22**	**15,120.42**
30.2	**Opening stock of:**		
	Finished goods and stock-in-trade	11,774.42	19,023.02
	Stock-in-process	3,346.00	4,046.02
	Total opening stock	**15,120.42**	**23,069.04**
	Changes in inventories of finished goods, stock-in-process and stock-in-trade	**(3,319.80)**	**7,948.62**

31 Employee benefits expense

Particulars (refer note 31.1 below)	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and wages	3,362.67	2,735.21
Contribution to provident and other funds	369.36	339.03
Post-retirement benefits - medical and others	10.53	9.85
Staff welfare expenses	160.34	144.13
Total	**3,902.90**	**3,228.22**

31.1 The Company made a provision for revision in salary w.e.f January 01, 2017 is considered as per recommendation of "Third Pay Revision Committee Report".

32 Finance costs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Finance expense for financial liabilities measured at amortised cost		
- from related party	2,435.03	3,880.57
- from banks	6,432.54	6,083.32
- from others	775.00	584.88
	9,642.57	**10,548.77**
Financial guarantee charges	16.65	18.37
Exchange differences regarded as an adjustment to borrowing cost	-	236.19
Total	**9,659.22**	**10,803.33**

33 Depreciation and amortisation expense

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation of Property, plant and equipment	9,798.43	10,091.34
Amortisation of intangible assets	42.77	39.07
Total	**9,841.20**	**10,130.41**

34 Other expenses

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
Power, utility and fuel charges	31,483.56		31,128.39	
Less : Own consumption	26,774.50	4,709.06	24,872.26	6,256.13
Repairs and maintenance				
- Plant and machinery	2,423.09		2,267.59	
- Building	6.78		8.84	
- Others	565.94	2,995.81	513.74	2,790.17
Stores, spares and chemical consumed		1,469.25		951.91
Packing material consumed		209.30		45.80
Rent		172.24		163.27
Insurance		358.96		377.89
Rates and taxes		2,406.80		2,205.99
Excise duty on stock (net) [refer note below 34.1]		(675.16)		1,588.96
Exchange rate fluctuation loss/ (Income)		566.12		11,835.15
Director's sitting fees		0.69		0.31
Loss on sale of property, plant and equipment		57.02		3.86
Bank charges		27.53		31.30
Payment to auditors				
Audit fees	2.61		2.20	
For taxation matters	0.40		0.50	
For certification fees	2.00		1.82	
Reimbursement of expenses	2.71	7.72	3.07	7.59
Corporate social responsibility expenses (CSR) **[refer note below 34.2]**		32.23		23.40
Impairment for:				
Doubtful trade receivables		302.80		378.49
Write Offs:				
Doubtful trade receivables		59.37		0.70
Miscellaneous expenses		1,861.81		1,782.56
Total		**14,561.55**		**28,443.48**

34.1 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.

34.2 The CSR expenditure comprises the following:

(a) Gross amount required to be spent by the Company during the year: ₹ 50.00 million (Year ended March 31, 2016 ₹ 23.40 million).

(b) Amount spent during the year on:

Particulars	Year ended March 31, 2017		
	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of asset	24.92	-	24.92
ii) On purpose other than (i) above	7.31	-	7.31
Total	**32.23**	**-**	**32.23**

Particulars	Year ended March 31, 2016		
	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of asset	19.45	-	19.45
ii) On purpose other than (i) above	3.95	-	3.95
Total	**23.40**	**-**	**23.40**

35 Exceptional items (income)/expenses (net)

Particulars (Refer note 35.1 below)	Year ended March 31, 2017	Year ended March 31, 2016
Cost of materials consumed	-	988.16
Employee benefits expense	-	211.15
Miscellaneous expenses	-	630.63
Exchange rate fluctuation loss/ (Income)	(15,972.91)	-
Total	**(15,972.91)**	**1,829.94**

35.1 Exceptional items for the current year is on account of exchange rate variation gain arising out of settlement of overdue trade payables which got accumulated on account of non finalisation of remittance channel.

35.2 The exceptional items for the previous year consists of ₹ 1,541.87 million expenses arising out of differential wharfage for the period October 16, 2009 to March 31, 2015 paid as per order issued by Ministry of Shipping, Government of India, ₹ 211.15 million towards adhoc contribution to Super Annuation Benefit Fund for the non-management staff as per Long Term settlement signed effective April 01, 2007 (contribution pertains to the period April 2007 to March 2015) and ₹ 76.92 million on account of re-worked out Custom Duty on the basis of judgment of Hon'ble Supreme Court in MRPL's Civil Appeals.

36 Income taxes related to continuing operations

36.1 Income tax recognised in statement of profit and loss

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Current tax	11,853.78	2,345.58
Deferred tax	5,752.64	(4,538.19)
Total income tax expense recognised in the current year relating to continuing operations	**17,606.42**	**(2,192.61)**

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit before tax from continuing operations	**50,538.52**	**2,865.04**
Income tax expense calculated at 34.608% (2015-2016: 34.608%)	17,490.37	991.53
Effect of income that is exempt from tax	(95.35)	(409.12)
Effect of Profit from Joint venture	(16.18)	(6.90)
Effect of investment allowance u/s 32AC of Income Tax Act, 1961	29.84	(617.30)
Effect of expenses that are not deductible in determining taxable profit	134.63	146.95
Effect of deferred tax balance due to change in income tax rate from 33.99% to 34.608%	-	(45.80)
Effect of recognition of MAT credit of earlier years at 21.3416%	-	(725.73)
Effect of change in deferred tax balance due to true up adjustments	(356.69)	272.93
Effect of deferred tax on unrecognised tax losses of previous years.	-	(2,518.86)
Effect of exemption under section 10AA of Income Tax Act, 1961.	419.80	703.70
Effect of Others	-	15.99
Income tax expense recognised in profit or loss (relating to continuing operations)	**17,606.42**	**(2,192.61)**

36.3 Income tax recognised in other comprehensive income

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
(a) Remeasurement of the defined benefit plans	27.53	0.73
(b) Effective portion of gains (losses) on hedging instruments in cash flow hedges	-	0.20
Total income tax recognised in other comprehensive income	**27.53**	**0.92**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	27.53	0.92
Items that may be reclassified to profit or loss	-	-

37 Earnings per equity share:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit after tax for the year attributable to equity shareholders (₹ in million)	34,726.41	8,237.13
Weighted average number of equity shares (Number in million)	1,752.60	1,752.60
Basic and Diluted earnings per equity share (₹)	19.81	4.70
Face Value per equity share (₹)	10.00	10.00

38 Leases

38.1 Obligations under finance leases

38.1.1 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 5.2]**.

Financial lease obligation as at March 31, 2017 is immaterial (As at March 31, 2016 : immaterial; As at April 1, 2015: immaterial).

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.

38.2 Operating lease arrangements

38.2.1 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 44 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.

38.2.2 Payments recognized as an expense

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Minimum lease payments	125.15	115.86
	125.15	**115.86**

38.2.3 Non-cancellable operating lease commitments

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

39 Employee benefit plans of Company

39.1 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, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
Employer's contribution to Provident Fund	166.61	152.73	0.92	0.85
Employer's contribution to Superannuation Fund	140.91	338.38	0.76	0.79

39.2 Other long term employee benefits

39.2.1 **Brief Description:** A general description of the type of Other long-term employee benefits is 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.

39.2.2 The liability for leaves is recognized on the basis of actuarial valuation.

39.3 Defined benefit plans

39.3.1 **Brief Description:** A general description of the type of Defined benefit plans is as follows:

a) Gratuity:

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

The MRPL- Gratuity Trust was formed on 20th April,2007 and invesments 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.

39.3.2 The liability for Defined benefit plans is recognized on the basis of actuarial valuation.

39.3.3 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, 2017 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.

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

Assumptions as at March 31, 2017

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
Gratuity (Funded)			
1	Expected return on plan assets	7.34%	8.08%
2	Rate of discounting	7.34%	8.08%
3	Rate of salary increase	5.50%	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)

Assumptions as at March 31, 2017

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
Post-Retirement Medical Benefits			
1	Rate of discounting	7.34%	8.08%
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	7.34%	8.08%
2	Rate of salary increase	5.50%	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.

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

Gratuity:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Service Cost :		
Current service cost	28.30	26.94
Net interest expense	2.34	2.69
Components of defined benefit costs recognised in employee benefit expenses	**30.64**	**29.63**
Remeasurement on the net defined benefit liability:		
Return on plan assets excluding amounts included in net interest cost	(7.53)	(1.91)
Actuarial (gains) / losses arising from changes in financial assumptions	53.36	(5.49)
Actuarial (gains) / losses arising from experience adjustments	20.83	1.88
Components of Remeasurement	66.66	(5.52)
Total	**97.30**	**24.11**

Post-Retirement Medical Benefits:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Service Cost :		
Current service cost	4.13	3.59
Net interest expense	4.61	4.34
Components of defined benefit costs recognised in employee benefit expenses	**8.74**	**7.93**
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	7.14	3.30
Actuarial (gains) / losses arising from experience adjustments	1.74	(3.06)
Components of Remeasurement	8.88	0.24
Total	**17.62**	**8.17**

Resettlement Allowance:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Service Cost :		
Current service cost	1.14	1.13
Net interest expense	0.79	0.80
Components of defined benefit costs recognised in employee benefit expenses	**1.93**	**1.93**
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	1.14	(0.13)
Actuarial (gains) / losses arising from experience adjustments	0.30	0.48
Components of Remeasurement	**1.44**	**0.35**
Total	**3.37**	**2.28**

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 ₹ (75.55) million (previous year ₹ 5.28million)

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

Gratuity:

Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Opening defined benefit obligation	563.39	508.85
Current service cost	28.30	26.94
Interest cost	45.52	43.25
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	53.36	(5.49)
Actuarial gains and losses arising from experience adjustments	20.83	1.88
Benefits paid	(7.89)	(12.04)
Closing defined benefit obligation	**703.51**	**563.39**
Current obligation	98.99	28.95
Non-Current obligation	**604.52**	**534.44**

Post-Retirement Medical Benefits:

Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Opening defined benefit obligation	57.06	51.06
Current service cost	4.13	3.59
Interest cost	4.61	4.34
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	7.14	3.30
Actuarial gains and losses arising from experience adjustments	1.74	(3.06)
Benefits paid	(4.26)	(2.17)
Closing defined benefit obligation	**70.42**	**57.06**
Current obligation	1.99	1.67
Non-Current obligation	**68.43**	**55.39**

Resettlement Allowance:

Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Opening defined benefit obligation	9.81	9.37
Current service cost	1.14	1.13
Interest cost	0.79	0.80
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	1.14	(0.13)
Actuarial gains and losses arising from experience adjustments	0.30	0.48
Benefits paid	(1.64)	(1.84)
Closing defined benefit obligation	**11.54**	**9.81**
Current obligation	0.32	0.27
Non-Current obligation	**11.22**	**9.54**

39.3.7 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, 2017	As at March 31, 2016
Present value of funded defined benefit obligation	(703.51)	(563.39)
Fair value of plan assets	604.52	534.44
Funded status	**(98.99)**	**(28.95)**
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**(98.99)**	**(28.95)**

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, 2016 Nil ; As at April 1, 2015 Nil)

Post-Retirement Medical Benefits and terminal benefits and Resettlement allowances are unfunded plans, and no plan assets are involved.

39.3.8 Movements in the fair value of the plan assets are as follows :

Gratuity:

Particulars	As at March 31, 2017	As at March 31, 2016
Opening fair value of plan assets	534.44	477.16
Interest income	43.18	40.56
Return on plan assets (excluding amounts included in net interest expense)	7.53	1.91
Contributions from the employer	27.26	24.98
Benefits paid	(7.88)	(10.17)
Closing fair value of plan assets	**604.53**	**534.44**

Expected Contribution in respect of Gratuity for next year will be ₹ 94.65 million (For the year ended March 31, 2016 ₹ 27.08 million)

The Company has recognized a gratuity liability of ₹ 98.99 million as at March 31, 2017 (As at March 31, 2016 ₹ 28.95 million; As at April 1, 2015 ₹ 31.68 million).

