मंगलूर रिफाइनरी एण्ड पेट्रोकेमिकल्स लिमिटेड
MANGALORE REFINERY AND PETROCHEMICALS LIMITED
अनुसूची 'अ' के अंतर्गत भारत सरकार का उद्यम SCHEDULE 'A' GOVT. OF INDIA ENTERPRISE.
(ऑयल एण्ड नेचुरल गैस कॉरपोरेशन लिमिटेड की सहायक कंपनी A SUBSIDIARY OF OIL AND NATURAL GAS CORPORATION LIMITED)
सीआईएन/CIN : L23209KA1988GOI008959
पंजीकृत कार्यालय : कुत्तेतूर पोस्ट, वाया काटीपल्ला मंगलूरु - 575 030 (भारत) दूरभाष: 0824-2270400, फैक्स: 0824-2271404, E-mail:mrplmlr@mrpl.co.in
Regd. Office : Kuthethoor P.O. Via Katipalla, Mangaluru - 575 030 (India) Tel. : 0824-2270400 Fax : 0824-2271404 Website : www.mrpl.co.in
आई.एस.ओ. 9001, 14001 एवं 50001 प्रमाणित कंपनी AN ISO 9001, 14001 AND 50001 CERTIFIED COMPANY

10/08/2021

The Assistant General Manager, Listing Compliance
BSE Limited
Scrip Code: 500109

The Compliance & Listing Department
National Stock Exchange of India Limited
Symbol: MRPL, Series: EQ

Dear Sir,

**Subject: Annual Report for FY 2020-21 and Notice of 33rd Annual General Meeting (AGM).**

This is in continuation to our intimation even dated informing that the 33rd Annual General Meeting of the Company will be held on **Saturday, 4th September, 2021, at 4:00 p.m. (IST)** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

Pursuant to Regulation 34(1) of SEBI (LODR) Regulations 2015, please find enclosed Notice convening the 33rd Annual General Meeting (AGM) along with the Annual Report of the Company for the Financial Year 2020-21, sent to the members of the Company through e-mail.

The Notice of 33rd AGM along with the Annual Report for the financial year 2020-21 is also available on the website of the Company at: https://www.mrpl.co.in/AnnualReport

Thanking you,

Yours faithfully,
For Mangalore Refinery and Petrochemicals Ltd.,

K. B. Shyam Kumar
Company Secretary

Encl : A/a

ONGC
एमआरपीएल
MRPL

# Embracing Change, Strategising Sustained Growth

# 33rd ANNUAL REPORT
## 2020-21

**Mangalore Refinery and Petrochemicals Limited**
(A Govt. of India Enterprise and a subsidiary of ONGC Ltd.)

# Mangalore Refinery and Petrochemicals Limited

## (A Government of India Enterprise and Subsidiary of ONGC)

**CIN : L23209KA1988GOI008959**

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

**CONTENTS ........................................................................ PAGE NO**



**COMPANY SECRETARY**
Shri K B Shyam Kumar

**JOINT STATUTORY AUDITORS**
M/s. Ram Raj & Co,
Chartered Accountants, Bangalore
M/s. Sankar & Moorthy,
Chartered Accountants, Kannur

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

**SECRETARIAL AUDITORS**
C S Ullas Kumar Melinamogaru,
Practicing Company Secretaries, Mangalore

**DEBENTURE TRUSTEES**
M/s. SBICAP Trustee Company Limited,
Mumbai

**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

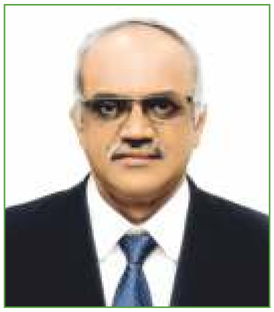
**MUMBAI:**
Maker Towers, 'E' Wing, 15th Floor, Cuffe Parade,
Mumbai - 400005 Tel : 022-22173000 Fax : 022-22173233

**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 Subhash Kumar**
Chairman



**Shri M Venkatesh**
Managing Director

**Smt. Pomila Jaspal**
Director (Finance)

**Shri Sanjay Varma**
(Director (Refinery)

**Shri Om Prakash Singh**
ONGC Nominee

**Shri Vinod S Shenoy**
HPCL Nominee

**Shri Rohit Mathur**
Government Nominee

**Ms. Esha Srivastava**
Government Nominee

**Shri R T Agarwal**
Independent Director

# CHAIRMAN'S MESSAGE TO STAKEHOLDERS

**Dear Stakeholders,**

I present the 33rd Annual Report for the year 2020-21 to our valued shareholders and also present few highlights for the year's performance.

The outbreak of COVID-19 pandemic globally and resultant lockdown in many countries including India has impacted the business of your Company. Consequently, lower demand for crude oil and petroleum products has squeezed the prices and refining margin globally during the part of the year. These things have resulted in reduction in sales of your Company. The capacity utilisation gradually improved subsequently. Management has assessed the potential impact of COVID 19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long term basis/ on useful life of the assets/ on long term financial position etc., though there may be lower revenues and refinery throughput in the near future. Refinery was operating with reduced capacity during first half of FY 2020-21 because of COVID-19 pandemic. Due to very low demand and negative ATF cracks, ATF product was upgraded to BS VI grade HSD during this period.

India is also combating the effects of this global pandemic. The population was confined to homes for much of the first quarter of the last fiscal. Businesses were shut, consumption slumped, investments were hit and jobs were lost. While the government has initiated stimulus spending relaxing the fiscal deficit targets significantly, the expenditure has been constrained by lower revenue collections which were hurt by the lockdown. However, just when March 2021 proved a silver lining by providing the highest mop-up of GST ever, indicating recovery of revenue for the government the second wave of pandemic struck and the country witnessed shutdowns in April, May and June of the current fiscal. Government's continued stimulus on infrastructure and social sectors will be required to guide the pace of recovery. Your Company has also faced the challenges and sustained its operations despite the shortcomings. I would like to present few highlights for the year 2019-2020.

**Financial Performance**

- Your company achieved a turnover of ₹ 50,974 crore during the financial year 2020-21 as against ₹ 60,728 crore during the financial year 2019-20.
- Company incurred a loss after tax of ₹ 240.46 crore during the financial year 2020-21 against loss of ₹ 2,740.35 crore incurred during the financial year 2019-20.
- The Gross Refining Margin (GRM) for financial year 2020-21 was 3.71 $/bbl as against (0.23) $/bbl during the financial year 2019-20.
- Company secured AAA from ICRA, CARE and CRISIL for the ₹ 3,000 Crore NCDs

**Physical Performance**

- 11.475 MMT Crude was processed during the FY 2020-21 with the total input to the Refinery was 11.497 MMT.
- Heavy Reformate was supplied along with naphtha feedstock to Aromatic complex for the first time to

produce Reformate at OMPL due to low Px – naphtha spread during Q1: 2020-21. This also supported MRPL in managing the MS blend component stocks.

- HSD product (50,500 KL) was floated in hired vessel for the first time in April 2020 to tide over HSD Ullage crisis due to sudden stoppage of product lifting by OMCs during end March and uncertainties regarding the berthing of vessel with crew coming from pandemic affected load port for export cargo.
- MRPL successfully replaced the catalyst of HCU-2 & GOHDS units with remote assistance & offline support from catalyst vendors because of COVID-19. Catalyst replacement in HCU-1 was done, with site support from catalyst vendor. HCU-1, HCU-2 & GOHDS are taken back on line successfully.
- Highest Ever Polypropylene production of 43.054 TMT in the month of March 21.
- Your company has taken energy efficiency seriously and achieved Mean Barrel No. (MBN) of 81.41 MMBTU/BBL/NRGF.

## Safety

- Your Company continues to have focus of safety and has achieved 1755 cumulative accident free days as on 31/03/2021. It has also achieved 24.17 Million Man hours worked as on 31/03/2021 by MRPL employees. It has also achieved 24.17 million man hours worked in the year 2020-21 as against 13.032 million man hours worked during the previous financial year.
- Several awareness programs were undertaken in the refinery to ensure safety of people, process and assets. Your Company is committed towards providing a healthy and safe work environment to employees, contractors and all the visitors to the Refinery by adopting the best industry practices. Robust systems and standards have been built for continuously reducing the risks in the refinery associated with Health, Safety and Environment (HSE).
- Innovative approaches to safety like tool-box talk and buddy system have been implemented with a view to further improving safety performance. Two Occupational Health Centres (OHC) in Refinery and one Hospital in the township area which are equipped with emergency medical aids with round the clock Ambulance facility with 10 doctors and paramedic are augmented with shower facility for Chemical contact, emergency medicines and antidotes.

## Direct Marketing

- Your Company continues to ramp up marketing of its products in order to achieve better value for its products.
- The total domestic sales volume of all products during FY 2020-21 has been 1691 TMT with a sales value of ₹ 7207 Crore.
- Your company expanded its Polypropylene Marketing Network to pan India basis to strengthen its position as a reliable supplier in the domestic market. As an on-going Business Development activity, your company has introduced a niche grade Raffia General Purpose grade (4.5 MI) to widen customer base. As a service to the nation, your company not only maximized the production and sale of niche PP grade (35 MI HY035R - used for making medical disposables like masks) but has also maintained sufficient stock of this grade to meet any urgent requirement.
- MRPL expects to extend its retail presence by adding 50 new outlets every year for the next 5 years in the states of Karnataka, Kerala and Goa. MRPL retail presence will be further expanded to Tamil Nadu, Andhra Pradesh and Telangana in the long term.

## Employee Relations

- Your Company holds its employees in the highest esteem and accordingly follows the best HR practices, reviews them periodically and strives to further improve upon that. As a result, the employee relations continue to be cordial and harmonious. Long Term Settlement was signed with employees union during the year. As in the past years, this year too I am happy to report that not a single man-hour was lost on account of any industrial disturbance in the year 2020-21.

### Environment, Social Responsibility and Sustainable Development

- Your Company envisages sustainability as a major driver for building future readiness in a dynamic market environment. In this process we took cognizance of the social and environmental challenges and accordingly aligned our refining process. In this process MRPL is pursuing projects related to decreasing carbon foot print by energy conservation, improving the energy efficiency in its processes, use of renewable energy , sustainable water management project to reduce fresh water consumption by recycling /use of treated effluent and effective waste management through reduce, reuse and recycle initiatives.

- Your Company is in the process of establishing a biodiversity park in about 41 acres of marshy land. In this process MRPL has entered into an MOU with Dr. Shivarama Karnatha Pilikula Nisarga Dhama, the domain experts in this subject. The process of establishing this park will take approximately 60 months and it is expected to be developed completely by the year 2024. In this process the marshy land will be converted into a full-fledged bio diversity park which will contain endemic tree species which will help in attracting birds, insects, etc. This will also contain aquatic plants which will help in increasing the diversity of fishes and other aquatic animals.

- Your Company has established a Vermi compost production facility inside its premises for converting plant /tree wastes like leaves, branches, etc. into compost which shall be used as manure in its horticulture activities and green belt development. This will help in reducing dependency on inorganic fertilizer which is presently being used. The first batch of vermicompost for the quantity of 40 kg was harvested on 26/03/2021

- Your Company is establishing a tree park in approx. 25 acres of land at Bengre, Panambur, Mangalore which is near our Desalination Plant. This is being done in coordination with Karnataka Forest Department (KFD).

- MRPL celebrated various environment awareness programs amongst citizens of Mangalore through various outreach programs viz. partnering with schools, colleges and other agencies in addition to the District Administration.

- As part of its Corporate Social Responsibility, your Company focused in the areas of rural transformation, health, education, sanitation and has taken up programme that benefit the communities in and around its operational area thereby enhancing the quality of life and economic well-being of local populace over a period of time.

- MRPL Hospital with 24x7 manning of Doctors and trained Nursing Staff and a panel of various specialist Consultants is open to residents of the nearby villages.

- Periodic Environment Awareness programs are organized in association with Karnataka State Pollution Control Board (KSPCB) in the neighboring village school on the topic. Ill effects of noise & air pollution and sensitization programme on phasing out use of single-use plastic item etc.

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

Place : **New Delhi**
Date : **29/07/2021**

**Sd/-**
**(Subhash Kumar)**
**Chairman**

# VISION AND MISSION

## VISION

To be a world-class Refining and Petrochemicals Company, with a strong emphasis on Productivity, Customer Satisfaction, Safety, Health and Environment Manage- ment, Corporate Social Responsibil- ity and Care for Employees.

## MISSION

- 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


**Receipt of FICCI Award from Shri Nalinkumar Kateel, Member of Parliament**

**Republic Day Celebration**


**Signing of MoU with Dr. Shivarama Karantha Pilikula Nisargadhama for establishing Biodiversity Park**


**Signing of MoU with Karnataka Forest Department for implementation of the afforestation Plantation Project at Bengre**

Inaguruation of cyclothon


Receipt of PRSI National Award for conducting Refinery & Petrochemical Technology Meet


Receipt of PRSI National Award

Inaguration of Retail outlet  No 18 at Parayangat


Inaguration of Retail outlet No19 at Moodabidri

Long term Memorandum of Settlement with MRPL Employees Union

# BOARD'S REPORT

**Dear Members,**

The Board of Directors of your Company are pleased to share the highlights of developments and progress of your Company since its last report along with audited financial statements, Auditors' Report thereon and comments on the financial statements by the Comptroller and Auditor General (C&AG) of India

## STATE OF COMPANY'S AFFAIRS

Your Board is reporting the affairs of the Company for the FY 2020-21 as under:

### Financial Performance

The standalone / consolidated financial highlights for the year ended 31/03/2021 are summarized below:

(₹ In Crore)

| | Standalone | | Consolidated | |
|---|---|---|---|---|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 * | Year ended 31st March, 2021 | Year ended 31st March, 2020 * |
| **PROFIT BEFORE TAX** | **(345.10)** | **(3,957.50)** | **(918.93)** | **(5,403.61)** |
| Less: Current Tax | (1.09) | 103.74 | (1.09) | 103.74 |
| Deferred Tax | (103.55) | (1,320.89) | (152.87) | (1,464.83) |
| **PROFIT FOR THE YEAR** | **(240.46)** | **(2,740.35)** | **(764.97)** | **(4,042.52)** |
| Add: Other Comprehensive Income | 2.00 | (8.57) | 2.09 | (8.89) |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | **(238.46)** | **(2,748.92)** | **(762.88)** | **(4,051.41)** |
| Less: Total Comprehensive Income Attributable to Non-Controlling Interest | - | - | (197.45) | (688.02) |
| **TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS OF THE COMPANY** | **(238.46)** | **(2,748.92)** | **(565.43)** | **(3,363.39)** |
| Add: Opening Balance in Profit and Loss Account | 5,532.51 | 8,492.72 | 4,127.97 | 7,690.97 |
| **SUB TOTAL** | **5,294.05** | **5,743.80** | **3,562.54** | **4,327.58** |
| **LESS: APPROPRIATION** | | | | |
| Transferred to / (from) Debenture Redemption Reserve | - | - | - | (11.68) |
| Payment of Dividend on Equity Shares | - | 175.26 | - | 175.26 |
| Tax on Dividend | - | 36.03 | - | 36.03 |
| **CLOSING BALANCE (INCLUDING OTHER COMPREHENSIVE INCOME)** | **5,294.05** | **5,532.51** | **3,562.54** | **4,127.97** |

* **Restated**

Your company achieved a turnover of ₹ 50,974 crore during the financial year 2020-21 as against ₹ 60,728 crore during the financial year 2019-20. The company incurred a loss after tax of ₹ 240.46 crore during the financial year 2020-21 against loss of ₹ 2,740.35 crore incurred during the financial year 2019-20. The Gross Refining Margin (GRM) for financial year 2020-21 was 3.71 $/bbl as against (0.23) $/bbl during the financial year 2019-20.

## Impacts of COVID on Financial performance

The outbreak of COVID-19 pandemic globally and resultant lockdown in many countries and has impacted the business of the Company. Consequently lower demand for crude oil and petroleum products has impacted the prices and refining margin globally during the part of the year and resulted in reduction in sales for the Company. The capacity utilisation gradually improved subsequently. Management has assessed the potential impact of COVID 19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long term basis/ on useful life of the assets/ on long term financial position etc. though there may be lower revenues and refinery throughput in the near future.

During the FY 2020-21, the Company has issued Non-Convertible Debentures (NCDs) aggregating ₹ 1,217 Crore. The NCDs are listed on BSE Limited and National Stock Exchange of India Limited.

ICRA has reaffirmed the long-term rating of [ICRA] AAA (pronounced ICRA "Triple A rating with stable outlook) and the short-term rating of [ICRA] A1+ (pronounced ICRA A one plus) on the ₹ 12,600 Crore bank facilities and also reaffirmed the rating of "[ICRA]A1+" (pronounced ICRA A one plus) for ₹ 3,000 Crore Commercial Paper (CP) / Short Term Debt (STD) programme. ICRA has also assigned rating of [ICRA]AAA (pronounced as ICRA "Triple A rating with stable outlook) for the ₹ 3,000 Crore Non-Convertible Debenture (NCD) Program of Mangalore Refinery and Petrochemicals Limited.

CRISIL has assigned "CRISIL AAA/Stable" (pronounced "CRISIL triple A rating with stable outlook") for the ₹ 3,000 Crore Non-Convertible Debenture of Mangalore Refinery and Petrochemicals Limited and also reaffirmed its Corporate Credit Rating (CCR) "CCR AAA/Stable" on Mangalore Refinery and Petrochemicals Limited.

CARE Ratings has assigned "CARE AAA/Stable (pronounced "Triple A rating with stable outlook") for the ₹ 5,000 Crore Non-Convertible Debenture and the short-term rating of A1+ for ₹ 3,000 Crore Commercial Paper (CP) / Short Term Debt (STD) program of Mangalore Refinery and Petrochemicals Limited.

India Ratings (Fitch Group) has assigned "IND AAA/Stable (pronounced "Triple A rating with stable outlook") for the ₹ 5,000 Crore Non-Convertible Debenture program of Mangalore Refinery and Petrochemicals Limited.

## OPERATIONAL PERFORMANCE

Some of the major highlights for the year 2020-21 are as under:

- 11.475 Crude processed MMT during the FY 2020-21 with the total input to the Refinery was 11.497 MMT.
- Refinery was operating with reduced capacity during first half of FY 2020-21 because of COVID-19 pandemic. Due to very low demand and negative ATF cracks, ATF product was upgraded to BS VI grade HSD during this period.
- MBN for the FY 2020-21 was 81.41 MMBTU/BBL/NRGF.
- Heavy Reformate was supplied along with naphtha feedstock to Aromatic complex for the first time to produce Reformate at OMPL due to low Px – naphtha spread during Q1: 2020-21. This also supported MRPL in managing the MS blend component stocks.
- HSD product (50,500 KL) was floated in hired vessel for the first time in Apr 2020 to tide over HSD Ullage crisis due to sudden stoppage of product lifting by OMCs during end March and uncertainties regarding the berthing of vessel with crew coming from pandemic affected load post for export cargo.
- MRPL successfully replaced the catalyst of HCU-2 & GOHDS units with remote assistance & offline support from catalyst vendors because of COVID-19. Catalyst replacement in HCU-1 was done, with site support from catalyst vendor. HCU-1, HCU-2 & GOHDS are taken back on line successfully.

- The following crudes have been processed for the first time:

  Angolan (M/s. Sonangal) LS crude Nemba processed during Aug-20, Mars (API 29.2) & Bakken (API 42.5) Crudes from USA processed during Nov 20, Umm Lulu Crude (API 41.2) from UAE processed during Jan-2021, Akpo (API- 48.18) from Nigeria and WTI Midland (API- 41.67) from USA processed during Feb-21, Poseidon from USA (API- 31.02) and Girassol from Angola (API-30.16) processed during March-21.

- HSD & MS supply to Reliance (RIL) started in the month of Oct-20.
- Highest ever Capacity utilization of LNHT & PENEX (ISOM unit) (105%) unit achieved in the month of Dec -20.
- Highest Ever MS pumping for a month (89 TMT) through PMHBL in the month of Dec-20.
- Highest Ever PP Domestic Dispatch of 44.708 TMT for the month of Jan-2021. (Previous Highest Domestic Dispatch was 43.530 TMT in the month of Dec 2017).
- Highest ever LPG dispatch of 101.818 for the month of Jan-2021. (Previous Highest was 101.800 in the month of March 2018)
- Highest Ever Polypropylene production of 43.054 TMT in the month of March 21.(Previous Highest Production was 41.983 TMT in the month of Jan 2021)
- RLNG was taken into the refinery for the first time on 10th March 2021.

## MARKETING AND BUSINESS DEVELOPMENT

- Your company continues to maintain major share of the direct sales segment of petroleum products market in Karnataka and adjoining states. Your Company maintained leadership position in its marketing zone for all direct sales products such as Bitumen, Diesel, Sulphur, Petcoke, ATF, Polypropylene, Xylol (Xylenes) etc. The total domestic sales volume of all products during FY 2020-21 has been 1691 TMT with a sales value of ₹ 7207 Crores.
- MRPL is continuously focusing its attention on its retail expansion in the States of Karnataka & Kerala and so far your company has successfully commissioned 18 retail outlets with another 20 retail outlets under various stages of construction. MRPL Retail will be further expanded by adding 50 new retail outlets every year for the next 5 years and will be entering new geographical areas of Tamil Nadu, Andhra Pradesh and Telangana in the near future.
- Your company expanded its Polypropylene Marketing Network to pan India basis to strengthen its position as a reliable supplier in the domestic market. As an on-going Business Development activity, your company has introduced a niche grade Raffia General Purpose grade (4.5 MI ) to widen customer base. As a service to the nation, your company not only maximized the production and sale of niche PP grade (35 MI HY035R - used for making medical disposables like masks ) but has also maintained sufficient stock of this grade to meet any urgent requirement.
- Your Company's Joint Venture Shell MRPL Aviation Fuel and Services Limited has steadily acquired business for sale of Aviation Turbine Fuel (ATF) at Indian airports. The company achieved a turnover of ₹ 252.40 Crores during FY 2020-21 against turnover of ₹ 823.58 Crores in the previous FY 2019-20.

## RECOGNITION

1. Indian Green Manufacturing Challenge ( IGMC) 2019-2020 - Silver Medal
2. FICCI Award 2020- First Prize in Outstanding Leadership Award for establishing coastal Karnataka as a strategic energy security region of India
3. PRSI National Award 2020- Industries response during Covid-19 situation
4. PRSI National Award 2020 – Event Management
5. SAKSHAM 2020 Award of CHT - MRPL bags 1st Prize in Furnace Efficiency
6. Patents in Oxidative treatment of Refinery spent caustic and a process for the fractional distillation of crude oil

## PROCUREMENT OF GOODS AND SERVICES FROM MSMEs

In line with the Public Procurement Policy, 2012 issued by Ministry of Micro, Small and Medium Enterprises, for the year 2020-21 against the target of 25%, your Company has achieved 41.54% procurement of goods and services from Micro and Small Enterprises.

## PROJECTS

### BS VI upgradation

As per Auto Fuel Policy and directives from Ministry of Petroleum and Natural Gas (MoPNG), the entire country has to move towards BS VI quality specifications for MS and HSD. The project involves setting up of new units and additional facilities. M/s. Engineers India Limited is the Engineering, Procurement and Construction Management Consultant for the job. The project was affected by the first wave of Covid in March 2020 and the second wave and lockdown in Karnataka from last week of April 2021. However, Mechanical Completion of the main unit – FGTU is achieved on 31.12.2020. The unit is in advanced stage of commissioning and product out is envisaged in the month of July 2021. On commissioning and stabilization of FGTU process unit, the complex will produce additional 25 TMT/month BS VI MS. Mechanical completion of auxiliary units is scheduled in third quarter of FY 2021-22.

### Desalination Plant

To mitigate the risk of river water as a single source of water, a desalination plant is being set up near the sea. This plant of current capacity 30 MLD (expandable to 70 MLD) will cater to the future water requirement of the company. M/s. Fichtner India is the Project Management Consultant and M/s VA Tech Wabag Limited is the LSTK contractor. The plant was scheduled to be completed by third quarter of FY 2020-21. However, the first wave of Covid-19 in March 2020 and the second wave and lockdown in Karnataka from last week of April 2021 had a major impact on Mechanical Completion which is now scheduled in second quarter of FY 2021-22.

### Marketing Terminal at Devongonthi, Bengaluru

Marketing Terminal at Devangonthi, Bengaluru is being constructed to cater to business primarily in the state of Karnataka. The terminal would receive finished petroleum products (MS, HSD & ATF) through the existing

PMHB pipeline from MRPL. The supplies of petroleum products to the retail outlets / customer / aviation stations would be met through road tankers. M/s. Nauvata Engineering Private Limited is the Project Management Consultant. Tendering for execution of the project is in progress. The Terminal is scheduled to be completed by first quarter of FY 2023-24.

**2G Ethanol**

MRPL has been informed by MOP&NG to set up a 2G ethanol plant in the state of Karnataka. We are exploring various technologies for producing 2G Ethanol. Land for the same is allotted by KIADB at Harihara, Davangere.

**Modification of Gas Turbines for Natural Gas firing**

MRPL has two Gas Turbines. Presently, GT-1 is fired using Light Cycle Oil and GT-2 by Refinery Fuel Gas. However, with the availability of Natural Gas, it is economical to fire the Gas Turbines using Natural Gas which is a clean fuel. M/s. L&T-SL is the Project Management Consultant and M/s. BGGTS is the Licensor for the project. The project is on track to be commissioned by fourth quarter of FY 2021-22.

**CCR-1 Revamp**

CCR-1 converts heavy naphtha feedstock into high octane reformate for gasoline blending and produces hydrogen for hydro-treating / hydrocracking. Revamp of Regenerator section of CCR-1 is being carried out to increase Regenerator Coke burn capacity thereby resulting in overall capacity increase to 80 m3/hr (from current 75 m3/hr). M/s. Triune Energy Services Private Limited is the Engineering, Procurement and Construction Management Consultant for the project. Mechanical Completion of the project is scheduled in third quarter of FY 2021-22.

**PFCC Stack Wet Gas Scrubber System**

Petrochemical Fluidized Catalytic Cracking (PFCC) unit processes unconverted oil from Hydrocracker units, straight run low sulphur vacuum gas oil and hydro treated heavy coker gas oil and converts into value added products such as propylene, LPG and gasoline. During this process, carbon is deposited on the catalyst which reduces the ability of the catalyst to aid the cracking process. The carbon is then burnt off and the catalyst is regenerated. The regeneration process produces flue gas which passes through a system of cyclones and separators to remove catalyst fines. The project is conceived to reduce SPM limit in flue gas of PFCC as pollution control measure. M/s. Thyssenkrupp Industrial Solutions (India) Private Limited is the Project Management Consultant for the project. Mechanical Completion of the project is scheduled in first quarter of FY 2023-24.

**PFCC LPG + Propylene Amine Scrubber**

While processing feed with high Sulphur content in Petrochemical Fluidized Catalytic Cracking (PFCC), higher Hydrogen Sulfide ($H_2S$) is expected in LPG and Propylene stream. Current system to meet $H_2S$ in LPG and Propylene product is caustic wash. Amine Scrubber System reduces dependency on caustic wash to a large extent. The system removes $H_2S$ in the LPG and Propylene streams and minimizes the spent caustic generation in existing Caustic Treatment System. Mechanical Completion of the project is scheduled in first quarter of FY 2023-24.

**Information Technology for Digital Transformation and IT Security**

With the view to support organizational demands and for effectively utilizing Information technology, MRPL has been undertaking several digital transformation initiatives. MRPL has a state of art SAP Data Center (DC) and Disaster Recovery (DR) Center. The Data Center hosts a set of hardware infrastructures which caters to the day to day business needs of the organization. Recently, MRPL successfully carried out the technical migration of its ERP and related hardware infrastructure. This has helped the business achieve better performance and also future ready for upcoming versions.

On the IT security front, MRPL has been awarded the ISO-27001:2013 certification for MRPL SAP Data Center and Disaster Recovery Center. ISO 27001:2013 is an international standard that provides a framework for Information Security Management Systems (ISMS) to provide continued confidentiality, integrity and availability of information. The standard describes best practices for an information security management system (ISMS) and helps organizations improve their security, comply with cyber security regulations, and protect and enhance their reputation.

MRPL has always emphasized the need to bring in effectiveness and transparency in its business process and delivery mechanism. In order to achieve the said objective, MRPL has successfully implemented the E-Office system. It is a digital workplace solution that replaces the existing manual handling of files and documents with efficient electronic system. The solution seeks to achieve a set of objectives like increasing efficiency & effectiveness of the processes, employee productivity, and efficient management of data, documents, files, information & knowledge, project tracking & monitoring etc within MRPL for better communication & co-ordination among departments.

## SECRETARIAL STANDARDS

The Secretarial Auditor has certified that your Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, during the financial year 2020-21.

## HEALTH, SAFETY & ENVIRONMENT PERFORMANCE

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

**Environment Management**

- Environmental Clearance granted by MoEF&CC for proposed Modernization projects consisting of Wet Gas Scrubber, Re-gasified Liquefied Natural Gas (RLNG) facility, CCR1 Revamp, BBU, LPG ATU in PFCC unit.
- Environmental Clearance was recommended by State Environment Impact Assessment Authority, GoK for 2G-Ethanol project. Revised wild life conservation plan submitted to DCF, Haaveri for authentication.
- Consent For Operation (CFO) application filed for MRPL BS-VI project and KSPCB site inspection completed.
- Consent For Operation (CFO) application filed for Desalination unit at Tannirbhavi village.
- Consent For Establishment application filed for proposed Marketing Terminal at, Devanagunthi. NOC obtained for the same from Department of Forest, GoK.
- Baseline monitoring for Environment Impact Assessment study of PACE project commenced.