39.3.9 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, 2017	As at March 31, 2016
Cash and Cash equivalents	1.91	1.07
Equity Investment	-	-
Mutual Fund-UTI Treasury Fund	17.75	16.45
Debt investment categorised by issuer's credit rating		
AAA	66.74	62.00
AA+	12.03	15.68
AA	6.02	10.36
AA-	1.00	4.98
A+	5.98	0.98
A-	11.00	11.00

Particulars	As at March 31, 2017	As at March 31, 2016
Group Gratuity Cash Accumulation Scheme (Traditional Fund)		
Life Insurance Corporation of India	95.95	87.95
Bajaj Allianz	79.48	62.97
HDFC Standard Life Insurance Co.	79.41	62.91
Birla Sunlife Insurance Co.	20.42	8.91
India First Life Insurance Co.	20.42	8.91
Investment in Government Securities	151.35	151.33
Other current assets - Interest Accrued	35.07	28.94
Total	**604.53**	**534.44**

39.3.9.1 The actual return on plan assets of gratuity was ₹ 43.18 million (As at March 31, 2016 ₹ 40.56 million).

39.3.10 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.

39.3.11 Sensitivity Analysis as at March 31, 2017

Significant actuarial assumptions	Gratuity	Post-Retirement Medical Benefits	Other Retirement Benefits
Rate of discounting			
- Impact due to increase of 50 basis points	(36.75)	(4.95)	(0.79)
- Impact due to decrease of 50 basis points	39.88	5.53	0.88
Rate of salary increase			
- Impact due to increase of 50 basis points	40.41	-	-
- Impact due to decrease of 50 basis points	(37.53)	-	-
Rate of Employee turnover			
- Impact due to increase of 50 basis points	6.72	(2.15)	0.18
- Impact due to decrease of 50 basis points	(7.17)	1.85	(0.19)

39.3.12 Sensitivity Analysis as at March 31, 2016

Significant actuarial assumptions	Gratuity	Post-Retirement Medical Benefits	Other Retirement Benefits
Rate of discounting			
- Impact due to increase of 50 basis points	(28.55)	(3.89)	(0.65)
- Impact due to decrease of 50 basis points	30.94	4.34	0.72
Rate of salary increase			
- Impact due to increase of 50 basis points	31.57	-	-
- Impact due to decrease of 50 basis points	(29.35)	-	-
Rate of Employee turnover			
- Impact due to increase of 50 basis points	7.72	(1.59)	0.22
- Impact due to decrease of 50 basis points	(8.21)	1.29	(0.23)

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.

39.3.13 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, 2017**	**As at March 31, 2016**
Number of active members	1,885	1,785
Per month salary for active members	139.24	111.57
Weighted average duration of the Projected Benefit Obligation (years)	13.00	12.00
Average Expected future service	17.00	17.00
Projected benefit obligation	703.51	563.39
Contribution to the defined benefit plan during the next financial year	133.52	57.25

Post-Retirement Medical Benefits:

Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Number of active members	1,912	1,812
Number of retired employees	79	63
Weighted average duration of the Projected Benefit Obligation	15	15
Average expected future service	17	17
Projected benefit obligation	70.42	57.06

Resettlement Allowance:

Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Number of active members	1,912	1,785
Per month salary for active members	139.68	111.57
Weighted average duration of the Projected Benefit Obligation	16	16
Average expected future service	17	17
Projected benefit obligation	11.54	9.81

39.3.14 Maturity Profile for Defined Benefit Obligations

Defined Benefit	**As at March 31, 2017**	**As at March 31, 2016**
Gratuity		
Less than one year	31.21	26.03
One to Three years	63.81	56.87
Three to Five years	75.14	65.67
More than Five years	239.24	198.48
Post-Retirement Medical Benefits		
Less than one year	1.97	1.67
One to Three years	4.49	3.78
Three to Five years	5.24	4.51
More than Five years	17.47	15.30
Resettlement Allowance		
Less than one year	0.32	0.39
One to Three years	0.77	0.75
Three to Five years	0.75	0.74
More than Five years	2.00	1.67

Subsidiary OMPL

39.4 Defined benefit plans

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

39.4.2 Gratuity:

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

39.4.3 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, 2017 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.

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

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
1	Discount rate	7.66%	7.95%	8.85%
2	Annual increase in salary	8.00%	8.00%	5.00%
3	Employee turnover	2.00%	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.

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

Particulars	As at March 31, 2016	As at April 1, 2015
Service Cost :		
Current service cost	6.22	3.13
Net interest expense	1.28	0.54
Components of defined benefit costs recognised in profit or loss	**7.50**	**3.67**
Re-measurement on the net defined benefit liability:		
Actuarial (gains)/losses arising from experience adjustments	3.78	5.80
Components of remeasurment	**3.78**	**5.80**
Total	**11.28**	**9.47**

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

Particulars	As at March 31, 2016	As at April 1, 2015
Opening defined benefit obligation	16.11	6.65
Current service cost	6.22	3.13
Interest cost	1.28	0.54
Re-measurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	1.27	6.10
Actuarial gains and losses arising from experience adjustments	2.51	(0.31)
Closing defined benefit obligation	**27.39**	**16.11**
Current obligation	0.23	0.10
Non-Current obligation	27.16	16.01

39.4.7 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, 2017	As at March 31, 2016	As at April 1, 2015
Present value of funded defined benefit obligation	(27.39)	(16.11)	(6.65)
Fair value of plan assets	-	-	-
Net liability arising from defined benefit obligation	**(27.39)**	**(16.11)**	**(6.65)**

39.4.8 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.

39.4.9 Sensitivity Analysis as at March 31, 2017

Significant actuarial assumptions	Gratuity
Discount Rate	
- Impact due to increase of 50 basis points	(2.14)
- Impact due to decrease of 50 basis points	2.40
Salary increase	
- Impact due to increase of 50 basis points	1.94
- Impact due to decrease of 50 basis points	(1.96)
Employee turnover	
- Impact due to increase of 50 basis points	(0.17)
- Impact due to decrease of 50 basis points	0.18

Sensitivity Analysis as at March 31, 2016

Significant actuarial assumptions	Gratuity
Discount Rate	
- Impact due to increase of 50 basis points	(1.26)
- Impact due to decrease of 50 basis points	1.41
Salary increase	
- Impact due to increase of 50 basis points	1.30
- Impact due to decrease of 50 basis points	(1.21)
Employee turnover	
- Impact due to increase of 50 basis points	(0.15)
- Impact due to decrease of 50 basis points	0.15

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.

40 Segment Reporting

The Company has "petroleum products" as single reportable segment.

Subsidiary OMPL has "petrochemicals" as single reportable segment.

40.1 Information about major customers

Company's significant revenues are derived from sales to oil marketing companies which is 68% and 70% of the Company's total revenue for the year ending 31st March 2017 & 31st March 2016 respectively. The total sales to such companies amounted to ₹ 405,803.37 million for the year ended March 31, 2017 and ₹ 354,414.95 million for the year ended March 31, 2016.

Nil customer (excluding oil marketing companies mentioned above) for the year ended March 31, 2017 and [nil] customers (excluding oil marketing companies mentioned above) for the year ended March 31, 2016 contributed 10% or more to the Company's revenue. The total sales to such customer amounted to nil million for the year ended March 31, 2017 and nil million for the year ended March 31, 2016.

Subsidiary OMPL's significant revenues are derived from sales to export customers which is 71.17% (Year ended March 31, 2016: 84.15%) of the Company's total revenue. The total sales to such customers amounted to ₹ 37,412.11 million for the year ended March 31, 2017 and ₹ 35,220.64 million for the year ended March 31, 2016.

Three customers (Year ended March 31, 2016: Four Customers) for the year ended March 31, 2017 contributed 10% or more to the Company's revenue. The total sales to such customers amounted to ₹ 34,811.94 million for the year ended March 31, 2017 and ₹ 31,336.55 million for the year ended March 31, 2016.

40.2 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, 2017	Year ended March 31, 2016
India	462,053.99	386,808.16
Other Countries	137,719.71	122,682.12
Total	**599,773.70**	**509,490.28**

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, 2017	Year ended March 31, 2016
India	223,924.90	229,620.10
Other Countries	-	-
Total	**223,924.90**	**229,620.10**

40.3 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, 2017	Year ended March 31, 2016
High speed Diesel (HSD)	322,098.73	270,788.68
Motor Spirit (MS)	80,464.16	64,712.07
Total	**402,562.89**	**335,500.75**

41 Related Party Disclosures of Company

41.1 Name of related parties and description of relationship:

A Entity having control over the Company

Oil and Natural Gas Corporation (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) wherein MRPL having control

1 MRPL Gratuity Fund Trust

2 MRPL Provident Fund Trust

F Key Management Personnel

F.1 Non-Executive directors

Shri D. K. Saraff (Chairman)

F.2 Executive Directors

1 Shri H. Kumar, Managing Director.

2 Shri M. Venkatesh Director (Refinery).

3 Shri Vishnu Agrawal, Director (Finance) up to January 31, 2016.

4 Shri A. K. Sahoo, Director (Finance) from February 1, 2016.

F.3 Other Non-Executive Directors

1 Shri B.K.Namdeo, Nominee Director (HPCL) upto November 8, 2016.

2 Shri Nalin Kumar Srivastava, Government Nominee Director, upto March 3, 2016.

3 Shri Diwakar Nath Misra, Government Nominee Director, from March 9, 2016.

4 Shri Vinod S. Shenoy, Nominee Director (HPCL), from November 8, 2016.

5 Smt. Perin Devi, Government Nominee Director.

6 Ms. Manjula C, Independent Director, from January 31, 2017.

F.4 Company Secretary

Shri Dinesh Mishra, Company Secretary

41.2 Details of Transactions:

41.2.1 Transactions with Holding Company

Oil and Natural Gas Corporation Limited (ONGC)	Nature of Transactions	Year ended March 31, 2017	Year ended March 31, 2016
Sales of products	a) Sales to ONGC-Karaikal & Retail Outlet	20.48	71.65
	b) Sales of High Flash High Speed Diesel	5,302.12	3,078.45
Purchase of Crude & Retail Outlet	a) Purchase of Crude Oil	53,305.01	25,952.10
	b) Purchase of Retail Outlet	25.10	-
Services received	a) Deputation of ONGC Employees	2.94	1.03
	b) Rent and Electricity Charges paid for Mumbai Office	15.36	5.89
Guarantee Fees	Charges for Guarantee given to Saudi Aramco	16.65	18.37
Services provided	Expenses incurred on behalf of ONGC	10.53	23.35
Interest Expense	Interest on Term Loan	2,435.03	3,973.54

41.2.2 Outstanding balances with Holding Company

Oil and Natural Gas Corporation Limited (ONGC)	Nature of Transactions	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Loans	Term Loan	25714.10	32,571.30	39,428.50
Amount receivable	Sale of Oil products	614.59	891.25	90.11
Amount payable	Purchase of Crude Oil	3,191.80	2340.35	1,730.94

41.2.3 Transactions with Entity having significant influence over the Company

Hindustan Petroleum Corporation Limited (HPCL)	Nature of Transactions	Year ended March 31, 2017	Year ended March 31, 2016
Sales of products	Sale of petroleum products	185334.75	136,162.92
Services provided	a) Received / Receivable on account of Terminalling Charges	49.25	46.18
	b) Reimbursement of water charges, facilitation charges	4.92	17.07
	c) State Specific Cost ratio - ET reimbursement	390.49	1,020.74
	d) Receipts of contaminated charges, Hospitality Charges, Wharfage and stock loss etc.	3.05	3.53

41.2.4 Outstanding balances with Entity having significant influence over the Company

Hindustan Petroleum Corporation Limited (HPCL)	Nature of Transactions	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Amount receivable	Sale of Oil products	8963.13	6,763.62	5,899.38
	Transit Loss and Others	95.50	95.59	95.58

41.2.5 Transactions with Subsidiary

ONGC Mangalore Petrochemicals Limited (OMPL)	Nature of Transactions	Year ended March 31, 2017	Year ended March 31, 2016
Sales of products	Sale of Oil products	46,624.71	39,855.43
Purchase of products	Purchase of Raffinate and Hydrogen	8,987.03	7,224.20
Services received	Purchase of Electrical Items	-	3.88
Services provided	a) Crane Charges and reimbursement of Consultancy Fee	0.03	1.01
	b) Facilitation Charges	36.67	41.70
Interest income	Interest Charges for delayed payments	57.05	70.88

41.2.6 Outstanding balances with Subsidiary

ONGC Mangalore Petrochemicals Limited (OMPL)	Nature of Transactions	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Loans	Short Term Loans & Advances	0.03	17.58	17.19
Amount receivable	Sales of Oil products, Facilitation Charges & Others	1,903.24	4,693.62	1,483.65
Amount payable	a) Purchase of Raffinate, Hydrogen & Other Service Charges	96.11	111.94	107.90
	b) Feed Transfer Facility within MRPL Provided by OMPL	344.40	429.14	429.16

41.2.7 Transactions with Joint Ventures:

Name of related party	Nature of Transactions	Year ended March 31, 2017	Year ended March 31, 2016
1 Shell MRPL Aviation Fuels and Services Ltd (SMAFSL)			
Sales of products	ATF Sales	4,720.78	2,597.06
Services provided	a) Reimbursement of Electrical Charges	0.34	0.05
	b) Royalty Income	10.44	5.01
Dividend Income	Dividend received	7.50	9.00
2 Mangalam Retail Services Limited (MRSL)			
Services provided	Professional Services	-	0.01

41.2.8 Outstanding balances with Joint Ventures:

Name of related party	Nature of Transactions	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Amount receivable:				
Shell MRPL Aviation Fuels and Services Ltd (SMAFSL)	a) Royalty and Terminalling Charges, etc.	509.86	209.13	289.09
	b) Receivable for the Services	0.31	0.01	0.01

41.2.9 Transactions with Associates

Name of Associates	Nature of Transactions	Year ended March 31, 2017	Year ended March 31, 2016
a) Services received from:			
1 Mangalore SEZ Limited	a) River Water, STP Water & Road Repairs	416.96	521.61
	b) Cost sharing on account of Permude Kateel Road	-	8.14
	c) Advance for Right of Way for Pipeline-cum-Road Corridor	87.09	950.51
	d) Advance for Development of Bypass Road	51.50	108.30
	e) Lease Rent paid for Petcoke Road	130.45	-
2 Petronet MHB Limited	Pipeline Transportation Charges	-	13.89
b) Services provided to:			
1 Mangalore SEZ Limited	Lease Rent for Sarapady	0.03	0.03
2 Petronet MHB Limited	Reimbursement of Electricity Charges	30.18	36.70

41.2.10 Outstanding balances with Associates:

Name of Associates	Nature of Transactions	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Amount receivable:				
Petronet MHB Limited	Reimbursement of Electricity Charges	2.73	1.21	0.20
Amount payable:				
1. Mangalore SEZ Limited	River Water, STP Water and Road Repairs	38.84	55.87	63.54
2. ONGC Nile Ganga BV	Balance Outstanding on account of Crude procurement	67.65	69.11	62.50
Advances to:				
Mangalore SEZ Limited	a) Advance for Right of Way for Pipeline-cum-Road Corridor	980.61	904.50	80.00
	b) Advance for Khana Jokatte Road Project	-	51.50	51.50

41.2.11 Transactions with Trusts

Name of Trusts	Nature of Transactions	Year ended March 31, 2017	Year ended March 31, 2016
Remittance of payments:			
Provident Fund of MRPL Limited	Contributions	352.16	320.87
Reimbursement of Gratuity payment made on behalf of Trust:			
MRPL Gratuity Fund Trust	Reimbursements and Contributions	12.20	13.11

41.2.12 Compensation to Key Management Personnel:

Whole Time Directors and Company Secretary

Particulars	**Year ended March 31, 2017**	**Year ended March 31, 2016**
Short Term employee benefits	14.25	12.60
Post-employment benefits (includes provision for leaves, gratuity and other post retirement benefits)	8.37	6.60
Other long-term benefits (includes contribution to provident fund)	1.69	1.64
Total	**24.30**	**20.85**

Independent Directors

Particulars	**Year ended March 31, 2017**	**Year ended March 31, 2016**
Sitting Fees	0.02	0.00

41.3 Disclosure in respect of Government related entities

41.3.1 Name of Government related entities and description of relationship wherein significant amount of transactions were carried out:

Government related entities		**Relation**
1	Oil and Natural Gas Corporation (ONGC) (Entity having control over the Company)	Central PSU
2	Hindustan Petroleum Corporation Ltd (HPCL) (Entity having significant influence over the Company)	Central PSU
3	ONGC Mangalore Petrochemicals Limited (OMPL) (Entity controlled by the Company)	Central PSU
4	Petronet MHB Limited (PMHBL) (Entity over which Company has significant influence)	Central PSU
5	ONGC Nile Ganga BV (ONGBV) (Entity over which Company has significant influence)	Central PSU
6	Bharat Petroleum Corporation Ltd (BPCL)	Central PSU
7	Indian Oil Corporation Limited (IOCL)	Central PSU
8	Bharat Heavy Electrical Limited	Central PSU
9	Oriental Insurance Co. Limited	Central PSU
10	Bridge & Roof Co (India) Limited	Central PSU
11	Engineers India Limited	Central PSU
12	The Shipping Corporation of India Limited	Central PSU
13	Konkan Railway Corporation Limited	Central PSU
14	Indian Strategic Petroleum Reserves Limited (ISPRL)	Central Government
15	Centre for High Technology	Central Government
16	MESCOM	State Government
17	Karnataka Power Transmission Corporation Limited	State Government
18	New Mangalore Port Trust	Central Port Trust

41.3.2 Transactions with Government related Entities (Note 41.3.4):

Name of related party		**Nature of transactions**	**Year ended March 31, 2017**	**Year ended March 31, 2016**
A	**Sale of products during year to:**			
1	Indian Oil Corporation Limited (IOCL)	Sale of petroleum products	114,796.19	139,640.72
2	Bharat Petroleum Corporation Ltd (BPCL)	Sale of petroleum products	89,965.39	69,258.19
B	**Purchase of product during year from:**			
1	Bharat Heavy Electrical Ltd	CPP Phase III	33.09	43.31
2	Indian Strategic Petroleum Reserves Limited (ISPRL)	Purchase of Crude Oil on behalf of ISPRL	6,186.72	-
3	Indian Oil Corporation Limited (IOCL)	Purchase of Naphta	433.24	-

	Name of related party	Nature of transactions	Year ended March 31, 2017	Year ended March 31, 2016
C	**Services Received from:**			
1	Karnataka Power Transmission Corporation Ltd	Purchase of electricity	209.11	151.71
2	Oriental Insurance Co. Ltd	Insurance premium	271.44	246.31
3	New Mangalore Port Trust	Port Services	39.51	51.34
4	Bridge & Roof Co (India) Ltd	Job Work Service	28.98	67.85
5	Engineers India Ltd	Technical Services	552.06	2,613.24
6	The Shipping Corporation of India Ltd	Service	3,945.37	883.36
7	New Mangalore Port Trust	Port Services	1,275.43	2,969.00
8	Konkan Railway Corporation Limited	Railway Siding	320.64	9.19
D	**Advance for Acquisition for Land**			
1	Karnataka Industrial Area Development Board	Purchase of Phase IV Land	5,905.19	0.01

41.3.3 Outstanding balances with Government related entities (Note 41.3.4):

	Name of related party	Nature of transaction	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Amount receivable:					
1	Indian Oil Corporation Limited	Trade and other receivable	6,216.48	5,051.23	6,988.58
2	Bharat Petroleum Corporation Ltd	Trade and other receivable	3,406.15	2,396.31	2,055.91
3	Indian Strategic Petroleum Reserves Limited (ISPRL)	Trade and other receivable	3,033.27	-	-
4	New Mangalore Port Trust	Trade and other receivable	8.37	8.38	349.48
Amount payable:					
1	Centre for High Technology	Trade and other payable	29.82	52.16	52.16
2	Bridge & Roof Co (India) Ltd	Trade and other payable	42.79	160.02	167.19
3	Engineers India Ltd	Trade and other payable	1,087.32	1,986.15	1,935.80
4	Bharat Heavy Electrical Ltd	Trade and other payable	1,485.93	1,531.50	2,001.54
5	The Shipping Corporation of India Ltd	Trade and other payable	309.97	37.88	41.54
6	Konkan Railway Corporation Limited	Trade and other payable	0.03	9.19	-
7	Karnataka Power Transmission Corporation Ltd	Trade and other payable	19.43	18.94	32.26
8	Karnataka Industrial Area Development Board	Advance for Land	5,909.11	4.32	4.31
9	Oriental Insurance Co. Ltd	Trade and other payable	-	-	1.34

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.

41.3.4 Transactions and outstanding balances with ONGC, HPCL, OMPL, PMHBL and ONGBV have been disclosed in Note 41.2.1 to 41.2.10 above.

41.4 Related party disclosures of Subsidiary OMPL

41.4.1 Name of related parties and description of relationship:

A Ultimate holding company

Oil and Natural Gas Corporation Limited [ONGC]

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)

Shri H. Kumar, Director

Shri M. Venkatesh Director (w.e.f. 01st April 2015)

Shri A. K. Sahoo, Director (w.e.f. 05th February 2016)

Shri Vishnu Agrawal, Director (up to 31st January 2016)

Shri V P Mahawar, Director (w.e.f. 12th August 2015)

Smt Alka Mittal, Director (w.e.f. 28th August 2015)

Shri Ashok Verma , Director (from 16th May 2015 to 01st August 2015)

D.2 Other Non-Executive Directors

Shri I S N Prasad, Independent Director (up to 27th March 2017)

Shri Santosh Nautiyal, Independent Director (up to 27th March 2017)

Shri G M Ramamurthy, Independent Director (up to 27th March 2017)

Shri M M Chitale, Independent Director (up to 27th March 2017)

D.3 Shri. K Sushil Shenoy, Chief Financial Officer & Chief Executive Officer I/c

D.4 Shri. K.B. Shyam Kumar, Company Secretary

41.5 Details of transactions:

41.5.1 Transactions with holding company and joint venture of holding company

Name of related party	Nature of Transactions	For the year ended March 31, 2017	For the year ended March 31, 2016
Oil and Natural Gas Corporation Limited [ONGC]	Reimbursement of salary and travel related expenses	-	1.16
Mangalore SEZ Limited	Supplies and services received	204.48	125.66
	Capital advance for corridor	75.70	100.00
	Security deposit for 10MVA power	-	3.13
	Lease rent	23.40	23.40

41.5.2 Outstanding balances with holding company and joint venture of holding company

Name of related party	Nature of Transactions	As at March 31,2017	As at March 31,2016	As at April 1,2017
A. Amount payable:				
Mangalore SEZ Limited	Trade and other payables	26.23	14.69	20.64
Oil and Natural Gas Corporation Limited [ONGC]	Trade and other payables	-	-	7.68
B. Amount receivable:				
Oil and Natural Gas Corporation Limited [ONGC]	Trade and other receivables	0.05	0.05	-
C. Loans and other assets:				
Mangalore SEZ Limited	Capital advance	975.70	900.00	800.00
	Loans	11.71	11.71	11.71
	Loans	15.40	15.40	15.40
	Loans	3.13	3.13	-

41.5.3 Compensation of key management personnel

A. Chief Executive Officer (upto 30th June 2015)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Short term employee benefits	-	1.56
Long-term benefit (Compensated absences)	-	0.64
Total	**-**	**2.20**

B. Chief Financial Officer*

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Short term employee benefits	3.69	4.34
Post-employment benefits (gratuity) & long-term benefit (Compensated absences)	1.32	1.04
Contribution to provident fund	0.50	0.50
Total	**5.51**	**5.88**

* Chief Financial Officer is also holding additional charge as Chief Executive Officer I/c

C. Company secretary

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Short term employee benefits	2.32	1.96
Post-employment benefits (gratuity) & long-term benefit (Compensated absences)	0.36	0.29
Contribution to provident fund	0.27	0.25
Total	**2.95**	**2.50**

D. Independent directors

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Sitting Fees	0.67	0.31
Total	**0.67**	**0.31**

41.6 Disclosure in respect of Government related entities

41.6.1 Name of Government related entities and description of relationship wherein significant amount of transactions were carried out: (Other than ONGC)

S.No.	Government related entities	Relation
i	Hindustan Petroleum Corporation Limited	Central PSU
ii	Bridge and Roof Co. (India) Ltd.	Central PSU
iii	Engineers India Limited	Central PSU
iv	National Insurance Company Limited	Central PSU
v	Karnataka State Pollution Control Board	State Govt
vi	New Mangalore Port Trust	Trust
vii	Balmer Lawrie & Co. Ltd.	Central PSU
viii	New India Assurance Company Limited	Central PSU

41.6.2 Transaction with Government related Entities

Name of related party	Nature of transaction	Year ended March 31, 2017	Year ended March 31, 2016
Hindustan Petroleum Corporation Limited	Purchase of raw materials, fuel and lubricants	3,857.18	1,395.87
Bridge and Roof Co. (India) Ltd.	Services	14.09	124.00
Engineers India Limited	Services	-	1.02
National Insurance Company Limited	Insurance premium	12.22	9.45
Karnataka State Pollution Control Board	Services	1.76	1.17
New Mangalore Port Trust	Port Services	49.60	27.94
Balmer Lawrie & Co. Ltd.	Services	6.14	3.32
New India Assurance Company Limited	Services	116.15	114.79

41.6.3 Outstanding balances with Government related entities:

Name of related party	Nature of transaction	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Amount payable:				
Bridge and Roof Co. (India) Ltd.	Trade and other payable	6.79	10.35	(110.13)
New Mangalore Port Trust	Trade and other payable	(0.41)	(0.44)	(0.39)
Hindustan Petroleum Corporation Limited	Trade and other payable	-	-	(4.66)

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 Financial instruments

42.1 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.