- In view of harnessing the potential of bamboo crop and to promote bamboo plantation to fight climate change and desertification, Bamboo saplings planted.
- 348 MT of Oily Sludge, 976 MT of PFCC Spent catalyst, 230 MT of Spent clay and 311 MT of Waste Insulation have been Co-processed in SPCB Authorized cement industries.
- 538 MT of Spent catalysts and 141 MT of Spent Carbon have been disposed through SPCB Authorized Recyclers/ Reprocessors.
- 2.2 MT of E-Waste (Fused Lamps) have been disposed through SPCB Authorized Recyclers.
- 15.9 MT of Waste White Oil have been disposed to SPCB Authorized Incineration Facility.
- 6185314 $M^3$ of Tertiary Treated Municipal Sewage water from Mangalore city was utilized in MRPL during FY 20-21.
- Oil Spill mock drill was carried at SPM area along with NMPT and Indian Coast Guard.

**Safety**

- In case of MRPL employees, 1755 days without Reportable Lost Time Injuries (RLTI) achieved as on 31-03-2021 and 273 days without RLTI in case of Contract workers as on 31-03-2021.
- 24.17 Million Man hours worked as on 31-03-2021 by MRPL employees.
- On-site mock drill was carried out in presence of Deputy Commissioner, Mangalore and Deputy Director of Factories and other Statutory Officials to demonstrate disaster management preparedness.
- External Safety Audit was conducted by National Safety Council, Karnataka- Chapter.
- PNGRB accredited inspection agency carried out Site Assessment Survey for certifying updated ERDMP document.
- Oil Industry and Safety Directorate (OISD) carried out External Safety Audit of the Refinery and Pre Commissioning Safety Audit of FGTU unit.

**Occupational Health**

- Two Occupational Health Centres (OHC) in Refinery and one Hospital in the township area which are equipped with emergency medical aids, round the clock Ambulance facility with 10 doctors and paramedic are augmented with shower facility for Chemical contact, emergency medicines and antidotes.
- During the outbreak of Covid-19, MRPL Occupational Health Centre was amongst the first to respond by coming out with an advisory Circular. Subsequently, in view of the gravity of the situation, Occupational Health Centre was aptly and adequately supported by making all possible arrangements to combat and contain the spread of Covid-19. MRPL Hospital was made to stand as equipped enough as per the approved protocol & was declared the designated location for the benefit of all stakeholders for the purpose of initiation screening & treatment before being referred for further medical management, if required to combat Covid-19.

**Sustainability Development**

- MRPL envisages sustainability as a major driver for building future readiness in a dynamic market environment.

In this process we took cognizance of the social and environmental challenges and accordingly aligned our refining process. In this process MRPL is pursuing projects related to decreasing carbon foot print by energy conservation, improving the energy efficiency in its processes, use of renewable energy , sustainable water management project to reduce fresh water consumption by recycling /use of treated effluent and effective waste management through reduce, reuse and recycle initiatives.

· MRPL is in the process of establishing a biodiversity park in about 41 acres of marshy land. In this process MRPL has entered into an MOU with Dr. Shivarama Karnatha Pilikula Nisarga Dhama, the domain experts in this subject. The process of establishing this park will take approximately 60 months and it is expected to be developed completely by the year 2024. In this process the marshy land will be converted into a full-fledged bio diversity park which will contain endemic tree species which will help in attracting birds, insects, etc. This will also contain aquatic plants which will help in increasing the diversity of fishes and other aquatic animals.

- MoU signed with Dr. Shivarama Karantha Pilikula Nisargadhama for Conservation of Biodiversity - Adoption of Wild Animals in Pilikula Biological Park, DK, Mangalore.
- MRPL has established a Vermi compost production facility inside its premises for converting plant /tree wastes like leaves, branches, etc., into compost which shall be used as manure in its horticulture activities and green belt development. This will help in reducing dependency on inorganic fertilizer which is presently being used. The first batch of vermicomposting for the quantity of 40kg was harvested on 26/03/2021.
- MRPL is establishing a tree park in approx. 25 acres of land at Bengre, Panambur, Mangalore which is near our Desalination Plant. This is being done in coordination with Karnataka Forest Department (KFD).
- All efforts are in place to provide cleaner energy solution balancing the short and long term interests integrating social, economic and environmental considerations. This will sustain our business in a safe, efficient and responsible manner.

## CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY DEVELOPMENT

### Corporate Social Responsibility

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

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

The Company has identified following focus areas for CSR engagement:

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

The CSR & SD Policy may be accessed on the Company's website at http://www.mrpl.co.in/csr. The Annual Report on CSR activities for FY 2020-21 is annexed herewith as "**Annexure-A**"

## PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARY/ JOINT VENTURES/ ASSOCIATE

During the FY 2020-21, MRPL acquired the stake of ONGC in ONGC Mangalore Petrochemicals Limited (OMPL) and as on March 31, 2021, MRPL holds 99.99% stake in OMPL. As per the Material Subsidiary Policy, OMPL is not a material subsidiary of the Company, applying the test of materiality for the FY 2020-21. A scheme of amalgamation of OMPL with MRPL has been filed with the Ministry of Corporate Affairs, pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013 and other applicable statues, Regulations and Guidelines. 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. The details on the performance and financial position of Subsidiary, Associate and Joint Venture Companies are given in Management Discussion and Analysis (MDA) Report.

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.

## ANNUAL REPORT OF SUBSIDIARY AND CONSOLIDATED FINANCIAL STATEMENT

The Audited Consolidated financial statements for the year ended 31st March, 2021 of the Company and its subsidiaries form part of the Annual Report in accordance with Section 129 of the Companies Act, 2013 and Ind AS 110 on "Consolidated Financial Statements" read with Ind AS 28 on "Investments in Associates and Joint Ventures". In accordance with section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of the subsidiary Company are available on the Company's website. These documents will also be available for inspection during business hours at the registered office of the Company at Mangalore.

## INDIAN ACCOUNTING STANDARDS (IND AS) – IFRS CONVERGED STANDARDS

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

## TRANSFER TO RESERVES

No amount has been transferred to General Reserves for the financial year 2020-21.

## DIVIDEND

In view of the losses, your Directors express their inability to recommend any dividend for the FY 2020-21. The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), is uploaded on the Company's website.

## DEPOSITS

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

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There have been no loans / guarantees given or securities provided during FY 2020-21 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 FY 2020-21. The Issued, Subscribed and Paid up Equity Share Capital of your Company as on 31/03/2021 was ‘1,753 Crore. The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise and also sweat equity shares to employees of the Company under any scheme during the FY 2020-21.

## 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 commitment have occurred after close of the year till date of this report which affects the financial position of the Company. However, the impact of Covid-19 pandemic remains a major concern for the Company / Group.

## 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 2020-21, various welfare related policies have been implemented by the Company for its employees.

The Company maintains a MRPL Employees Recreation Centre. The Centre offers a wide range of pastime activities for the employees and their dependents.

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 2020-21. Long Term Memorandum of Settlement was signed with MEU (MRPL Employees Union) in conciliation before Assistant Labour Commissioner(C) on 6th February 2021.

The welfare policies of the company are being revised consistent with the industry policies so as to enable employees to get enhanced benefits.

## Reporting on SC / ST / PWD

Presidential Directives and other guidelines issued by Department of Public Enterprises, Ministry of Petroleum & Natural Gas, Ministry of Social Justice and empowerment from time to time with regard to reservation in services for Scheduled Castes, Scheduled Tribes, other backward castes and Persons with disabilities have been complied with. An adequate monitoring mechanism has been put in place for sustained and effective compliance. Liaison officers are appointed to ensure implementation of the Government Directives. Reservation Rosters are maintained as per the directives and are regularly inspected by the Liaison officer of the company as well as the officials from MoP&NG to ensure proper compliance of the Directives. MRPL also complies with provisions under "The Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 relating to providing employment opportunities for Persons with Disabilities (PWDs). As on 31/03/2021, there are 32 permanent employees with disabilities on the roll of MRPL.

During the financial year 2020-21, company has recruited 23 employees comprising of 04 Scheduled Caste (SC) employees and 01 Scheduled Tribe (ST) employee and 05 women employees.

During the Year 2020-21, the Company devoted 6510 Mandays for training, development and learning, which amounts to 5.44 average Mandays per employee for Management staff and 1.52 Mandays per employee for Non-Management staff.

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

## Skill Development Center:

As part of National Skill Development Mission, Govt. of India, MRPL has undertaken skill development initiatives. MRPL has partnered with NTTF, Bengaluru & CIPET, Mysuru for imparting skill development training for unemployed youths. Both these institutes are affiliated to National Skill Development Council (NSDC). So far 230 candidates have completed their training in the above institutes and 182 candidates have been placed in various industries. Balance candidates are either pursuing higher skill set, have started their own business or have gone abroad.

## WOMEN EMPOWERMENT

Women employees constituted 7.23 percent of the Company's workforce.

Your Company has an Internal Complaints Committee (ICC) required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There have been no cases reported to the committee for the FY 2020-21. Annual Report pertaining to sexual Harassment of Women at workplace is attached at **'Annexure - C'.**

## OFFICIAL LANGUAGE

### Annual Hindi Implementation Report for the year 2020-21

Your company is implementing Official Language Policy in letter and spirit as per the Annual Programme prescribed by the Department of Official Language, Ministry of Home Affairs, Govt. of India. In order to propagate and promote Hindi among the employees, Hindi Workshops were organized on a regular basis at Mangalore, Mumbai, Delhi & Bangalore Offices. At regular intervals inspection of internal departments and subordinate offices were carried out.

Also, Hindi Fortnight was celebrated and many online Hindi competitions such as Hindi Knowledge competition, Admin. Glossary, Letter writing etc., were conducted for the employees in the month of September 2020. In addition to the above, one more online Hindi competition (Admin. Glossary) was conducted in January 2021 for employees. Competitions were held in Hindi language for employees and their family members during National Safety Day, Environment Day, Security awareness week and Vigilance awareness week. Hindi usage is promoted by conducting special quiz competition for senior officers such as CGMs & GGMs during Hindi month celebrations.

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

Special awards were given to 14 students of DPS (Delhi Public School) in MRPL Township, who have scored highest marks in Class-X Hindi examination.

Your Company participated at TOLIC level Hindi competitions and won Three prizes and stood First at the TOLIC level competitions. Online Hindi Essay competition was conducted for employees of TOLIC member organizations in August 2020.

In order to propagate and promote usage of Hindi in the company, in house Hindi Journal namely "MRPL PRATIBIMB" is being annually published. MRPL follow the guidelines of OL (Official Language), and conducted OLIC (Official Language Implementation Committee) meetings during four quarters of the year under the chairmanship of Managing Director 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

Your company has put in place an elaborate mechanism to deal with matters related to the Right to Information Act, 2005. The company has designated one Nodal Officer based at Registered Office at Mangalore and one First Appellate Authority (FAA), one Central Public Information Officers (CPIO) and Two Assistant Public Information Officers (APIOs). RTI manual is hosted on the website of the Company as per Section 4(2) of the RTI Act. Your company has aligned with the online RTI portal launched by DoPT and all the applications/appeals received through the portal have been disposed off through the portal.

The Quarterly Reports / Annual Reports have been submitted through the online portal of Central Information Commission www.cic.gov.in within the prescribed time limit. The data on RTI applications received and disposed off by your company is available online at www.mrpl.co.in/Content/RTI.

## 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). They are fully equipped with adequate gadgets and weapons to handle all kinds of security threats to the Refinery. The Refinery has a state-of-the-art electronic surveillance system with an integrated CCTV cum Electronic Intrusion Detection system which is monitored from a Central Command & Control Centre.

Security is on top of the agenda of your Company and to ensure preparedness, periodic mock drills are conducted. To promote awareness of security issues among all stakeholders, Security Awareness Weeks are organized periodically.

## VIGILANCE FUNCTION

Your company has developed a structured mechanism of vigilance functions. Its practices are focused towards creation of value to stakeholders. The practices involve multi-layer checks and balances to improve transparency. Vigilance awareness and preventive vigilance activities were continuously carried out during the year. Your company has a full time Chief Vigilance Officer, assisted by a dedicated team.

Your company has adopted a complaint handling procedure in accordance with CVC regulations, in which all complaints received from various sources are documented and investigated by vigilance. The details on the best vigilance practices and links to various useful websites are also provided in the MRPL Corporate website. Your company has achieved high 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 Integrity. Many awareness activities were designed to touch all walks of life. Fifth edition of in-house Vigilance Souvenir "Pardarshak" was released in e-book form. Vigilance Awareness Online Quiz Competition was organized for Colleges by Mangalore Refinery and Petrochemicals Limited (MRPL) on Vigilance related topics for creating awareness among college students and citizens. More than 4000 students participated in this quiz from almost all states and 12 different countries. Online essay competition for school and college students with the theme "Vigilant India – Prosperous India" was conducted. Online poster competition was conducted for College students. The students of several schools and colleges participated in large number in the programme. Promotional videos and number of competitions like Short film making, poster making, slogan writing, online quiz, essay writing etc., were conducted for employees and dependents., Short films, posters etc. were put in MRPL social media handle for creating awareness. The use of technology by MRPL to improve transparency has been a focus area of action.

### 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. 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.

The Central Vigilance Commission (CVC) has advised Government organisations to adopt Integrity Pact voluntarily in their major procurement activities.

The Integrity Pact essentially envisages an agreement between the prospective vendors / bidders and the buyer, committing the persons / officials of both sides not to resort to any corrupt practices in any aspect / stage of the contract. Only those vendors / bidders, who commit themselves to such a pact with the buyer, would be considered competent to participate in the bidding process.

The CVC guidelines further advises CPSUs to appoint Independent External Monitors as approved by the CVC to oversee the compliance of obligations under the Integrity Pact.

MRPL has implemented Integrity Pact in compliance with CVC guidelines and as per its recommendation, appointed Shri Pratyush Sinha, Former CVC as Independent External Monitor.

## 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 framework of DPE guidelines.

## ANNUAL RETURN :

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 the Annual Return as on 31/03/2021 is available on the Company's website at www.mrpl.co.in/shareholders/annualreturn.

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

All transactions entered with related parties during the FY 2020-21 were on arm's length basis and in ordinary course of business. Further, there were no material related party transactions during the year with the Promoters, Directors or Key Managerial Personnel and no related party transactions were made which could have had a potential conflict with interests of the Company at large. The Company's major related party transactions are generally with its holding Company, subsidiary, joint Venture Company and associates. All the contracts/arrangements/ transactions entered into with related parties were on arm's length basis, intended to further the Company's interest. 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, is attached in the prescribed Form No. AOC – 2 as **'Annexure-E'**. MCA vide Notification dated 05/06/2015, has exempted the applicability of proviso 1 and 2 of Section 188(1) of the Companies Act, 2013 for transactions entered into between two Government Companies.

## DIRECTORS & KEY MANAGERIAL PERSONNEL :

### Changes in the Board of Directors and Key Managerial Personnel during the financial year 2020-21

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) 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 M Vinayakumar, Director (Refinery) ceased to be Director on the board of MRPL on his superannuation on 31/05/2020
- Shri Vijay Sharma and Shri Sunil Kumar ceased to be a Directors on the board of MRPL w.e.f. 04/08/2020 and 10/12/2020 respectively.
- Shri Balbir Singh, Dr. G.K. Patel, Shri V.P. Haran and Shri Sewa Ram ceased to be Independent Directors on the Board of MRPL w.e.f 07/09/2020 on completion of their tenure.
- Shri Sanjay Varma was appointed as Director (Refinery) on the Board of MRPL w.e.f. 09/06/2020.
- Shri Rohit Mathur and Ms Esha Srivastava (Government Nominee Directors) were appointed as Additional Directors on the Board of MRPL on 10/12/2020.
- Shri Rohit Mathur and Ms Esha Srivastava who have been appointed as Additional Directors on the Board of MRPL to hold office as Additional Directors until the date of Annual General Meeting and being eligible offer themselves for appointment as Directors at the 33rd Annual General Meeting.

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

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

### Changes in the Board of Directors after 31/03/2021

- Shri Shashi Shanker, Chairman/Director - MRPL has resigned from the Board of MRPL w.e.f 01/04/2021 consequent to his superannuation from the services of Oil and Natural Gas Corporation Limited as Chairman & Managing Director on 31/03/2021.
- Shri Subhash Kumar has been nominated as the Chairman on the Board of MRPL by ONGC with effect from 05/04/2021.
- Shri Om Prakash Singh has been appointed as Additional Director of MRPL by ONGC with effect from 07/06/2021.

**Changes in the Key Managerial Personnel after 31/03/2021**

- Shri Dinesh Ranjan Mishra ceased to be Company Secretary and Compliance Officer due to sad demise on 02/05/2021.
- Shri K B Shyam Kumar was appointed as Company Secretary and Compliance Officer with effect from 17/05/2021.

### 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 LODR) Regulations, 2015 formal annual evaluation of Independent Director for the FY 2020-21 had been carried out by the Board.

## 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 2020-21:

a) In the preparation of the Annual Financial Statements for the year ended March 31, 2021, the applicable Ind AS have been followed along with proper explanation relating to material departures;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the Annual Financial Statements on a going concern basis;

e) The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## NUMBER OF BOARD MEETINGS:

The Board of Directors of your Company had seven (7) Meetings during the FY 2020-21. The maximum interval between any two meetings did not exceed 120 days as prescribed in the Companies Act, 2013. Details of the Board Meetings held, have been furnished in the Corporate Governance Report which forms part of this Report.

## AUDIT COMMITTEE:

The Audit Committee has been constituted as per the terms of reference prescribed under Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014, Regulation 18 of SEBI Listing Regulation, 2015 and Guidelines on Corporate Governance for Central Public Sector Enterprise issued by Department of Public Enterprise, Government of India. There have been no instances where the recommendations of the Audit Committee were not accepted by the Board of Directors. The details of Audit Committee are disclosed in the Corporate Governance Report which forms part of this Report.

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

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

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015 and DPE guidelines on Corporate Governance for CPSE, your Company has constituted a Nomination/ Remuneration Committee.

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

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

## RISK MANAGEMENT POLICY :

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

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS :

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

## CORPORATE GOVERNANCE :

The Companies Act, 2013 and SEBI (LODR) 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 there under, SEBI Listing Regulation, 2015 relating to the Corporate Governance requirements and mandatory guidelines on Corporate Governance for CPSEs issued by DPE, Government of India. The Corporate Governance Report for the FY 2020-21 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 non-availability of requisite number of Independent Directors on the Board of the Company from 07/09/2020, constitution of Audit Committee and Nomination and Remuneration Committee. The matter for appointment of requisite number of independent Directors is being pursued with MoP&NG and the same is under active consideration of MoP&NG.

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

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

b) Whistle Blower Policy;

c) Related Party Transactions – Policy and Procedures;

d) CSR & SD Policy;

e) Material Subsidiary Policy;

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

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

h) Policy on preservation of Documents;

i) Training Policy for Board of Directors;

j) Dividend Distribution Policy.

## INVESTOR EDUCATION AND PROTECTION FUND (IEPF) :

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. During the financial year no amounts of unclaimed dividend and corresponding shares were due for transfer to Investor Education & Protection Fund (IEPF). The details are provided in the Shareholder Information Section of this Annual Report and are also available on website of the company www.mrpl.co.in.

## ANNUAL BUSINESS RESPONSIBILITY REPORT :

SEBI Listing Regulations, 2015 mandated inclusion of Annual Business Responsibility Report (ABRR) as part of the Annual Report for top 1,000 Listed Entities based on market capitalization. In compliance with the Regulation, ABRR for the FY 2020-21 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 2020-21 forms part of this Report.

## INTERNAL FINANCIAL CONTROL :

Your Company has a well-established and efficient internal financial control system to ensure an adequate and effective internal control environment that provides assurance on efficiency of conducting business, including adherence to Company's policies, safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information.

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

As regards Financial Reporting controls, the internal auditor verifies the adequacy and effectiveness of controls. Your Company has also obtained a certificate from the Joint Statutory Auditors under Section 143(3)(i) of the Companies Act, 2013 towards the existence of adequate internal financial control system over financial reporting and its operating effectiveness, as at 31st March 2021, which forms part of this annual report.

## AUDITORS:

### Joint Statutory Auditors

M/s Sankar & Moorthy, Chartered Accountants, Kannur and M/s Ram Raj & Co, Chartered Accountants, Bengaluru were the Joint Statutory Auditors of the Company for the FY 2020-21. They have audited the Financial Statements for FY 2020-21 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 comments. Total fees paid to the Joint Statutory Auditors for the financial year 2020-21 was ₹ 25 lakh on consolidated basis.

### Secretarial Auditors

Your Company engaged M/s Ullas Kumar Melinamogaru & Associates, Practicing Company Secretary, Mangaluru for conducting Annual Secretarial Audit for FY 2020-21 pursuant to Section 204 of the Companies Act, 2013. M/s Ullas Kumar Melinamogaru & Associates, Practicing Company Secretary, Mangaluru has issued Secretarial Audit Report for the FY 2020-21 which forms part of this report as **'Annexure-F'**. The Auditors have made observations on the composition of the Board with regard to requisite number of Independent Directors on the Board of the Company. The matter for appointment of requisite number of independent Directors is being pursued with MoP&NG and the same is under active consideration of MoP&NG.

### Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Cost Accounts maintained by the company for the FY 2020-21 are being audited by Cost Auditors M/s. Chandra Wadhwa & Co., New Delhi.

## COMMENTS OF C&AG ON THE JOINT STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED AND STANDALONE FINANCIAL STATEMENTS FOR THE FY 2020-21

The Comments of Comptroller & Auditor General of India (C&AG) forms part of this report and are attached as **'Annexure-G'**. You would be pleased to know that there are no comments from C&AG on the Auditor's Report or on the Financial Statements for the year 2020-21.

## ACKNOWLEDGEMENT

Your Board of Directors wish to thank the shareholders for the continued confidence reposed on their Company. Your Directors sincerely thank the Government of India (GoI), Ministry of Petroleum and Natural Gas (MoP&NG), Ministry of Finance (MoF), Ministry of Corporate Affairs (MCA), Department of Public Enterprises (DPE), Ministry of Environment and Forest (MoEF), Ministry of External Affairs (MEA), Ministry of Shipping (MoS), Ministry of Home Affairs (MHA), other Ministries and Departments of the Central Government for their valuable support, guidance and continued co-operation. Your Directors also place on record their appreciation for the support from Government of Karnataka.

Your Directors gratefully acknowledge support and direction provided by the parent company, Oil and Natural Gas Corporation Limited (ONGC) and the support of Hindustan Petroleum Corporation Limited (HPCL) as Promoters of the company. Your Directors acknowledge the continuous cooperation and support received from New Mangalore Port Trust, Financial Institutions, Banks and all other stakeholders. Your Directors recognize the patronage extended by the valued customers for the products of the Company and promise to provide them the best satisfaction. The Board would like to express its sincere appreciation for the dedicated efforts made and valuable services rendered by all the employees collectively and concertedly as a team known as "Team MRPL" towards the Company's achievements during the year 2020-21.

For and on behalf of the Board

**Sd/-**
**(Subhash Kumar)**
**Chairman**
(DIN: 07905656)

Place: New Delhi
Date: 29/07/2021

ANNEXURE -A

## REPORTING PERIOD: APRIL, 2020 TILL MARCH, 2021

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to clause (0) of sub-section (3) of section 134 of the Act and Rule 8(1) of the Companies (Corporate Social Responsibility) Rules 2014]

### 1. Brief outline on CSR Policy of the Company.

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

CSR Policy of MRPL has been drafted in line with Section 135 & Schedule VII of the Companies Act 2013, followed by release of Company (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, w.e.f., 01/04/2014. The Policy is duly recommended by the CSR&SD Committee and approved by MRPL Board.

Further, MRPL Board, during its meeting held on 10/04/2018 approved amendment to CSR&SD Policy in the areas of definition of "Local area", percentage of amount to be spent on Local area, Neighboring Districts within Karnataka State and Other states in India against Short term, Medium terms and Long term plans, Delegation of authority and Execution Methodology. The amended Policy is uploaded on the website of the Company.

Overview of the projects & programs undertaken by the Company is listed at the end of this report.

### 2. Composition of CSR Committee :

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Ms. Esha Srivastava (W.e.f 19/02/2021) | Chairperson | NA | NA |
| 2 | Shri. R.T Agarwal (W.e.f 19/02/2021) | Member | NA | NA |
| 3 | Dr. G.K.Patel (till 07/09/2020) | Chairperson | 1 | 1 |
| 4 | Shri. Balbir Singh (till 07/09/2020) | Member | 1 | 1 |
| 5 | Shri. M. Venkatesh (W.e.f 16/01/2019) | Member | 1 | 1 |
| 6 | Smt. Pomila Jaspal (W.e.f 08/09/2020) | Member | 1 | 1 |
| 7 | Shri. Sanjay Verma (W.e.f 19/02/2021) | Member | 1 | 1 |

3. Provide the Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

   www.mrpl.co.in/ CSR

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 :

   Details of the report attached as **(Annexure -I)**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be setoff for the financial year, if any (in ₹) |
|---|---|---|---|
| 1 | NA | NA | NA |

6. Average net profit of the company as per section 135(5) : ₹ 26.6 crores

7. (a) Two percent of average net profit of the company as per section 135(5) : ₹ 0.53 crores

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : ₹ 46.51 crores

   (c) Amount required to be set off for the financial year, if any: Nil

   (d) Total CSR obligation for the financial year (7a+7b+7c) : ₹ 47.04 crore

8. (a) CSR amount spent or unspent for the financial year: 2020-21

| Total Amount Spent for the Financial Year. (in ₹) | Amount Unspent (in ₹ ) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| ₹ 25.36 crore | ₹ 21.68 crore | 30/04/2021 | NA | Nil | Nil |

(b) Details of CSR amount spent against **ongoing projects** for the financial year: 2020-21 (**Annexure-II**)

(c ) Details of CSR amount spent against other than **ongoing projects** for the financial year : 2020-21 (**Annexure-III**)

(d) Amount spent in Administrative Overheads: ₹ 0.94 crores

(e) Amount spent on Impact Assessment, if applicable: ₹ 0.06 crores

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 25.36 crores

(g) Excess amount for set off, if any – Nil

| Sl. No. | Particular | Amount (₹ in crores) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per section 135(5) | 0.53 |
| (ii) | Total amount spent for the Financial Year | 25.36 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 24.83 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | 46.51 |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | Nil |

9. (a) Details of Unspent CSR amount for the preceding three financial years : (Annexure -IV)

   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial years: (Annexure-V)

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

    (Asset-wise details).

    (a) Date of creation or acquisition of the capital asset(s) : NA

    (b) Amount of CSR spent for creation or acquisition of capital asset : NA

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc : NA

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):- NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135

    Majority of the projects are in implementation stage. Significant delay experienced in project implementation due to COVID-19 pandemic, mainly involving civil construction. Further, due to site condition and change in designs/drawings, schedule of rates approved by the Government etc., projects are delayed and continued in the next financial year.

Sd/-
M Venkatesh
(Managing Director)
DIN: 07025342

Sd/-
Esha Srivastav
(Chairperson CSR Committee)
DIN: 08504560

Annexure –I

## IMPACT ASSESSMENT REPORT

### 1. Construction of One Wing of Government Lady Goschen Hospital, Mangalore & Providing Essential Healthcare Furniture for Govt. Lady Goshen Hospital

**Summary**

Lady Goschen Hospital, established in 1849, at the heart of Mangalore City, is the only hospital in the entire Konkan region which provides exclusive pre-natal and post-natal care. On an average 500 women are admitted and treated for pre/ post-natal care every month. The 167-year-old hospital building was in a dilapidated condition and due to increase inflow of patient there was an urgent need for additional facilities.

The hospital also needed new furniture and medical equipment to provide better service to its patients.

**Construction of New Hospital Wing**

District administration of Mangalore approached ONGC-MRPL for financial support to start a new wing in the hospital campus. ONGC-MRPL extended financial support towards construction of new 'ONGC-MRPL Wing' for Government Lady Goschen Hospital, Mangalore. The construction of the new wing started in 2012-13 and finished in 2018-19.

ONGC-MRPL provided furniture and medical devices for the hospital. The company extended financial support of ₹ 21.7 crores towards construction of new 'ONGC-MRPL Wing' for Government Lady Goschen Hospital, Mangalore and ₹ 8.31 crores towards essential healthcare furniture and medical equipment.

**Impact of the New Hospital Wing**

The hospital has filled a huge gap in the healthcare system of Mangalore. This is a boon for patients of Mangalore and surrounding areas. ONGC-MRPL has not only constructed the hospital but also provided the necessary furniture and medical equipment. These equipments are best in class and working well to improve and save lives.

The new wing is clean and spacious and there is enough space for people to sit and wait for their turn, which was a challenge in the past. The new wing has accommodated more doctors, nurses, support staff and has also created spaces for critical care, ICU, newborn care etc. This has resulted in increased number of patients accessing the hospital and its services & facilities. The hospital has also seen major improvements in the quality of care and in saving the lives of the mother and newborn. The feedback from the beneficiaries is a testimony to the above.

**About Government Lady Goschen Hospital**

Government Lady Goshen Hospital, Mangalore has a 162-year-old history. This "Hospital for Women" was established in 1849. It is located at the heart of Mangalore City and probably the first dedicated maternity hospital in the country., This is the only hospital in entire Konkan region which provides exclusive pre-natal and post-natal care. This 260-bed Hospital mainly caters to the health care needs of patients from weaker sections of the society.

Lady Goschen handles 6000 to 7000 delivery cases in a calendar year. Nearly 75000 patients are admitted as in-patients for treatment, and almost 1.5 lakh patients are treated as outpatients in a year. The patients come from different parts of Karnataka and bordering regions of Kerala.

**Details of the CSR Project**

The 167-year-old hospital building was in a dilapidated condition and due to increase inflow of patient there was an urgent need for additional facilities.

District administration of Mangalore approached ONGC-MRPL for financial support to start a new wing in the hospital campus. ONGC-MRPL agreed to improve the healthcare ecosystem of the city. The company decided to construct a new hospital wing and provide hospital furniture and medical equipment.