42.1.1 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, 2017	As at 31 March, 2016	As at 1 April, 2015
i) Debt *	154,768.92	143,951.72	147,347.17
ii) Total cash and bank balances	21,438.32	138,088.48	102,687.37
Less : cash and bank balances required for working capital	21,308.45	138,076.37	102,686.18
Net cash and bank balances	129.87	12.11	1.19
iii) Net Debt	154,639.05	143,939.61	147,345.98
iv) Total equity	98,751.64	65,864.06	60,807.60
v) Net Debt to equity ratio	1.57	2.19	2.42

*** Debt is defined as long-term and short term borrowings as described in notes 21 and note 22**

42.2 Categories of financial instruments

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Financial assets			
Measured at amortised cost			
(a) Trade and other receivables	26,189.78	20,740.86	22,716.25
(b) Cash and cash equivalents	2,461.53	13,553.18	13,671.19
(c) Other bank balances	18,976.79	124,535.30	89,016.18
(d) Loans	506.17	465.24	446.58
(e) Other financial assets	3,213.76	1,749.07	1,599.19
Measured at fair value			
(a) Investments	5.08	4.80	4.80
Financial liabilities			
Measured at amortised cost			
(a) Borrowings	132,595.78	127,569.39	132,952.56
(b) Trade payables	60,444.97	212,872.72	183,672.28
(c) Other financial liabilities	30,814.36	28,863.89	28,908.04

42.3 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.

42.4 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.

42.5 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 (Amount in ₹ million)			Assets (Amount in ₹ million)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at 31 March, 2017	As at 31 March, 2016	As at April 1, 2015
USD	109,685.43	269,768.17	245,368.88	7,718.22	5,994.92	7,371.56
EURO	-	1.82	82.95	-	-	-

42.5.1 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	2016 - 2017	2015 - 2016
Receivables:		
Weakening of INR by 5%	385.91	299.15
Strengthening of INR by 5%	-385.91	-299.15
Payable		
Weakening of INR by 5%	-2,786.80	-10,422.38
Strengthening of INR by 5%	2,786.80	10,422.38

42.5.2 Forward foreign exchange contracts

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

42.6 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, 2017 would decrease/increase by ₹ 404.64 million (for the year ended March 31, 2016: decrease/increase by ₹ 477.15 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

42.7 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 11% 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.

42.8 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	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total
As at March 31, 2017						
(i) Borrowings	Long term - 5.92% Short Term - 7.19% Subsidiary OMPL Long term - 6.90% Short Term - 4.21%	10,808.59	36,208.37	73,567.82	12,011.00	132,595.78
(ii) Trade payables	-	35,360.49	25,082.94	1.54	-	60,444.97
(iii) Other financial liabilities	-	9,501.03	21,230.68	82.65	-	30,814.36

Particulars	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total
As at March 31, 2016						
(i) Borrowings	Long term - 6.94% Short Term - 7.60% Subsidiary OMPL Long term - 7.27% Short Term - 9.05%	5,405.00	32,978.31	65,821.05	23,365.03	127,569.39
(ii) Trade payables	-	197,097.51	15,775.21	-	-	212,872.72
(iii) Other financial liabilities	-	12,732.73	15,948.50	182.66	-	28,863.89

Particulars	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total
As at April 1,2015						
(i) Borrowings	Long term - 7.32% Short Term - 9.50% Subsidiary OMPL Long term - 8.45% Short Term - 8.60%	3,278.50	12,242.44	43,890.77	73,540.85	132,952.56
(ii) Trade payables	-	183,672.28	-	-	-	183,672.28
(iii) Other financial liabilities	-	13,004.70	15,689.72	213.62	0.13	28,908.17

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	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total
As at March 31, 2017						
(i) Investments	-	-	-	-	418.52	418.52
(ii) Loans - Interest Bearing	7.60%	10.61	44.00	84.79	218.08	357.48
- Others	-	3.27	1.70	0.01	143.71	148.69
(iii) Trade receivables	-	26,162.97	26.81	-	-	26,189.78
(iv) Cash and cash equivalents	-	2,461.53	-	-	-	2,461.53
(v) Bank balances Other than (ii) above	-	16,220.73	2,755.97	-	0.09	18,976.79
(vi) Other financial assets	-	3,136.22	8.80	2.24	66.50	3,213.76

Particulars	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total
As at March 31, 2016						
(i) Investments	-	-	-	-	375.77	375.77
(ii) Loans - Interest Bearing	8.81%	12.43	34.45	108.45	151.58	306.91
- Others		3.27	2.74	-	152.32	158.33
(iii) Trade receivables	-	18,246.32	2,494.54	-	-	20,740.86
(iv) Cash and cash equivalents	-	13,553.18	-	-	-	13,553.18
(v) Bank balances Other than (ii) above	-	53,488.00	71,047.21	-	0.09	124,535.30
(vi) Other financial assets	-	1,080.44	621.97	2.28	44.38	1,749.07

Particulars	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total
As at April 1, 2015						
(i) Investments	-	-	-	-	365.46	365.46
(ii) Loans - Interest Bearing	8.81%	8.83	33.94	71.55	183.43	297.75
- Others		3.22	2.13	-	143.47	148.82
(iii) Trade receivables	-	18,138.95	4,577.30	-	-	22,716.25
(iv) Cash and cash equivalents	-	13,671.19	-	-	-	13,671.19
(v) Bank balances Other than (ii) above	-	45,578.65	43,437.53	-	-	89,016.18
(vi) Other financial assets	-	1,015.59	548.67	0.28	34.65	1,599.19

The Group has access to financing facilities as described below, of which ₹ 9,470.53 million were unused at the end of the reporting period (As at March 31, 2016 ₹ 14,458.20 million ; As at April 1, 2015 ₹ 33,196.62 million). The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured bank overdraft facility payable at call :	15,933.00	14,458.20	36,364.62
- amount used	6,462.47	-	3,168.00
- amount unused	9,470.53	14,458.20	33,196.62

42.9 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.

43 The Financial position of the Joint Ventures are as under:

Particulars (As at March 31, 2017)	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	2,242.21	86.68	1,495.82	1.33	5,603.71	90.62	-	7.63	98.25
Total	**2,242.21**	**86.68**	**1,495.82**	**1.33**	**5,603.71**	**90.62**	**-**	**7.63**	**98.25**

Particulars (As at March 31, 2016)	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	1,689.92	94.71	1,031.59	1.50	3,243.72	39.27	-	(1.27)	38.00
Mangalam Retail Services Ltd.	1.26	0.09	0.08	0.09	0.13	0.04	-	-	0.04
Total	**1,691.18**	**94.80**	**1,031.67**	**1.59**	**3,243.85**	**39.31**	**-**	**(1.27)**	**38.04**

Particulars (As at April 1, 2015)	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	1,917.78	104.38	1,285.58	1.37	-	-	-	-	-
Mangalam Retail Services Ltd.	1.26	0.08	0.13	0.08	-	-	-	-	-
Total	**1,919.04**	**104.46**	**1,285.71**	**1.45**	**-**	**-**	**-**	**-**	**-**

43.1 Additional Financial information related to Joint venture are as under:

Particulars (As at March 31, 2017)	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	375.11	1,351.14	-	7.45	22.02	1.11	49.88
Total	**375.11**	**1,351.14**	**-**	**7.45**	**22.02**	**1.11**	**49.88**

Particulars (As at March 31, 2016)	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	992.65	916.24	-	5.90	20.92	2.51	9.60
Mangalam Retail Services Ltd.	0.02	-	-	-	0.13	-	-
Total	**992.67**	**916.24**	**-**	**5.90**	**21.05**	**2.51**	**9.60**

Particulars (As at April 1, 2015)	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	742.79	1,227.34	-	-	-	-	-
Mangalam Retail Services Ltd.	0.04	-	-	-	-	-	-
Total	**742.83**	**1,227.34**	**-**	**-**	**-**	**-**	**-**

44 Contingent liabilities

44.1 Claims against the Company/ disputed demands not acknowledged as debt:-

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
1	**Claims of Contractors / vendors in Arbitration / Court**	1,772.16	2,007.06	378.86
	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 ₹ 1735.60 million / charged to revenue account would be ₹ 36.56 million (Year ended March 31, 2016; ₹ 1969.75 and ₹ 37.31 Million , Year ended March 31,2015 ₹ 340.73 million and ₹ 38.13 million respectively).			
2	**Claims of Customers**	85.20	85.20	85.20
	One of the customer has lodged a claim for damages for pre-closure of the contract. The Company has disputed the claim based on Force Major condition.			
	In case of non acceptance of the stand taken by the Company the amount will be debited to Statement of Profit & Loss account.			
3	**Others**			
	a) The New Mangalore Port Trust (NMPT)has claimed from the Company notified wharfage charges for handling cargo at oil berths for the period beyond MOU term (berth No 10 from October16,2009 to March 31,2015 & for berth no 11 from April 1,2011 toMarch 31 ,2015). The company has claimed that the Memorandum of Understanding, provides for arriving at a mutually agreeable rate subject to Government /TAMP (Tariff Authority for Major Ports) approval for the post MOU period. The issue has been settled during financial year 2015-16.	NIL	NIL	2,105.44
	b) This represents the potential liability which the company has undertaken for reimbursement to lessors, in case of any liability in their respective tax assessments. Since, no communication is received from the lessors, therefore the amount has been withdrawn during the year 2015-16.	NIL	NIL	133.67
	c) The claim of Mangalore SEZ Ltd. over and above the advance paid for land and rehabilitation & resettlement work.	20.05	16.71	109.25
	Total	**1,877.41**	**2,108.97**	**2,812.42**

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.

44.2 Disputed tax / Duty demands pending in appeal as at 31st March, 2017

44.2.1 Income Tax: ₹ 4,231.68 million as at March 31,2017 (As at March 31, 2016 ₹ 6649.42 million; As at April 1, 2015 ₹ 5942.35 million). Against this ₹ 3,994.28 million as at March 31,2017 (As at March 31, 2016 ₹ 3373.70 million; As at April 1, 2015 ₹ 2579.25 million). is adjusted / paid under protest and is included under tax assets/ liability **[Note 12]**.

44.2.2 Commercial Tax: ₹ 0.43 million as at March 31,2017 (As at March 31, 2016 ₹ 32.36 million; As at April 1, 2015 ₹ 32.36 million). Against this ₹ 0.21 million as at March 31,2017 (As at March 31, 2016 ₹ 15.58 million; As at April 1, 2015 ₹ 15.58 million) is paid under protest and is included under other assets (non current) **[note 13]**.

44.2.3 Excise Duty: ₹ 5,962.90 million as at March 31,2017 (As at March 31, 2016 ₹ 304.80 million ; As at April 1, 2015 ₹ 315.27 million). Against this ₹ 130.06 million as at March 31,2017(As at March 31, 2016 ₹ 59.78 million; As at April 1, 2015 ₹ 72.87 million) was paid under protest and is included under other assets (non current) **[note 13]**.

44.2.4 Customs Duty: ₹ 777.54 million as at March 31,2017 (As at March 31, 2016 ₹ 737.82 million; As at April 1, 2015 ₹ 747.56 million).

45 Commitments

45.1 Capital Commitments:

The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at March 31, 2017 ₹ 3,014.81 Million (As at March 31, 2016 ₹ 1227.57 million; As at April 1, 2015 ₹ 1637.16 million). The Company has requested KIADB for an allotment of 1050 acres of land for Phase IV expansion. The total capital commitment in this regard is around ₹ 1,042.02 million (As at March 31,2016 ₹ 6,946.81 million) as per the letter No.KIADB/Central Ofc/LA-MNG/2480/16195/2015-16 dated 22/02/2016.

45.2 Other Commitments

a Pending commitment on account of Refinery-MRPL is in possession of certain land provisionally measuring 39.76 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, 2017 USD 1.46 Million (As at March 31, 2016 USD 2.06 Million; As at April 1, 2015 USD 2.44 Million).

c The Company has an export obligation as at March 31,2017 ₹ 1,313.68 million (As at March 31, 2016 ₹ 1,556.36 million; As at April 1, 2015 ₹ 1,346.93 million) on account of concessional rate of customs duty availed under EPCG licence scheme on import of capital goods.

d The Subsidiary company, OMPL has taken 441.438 acres of land taken 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.

46 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. Subsidiary OMPL Board has accorded consent for amalgamation of the Company into and with the Holding Company Mangalore Refinery and Petrochemicals Limited (MRPL), subject to necessary approvals. The financial statements have been prepared without giving effect to the proposed scheme of amalgamation.

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

48 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.

49 Figures in parenthesis as given in these notes to financial statements relate to previous years.

50 Approval of financial statements

The financial statements were approved for issue by the board of directors on May 17, 2017.

51 First-time Ind AS adoption reconciliations

51.1 Effect of Ind AS adoption on the balance sheet as at March 31, 2016 and April 1, 2015

Particular	Notes	As at March 31 2016 (End of last period presented under Previous GAAP)				As at April 01 2015 (Date of transition)			
		Previous GAAP #	Application of equity method for accounting for JV	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP #	Application of equity method for accounting for JV	Effect of transition to Ind AS	As per Ind AS balance sheet
ASSETS									
I. Non-current assets									
a) Property, Plant and Equipment	1,2&3	216,650.36	(29.47)	(2,967.98)	213,652.91	210,362.75	(31.98)	(3,545.22)	206,785.55
b) Capital Work-in-Progress	4	1,929.79	-	51.50	1,981.29	13,886.94	-	51.50	13,938.44
c) Goodwill	5	5,958.38	-	(2,185.60)	3,772.78	5,960.39	-	(2,187.61)	3,772.78
d) Other Intangible Assets		45.42	(0.14)	-	45.28	82.46	(0.27)	-	82.19
e) Financial Assets		-	-	-		-	-	-	
i) Investment	15	4.80	369.59	1.38	375.77	4.80	358.35	2.31	365.46
ii) Loans	6	418.82	-	(6.46)	412.36	404.05	-	(5.61)	398.44
iii) Other financial assets		46.66	-	-	46.66	34.94	-	-	34.94
f) Non-current tax assets (net)		4,628.58	-	-	4,628.58	4,554.60	-	-	4,554.60
g) Deferred tax assets (net)	14	2,268.78	-	6,562.94	8,831.72	3.78	-	4,289.44	4,293.22
h) Other non-current assets	1,4,6,8&12	2,989.61	(17.73)	2,567.38	5,539.26	2,780.88	(19.93)	2,638.68	5,399.63
Total non current assets (I)		**234,941.20**	**322.25**	**4,023.16**	**239,286.61**	**238,075.59**	**306.17**	**1,243.49**	**239,625.25**
II. Current assets									
a) Inventories		33,850.62	(26.23)	-	33,824.39	37,842.27	(23.35)	-	37,818.92
b) Financial assets		-	-	-	-	-	-	-	
(i) Trade receivables	9	20,634.53	(155.84)	262.17	20,740.86	22,942.12	(319.34)	93.47	22,716.25
(ii) Cash and cash equivalents	10	104,638.85	(496.34)	(90,589.33)	13,553.18	41,512.25	(371.41)	(27,469.65)	13,671.19
(iii) Bank balances other than (ii) above	10	33,956.20	(9.32)	90,588.42	124,535.30	61,554.20	(6.73)	27,468.71	89,016.18
(iv) Loans		52.88	-	-	52.88	48.14	-	-	48.14
(v) Other financial assets		1,706.19	(3.78)	-	1,702.41	1,566.72	(2.47)	-	1,564.25
c) Current tax assets (net)		2.57	-	-	2.57	16.17	(3.16)	-	13.01
d) Other current assets	1,6,8&12	7,151.41	(45.13)	(178.77)	6,927.51	8,539.02	(81.01)	84.53	8,542.54
Sub-total current assets		**201,993.25**	**(736.64)**	**82.49**	**201,339.10**	**174,020.89**	**(807.47)**	**177.06**	**173,390.48**
Non-current assets held for sale	11	77.96	-	-	77.96	77.96	-	-	77.96
Total current assets (II)		**202,071.21**	**(736.64)**	**82.49**	**201,417.06**	**174,098.85**	**(807.47)**	**177.06**	**173,468.44**
TOTAL ASSETS (I+II)		**437,012.41**	**(414.39)**	**4,105.65**	**440,703.67**	**412,174.44**	**(501.30)**	**1,420.55**	**413,093.69**

Particular	Notes	As at March 31 2016 (End of last period presented under Previous GAAP)				As at April 01 2015 (Date of transition)			
		Previous GAAP #	Application of equity method for accounting for JV and associates	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP #	Application of equity method for accounting for JV and associates	Effect of transition to Ind AS	As per Ind AS balance sheet
EQUITY AND LIABILITIES									
I. Equity									
a) Equity share capital		17,526.64	-	-	17,526.64	17,526.64	-	-	17,526.64
b) Other Equity		41,548.82	-	1,263.79	42,812.61	34,780.95	-	(206.14)	34,574.81
c) Non controlling interest	5	2,315.10	-	3,209.71	5,524.81	6,604.32	-	2,101.83	8,706.15
Total Equity (I)		**61,390.56**	**-**	**4,473.50**	**65,864.06**	**58,911.91**	**-**	**1,895.69**	**60,807.60**
LIABILITIES									
II. Non-current liabilities									
a) Financial liabilities									
(i) Borrowings	3&7	89,798.29	-	(278.08)	89,520.21	118,445.07	-	(968.34)	117,476.73
(ii) Other financial liabilities		-	-	-	-	0.13	-	-	0.13
b) Provisions		444.15	(0.09)	-	444.06	365.76	(0.04)	-	365.72
c) Other non current liabilities		-	-	-	-	-	-	3.24	3.24
d) Deferred tax liabilities (net)	14	1.45	(1.45)	-	-	1.12	(1.12)	-	-
Total Non Current Liabilities (II)	-	**90,243.89**	**(1.54)**	**(278.08)**	**89,964.27**	**118,812.08**	**(1.16)**	**(965.10)**	**117,845.82**
III. Current liabilities									
a) Financial liabilities									
(i) Borrowings	13	38,301.88	(0.02)	(252.68)	38,049.18	15,475.83	-	-	15,475.83
(ii) Trade payables		213,224.95	(352.23)	-	212,872.72	184,133.86	(461.58)	-	183,672.28
(iii) Other financial liabilities	3,6&7	28,710.73	(1.30)	154.46	28,863.89	28,477.13	(7.54)	438.45	28,908.04
b) Other current liabilities	6&7	1,592.39	(57.56)	8.45	1,543.28	4,262.77	(29.18)	51.51	4,285.10
c) Provisions		3,547.85	(1.58)	-	3,546.27	2,100.86	(1.84)	-	2,099.02
d) Current tax liabilities (net)		0.16	(0.16)	-	-	-	-	-	-
Total current liabilities (III)	-	**285,377.96**	**(412.85)**	**(89.77)**	**284,875.34**	**234,450.45**	**(500.14)**	**489.96**	**234,440.27**
IV. Total Liabilities (II+III)	-	**375,621.85**	**(414.39)**	**(367.85)**	**374,839.61**	**353,262.53**	**(501.30)**	**(475.14)**	**352,286.09**
TOTAL EQUITY AND LIABILITIES (I+IV)	-	**437,012.41**	**(414.39)**	**4,105.65**	**440,703.67**	**412,174.44**	**(501.30)**	**1,420.55**	**413,093.69**

#Previous GAAP figures have been reclassified to conform with Ind AS presentation requirements for the purpose of this note.

Explanatory Notes to Balance sheet Reconciliation

1 **Reclassification of leasehold land :** Under Previous GAAP, upfront premium paid for leasehold land was recognised as property, plant and equipment. Under Ind AS, 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. Consequently, as on the transition date, an amount of ₹ 6.96 million has been reclassified from property, plant and equipment and shown as prepayments under Ind AS. Similarly, an amount of ₹ 6.88 million has been shown as prepayments as at March 31, 2016. This reclassification has no impact on equity as on transition date.

Subsidiary OMPL under Previous GAAP, upfront premium paid for leasehold land was recognised as "property, plant and equipment". Under Ind AS, leasehold land where the ownership of the land will not be transferred to Company at the end of lease period are classified as operating leases. Consequently, on the transition date, an amount of ₹ 2,469.98 million has been reclassified from "property, plant and equipment" and shown as "Prepayments under other assets" under Ind AS. Similarly, an amount of ₹ 2,414.78 million has been shown as prepayments as at March 31, 2016. This reclassification has no impact on equity as on the transition date.

2 **Adjustment relating to property, plant and equipment:** Under the Previous GAAP, the Company reported an amount of ₹ 138,226.10 million as carrying amount of plant and equipment as at March 31, 2015. During the year ended March 31, 2016 the Company made an adjustment of ₹ 499.67 million to comply with requirements of Schedule II of the Companies Act, 2013. The same amount is taken in the opening balance of plant and equipment with corresponding adjustment to retained earnings as at April 1, 2015. Accordingly, an amount of ₹ 137,726.43 million (₹ 138,226.10 million minus ₹ 499.67 million) has been considered as deemed cost on transition date. Deferred tax impact was ₹ 172.93 million on account of this adjustment.

3 **Transaction Cost:** Under Previous GAAP, transaction costs related to ECB loan were capitalised with the cost of property, plant and equipment (being costs eligible for capitalisation). Under Ind AS, borrowings are recognised net of transactions costs on initial recognition and subsequently measured at amortised cost. As at transition date, transaction costs amounting to ₹ 416.20 million has been reduced from the property, plant and equipment and corresponding reduction in ECB Loan. Subsequent to the transition date, the transaction cost is amortised over the loan period using effective interest rate method and depreciation on property, plant and equipment is calculated on the reduced amount over the remaining useful life. Amortisation of transaction costs for the year ended March 31, 2016 has been recognized as finance costs in the Statement of Profit and Loss resulting in increase in finance cost by ₹ 139.43 million. Depreciation reduction on account of above adjustment relating to property, plant and equipment amount to ₹ 17.64 million for the year ended March 31, 2016.

Subsidiary OMPL under Previous GAAP, transaction costs related to ECB loans and rupee term loans were capitalised with the cost of property, plant and equipment (being costs eligible for capitalisation) and transaction cost related to non convertible debentures was charged to profit and loss. Under Ind AS, borrowings are recognised net of transactions costs on initial recognition and subsequently measured at amortised cost. As at transition date, transaction costs related to ECB loan and rupee term loan amounting to ₹ 152.41 million has been adjusted from property, plant and equipment (PPE) resulting in reduction in total (PPE) and depreciation and corresponding reduction in ECB Loan. Subsequent to the transition date, the transaction cost is amortised over the loan period using effective interest rate method. Amortisation of transaction costs for the year ended March 31, 2016 has been recognized as finance costs in the Statement of Profit and Loss resulting in increase in finance cost by ₹ 53.73 million. As at March 31, 2016, the transaction costs related to non-convertible debentures has been adjusted from statement of profit and loss amounting to ₹ 5.84 resulting in increase in total equity and corresponding reduction in non convertible debenture. subsequently is amortised over the non convertible debentures period using effective interest rate. Amortisation of transaction cost for the year ended March 31, 2016 has been recognised as finance cost in the statement of profit and loss resulting in increase in finance cost by ₹0.30 million. The transaction costs amounting ₹ 3.5 has been accounted as provision for the year ended March 31, 2016 which was paid subsequently in June 2016.