ONGC-MRPL extended financial support of ₹ 21.7 crores towards construction of new 'ONGC-MRPL Wing' for Government Lady Goschen Hospital, Mangalore and ₹ 8.31 crores towards essential healthcare furniture and medical equipment.

Project duration for Construction of new ONGC-MRPL wing - (2012-13 to 2018-19)

Project duration for providing essential healthcare equipment - ( 2017-18 to 2018-19)

The new wing was completed in 2018 and the government Lady Goschen Hospital was officially inaugurated on Saturday, March 2, 2019.

Union Minister for Statistics and Programme Implementation D.V. Sadananda Gowda and M. Veerappa Moily, Chairperson of the Parliamentary Committee on Finance, graced the inauguration of the Government Lady Goschen Hospital

The hospital was facing challenges with the aging medical equipment and furniture. After receiving CSR funds from ONCG-MRPL it became fully equipped. The hospital is now better positioned to handle larger influx of patients, including the ones requiring emergency interventions.

**Building Infrastructure:**

The new wing is a multistoried building with several facilities.

| Building Area | Facilities |
|---|---|
| Basement/ underground | Basement parking provided in the building for around 40 cars. |
| Ground floor | The ground floor has pharmacy and OPD,Pathological lab, scanning and X-ray sections. |
| First floor | The antenatal ward is located on the first floor. |
| Second floor floor | Labor theatre and delivery sections: There are different sections for normal and complicated deliveries. All emergency cases are taken care in this section. |
| Third floor floor | Neonatal ICU ward:This ward is for attending newborn babies. It has 24 beds. This ward also has ventilators. The ward is equipped with advanced facilities and latest equipment. |
| Fourth floor floor | OT complex: There are 4 OTs and one emergency unit. All the surgical procedures excluding gynecological cases are done here. |
| Fifth floor floor | The fifth floor houses award for post-operative, post-natal and gynae patients. |

"At present, we have 32 gynecologists working in four units of the hospital. Our hospital is a referral and tertiary centre, for patients from Dakshina Kannada, Udupi, Shivamogga, Hassan, Kodagu as well as Kasaragod and Kannur districts of Kerala. We have all the modern facilities required to handle any complicated situation. We never refer cases to other centres, since we have all the equipment here. People too have trust in the services provided at the hospital,". Dr. Durga prasad.

**Services available:**

| Services | |
|---|---|
| **Patients** | *On an average the OPD of the hospital serves more than10,000 patients every month. There are around 550 to 600 child deliveries per month in the hospital.* |
| ***Doctors*** | *There are 2 gynecologists and one pediatrician working at the hospital. Additionally, there are more than 25 KMC doctors working fulltime in the hospital. Overall, there are around 30 doctors.* |
| ***Ambulance*** | *The hospital has one permanent ambulance. Due to the COVID-19, government has provided one more ambulance to the hospital.* |

**Economic profile of the patients:**

The patients are not only from Mangalore, but also from several other districts of Karnataka and Kerala. The patients are usually from below poverty line economic status.

*"The hospital conducts free deliveries for financially backward women. The infant mortality Rate is zero, while maternity mortality rate is five per thousand mothers." Medical superintendent, Lady Goschen*

> *"The increase in the infrastructure at the hospital, number of doctors and paramedical personnel are the reason for the increasing number of patients visiting our hospital. The opening of Covid block has also given good results. It should be noted that most of the women who come for delivering here are from Dakshina Kannada district.". Dr. Durgaprasad, Superintendent, Lady Goschen hospital*

**Hospital Condition Before the Wing was Constructed**

Before construction of the new wing, the hospital had a smaller area to serve and attend to the patients. It used to be very crowded as it was a small & old building, and the Outpatient department was considerably small. The number of patients had increased over a period of time and the capacity of the building remained same. The building capacity was not able to sustain the huge stream of patients. Also, layout of the building was old and infrastructure was falling apart. The building was posing a threat to its patients.

**Period of Construction:**

The construction of the new wing was started in 2012-13 and finished in 2018-19.

**List of Furniture and Equipment Provided by ONGC-MRPL**

Under their CSR program, ONGC-MRPL provided essential healthcare equipment and furniture to Govt. Lady Goschen Hospital. The total budget for this project was ₹ 8.31Cr. Below is the list of equipment and furniture provided

| Equipment /Furniture | Quantity | Equipment /Furniture | Quantity |
|---|---|---|---|
| ICU Cot with mattress & Piloow | 8 | Examination Couch | 8 |
| FOWLER Cot with Castor Wheels with mattress & Pillow | 275 | Doctors OT Dress | 900 |
| New Modular Crash Cart | 10 | Defibrillator | 3 |
| Emergency & Recovery Trolley | 4 | Air Conditioner | 20 |
| Wheelchairs | 15 | Basic ECG MAchine | 2 |
| Bedside Lockers | 300 | Bubble C Pap MAchine with disposable Set | 5 |
| Revolving Stools | 320 | Colposcope | 1 |
| Attendant Cots | 50 | Feotal Monitor with Toko with Twin Probe | 18 |
| Multi utility Carts | 4 | Hysteroscope | 1 |
| Laundry Carts | 6 | Infusion Pump | 28 |
| Waste Segregation System | 5 | Laparoscopy Hysteroctomy Set | 1 |
| Table | 8 | Cardiac Monitor | 24 |
| Godrej Almirah | 23 | OT lights | 2 |
| Doctors Chair | 45 | Phototherapy LED | 30 |
| Ultrasound Machine | 2 | Radiant Warmer | 30 |
| Ventilators | 17 | Pulse Oximeter | 25 |

**Impact Evaluation of Lady Goschen Hospital**

A survey was conducted among the beneficiaries and the hospital staff of the Lady Goschen hospital. The results are shown here.

- **Problems faced in old hospital building**

  Before the new hospital building was built, patients were facing many problems. The old building was congested and the infrastructure was falling apart. It was always overcrowded as there was less space and limited number of doctors available. Patients had to wait for a long time. 45% of the beneficiaries observed that condition of the old building was below average and the facilities available were not up to the mark. There was hardly any waiting area for patients in the old complex.

- **Reason for selecting Lady Goschen hospital for medical services**

  Beneficiaries have faith in the hospital and believe that the hospital is well maintained and provides good facilities. They also feel that they will get proper treatment here. Doctors working in this hospital are capable of treating critical patients. The services available in this hospital are free of cost.

"It is being said that the high bill rates charged by private hospitals during the Covid pandemic, increase in the confidence of people with regards to the services provided in government hospitals and the incredible improvement in the infrastructure of the hospital as the reasons for more number of deliveries in the hospital." -Dr. Durgaprasad.

- **Satisfaction on various parameters on the new building of the Lady Goschen hospital**

  High satisfaction level of beneficiaries, doctors and patients both, on various parameters is visible. There is clean and enough space for doctors, patients as well as caregivers.

  After the new wing started, the hospital received the "Kaya Kalp" award, which is given to hospitals for cleanliness.

  Lady Goschen hospital had delivered a record number of babies in the month of October 2020. More than 800 women have safely delivered their babies at the hospital. Out of these 379 are Cesarean and rest are normal deliveries.

- **Changes after getting the essential healthcare furniture in different parameters**

| Before | | After |
|---|---|---|
| | ***Medical Equpment*** | |
| *"old X-ray and scanning machines, ICU with old facilities and very limited capacity."* | | *"Latest pathological lab with new X-ray and Ultrasound machine""*<br>*"24 bed ICU with latest equipment and incubator for new born babies"* |
| | ***Availability of Medicines*** | |
| *"The pharmacy was very small and medicine availability was erratic* | | *"Well stocked and properly organized large pharmacy"* |
| | ***Canteen Size*** | |
| *"Canteen was small and could not host many patients* | | *"Canteen is bigger and clea"ner with space patients and care givers* |

- **Changes after the construction of new building in different parameters**

| Before | Parameter | After |
|---|---|---|
| *The building was completly ramshaked, very congested and damp* | **Building Quality** | *The new building provides comfort. Every aspect of patient care has been designed to meet the needs of gynae and paediatric patients and families.*<br><br>*More space for hospital employees and increased capacity for both adult and paediatric patients.* |
| *100-120* | **Number of OPD patients** | *200-250* |
| *Medical equipment was old and inadequate. Pathology lab was underequipped.* | **Medical facilities** | *"Well equipped pathological lab with intest machines for neonatal care"* |
| *500+* | **Number of deliveries per month** | *600+* |
| *18-20* | **Availability of Doctors** | *30+* |
| *1 to 2 hours* | **Waiting in OPD** | *15 to 30 mins.* |
| *"Lack of infrastructure to serve crtical patients"* | **Treatment of Critical Patients** | *"ICU with latest equipment and 24 beds available to treat critically ill patients, especially new born babies* |

- **Positive Impact of the Project**

Lack of easy access to institutional care and low level of awareness about proper care for mothers and babies lead to mortality among and infants especially for people from less privileged backgrounds.

ONGC-MRPL's flagship CSR project, Lady Goschen Hospital has been successful in meeting the medical needs of women and child of Mangalore and surrounding areas.

The hospital offers free consultation and medicines from qualified doctors and its maternal health services have helped in strengthening the primary healthcare services focusing on improving maternal health outcomes in Dakshina Karnataka and other areas.

Lady Goschen hospital has been conducting critical neonatal surgeries, free of cost, most of which are prohibitively expensive for weaker sections of society. This has been contributing to improving children's health and well-being, ultimately helping them to live life to its fullest and contribute to the prosperity of their communities.

The hospital has been able to serve the backward villages as well as urban communities.

Its updated equipment has helped in better detection and treatment of various disease. It provides end to end solutions as it has specialized services in the medicine, surgery, maternity and gynecology.

## 2. The Conservation of Biodiversity in Pilikula Nisarga Dhama

**Need for Support**

Pilikula Nisarga Dhama is an eco-education and tourism development project promoted by the District Administration of Dakshina Kannada in Mangalore. Pilikula Biological Park plays a very important role in education and conservation of fauna and flora of Western Ghats region. Pilikula contributes to a sustainable future by sharing information on biodiversity and conservation related issues.

Pilikula Nisarga Dhama was facing shortage of funds for taking care of the animals and birds. Financial crunch was the main challenge for the park management. They did not have enough funds to take care of the animals properly.

There were no natural habitats in the park. The animals who came to the zoo from their natural habitats had to face problems to acclimatize with the environment. Executive Director of Pilikula Nisarga Dhama Mangaluru approached MRPL for supporting conservation of biodiversity in Pilikula Nisarga Dharma.

**Support by MRPL**

MRPL decided to support Pilikula Nisarga Dharma and provided complete support for one year. CSR funding covered creation of natural habitat, adoption of animals and eco friendly shelter house. The program was implemented in 2019-20 and the amount contributed was INR 3.94 crores.

Natural habitat was created for captive wild animals, inside animal enclosures in 50 acres of land. Laterite masonry fence along individual plants was also constructed.

MRPL adopted and provided for conservation and upkeep of rare endangered and captive wild animal species, birds and reptiles. Eco-friendly shelter houses were built for conducting educational programs on conservation of Western Ghats flora and fauna with educative materials including projectors, display panels, signages and other accessories.

The project helped the management to handle the Bio-Diversity park in an efficient way. There was enough healthy food and medicines for all the animals, birds and reptiles. The natural habitat has improved the overall wellbeing of the animals.

The funding by MRPLs supported the adoption of more than 1,200 mammals, reptiles and birds of 120 species.

## Background of the Project

Pilikula Nisarga Dhama is an eco-education and tourism development project promoted by the District Administration of Dakshina Kannada in Mangalore. Pilikula is an integrated theme park with wide variety of features. It has many attractions of cultural and scientific interest. The Pilikula Biological Park is one of the major attractions of Pilikula Nisarga Dhama. The park has an area of 150 Acres. The Central Zoo Authority of India has recognized the park as a large zoo. As per modern Zoological practices, the animals are housed in spacious enclosures resembling their natural habitat.

The biological park is aesthetically one of the best designed premises in the country meeting all modern international standards of zoo management. The park serves as a good education center for students as well as visitors of all ages in enriching their knowledge on conservation of wildlife. More than ten lakhs tourists including school children from all over India and abroad visit Pilikula every year.

Pilikula Biological Park plays an important role in education and conservation of fauna and flora of Western Ghats region. Pilikula provides a serious contribution to a sustainable future by sharing information on biodiversity and conservation related issues. Pilikula has large classrooms where several activities, specifically for children, teachers, professionals and school groups can be conducted. Pilikula Biological Park's rare and endangered species of fauna and flora of Western Ghats region can capture the attention and affection of the public for wildlife and nature like no other institution.

## Details of the CSR Project

Pilikula Nisarga Dhama was facing shortage of funds for feeding and taking care of the animals/birds. Pilikula has launched a program called "Adoption of Animals". In this program the donor can adopt an animal by donating its cost of feeding, medicine, maintenance etc. Executive Director, Pilikula Nisarga Dhama Mangaluru had approached MRPL for supporting Conservation of Biodiversity in Pilikula Nisarga Dharma and MRPL agreed to fund the project for an entire year for the whole park.

The program was implemented in 2019-20 and the amount contributed was ₹ 3.94 crores.

### MRPL funded the following programs for the Bio diversity park.

I. Adoption of rare, endangered and other captive wild animals, Conservation and upkeep (feeding and veterinary care) of rare endangered and captive wild animal species of Western Ghats.

   Mammals: Bengal tiger, Indian Gaur, Leopard, Sloth bear, Lion tailed Macaque, Malabar Giant Squirrel, Flying Squirrel, Small Indian Civet, Leopard, Cat, Wild Dog, Jungle Cat and other mammals.

   Birds: Indian Peafowl, Jungle Fowl, Ibis, Spoon bill, Eagles, Owls, Kites, and other birds.

   Reptiles: King Cobra, Indian Cobra, Russell Viper, Pit Vipers, Crocodiles and other reptiles

**II. Creation of natural habitat:**

   Creating natural habitat for captive wild animals by creation of greenery with Western Ghats plant species including irrigation inside animals enclosure of around 50 acres of land, providing and constructing laterite masonry fence along 150 individual plants to protect from grazing by captive deers and Sambars (dim 2.4 mtx2.4x2) and other allied works.

**About the biological park**

- Year built : 2004

  Places of interest in the park:

  - Science Center

- Planetarium
- Botanical garden
- Lake
- Amusement park

- Number of visitors per year: around 7 lakhs
- Number of employees in the park: 75
- Animals in the zoo:
  - Lions
  - Tigers
  - Panthors
  - Exotic Animals
  - Small Cats
  - Snakes
  - Birds
  - Elephants
- Number of birds in the zoo: 140-150
- Number of reptiles in the zoo: more than 150

**Impact Evaluation**

- **Challenges faced before funding from MRPL**

Did not have enough funds to take care of animals, reptiles and birds

Had to interact with a lot of people who were adopting the animals

Interacting and coordinating with people was a tough assignment

No natural habitat

Financial crunch was the main challenge for the park management. They did not have enough funds to take care of the animals, reptiles and birds.