4 **Reclassification of long term loans and advances :** Under Previous GAAP, an advance paid towards capital expenditure which was presented as part of long-term loans and advances which has been re-classified as capital work-in-progress under Ind AS. Consequently, an amount of ₹ 51.50 million has been reclassified from long-term loans and advances and classified as capital work-in-progress as at transition date and as at March 31, 2016. This reclassification has no impact on equity as on transition date.

5 **Amortisation on Goodwill :** Under Previous GAAP, Goodwill on nitrogen plant was amortised over the useful life of the assets, whereas under Ind AS Goodwill is tested for impairment at each reporting period and is not amortised. Consequently, goodwill amount as the transition date has been tested for impairment under Ind AS. Amortisation amounting to ₹ 2.01 million for the year ended March 31, 2016 has been reversed. This reclassification has no impact on equity as on transition date.

Further, impact of Ind AS of Subsidiary OMPL as at April 1,2015 has been taken adjusted against goodwill on consolidation and minority shares as this impact is related prior to acquisition of subsidiary

6 **Re-measurement of financial assets and financial liabilities :** Under Ind AS, certain security deposits taken and other deposits given have been fair valued and subsequently accounted at amortised cost. The fair valuation impact of other deposit given and security deposit taken at transition date amounts to ₹ 5.61 million and ₹ 1.84 million respectively. This adjustment at transition date has resulted in decrease in the carrying balance of Other Deposit (financial asset) and Security Deposit (financial liability) by ₹ 5.61 million and ₹ 1.84 million respectively and recognition of Prepaid Rent and Advance Rental respectively. Subsequent to transition date, Other Deposit (financial asset) and Security Deposit (financial liability) have been accounted at amortised cost resulting in recognition of finance income and finance expense respectively. Prepaid Rent and Advance Rental are amortised on straight line basis over the period of deposit. This remeasurement has no impact on equity as on transition date. Subsequent to the transition date, such valuation difference on financial assets and liabilities has been recognized in statement of profit & loss resulting in increase in other expenditure by ₹ 1.33 million, interest income by ₹ 1.19 million, increase in finance cost by ₹ 0.08 million and increase in other income by ₹ 0.13 million for the year ended March 31, 2016. The net effect of above is decrease in financial assets by ₹ 0.14 million, decrease in financial liabilities by ₹ 0.05 million and decrease in total equity by ₹ 0.09 million as at March 31, 2016.

7 **Re-measurement of financial liability :** Subsidiary OMPL under Ind AS, deferred payment liability have been fair valued and subsequently accounted at amortised cost after segregating the liability into non-current portion under borrowings and current portion under other financial liabilities. The fair valuation impact of deferred payment liability at transition date amounts to ₹ 52.91 million which has been presented as "other liability". This re-measurement has no impact on transition date. Subsequent to transition date, deferred payment liability have been accounted at amortised cost resulting in recognition of finance expenses. ₹ 52.91 million is amortised on straight line basis over the period of loan. Subsequent to the transition date such valuation difference on financial liability has been recognised in PPE to the extent of ₹ 1.84 million and in statement of profit and loss resulting in increase in finance income of ₹ 49.45 million and interest expense of ₹ 51.50 million.

8 **Recognition of amount paid for certain facility having future economic benefits :** An amount of ₹ 265.17 million paid for ETP facility has been recognised as "Prepayments" on transition date which was charged to Statement of Profit and Loss account under Previous GAAP. This has resulted in increase the retained earning on transition date. Subsequent to transition date, the amount is amortised over the remaining useful life of the ETP facility. The amount recognised in the Statement of Profit and Loss account for the year ended March 31, 2016 in relation to amortisation is ₹ 8.95 million.

9 **Reclassification of rebate accrued :** Under Previous GAAP, accrual for rebate to customers (current) was shown as deduction from trade receivables. Under Ind AS, it has been reclassified and shown as "Other Financial Liabilities" under current liabilities. Therefore an amount of ₹ 93.47 million as at April 1, 2015 and ₹ 262.16 million as at March 31, 2016 towards accrual of rebate is reclassified to "Other Financial Liabilities".

10 **Reclassification Cash and Cash Equivalents and Other Bank Balances :** Under Previous GAAP, the classification of bank deposits was based on the remaining maturity period of bank deposits as on the balance sheet date. Under Ind AS , the classification for the bank deposit is based on the original maturity period of the bank deposit. Accordingly, an amount of ₹ 27468.71 million and ₹ 81,560.00 million has been re-classified from cash and cash equivalents to "other bank balances" as at transition date and March 31, 2016 respectively.

Under Previous GAAP, gold coins were shown cash and cash equivalents. Under Ind AS, gold coin are classified "other assets". Accordingly, an amount of ₹ 0.94 million and ₹ 0.91 million have been reclassified from cash and cash equivalent to "other current assets" as at transition date and March 31, 2016 respectively.

Under Previous GAAP, unutilized CAPEX fund drawn by way of External Commercial Borrowing lying in the Current Account was shown as Cash and Cash Equivalent. Under Ind AS, the same is reclassified to "other bank balances" as restricted cash as withdrawal from this account is only for the purpose for meeting capital expenditure. Accordingly an amount of ₹ Nil and ₹ 8,078.42 million has been reclassified from cash and cash equivalents to "other bank balanes" as at transition date and March 31, 2016 respectively.

Subsidiary OMPL under Previous GAAP, bank deposits under lien against external commercial borrowing were shown as "cash and cash equivalents". Under Ind AS the same is reclassified to "other bank balances". Accordingly, an amount of ₹ 950 million has been reclassified from cash and cash equivalents to "other bank balances" as at March 31, 2016. The reclassification has no impact on equity as at March 31, 2016.

11 **Reclassification of assets held for sale:** As at transition date, an amount of ₹ 77.96 million have been reclassified from Other Current Assets to Asset held for sale. These reclassifications have no impact on equity.

12 **Financial Guarantees:** Under Ind AS, financial guarantee given by holding company on behalf of subsidiary without charging any guarantee fees are fair valued. Accordingly, an amount of ₹ 26.05 million has been recognized as Additional Paid in Capital as at April 1, 2015 with corresponding debit to prepayment for Guarantee Charges. Prepayment for guarantee charges is amortised over the guarantee period. For the year ended March 31, 2016, an amount of ₹ 18.37 million has been amortised as Guarantee fees which has been charged to Statement of Profit and loss.

13 **Commercial papers measured at amortised cost:** Subsidiary OMPL under Previous GAAP, discount on commercial paper was shown as other current assets. Under Ind AS, borrowings are recognised net of transactions costs on initial recognition and subsequently measured at amortised cost. Accordingly an amount ₹ 252.68 million has been adjusted from "other current assets" and reduced from the amount of commercial papers (Borrowings). This reclassification has no impact on equity as at March 31, 2016.

14 **Deferred Tax:** Deferred tax has been recognized on the account of adjustments made due to application of Ind AS. These adjustments have resulted in an increase in deferred tax liability by ₹ 34.73 million as at March 31, 2016.

Subsidiary OMPl under the Previous GAAP, the Company recognised deferred tax asssets only to the extent of deferred tax liabilities for the Financial year 2014-15 and 2015-16. As per the requirement of Ind AS 12, the Company has now recognised the deferred tax assets/ liabilities for the Financial year 2014-15 and 2015-16. Accordingly, the net effect of deferred tax assets / liabilities as on transition date April 1, 2015 amounting to ₹4,289.44 million has been adjusted in the retained earnings resulting in increase in total equity and corresponding increase in deferred tax assets/ liabilities (net). Further the recognition of incremental net deferred tax asset/liabilities for the Financial year 2015-16 amounting to ₹ 2,308.23 million has resulted in increase in total equity and corresponding increase in deferred tax asset/liabilities (net) for the year.

15 Ind as adjustments related to investment in joint venture (Shell MRPL Aviation Fuels and Services Limited).

16 **Classification of investment in Mangalore SEZ Limited:** Subsidiary OMPL under the previous GAAP, the Company has classified investment in Mangalore SEZ Limited as "Investment in associate". Under Ind AS, this is classified as "Investment".

51.2 Reconciliation of total equity as at March 31, 2016 and April 1, 2015

Particulars	Refer Note 51.1	As at March 31, 2016 (End of last period presented under Previous GAAP)	As at April 1, 2015 (Date of transition)
Total equity (shareholders' funds) under Previous GAAP		61,390.56	58,911.91
Adjustments:			
Adjustment relating to property, plant and equipment	2	-	(499.67)
Unwinding of finance charges on transaction cost	3	(191.11)	-
Others	6	(2.14)	
Adjustment relating to depreciation on property, plant and equipment on account of ECB transaction cost	3	24.13	-
Reversal of Goodwill Amortisation	5	2.01	-
Recognition of Prepayments for ETP facility, net of amortisation	7	256.22	265.17
Recognition of Financial Guarantee fees, net of amortisation	11	7.68	26.05
Recognition of Deferred Taxes using the Balance Sheet approach under Ind AS	13	(34.73)	-
Recognition of deferred tax	13	4,410.06	2,101.83
Adjustments related to Investment in Joint Venture (Shell MRPL Aviation Fuels and Services Limited)		1.38	2.31
Total adjustment to equity		**4,473.50**	**1,895.69**
Total equity under Ind AS		**65,864.06**	**60,807.60**

51.3 Effect of Ind AS adoption on the Standalone Statement of Profit and Loss for the year ended March 31, 2016

	Particulars	Notes	Year ended March 31, 2016 (Latest period presented under Previous GAAP) Previous GAAP Effect of transition to Ind AS Ind AS			
			Previous GAAP	Application of equity method for accounting for JV	Effect of transition to Ind AS	Ind AS
I.	Revenue from operations	1	509,914.62	(291.33)	-	509,623.29
II.	Other income	7, 9	8,525.45	(21.17)	50.77	8,555.05
III.	**Total income (I + II)**		**518,440.07**	**(312.50)**	**50.77**	**518,178.34**
IV.	**Expenses:**					
	Cost of materials consumed		340,855.56	(227.69)	-	340,627.87
	Changes in inventories of finished goods, stock-in-process and stock-in-trade		7,945.73	2.89	-	7,948.62
	Excise duty on sale of goods		112,321.37	-	-	112,321.37
	Employee benefits expense	2	3,252.58	(23.49)	(0.87)	3,228.22
	Finance costs	3,4,7 & 9	10,547.02	(1.26)	257.57	10,803.33
	Depreciation and amortisation expense	3, 5&6	10,214.77	(2.95)	(81.41)	10,130.41
	Other expenses	3,5,7&8	28,408.72	(34.28)	69.04	28,443.48
	Total expenses (IV)		**513,545.75**	**(286.78)**	**244.33**	**513,503.30**
V.	**Profit before exceptional items and tax (III-IV)**		4,894.32	(25.72)	(193.56)	4,675.04
VI.	Exceptional items (income)/ expenses (net)		1,829.94	-	-	1,829.94
VII.	**Share of Profit of joint venture**		**-**	**(25.72)**	**19.94**	**19.94**
VIII.	**Profit before tax (V - VI-VII)**		**3,064.38**	**(219.28)**	**(173.67)**	**2,865.04**
IX.	**Tax expense:**					
	(1) Current tax		2,349.75	(4.17)	-	2,345.58
	(2) Deferred tax	10	(2,091.74)	(0.33)	(2,446.12)	(4,538.19)
	Total tax expense (IX)		**258.01**	**(4.50)**	**(2,446.12)**	**(2,192.61)**
X	**Profit for the year (VIII - IX)**		**2,806.37**	**(21.22)**	**2,272.50**	**5,057.65**
XI	**Other comprehensive income**					
	Items that will not be reclassified to profit or loss					
	(a) Remeasurement of the defined benefit plans	2	-	-	(2.13)	(2.13)
	(b) Effective portion of gains (losses) on hedging instruments in cash flow hedges		-	-	0.02	0.02
	(c) Income tax relating to above		-	-	0.92	0.92
	Total other comprehensive income (XI)		**-**	**-**	**(1.19)**	**(1.19)**
XII	**Total comprehensive income for the year (X+XI)**		**2,806.37**	**(21.22)**	**2,271.31**	**5,056.46**
XIII	**Profit for the year attributable to**					
	Owners of the Company		7,095.59	-		8,237.13
	Non controlling interest		(4,289.22)	-		(3,179.48)
XIV	**Other comprehensive income for the year attributable to**					
	Owners of the Company		-	-		0.67
	Non controlling interest		-	-		(1.86)
XV	**Total comprehensive income for the year attributable to**					
	Owners of the Company		7,095.59	-		8,237.80
	Non controlling interest		(4,289.22)	-		(3,181.34)

Notes to Profit Reconciliation for the year 2015-16:

1 **Revenue from Operations: - Excise duty:** Under Previous GAAP, revenue from sale of products was presented excluding excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty and the excise duty paid is presented separately as an expense. This has resulted in an increase in total revenue and total expenses by₹ 112321.37 million for the year ended March 31, 2016.

2 **Employee benefit expenses :** Under Previous GAAP, actuarial gains and losses on post-retirement defined benefit plans were recognised in Statement of Profit and Loss. Under Ind AS, the same is recognised in the "Other comprehensive income".

3 **Transaction Cost :** Under Previous GAAP, transaction costs related to ECB loan were capitalised with the cost of property, plant and equipment (being costs eligible for capitalisation). Under Ind AS, borrowings are recognised net of transactions costs on initial recognition and subsequently measured at amortised cost. As at transition date, transaction costs amounting to ₹ 416.20 million has been reduced from the property, plant and equipment and corresponding reduction in ECB Loan. Subsequent to the transition date, the transaction cost is amortised over the loan period using effective interest rate method and depreciation on property, plant and equipment is calculated on the reduced amount over the remaining useful life. Amortisation of transaction costs for the year ended March 31, 2016 has been recognized as finance costs in the Statement of Profit and Loss resulting in increase in finance cost by ₹ 139.43 million. Depreciation reduction on account of above adjustment relating to property, plant and equipment amount to ₹ 17.64 million for the year ended March 31, 2016.

Subsidiary OMPL under Previous GAAP, transaction costs related to ECB loans and rupee term loans were capitalised with the cost of property, plant and equipment (being costs eligible for capitalisation) and transaction cost related to non convertible debentures was charged to profit and loss. Under Ind AS, borrowings are recognised net of transactions costs on initial recognition and subsequently measured at amortised cost. As at transition date, transaction costs related to ECB loan and rupee term loan amounting to ₹ 152.41 million has been adjusted from property, plant and equipment (PPE) resulting in reduction in total (PPE) and depreciation and corresponding reduction in ECB Loan. Subsequent to the transition date, the transaction cost is amortised over the loan period using effective interest rate method. Amortisation of transaction costs for the year ended March 31, 2016 has been recognized as finance costs in the Statement of Profit and Loss resulting in increase in finance cost by ₹ 53.73 million. As at March 31, 2016, the transaction costs related to non-convertible debentures has been adjusted from statement of profit and loss amounting to ₹ 5.84 resulting in increase in total equity and corresponding reduction in non convertible debenture. subsequently is amortised over the non convertible debentures period using effective interest rate. Amortisation of transaction cost for the year ended March 31, 2016 has been recognised as finance cost in the statement of profit and loss resulting in increase in finance cost by ₹0.30 million. The transaction costs amounting ₹ 3.5 has been accounted as provision for the year ended March 31, 2016 which was paid subsequently in June 2016.

4 **Amortization of financial guarantees charges :** As stated at note 3.20.2(a), financial guarantees charges have been recognized as Prepaid Guarantee Charges as at the transition date. Such guarantees have been amortized to Statement of Profit and Loss over the guarantee period, resulting in increase in finance cost by ₹18.37 million during year ended March 31, 2016.

5 **Reclassification of leasehold land :** Under Previous GAAP, leasehold land was shown as part of property, plant and equipment and depreciated over the lease period. Under Ind AS, 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 and therefore are shown as prepayments and amortized over the lease period. This reclassification resulted in decrease in depreciation expense by ₹ 0.08 million with corresponding increase in other expenditure.

Subsidiary OMPL under Previous GAAP, upfront premium paid for leasehold land was recognised as "property, plant and equipment". Under Ind AS, leasehold land where the ownership of the land will not be transferred to Company at the end of lease period are classified as operating leases. Consequently, on the transition date, an amount of ₹ 2,469.98 million has been reclassified from "property, plant and equipment" and shown as "Prepayments under other assets" under Ind AS. Similarly, an amount of ₹ 2,414.79 million has been shown as prepayments as at March 31, 2016. This reclassification has resulted in decrease in depreciation expense by ₹ 55.10 million with corresponding increase in other expenditure.

6 **Reversal of Amortisation on Goodwill :** Under Previous GAAP, Goodwill was amortised over the useful life of the assets, whereas under Ind AS Goodwill is tested for impairment at each reporting period and is not amortised. Consequently, goodwill amount as the transition date has been tested for impairment under Ind AS. Amortisation amounting to ₹ 2.01 million for the year ended March 31, 2016 has been reversed.

7 **Re-measurement of financial assets and financial liabilities :** Under Ind AS, certain security deposits taken and other deposits given have been fair valued and subsequently accounted at amortised cost. The fair valuation impact of other deposit given and security deposit taken at transition date amounts to ₹ 5.61 million and ₹ 1.84 million respectively. This adjustment at transition date has resulted in decrease in the carrying balance of Other Deposit (financial asset) and Security Deposit (financial liability) by ₹ 5.61 million and ₹ 1.84 million respectively and recognition of Prepaid Rent and Advance Rental respectively. Subsequent to transition date, Other Deposit (financial asset) and Security Deposit (financial liability) have been accounted at amortised cost resulting in recognition of finance income and finance expense respectively. Prepaid Rent and Advance Rental are amortised on straight line basis over the period of deposit. This remeasurement has no impact on equity as on transition date. Subsequent to the transition date, such valuation difference on financial assets and liabilities has been recognized in statement of profit & loss resulting in increase in other expenditure by ₹ 1.33 million, interest income by ₹ 1.19 million, increase in finance cost by ₹ 0.08 million and increase in other income by ₹ 0.13 million for the year ended March 31, 2016. The net effect of above is decrease in financial assets by ₹ 0.14 million, decrease in financial liabilities by ₹ 0.05 million and decrease in total equity by ₹ 0.09 million as at March 31, 2016.

8 **Recognition of amount paid for certain facility having future economic benefits :** An amount of ₹ 265.17 million paid for ETP facility has been recognised as "Prepayments" on transition date which was charged to Statement of Profit and Loss account under Previous GAAP. This has resulted in increase the retained earnings on transition date. Subsequent to transition date, the amount is amortised over the remaining useful life of the ETP facility. The amount recognised in the Statement of Profit and Loss account for the year ended March 31, 2016 in relation to amortisation is ₹ 8.95 million.

9 **Re-measurement of financial liabilities:** Under Ind AS, deferred payment liability have been fair valued and subsequently accounted at amortised cost. The fair valuation impact of deferred payment liability at transition date amounts to ₹ 52.91 million . Deferred finance expense recognised as short term borrowing. This re-measurement has no impact on transition date. Subsequent to transition date, deferred payment liability have been accounted at amortised cost resulting in recognition finance expense . Deferred finance expense are amortised on straight line basis over the period of loan. Subsequent to the transition date such valuation difference on financial liability has been recognised in statement of profit & loss resulting in increase in finance income of ₹ 49.45 and interest expense of ₹ 51.50.

10 **Deferred Tax:** Deferred tax has been recognized on the account of adjustments made due to application of Ind AS. These adjustments have resulted in an increase in deferred tax by ₹140.03 million during year ended March 31, 2016.

Subsidiary OMPL under the Previous GAAP, the Company recognised deferred tax assets only to the extent of deferred tax liabilities for the Financial year 2014-15 and 2015-16. As per the requirement of Ind AS 12, the Company has now recognised the deferred tax assets/ liabilities for the Financial year 2014-15 and 2015-16. Accordingly, the net effect of deferred tax assets / liabilities as on transition date April 1, 2015 amounting to ₹4,289.44 million has been adjusted in the retained earnings resulting in increase in total equity and corresponding increase in deferred tax assets/ liabilities (net). Further the recognition of incremental net deferred tax asset/liabilities for the Financial year 2015-16 amounting to ₹ 2,308.23 million has resulted in increase in total equity and corresponding increase in deferred tax asset/liabilities (net) for the year.

51.4 Reconciliation of total comprehensive income for the year ended March 31, 2016

Particulars	Refer Note 51.3	Year ended March 31, 2016 (Latest period presented under Previous GAAP)
Profit after tax as per Previous GAAP		**2,806.37**
Adjustments:		
Amortisation of prepaid financial guarantee fees	4	(18.37)
Reversal of goodwill amortisation	6	2.01
Amortisation of prepayments	8	(8.95)
Unwinding of finance charges on transaction cost	3	(191.11)
Reclassification of actuarial gain, arising in respect of employee benefit schemes	2	0.87
Adjustment relating to depreciation on property, plant and equipment on account of ECB transaction cost	3	24.13
Others	7	(0.09)
Unwinding of deferred finance expenses	9	(2.05)
Deferred tax adjustment relating to Sch II on property, plant and equipment	10	172.93
Recognition of Deferred Taxes using the Balance Sheet approach under Ind AS	10	(33.03)
Recognition of deferred tax	10	2,306.22
Adjustments related to Investment in Joint Venture (Shell MRPL Aviation Fuels and Services Limited)		(1.28)
Total effect of transition to Ind AS		**2,251.28**
Net Profit for the year as per Ind AS		**5,057.65**
Other comprehensive income for the year (net of tax)		
Reclassification of actuarial gain, arising in respect of employee benefit schemes (net of tax)	2	(1.21)
Adjustments related to Investment in Joint Ventures (Shell MRPL Aviation Fuels and Services Limited)		0.02
Total comprehensive income under Ind AS		**5,056.46**

Note: Under Previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit after tax under the Previous GAAP.

51.5 Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2016

Particulars	Year ended 31st March 2016 (Latest period presented under Previous GAAP)		
	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	76,009.21	(61,724.16)	14,285.05
Net cash flows from investing activities	(867.18)	3,900.25	3,033.07
Net cash flows from financing activities	(16,637.25)	(798.88)	(17,436.13)
Net increase (decrease) in cash and cash equivalents	**58,504.78**	**(58,622.79)**	**(118.01)**
Cash and cash equivalents at the beginning of the period	72,063.76	(58,392.57)	13,671.19
Effects of exchange rate changes on the balance of cash held in foreign currencies	-	-	-
Cash and cash equivalents at the end of the period	**130,568.54**	**(117,015.36)**	**13,553.18**

Particulars	As at 31st March 2016 (End of last period presented under Previous GAAP)	As at 1st April 2015 (Date of transition)
Cash and cash equivalents for the purpose of statement of cash flows as per Previous GAAP	130,568.54	72,063.76
Bank overdrafts which form an integral part of cash management system		
Other bank balances earlier considered as cash and cash equivalent		
Bank deposits with original maturity more than 3 months upto 12 months	108,439.09	58,019.61
Restricted bank balance	8,078.42	-
Gold coin	0.91	0.94
Shell MRPL Aviation Fuels and Service Limited Cash and Cash Equivalent	496.33	371.39
MRSL Cash and Cash Equivalent	0.61	0.63
	117,015.36	**58,392.57**
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS	13,553.18	13,671.19