There was lack of natural habitat in the park. The animals who came to the zoo from outside had to face problems to acclimatize with the environment.

Regular interaction with a lot of people who were adopting the animals was also a big challenge for the management.

- **How the funding has helped in easing out challenges and problems**
  - Improved food and fodders for the animals
  - Healthcare of the animals
  - Improved condition of natural habitat
  - Eco friendly shelter houses

  95% of the beneficiaries are quite satisfied with the overall support provided by MRPL. The funds received from MRPL helped in revival of the bio-diversity p ark.

- **Utilization of fund provided by MRPL**

  50% of the fund provided by MRPL was utilized for food for animals, birds and reptiles. 35% for the healthcare of the animals.

  15% of the fund was used to construct eco-friendly shelter houses and for educative materials like projectors, display panels, signages and other accessories.

## DETAILS OF CSR AMOUNT SPENT AGAINST ONGOING PROJECTS FOR THE FINANCIAL YEAR: 2020-21

**ANNEXTURE-II** (₹ in Lakhs)

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | 9 | 10 | 11 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Sl. No** | **Name of the Project** | **Item from the list of activities in Schedule VII to the Act** | **Local area (Yes/No)** | **Location of the project** | | **Project duration** | **Amount allocated for the project** | **Amount spent in the current financial Year** | **Amount transferred to Unspent CSR Account for the project as per Section 135(6)** | **Mode of Implementation - Direct (Yes/No)** | **Mode of Implementation - Through Implementing Agency** | |
| | | | | **State** | **District** | | | | | | **Name** | **CSR Registration number** |
| **I** | **Shiksha Samrakshan** | | | | | | | | | | | |
| 1 | Construction of toilets for P.U.College in Belthangady Taluk | Schedule VII of the Companies Act. Sl.No.ii promoting education | Yes | Karnataka | Dakshina Kannada | 6 months | 5.27 | 4.81 | 0.46 | Yes | NA | NA |
| 2 | Construction of Toilet Block for Govt. P.U. College, Kabaka. Puttur | -do- | Yes | Karnataka | Dakshina Kannada | NA | 0.13 | 0.13 | 0.00 | Yes | NA | NA |
| 3 | Construction of Model Anganwadi (Chinnara Angala) Building in 3 Locations in Dakshina Kannada. | -do- | Yes | Karnataka | Dakshina Kannada | NA | 28.93 | 28.93 | 0.00 | Yes | NA | NA |
| 4 | Construction of toilet Block in Teachers Training Institute, Mangalore | -do- | Yes | Karnataka | Dakshina Kannada | NA | 9.57 | 9.57 | 0.00 | Yes | NA | NA |
| 5 | Construction of toilet & Bath Room for Govt. Polytechnic for Women, Bondel, Mangalore | -do- | Yes | Karnataka | Dakshina Kannada | 12 months | 4.55 | 0.00 | 4.55 | Yes | NA | NA |
| 6 | Construction of Classroom building and Science Laboratory at Govt. Junior College, Chikkamagaluru. | do- - | Yes | Karnataka | Chikkamagaluru | 12 months | 61.60 | 30.11 | 31.49 | Yes | NA | NA |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 7 | Infrastructure upgardation to the School including provision for construction of Rangamandira in first floor for Govt. Upgraded HP School, Balpa, Sullia Taluk. | -do- | Yes | Karnataka | Dakshina Kannada | 12 months | 70.80 | 12.95 | 57.85 | Yes | NA | NA |
| 8 | Construction of class room for DKZP HP School, Kudrebettu, Bantwal Taluk | -do- | Yes | Karnataka | Dakshina Kannada | NA | 4.09 | 4.09 | 0.00 | Yes | NA | NA |
| 9 | Construction of Laboratory and Class room Building at Govt PU College, Venur. | -do- | Yes | Karnataka | Dakshina Kannada | NA | 13.15 | 13.15 | 0.00 | Yes | NA | NA |
| 10 | Construction of toilet for DKZP HP School, Ajilamogaru, Bantwal Taluk. | -do- | Yes | Karnataka | Dakshina Kannada | NA | 8.60 | 8.60 | 0.00 | Yes | NA | NA |
| 11 | Construction of toilet for DKZP HP School, Kudrebettu, Bantwal Taluk. | -do- | Yes | Karnataka | Dakshina Kannada | NA | 2.15 | 2.15 | 0.00 | Yes | NA | NA |
| 12 | Construction of toilet for Govt. High School, Navoor. | -do- | Yes | Karnataka | Dakshina Kannada | 12 months | 7.30 | 0.00 | 7.30 | Yes | NA | NA |
| 13 | Construction of toilet for DKZPHP School, Koila. | -do- | Yes | Karnataka | Dakshina Kannada | NA | 4.55 | 4.55 | 0.00 | Yes | NA | NA |
| 14 | Construction of toilet block for DKZPLP School, Kompadavu. | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 2.50 | 0.00 | 2.50 | Yes | NA | NA |
| 15 | Construction of toilet block for DKZPHP School, Nadugodu. | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 8.00 | 0.00 | 8.00 | Yes | NA | NA |
| 16 | Construction of toilet block for Govt. Higher Primary School, Aliyoor. | -do- | Yes | Karnataka | Dakshina Kannada | NA | 10.00 | 10.00 | 0.00 | Yes | NA | NA |
| 17 | Construction of Ladies Rest Room building with Washrrom for Karnataka (Govt.) Polytechnic, Kadri Hill, Mangalore. | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 50.00 | 26.48 | 23.52 | Yes | NA | NA |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 18 | Construction of toilets for Govt Schools in Belthangady Taluk (55 Toilets) | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 340.00 | 281.25 | 58.75 | Yes | NA | NA |
| 19 | Construction of Class Room for DKZP HP School, Ira, Balepuni, Bantwal Taluk. | -do- | Yes | Karnataka | Dakshina Kannada | NA | 10.99 | 10.99 | 0.00 | Yes | NA | NA |
| 20 | Renovation of Roof top and Auditorium for DKZP HP School, Kadabettu, Bantwal Taluk. | -do- | Yes | Karnataka | Dakshina Kannada | NA | 6.49 | 6.49 | 0.00 | Yes | NA | NA |
| 21 | Setting up of class room and Science Laboratory for Govinda Dasa First Grade College, Surathkal. | -do- | Yes | Karnataka | Dakshina Kannada | NA | 10.09 | 10.09 | 0.00 | Yes | NA | NA |
| 22 | Construction of Multi purpose Demonstration class room for Govt. High School, Guruvayanakere, Beltangadi. | -do- | Yes | Karnataka | Dakshina Kannada | NA | 14.71 | 14.71 | 0.00 | Yes | NA | NA |
| 23 | Construction of class rooms for Govt. PU College, Savanoor, Puttur Taluk. | -do- | Yes | Karnataka | Dakshina Kannada | NA | 1.31 | 1.31 | 0.00 | Yes | NA | NA |
| 24 | Roofing and development work at Govt. High School, Muchhuru. | -do- | Yes | Karnataka | Dakshina Kannada | NA | 1.56 | 1.56 | 0.00 | Yes | NA | NA |
| 25 | Renovation of school building of DKZP Urdu HP School, Gurukambla, Kinnikambla. | -do- | Yes | Karnataka | Dakshina Kannada | NA | 4.01 | 4.01 | 0.00 | Yes | NA | NA |
| 26 | Construction of Auditorium for Govt. High School, Katipalla 5th Block, Krishnapura | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 16.59 | 15.87 | 0.72 | Yes | NA | NA |
| 27 | Construction of classroom for Govt. High School, Hirgana, Karkala | -do- | Yes | Karnataka | Dakshina Kannada | NA | 13.04 | 13.04 | 0.00 | Yes | NA | NA |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 28 | Renovation of School building and Compound wall for DKZP HP School Daddi Badaga, Edapadavu, Mangalore. | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 7.12 | 0.00 | 7.12 | Yes | NA | NA |
| 29 | Construction of Additional classrooms for DKZPHP School, Muchhuru, Mangalore. | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 76.48 | 36.68 | 39.80 | Yes | NA | NA |
| 30 | Construction of 1st floor slab and second floor to existing Aided Kalavaru Higher Primary School, Chelairu Village. | -do- | Yes | Karnataka | Dakshina Kannada | NA | 10.02 | 10.02 | 0.00 | Yes | NA | NA |
| 31 | Compound Wall for DKZPHP School, Boliya, Mangalore. | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 4.73 | 4.73 | 0.00 | Yes | NA | NA |
| 32 | Renovation of School Building for DKZPHP School, Boliya, Mangalore. | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 6.01 | 0.00 | 6.01 | Yes | NA | NA |
| 33 | Renovation of Govt. High School Building at Kinnikambla, Mangalore. | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 3.62 | 3.62 | 0.00 | Yes | NA | NA |
| 34 | Renovation of DKZPHP School Building, Mundabettu, Paduperara. | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 4.43 | 0.00 | 4.43 | Yes | NA | NA |
| 35 | Renovation of School Building and toilet room for Govt. High School, Kalladi, Mangalore. | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 4.01 | 4.01 | 0.00 | Yes | NA | NA |
| 36 | Construction of additional class room in first floor of Shree Narayanaguru P U College, Katipalla, Mangalore. | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 30.98 | 11.69 | 19.29 | Yes | NA | NA |
| 37 | Construction of classroom and toilet block for Govt. Primary School, Kinnikambala, Mangalore. | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 47.20 | 17.22 | 29.98 | Yes | NA | NA |
| 38 | Construction of Anganwadi Building for Soorinje Grama Panchayath. | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 16.52 | 0.00 | 16.52 | Yes | NA | NA |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 39 | Construction of concrete approach road and drainage to Government High School, Jokatte. | -do- | Yes | Karnataka | Dakshina Kannada | NA | 7.09 | 7.09 | 0.00 | Yes | NA | NA |
| 40 | Construction of School Building for DKZP Higher Primary School, Kilenjaru, Kuppepadavu, Mangalore Taluk. | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 54.83 | 12.31 | 42.52 | Yes | NA | NA |
| 41 | Renovation of School Building for DKZP HP School, Paduperara, Kinnikambala, Mangalore Taluk. | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 5.13 | 0.00 | 5.13 | Yes | NA | NA |
| 42 | Construction of Anganwadi for Permude Grama Panchayath. | -do- | Yes | Karnataka | Dakshina Kannada | 12 months | 11.80 | 0.00 | 11.80 | Yes | NA | NA |
| 43 | Preparation of DFR for Installation of Solar Panels in 19 Govt. Schools in Belthangady Taluk and Govt. Lady Goschen Hospital, Mangalore. | Schedule VII of the Companies Act. Sl.No. iv conservation of natural resources | Yes | Karnataka | Dakshina Kannada | NA | 1.40 | 1.40 | 0.00 | Yes | NA | NA |
| 44 | Construction of Auditorium for Govt. PU College (High School Section ), Gurupura. | Schedule VII of the Companies Act. Sl.No. ii promoting education | Yes | Karnataka | Dakshina Kannada | NA | 6.92 | 6.92 | 0.00 | Yes | NA | NA |
| 45 | Construction of 3rd floor Building to Samskrita Bharathi, Bangalore. | -do- | Yes | Karnataka | Bangalore | NA | 34.51 | 34.51 | 0.00 | Yes | NA | NA |
| 46 | Infrastructure development of Govt. High School, Koukradi. | -do- | Yes | Karnataka | Dakshina Kannada | NA | 3.53 | 3.53 | 0.00 | Yes | NA | NA |
| 47 | Construction of School Building for Govt. High School, Polali. | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 14.06 | 10.58 | 3.48 | Yes | NA | NA |
| 48 | Construction of Anganawadies in Dakshina Kannada District by Dakshina Kannada Zilla Panchayath, Mangalore. | -do- | Yes | Karnataka | Dakshina Kannada | 12 months | 74.25 | 11.80 | 62.45 | Yes | NA | NA |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 49 | Construction of class rooms and toilets for DKZP Model Higher Primary School, Kalladka,Bantwal. | -do- | Yes | Karnataka | Dakshina Kannada | NA | 16.31 | 16.31 | 0.00 | Yes | NA | NA |
| 50 | Construction of Class Rooms for DKZP Higher Primary School, Maji, Veerakambha, Bantwal. | -do- | Yes | Karnataka | Dakshina Kannada | NA | 17.94 | 17.94 | 0.00 | Yes | NA | NA |
| 51 | Construction of class room for Govt. Pre-University College (High School Section), Chelairu. | -do- | Yes | Karnataka | Dakshina Kannada | 12 months | 31.50 | 4.88 | 26.62 | Yes | NA | NA |
| 52 | Construction of Class Room in the First floor for Govt. Pre University College (Education), Hampanakatta, Mangalore. | -do- | Yes | Karnataka | Dakshina Kannada | NA | 10.47 | 10.47 | 0.00 | Yes | NA | NA |
| 53 | Financial assistance for construction of classroom for DKZP HP School Chandalike, Vitla. | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 13.57 | 4.77 | 8.80 | Yes | NA | NA |
| 54 | Construction of toilet block for Shri Devi High School, Punacha, Bantwal Taluk. | -do- | Yes | Karnataka | Dakshina Kannada | NA | 20.77 | 20.77 | 0.00 | Yes | NA | NA |
| 55 | Infrastructure development of Schools in and around Mangalore City Corporation area. | -do- | Yes | Karnataka | Dakshina Kannada | 12 months | 12.08 | 1.11 | 10.97 | Yes | NA | NA |
| 56 | Construction of class room for DKZP Higher Primary School, Ananthady, Bantwal Taluk. | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 14.75 | 0.00 | 14.75 | Yes | NA | NA |
| 57 | Extension of School Building for Vivekananda Aided Higher Primary School, Jalsoor. | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 105.87 | 82.21 | 23.66 | Yes | NA | NA |
| 58 | Construction of Anganawadi Building for Kadthala Grama Panchayath in Karkala, Udupi District. | -do- | Yes | Karnataka | Udupi | 6 months | 17.70 | 5.90 | 11.80 | Yes | NA | NA |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 59 | .Construction of toilets for Shree Marikamba Govt. High School and PU College, Sirsi,Uttara Kannada District. | -do- | Yes | Karnataka | Uttara Kannada | 6 months | 25.00 | 8.54 | 16.46 | Yes | NA | NA |
| 60 | Construction of Indoor Stadium at Gonikoppal High School ground, Kodagu District. | -do- | Yes | Karnataka | Kodagu | 12 months | 59.00 | 17.70 | 41.30 | Yes | NA | NA |
| 61 | Scaling up of Technology enabled education in Government High Schools In Yadgir District. | -do- | Yes | Karnataka | Yadgir | 12 months | 28.32 | 0.00 | 28.32 | Yes | NA | NA |
| 62 | Construction of School building for DKZP Higher Primary School, Kodimbady, Puttur | -do- | Yes | Karnataka | Dakshina Kannada | NA | 26.09 | 26.09 | 0.00 | Yes | NA | NA |
| 63 | Construction of class rooms at DKZP LP School, Alakemajalu, Bantwal | -do- | Yes | Karnataka | Dakshina Kannada | NA | 23.60 | 23.60 | 0.00 | Yes | NA | NA |
| 64 | Construction of new building at Sri Ramakrishna Aided Higher Primary Kannada Medium School, Baddadka, Aletty Village, Sullia Taluk | -do- | Yes | Karnataka | Dakshina Kannada | NA | 23.60 | 23.60 | 0.00 | Yes | NA | NA |
| 65 | Providing equipments to Anganawadi at Bajpe Grama Panchayath | -do- | Yes | Karnataka | Dakshina Kannada | NA | 1.75 | 1.75 | 0.00 | Yes | NA | NA |
| 66 | Funding Construction of cultural hall for Shree Swamy Vivekananda High School Heggarane, Siddapura, Uttara Kannada District | -do- | Yes | Karnataka | Uttara Kannada | 6 months | 13.22 | 11.80 | 1.42 | Yes | NA | NA |
| 67 | Construction of Clasroom for DKZP Higher Primary School, Nadumogaru, Maninalkur, Bantwal Taluk | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 23.60 | 0.00 | 23.60 | Yes | NA | NA |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 68 | Providing furniture and other equipments to University College, Hampanakatta, Mangalore | -do- | Yes | Karnataka | Dakshina Kannada | NA | 16.99 | 16.99 | 0.00 | Yes | NA | NA |
| 69 | Construction of class rooms for DKZP HP School, Kuthethur, Mangalapete | -do- | Yes | Karnataka | Dakshina Kannada | 12 months | 29.50 | 0.00 | 29.50 | Yes | NA | NA |
| 70 | Construction of Scientific Vermicomposting Unit at University College, Mangaluru | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 3.54 | 3.54 | 0.00 | Yes | NA | NA |
| 71 | Construction of Toilet Block in Shri Rama School Kalladka | -do- | Yes | Karnataka | Dakshina Kannada | NA | 0.36 | 0.36 | 0.00 | Yes | NA | NA |
| 72 | Infrastructure Development for BEM Aided High School Mangalore | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 7.08 | 0.00 | 7.08 | Yes | NA | NA |
| 73 | Infrastructure for Besant National High School, Mangalore | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 4.96 | 0.00 | 4.96 | Yes | NA | NA |
| 74 | Construction of Toilet for DKZP Higher Primary School, Daregudde, Moodabidre | -do- | Yes | Karnataka | Dakshina Kannada | 12 months | 13.50 | 0.00 | 13.50 | Yes | NA | NA |
| 75 | Furniture for Govt. High School, Kallarakodi, Bantwala Taluk | -do- | Yes | Karnataka | Dakshina Kannada | 9 months | 3.65 | 0.00 | 3.65 | Yes | NA | NA |
| 76 | Providing Sports material for Aided Shri Venkataramana Higher Primary School, Kulai | -do- | Yes | Karnataka | Dakshina Kannada | 12 months | 3.54 | 0.00 | 3.54 | Yes | NA | NA |
| 77 | Construction of Toilet for DKZP Higher Primary School, Kallige, Bantwala | -do- | Yes | Karnataka | Dakshina Kannada | 12 months | 15.00 | 0.00 | 15.00 | Yes | NA | NA |
| 78 | Uniform and Note book distribution to Aided Higher Primary Schools in Kodikere, Chellairu & Jokatte | -do- | Yes | Karnataka | Dakshina Kannada | 12 months | 1.83 | 0.00 | 1.83 | | | |
| 79 | Construction of toilet & bathroom for Govt. Polytechnic for Women, Bondel, Mangalore | -do- | Yes | Karnataka | Dakshina Kannada | 13 months | 6.01 | 6.01 | 0.00 | Yes | NA | NA |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **II** | **Arogya Samrakshan :** | | | | | | | | | | |
| 1 | Organizing Artificial limb camp at Dandeli/Haliyal, Uttara Kannada Dist. | Schedule VII of the Companies Act. Sl.No.i Promoting Preventive Health care | Yes | Karnataka | Uttara Kannada | 6 months | 5.90 | 0.00 | 5.90 | Yes | NA | NA |
| 2 | Running a Free Primary Health Centre at Chelairu Rehabilitation Colony. | -do- | Yes | Karnataka | Dakshina Kannada | 12 months | 3.89 | 2.78 | 1.11 | Yes | NA | NA |
| 3 | Running a Free Primary Health Centre at Kalavar. | -do- | Yes | Karnataka | Dakshina Kannada | 12 months | 8.33 | 2.21 | 6.12 | Yes | NA | NA |
| 4 | Construction of OPD Block for Primary Health Centre, Mulki. | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 59.00 | 18.50 | 40.50 | Yes | NA | NA |
| 5 | Providing Aids and Applainces to Disabled in Co-Ordination with M/s. ALIMCO, Bangalore. | -do- | Yes | Karnataka | DK/Udupi/ Yadgir/ Raichur | NA | 118.44 | 118.44 | 0.00 | Yes | NA | NA |
| 6 | Essential Healthcare Equipments and furniture for Govt. Lady Goschen Hospital Mangalore | -do- | Yes | Karnataka | Dakshina Kannada | NA | 1.67 | 1.67 | 0.00 | Yes | NA | NA |
| 7 | Procurement of Mobile Health Clinic with all accessories to provide primary Helath Care Service to migrant workers in Ernakulam, Kerala by Centre for Migration and Inclusive development (CMID) Ernakulam | -do- | No | Kerala | Ernakulam | NA | 0.76 | 0.76 | 0.00 | Yes | NA | NA |
| 8 | Medical Equipments for Moodabidri Samudya Health Centre | -do- | Yes | Karnataka | Dakshina Kannada | 12 months | 25.96 | 0.00 | 25.96 | Yes | NA | NA |
| 9 | Excess budget recovery towards Govt. Lady Goschen Hospital, Mangalore | -do- | Yes | Karnataka | Dakshina Kannada | NA | 13.92 | 0.00 | 13.92 | Yes | NA | NA |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 10 | Procurement of ECG Machines for Janaushadhi Kendras | -do- | Yes | Karnataka | Dakshina Kannada | 9 months | 11.80 | 0.00 | 11.80 | Yes | NA | NA |
| 11 | Running free Primary Health Centres at Chellairu and Kalavar including medicine | -do- | Yes | Karnataka | Dakshina Kannada | 12 months | 4.10 | 0.00 | 4.10 | Yes | NA | NA |
| **III** | **Bahujan Samrakshan :** | | | | | | | | | | | |
| 1 | Construction of toilet Block at Panambur/ Tannirbhavi/Talapady in Mangalore Taluk. | Schedule VII of the Companies Act. Sl.No.i Sanitation | Yes | Karnataka | Dakshina Kannada | 12 months | 70.08 | 21.36 | 48.72 | Yes | NA | NA |
| 2 | Construction of individual toilet for 87 houses. (23 SC/ST and rest OBC) | -do- | Yes | Karnataka | Dakshina Kannada | NA | 1.29 | 1.29 | 0.00 | Yes | NA | NA |
| 3 | Providing Sports Equipment for Sports Complex at Haliyaal, Uttara Kannada Dist. | Schedule VII of the Companies Act. Sl.No. vii Training to promote nationally recognised sports | Yes | Karnataka | Uttara Kannada | NA | 11.80 | 11.80 | 0.00 | Yes | NA | NA |
| 4 | Construction of Library Building for SC/ST hostel in Dakshina Kannada District. | Schedule VII of the Companies Act. Sl.No. ii measures for reducing inequalities faced by socially and economically backward groups | Yes | Karnataka | Dakshina Kannada | NA | 13.79 | 13.79 | 0.00 | Yes | NA | NA |
| 5 | Sewage Treatment Plant for Bappanadu Temple, Mulki. | Schedule VII of the Companies Act. Sl.No.i Sanitation | Yes | Karnataka | Dakshina Kannada | NA | 49.62 | 49.62 | 0.00 | Yes | NA | NA |
| 6 | Construction of toilet block in Karinje Temple, Kavalamudur Village, Bantwal Taluk. | -do- | Yes | Karnataka | Dakshina Kannada | NA | 3.01 | 3.01 | 0.00 | Yes | NA | NA |
| 7 | Construction of public toilet near Karkala Stadium. | -do- | Yes | Karnataka | Udupi | NA | 20.00 | 20.00 | 0.00 | Yes | NA | NA |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 8 | Swachh Surathkal: Maintenance of beautified space under flyover. | Schedule VII of the Companies Act.Sl.No.i Promoting health care including Preventive Health care | Yes | Karnataka | Dakshina Kannada | NA | 2.76 | 2.76 | 0.00 | Yes | NA | NA |
| 9 | Construction of over head water tank at Gudigar, Yekkar. | Schedule VII of the Companies Act. Sl.No.i making available safe drinking water | Yes | Karnataka | Dakshina Kannada | 6 months | 22.13 | 9.07 | 13.06 | Yes | NA | NA |
| 10 | Construction of Over head water tank at Adyapady, Kandavara Village. | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 29.50 | 17.70 | 11.80 | Yes | NA | NA |
| 11 | Construction of Over head tank at Neermarga, Mangalore. | -do- | Yes | Karnataka | Dakshina Kannada | 6 months | 29.00 | 19.25 | 9.75 | Yes | NA | NA |
| 12 | Drilling Bore well and connecting pipeline in Six locations in Neermarga Grama Panchayath. | -do- | Yes | Karnataka | Dakshina Kannada | NA | 8.29 | 8.29 | 0.00 | Yes | NA | NA |
| 13 | Construction of Overhead water tank at Kakkebettu in Moodubidre Town Panchayath | -do- | Yes | Karnataka | Dakshina Kannada | 12 months | 47.20 | 0.00 | 47.20 | Yes | NA | NA |
| 14 | Providing rain coats to about 120 personnel of Mangalore City Surathkal Police Station | Schedule VII of the Companies Act. Sl.No. x Rural Development | Yes | Karnataka | Dakshina Kannada | NA | 1.27 | 1.27 | 0.00 | Yes | NA | NA |
| 15 | Contribution to local COVID-19 Fund | Schedule VII of the Companies Act. Sl.No. I Preventive Health Care and Sl. No. xii Disaster management, including relief, rehabilitation and construction activities | Yes | Karnataka | Dakshina Kannada | NA | 61.73 | 61.73 | 0.00 | Yes | NA | NA |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 16 | Road in Sarpady Village in Bantwal Taluk. | Schedule VII of the Companies Act. Sl.No. x Rural Development | Yes | Karnataka | Dakshina Kannada | 12 months | 78.67 | 49.27 | 29.40 | Yes | NA | NA |
| 17 | Construction of Sheet roofing training barrack for Karnataka State Fire Service, Mangalore Zone. | Schedule VII of the Companies Act. Sl.No. ii Employment enhancing vocational skills | Yes | Karnataka | Dakshina Kannada | 12 months | 52.16 | 0.00 | 52.16 | Yes | NA | NA |
| 18 | Infrastructure Development for Nalike Seva Samaja (R), Odinala, Belthangady. | Schedule VII of the Companies Act. Sl.No. ii measures for reducing inequalities faced by socially and economically backward groups | Yes | Karnataka | Dakshina Kannada | NA | 1.89 | 1.89 | 0.00 | Yes | NA | NA |
| 19 | Construction of Auditorium for Soorinje Grama Panchayath. | Schedule VII of the Companies Act. Sl.No. x Rural Development | Yes | Karnataka | Dakshina Kannada | 6 months | 29.31 | 0.00 | 29.31 | Yes | NA | NA |
| 20 | Infrastructural development for SC/ST Community through concerned Government Department. | Schedule VII of the Companies Act. Sl.No. ii measures for reducing inequalities faced by socially and economically backward groups | Yes | Karnataka | Dakshina Kannada | NA | 44.23 | 44.23 | 0.00 | Yes | NA | NA |
| 21 | GouSwarga - Construction of research center on cow breeding and products at Siddapura, Uttara Kannada. | Schedule VII of the Companies Act. Sl.No.iv Animal welfare | Yes | Karnataka | Uttara Kannada | 8 months | 103.93 | 78.88 | 25.05 | Yes | NA | NA |
| 22 | Infrastructure Development of Bala Samudaya Bhavana. | Schedule VII of the Companies Act. Sl.No. x Rural Development | Yes | Karnataka | Dakshina Kannada | 6 months | 18.86 | 12.94 | 5.92 | Yes | NA | NA |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 23 | Support for Construction of Community Hall by Dakshina Kannada Mogaveera Mahajana Sangha (R) in Uchila, Udupi District. | -do- | Yes | Karnataka | Udupi | 12 months | 602.39 | 353.02 | 249.37 | Yes | NA | NA |
| 24 | Skill development programme by Keshava Seva Samithi, Bengaluru. | Schedule VII of the Companies Act. Sl.No. ii Employment enhancing vocational skills | Yes | Karnataka | Bengaluru | 3 months | 2.20 | 1.77 | 0.43 | Yes | NA | NA |
| 25 | Construction of Community Hall in Huvina Hadagali, Bellary. | Schedule VII of the Companies Act. Sl.No. x Rural development | Yes | Karnataka | Bellary | 12 months | 381.14 | 126.26 | 254.88 | Yes | NA | NA |
| 26 | Construction of Women Centre at Mudipu for Prajna Counselling Centre, Mangalore. | Schedule VII of the Companies Act. Sl.No.iii setting up homes and hostels for women and orphans | Yes | Karnataka | Dakshina Kannada | 12 months | 316.00 | 99.99 | 216.01 | Yes | NA | NA |
| 27 | Skill Development programme of MRPL. | Schedule VII of the Companies Act. Sl.No. ii Employment enhancing vocational skills | Yes | Karnataka | Dakshina Kannada | NA | 23.88 | 23.88 | 0.00 | Yes | NA | NA |
| 28 | Construction of Ranga Mandira and Gymnasium Building for Kodikal Mogaveera Mahasabha, Kodikal, Mangalore. | Schedule VII of the Companies Act. Sl.No. x Rural development | Yes | Karnataka | Dakshina Kannada | 6 months | 41.62 | 29.79 | 11.83 | Yes | NA | NA |
| 29 | Construction of Veterinary Hospital at Bykere, Hassan. | Schedule VII of the Companies Act. Sl.No.iv Animal welfare | Yes | Karnataka | Hassana | NA | 25.15 | 25.15 | 0.00 | Yes | NA | NA |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 30 | Financial support for procurement of Furniture and Infrastructure Development by Kudmul Sri Rangarao Memorial Seva Sangha (R) Bejai Kapikad Mangalore | Schedule VII of the Companies Act. Sl.No. ii measures for reducing inequalities faced by socially and economically backward groups | Yes | Karnataka | Dakshina Kannada | NA | 8.80 | 8.80 | 0.00 | Yes | NA | NA |
| 31 | Construction of Samudaya Bhavana at Panambur Kulai Mogaveera Mahasabha (R) | Schedule VII of the Companies Act. Sl.No. x Rural development | Yes | Karnataka | Dakshina Kannada | 12 months | 94.40 | 14.16 | 80.24 | Yes | NA | NA |
| 32 | Swach Surathkal - 2nd Phase cleaning programme | Schedule VII of the Companies Act. Sl.No.i Sanitation | Yes | Karnataka | Dakshina Kannada | 12 months | 3.54 | 0.54 | 3.00 | Yes | NA | NA |
| 33 | Installation of Solar Street Lights for Bala Grama Panchayath | Schedule VII of the Companies Act. Sl.No. x Rural development | Yes | Karnataka | Dakshina Kannada | NA | 22.61 | 22.61 | 0.00 | Yes | NA | NA |
| 34 | Electrical Charges of Samudaya Bahvana Chellairu | Schedule VII of the Companies Act. Sl.No. x Rural development | Yes | Karnataka | Dakshina Kannada | 12 months | 0.30 | 0.08 | 0.22 | Yes | NA | NA |
| 35 | Maintenance of Surathkal Flyover by Rotary Club of Surathkal Educational and Charitable Trust | Schedule VII of the Companies Act. Sl.No.i Promoting health care including Preventive Health care | Yes | Karnataka | Dakshina Kannada | 12 months | 4.25 | 0.00 | 4.25 | Yes | NA | NA |
| 36 | Beach Development by Office of Regional Director Environment, Mangalore | Schedule VII of the Companies Act. Sl.No.i Sanitation | Yes | Karnataka | Dakshina Kannada | 12 months | 4.72 | 0.00 | 4.72 | Yes | NA | NA |
| 37 | Construction of toilets for Balpa Grama Panchayath. | -do- | Yes | Karnataka | Dakshina Kannada | 12 months | 9.16 | 2.99 | 6.18 | Yes | NA | NA |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 38 | Drilling of Borewell and submersible pump, pipeline at Janata Colony, Surathkal (MCC Limited) | Schedule VII of the Companies Act. Sl.No.i making available safe drinking water | Yes | Karnataka | Dakshina Kannada | 12 months | 16.52 | 0.00 | 16.52 | Yes | NA | NA |
| **IV** | **Prakruthi Samrakshan:** | | | | | | | | | | | |
| 1 | Development of Public Park near Karkala Taluk Office, Karkala, Udupi District. | Schedule VII of the Companies Act. Sl.No. iv conservation of natural resources | Yes | Karnataka | Udupi | 12 months | 177.00 | 10.66 | 166.34 | Yes | NA | NA |
| 2 | Restoration and Development of lakes in Moodabidri. | -do- | Yes | Karnataka | Dakshina Kannada | NA | 25.02 | 25.02 | 0.00 | Yes | NA | NA |
| **V** | **Samskruthi Samrakshan:** | | | | | | | | | | | |
| 1 | Construction of Stage Building to Koti Chennaya Jodukare Kambala Samithi, Ontikatte, Moodabidri. | Schedule VII of the Companies Act. Sl.No.v Protection of art and culture | Yes | Karnataka | Dakshina Kannada | 12 months | 41.30 | 0.00 | 41.30 | Yes | NA | NA |
| 2 | Sponsorship to Mani Krishna Swamy Academy (R), Surathkal for "Udayaraga", Programme | Schedule VII of the Companies Act. Sl.No.v Protection of art and culture | Yes | Karnataka | Dakshina Kannada | 3 months | 0.22 | 0.00 | 0.22 | Yes | NA | NA |
| | Excess provision over expenditure from various Carry Forward projects for the FY 2019-20 ploughed back to various projects listed above. | | | | | | -7625 | -76.26 | 0.00 | | | |
| | | | | | | | 4404.00 | 2236.30 | 2167.70 | | | |