As per our report of even date attached

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

Sd/-
CA.A.KUMARA BHAT
Partner
Membership No. 022041

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

Sd/-
CA.V.SURESH
Partner
Membership No. 026525

Place : New Delhi
Date : 17/05/2017

For and on behalf of the Board

Sd/-
H KUMAR
Managing Director
DIN: 06851988

Sd/-
A K SAHOO
Director (Finance)
DIN: 07355933

Sd/-
DINESH MISHRA
Company Secretary

TEN YEAR PERFORMANCE AT A GLANCE

	Ind AS (₹ in million) 2016-17	IGAAP (₹ in million) 2015-16	IGAAP (₹ in million) 2014-15	IGAAP (₹ in million) 2013-14	IGAAP (₹ in million) 2012-13	IGAAP (₹ in million) 2011-12	IGAAP (₹ in million) 2010-11	IGAAP (₹ in million) 2009-10	IGAAP (₹ in million) 2008-09	IGAAP (₹ in million) 2007-08
What We Owe										
Share Capital	17,526.64	17,526.64	17,526.64	17,526.64	17,526.64	17,572.57	17,618.50	17,618.50	17,618.31	17,618.21
Reserves	83,178.11	46,677.80	35,522.95	53,162.08	47,150.26	54,719.37	47,670.51	38,347.02	29,675.68	20,211.22
Net Worth	**100,704.75**	**64,204.44**	**53,049.59**	**70,688.72**	**64,676.90**	**72,291.94**	**65,289.01**	**55,965.52**	**47,293.99**	**37,829.43**
Borrowings	85,409.61	81,028.40	90,324.65	97,927.21	75,576.54	61,831.10	15,569.75	16,963.97	19,868.04	20,580.68
Deferred Tax Liability / (Asset)	4,766.63	806.31	-	4,702.69	7,343.28	4,531.40	3,471.64	6,602.22	5,685.53	5,307.79
TOTAL	**190,880.99**	**146,039.15**	**143,374.24**	**173,318.62**	**147,596.72**	**138,654.44**	**84,330.40**	**79,531.71**	**72,847.56**	**63,717.90**
What We Own										
Fixed Assets (Including Capital WIP)	157,688.90	226,935.30	223,190.91	208,025.23	188,929.44	161,134.49	130,871.85	92,954.50	78,390.04	75,053.07
Less : Depreciation	13,884.30	75,889.89	68,323.33	62,595.55	55,578.31	49,644.32	45,301.36	41,428.08	37,661.38	33,988.12
	143,804.60	151,045.41	154,867.58	145,429.68	133,351.13	111,490.17	85,570.49	51,526.42	40,728.66	41,064.95
Investments	13,496.42	13,496.73	13,496.73	150.02	150.02	422.80	948.25	16,236.62	6,428.93	6,451.36
Others Net current and non current assets	33,579.97	(18,502.99)	(24,990.07)	27,738.92	14,095.57	26,741.47	(2,188.34)	11,768.67	25,689.97	16,201.59
TOTAL	**190,880.99**	**146,039.15**	**143,374.24**	**173,318.62**	**147,596.72**	**138,654.44**	**84,330.40**	**79,531.71**	**72,847.56**	**63,717.90**
Income										
Sales (Net Of Excise Duty)	431,924.35	396,320.40	574,381.45	718,104.96	656,915.16	537,633.43	389,566.73	318,851.74	382,437.41	325,751.28
Other Income	4,386.38	8,725.24	8,101.56	3,244.67	1,160.36	3,543.09	2,171.83	2,915.12	1,866.41	740.73
Exchange Fluctuation (net) : Gain	-	-	-	-	-	-	184.48	3,903.97	-	1,374.86
Increase/ (Decrease) in stocks	2,883.03	(6,831.66)	(18,861.34)	6,740.75	11,161.53	1,502.05	8,152.71	2,958.77	(5,968.56)	1,048.01
TOTAL	**439,193.76**	**398,213.98**	**563,621.67**	**728,090.38**	**669,237.05**	**542,678.57**	**400,075.75**	**328,629.60**	**378,335.26**	**328,914.88**
Expenditure										
Raw Materials	374,887.61	346,504.26	558,860.55	707,406.32	654,001.82	512,367.50	372,193.37	302,308.74	345,127.66	300,840.43
Sales Tax & Excise Duty on Stocks (net)	(675.16)	1,588.96	916.85	199.63	217.99	(606.16)	647.77	894.23	559.01	2,242.82
Salaries & Other Expenses	3,520.06	3,061.41	2,407.42	2,154.74	1,845.60	1,606.42	1,845.35	958.95	1,130.30	1,248.17
Exchange Fluctuation (net) : Loss	(15,379.74)	11,902.67	6,835.01	19.03	5,364.91	6,482.20	-	-	6,104.96	-
Other Expenses	9,575.86	10,519.18	7,103.78	3,935.12	3,245.56	3,221.08	3,056.42	2,500.98	2,039.09	1,997.56
Interest	5,171.74	5,778.35	4,070.88	3,214.41	3,285.53	2,066.77	1,043.73	1,154.98	1,434.51	1,475.89
Depreciation	6,779.19	7,124.05	4,986.10	7,064.17	6,044.10	4,338.73	3,914.19	3,893.27	3,823.16	3,778.18
TOTAL	**383,879.56**	**386,478.88**	**585,180.59**	**723,993.42**	**674,005.51**	**529,476.54**	**382,700.83**	**311,711.15**	**360,218.69**	**311,583.05**
Profit Before Tax	**55,314.20**	**11,735.10**	**(21,558.92)**	**4,096.96**	**(4,768.46)**	**13,202.03**	**17,374.92**	**16,918.45**	**18,116.57**	**17,331.83**
Provision for Taxation	18,877.33	253.51	(4,436.58)	(1,914.86)	2,800.65	4,116.25	5,608.59	5,794.68	6,191.13	4,609.55
Profit After Tax	**36,436.87**	**11,481.59**	**(17,122.34)**	**6,011.82**	**(7,569.11)**	**9,085.78**	**11,766.33**	**11,123.77**	**11,925.44**	**12,722.28**
Total Comprehensive Income	**36,386.53**									
Dividend (Refer Note)	10,515.59	-	-	-	-	1,752.60	2,103.13	2,103.13	2,103.49	2,103.49
Dividend Distribution Tax	2,140.73	-	-	-	-	284.32	341.18	349.30	357.49	357.49
GRM ($/bbl)	7.75	5.20	(0.64)	2.67	2.45	5.60	5.90	4.58	6.56	6.59

(Figures are regrouped and rearranged whereever required)

Note: During the year 2016-17 dividend @ ₹ 6 per share has been recommended by BOD for approval of Shareholders in AGM, which would be accounted for in accounts on payments basis as per Ind AS.

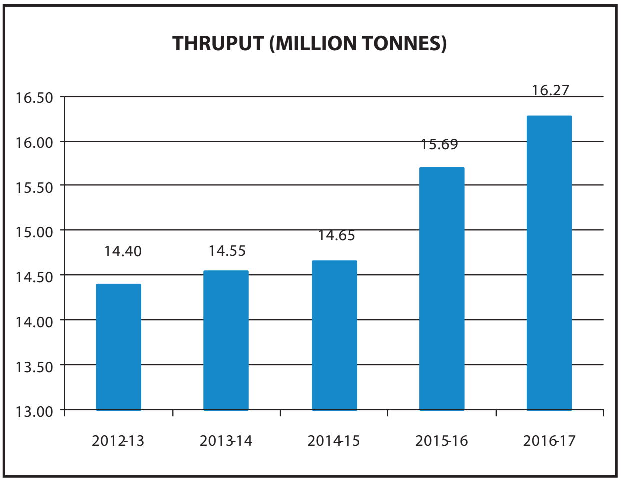
THREE YEAR PERFORMANCE AT A GLANCE

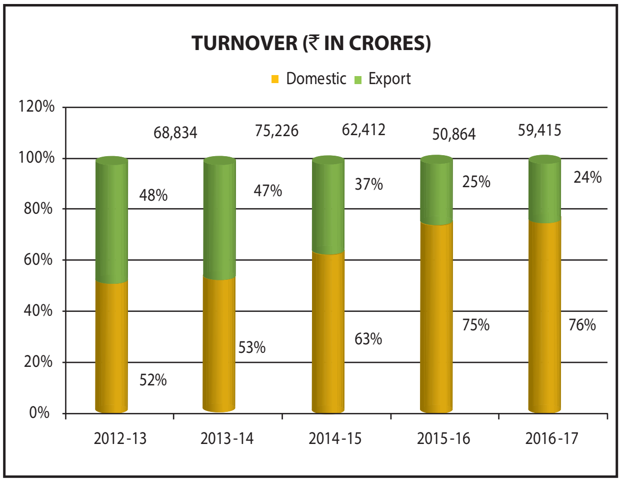
	($ in million)	($ in million)	($ in million)
	2016-17	**2015-16**	**2014-15**
What We Owe			
Share Capital	270.26	267.77	286.57
Reserves	1,282.62	713.14	580.83
Net Worth	**1,552.89**	**980.91**	**867.40**
Borrowings	1,317.03	1,237.95	1,476.87
Deferred Tax Liability	73.50	12.32	-
TOTAL	**2,943.42**	**2,231.18**	**2,344.27**
What We Own			
Fixed Assets (Including Capital WIP)	2,431.59	3,467.10	3,649.33
Less : Depreciation	214.10	1,159.44	1,117.13
	2,217.50	2,307.66	2,532.19
Investments	208.12	206.20	220.68
Other Net Current and Non-current Assets	517.81	(282.69)	(408.61)
TOTAL	**2,943.42**	**2,231.18**	**2,344.27**
Income			
Sales (Net Of Excise Duty)	6,438.94	5,981.74	9,190.10
Other Income	65.39	131.69	129.62
Exchange Fluctuation (net) : Gain	-	-	-
Increase/ (Decrease) in stocks	42.98	(103.11)	(301.78)
TOTAL	**6,547.31**	**6,010.32**	**9,017.95**
Expenditure			
Raw Materials	5,588.66	5,229.86	8,941.77
Sales Tax & Excise Duty on Stocks (net)	(10.06)	23.98	14.67
Salaries & Other Expenses	52.48	46.21	38.52
Exchange Fluctuation (net) : Loss	(229.27)	179.65	109.36
Other Expenses	142.75	158.77	113.66
Interest	77.10	87.21	65.13
Depreciation	101.06	107.52	79.78
Miscellaneous Expenditure Written off			
TOTAL	**5,722.71**	**5,833.20**	**9,362.89**
Profit Before Tax	824.60	177.12	(344.94)
Provision for Taxation	281.42	3.83	(70.99)
Profit After Tax	**543.19**	**173.29**	**(273.96)**
Total Comprehensive income as per Ind AS	542.43	-	-
Dividend (Refer Note)	156.76	-	-
Dividend Distribution Tax	31.91	-	-
GRM ($/bbl)	**7.75**	**5.20**	**(0.64)**

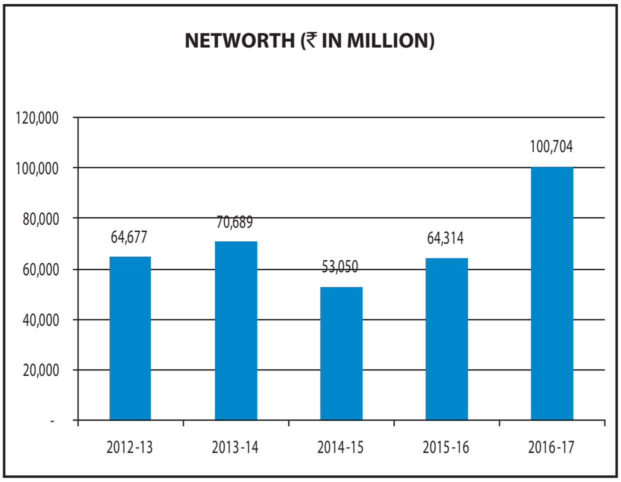
(Figures are regrouped and rearranged whereever required)

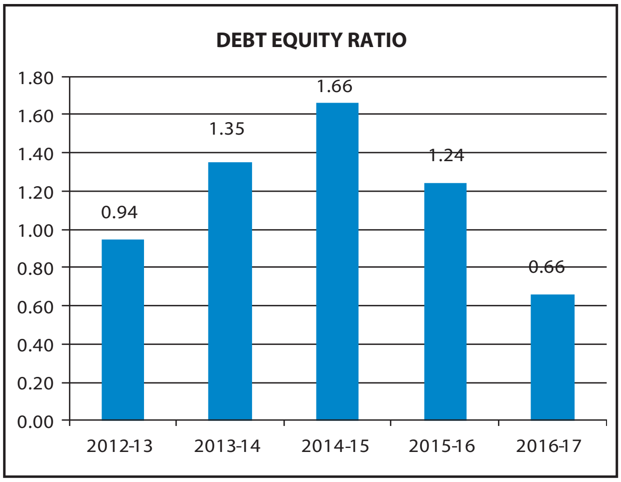
Note: During the year 2016-17 dividend @ ₹ 6 per share has been recommended by BOD for approval of Shareholders in AGM, which would be accounted for in accounts on payments basis as per Ind AS.

MRPL PERFORMANCE









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