**Annexure III**

## Details of CSR amount spent against other than ongoing projects for the financial year: 2020-21

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | 9 | |
|---|---|---|---|---|---|---|---|---|---|---|
| Sl. No | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No). | Location of the project | | Amount spent for the project (₹ in lakhs) | Amount spent in the current financial Year ( ₹ xin lakhs) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | | Name | CSR Registration number |
| 1 | Contribution to PM CARES Fund FY 2020-21 | Schedule VII of the Companies Act. Sl.No. I Preventive Health Care and Sl. No. XII Disaster management, including relief, rehabilitation and construction activities | Yes | India | NA | 200.00 | 200.00 | Yes | NA | NA |

**Annexure IV**

## Details of Unspent CSR amount for the preceeding three financial year:

| Sl. No | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (₹ in lakhs) | Amount spent in the reporting Financial Year (₹ in lakhs) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (₹ in lakhs) |
|---|---|---|---|---|---|---|---|
| | | | | **Name of the Fund** | **Amount (in ₹ )** | **Date of transfer** | |
| 1 | 2017-18 | NA | 1030 | NA | NA | NA | 2357 |
| 2 | 2018-19 | NA | 3132 | NA | NA | NA | 5931 |
| 3 | 2019-20 | NA | 7609 | NA | NA | NA | 4651 |

Annexure V

**Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year (s)**

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | |
|---|---|---|---|---|---|---|---|---|---|
| Sl. No | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (₹ in lakhs). | Amount spent on the project in the reporting Financial Year (₹ in lakhs). | Cumulative amount spent at the end of reporting Financial Year. (₹ in lakhs) | Status of the project - Completed / Ongoing. | |
| 1 | NA | Construction of toilets for P.U.College in Belthangady Taluk | 2017-18 | 12 months | 10.00 | 4.81 | 9.37 | Ongoing | 0.63 |
| 2 | NA | Construction of toilet Block at Panambur/ Tannirbhavi/Talapady in Mangalore Taluk. | 2017-18 | 24 months | 100.00 | 21.36 | 51.28 | Ongoing | 48.72 |
| 3 | NA | Development of Public Park near Karkala Taluk Office, Karkala, Udupi District. | 2017-18 | 24 months | 177.00 | 10.66 | 10.66 | Ongoing | 166.34 |
| 4 | NA | Infrastructure upgradation to the School including provision for construction of Rangamandira in first floor for Govt. Upgraded HP School, Balpa, Sullia Taluk. | 2018-19 | 12 months | 70.80 | 12.95 | 12.95 | Ongoing | 57.85 |
| 5 | NA | Construction of Ladies Rest Room building with Washrrom for Karnataka (Govt.) Polytechnic, Kadri Hill, Mangalore. | 2018-19 | 12 months | 50.00 | 26.48 | 26.48 | Ongoing | 23.52 |
| 6. | NA | Construction of Additional classrooms for DKZPHP School, Muchhuru, Mangalore. | 2018-19 | 12 months | 89.09 | 36.68 | 49.29 | Ongoing | 39.80 |
| 7 | NA | Construction of additional class room in first floor of Shree Narayanaguru P U College, Katipalla, Mangalore. | 2018-19 | 12 months | 35.40 | 11.69 | 16.12 | Ongoing | 19.28 |
| 8 | NA | Construction of classroom and toilet block for Govt. Primary School, Kinnikambala, Mangalore. | 2018-19 | 12 months | 47.20 | 17.22 | 17.22 | Ongoing | 29.98 |
| 9 | NA | Construction of over head water tank at Gudigar, Yekkar. | 2018-19 | 12 months | 22.13 | 9.07 | 9.07 | Ongoing | 13.06 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 10 | NA | Construction of Over head water tank at Adyapady, Kandavara Village. | 2018-19 | 12 months | 29.50 | 17.70 | 17.70 | Ongoing | 11.80 |
| 11 | NA | Construction of Over head tank at Neermarga, Mangalore. | 2018-19 | 12 months | 29.00 | 19.25 | 19.25 | Ongoing | 9.75 |
| 12 | NA | Road in Sarpady Village in Bantwal Taluk. | 2018-19 | 12 months | 118.00 | 49.27 | 88.60 | Ongoing | 29.40 |
| 13 | NA | GouSwarga - Construction of research center on cow breeding and products at Siddapura, Uttara Kannada. | 2018-19 | 12 months | 118.00 | 78.88 | 92.95 | Ongoing | 25.05 |
| 14 | NA | Infrastructure Development of Bala Samudaya Bhavana. | 2018-19 | 24 months | 21.06 | 12.94 | 15.14 | Ongoing | 5.92 |
| 15 | NA | Construction of Classroom building and Science Laboratory at Govt. Junior College, Chikkamagaluru. | 2018-19 | 24 months | 88.50 | 30.11 | 57.01 | Ongoing | 31.49 |
| 16 | NA | Construction of toilets for Govt Schools in Belthangady Taluk (55 Toilets) | 2019-20 | 24 months | 550.00 | 281.25 | 491.25 | Ongoing | 58.75 |
| 17 | NA | Construction of Auditorium for Govt. High School, Katipalla 5th Block, Krishnapura | 2019-20 | 12 months | 16.59 | 15.87 | 15.87 | Ongoing | 0.72 |
| 18 | NA | Construction of School Building for DKZP Higher Primary School, Kilenjaru, Kuppepadavu, Mangalore Taluk. | 2019-20 | 12 months | 59.00 | 12.31 | 16.48 | Ongoing | 42.52 |
| 19 | NA | Construction of School Building for Govt. High School, Polali. | 2019-20 | 12 months | 71.31 | 10.58 | 67.83 | Ongoing | 3.48 |
| 20 | NA | Construction of Anganawadies in Dakshina Kannada District by Dakshina Kannada Zilla Panchayath, Mangalore. | 2019-20 | 12 months | 148.00 | 11.80 | 85.54 | Ongoing | 62.46 |
| 21 | NA | Construction of class room for Govt. Pre-University College (High School Section), Chelairu. | 2019-20 | 12 months | 61.07 | 4.88 | 34.45 | Ongoing | 26.62 |
| 22 | NA | Financial assistance for construction of classroom for DKZP HP School Chandalike, Vitla. | 2019-20 | 12 months | 37.76 | 4.77 | 28.96 | Ongoing | 8.80 |
| 23 | NA | Infrastructure development of Schools in and around Mangalore City Corporation area. | 2019-20 | 12 months | 13.54 | 1.11 | 2.57 | Ongoing | 10.97 |
| 24 | NA | Extension of School Building for Vivekananda Aided Higher Primary School, Jalsoor. | 2019-20 | 12 months | 105.87 | 82.21 | 82.21 | Ongoing | 23.66 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 25 | NA | Construction of Anganawadi Building for Kadthala Grama Panchayath in Karkala, Udupi District. | 2019-20 | 12 months | 35.40 | 5.90 | 23.60 | Ongoing | 11.80 |
| 26 | NA | Construction of toilets for Shree Marikamba Govt. High School and PU College, Sirsi, Uttara Kannada District. | 2019-20 | 12 months | 50.00 | 8.54 | 33.54 | Ongoing | 16.46 |
| 27 | NA | Construction of Indoor Stadium at Gonikoppal High School ground, Kodagu District. | 2019-20 | 12 months | 59.00 | 17.70 | 17.70 | Ongoing | 41.30 |
| 28 | NA | Funding Construction of cultural hall for Shree Swamy Vivekananda High School Heggarane, Siddapura, Uttara Kannada District | 2019-20 | 12 months | 13.22 | 11.80 | 11.80 | Ongoing | 1.42 |
| 29 | NA | Running a Free Primary Health Centre at Chelairu Rehabilitation Colony. | 2019-20 | 12 months | 7.80 | 2.78 | 6.69 | Ongoing | 1.11 |
| 30 | NA | Running a Free Primary Health Centre at Kalavar. | 2019-20 | 12 months | 10.33 | 2.21 | 4.21 | Ongoing | 6.12 |
| 31 | NA | Construction of OPD Block for Primary Health Centre, Mulki. | 2019-20 | 12 months | 118.00 | 18.50 | 77.50 | Ongoing | 40.50 |
| 32 | NA | Support for Construction of Community Hall by Dakshina Kannada Mogaveera Mahajana Sangha ® in Uchila, Udupi District. | 2019-20 | 12 months | 891.00 | 353.02 | 641.63 | Ongoing | 249.37 |
| 33 | NA | Skill development programme by Keshava Seva Samithi, Bengaluru. | 2019-20 | 24 months | 7.41 | 1.77 | 6.98 | Ongoing | 0.43 |
| 34 | NA | Construction of Community Hall in Huvina Hadagali, Bellary. | 2019-20 | 12 months | 381.14 | 126.26 | 126.26 | Ongoing | 254.88 |
| 35 | NA | Construction of Women Centre at Mudipu for Prajna Counselling Centre, Mangalore. | 2019-20 | 24 months | 316.00 | 99.99 | 99.99 | Ongoing | 216.01 |
| 36 | NA | Construction of Ranga Mandira and Gymnasium Building for Kodikal Mogaveera Mahasabha, Kodikal, Mangalore. | 2019-20 | 24 months | 51.07 | 29.79 | 39.24 | Ongoing | 11.83 |
| 37 | NA | Construction of toilets for Balpa Grama Panchayath. | 2019-20 | 12 months | 9.16 | 2.99 | 2.99 | Ongoing | 6.17 |
| 38 | NA | Construction of Samudaya Bhavana at Panambur Kulai Mogaveera Mahasabha (R) | 2019-20 | 12 months | 94.40 | 14.16 | 14.16 | Ongoing | 80.24 |
| 39 | NA | Swach Surathkal - 2nd Phase cleaning programme | 2019-20 | 24 months | 3.54 | 0.54 | 0.54 | Ongoing | 3.00 |
| 40 | NA | Electrical Charges of Samudaya Bhavana Chellairu | 2019-20 | 12 months | 0.30 | 0.08 | 0.08 | Ongoing | 0.22 |

Note 1: Adjustment towards provision against individual projects wherever applicable has been incorporated

Note 2: CSR projects consisting of civil construction jobs commenced in the FY 2017-18 & 2018-19 are still going on and will be completed during the FY 2021-22

ANNEXURE B

## SC/ST/OBC REPORT - I

**Annual Statement showing the representation of SCs STs and OBCs as on 1st January, 2021 and number of appointments made during the Preceeding Calendar Year 2020.**

Name of the Public Enterprises: Mangalore Refinery and Petrochemicals Limited

| Groups | Representation of SCs/STs/OBCs (As on 01/01/2021) | | | | Number of appointments made during the Calendar year 2020 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | 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 | 399 | 61 | 27 | 99 | 28 | 3 | 3 | 11 | 289 | 22 | 10 | - | - | - | - |
| Group B - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Group C | 862 | 126 | 49 | 332 | - | - | - | - | 225 | 21 | 03 | - | - | - | - |
| Group D (Excluding Safai Karmacharis) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Group D (Safai Karmacharis) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total** | **1261** | **187** | **76** | **431** | **28** | **3** | **3** | **11** | **514** | **43** | **13** | **-** | **-** | **-** | **-** |

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

ANNEXURE B

## SC/ST/OBC REPORT - II

Annual Statement showing the representation of SCs STs and OBCs in various group 'A' services as on 1st January, 2021 and number of appointments made during the Preceeding Calendar Year 2020.

Name of the Public Enterprises: Mangalore Refinery and Petrochemicals Limited

| Pay Scales (In ₹) | Representation of SCs/STs/OBCs (As on 01/01/2021) | | | | Number of appointments made during the Calendar year 2020 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | 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 |
| 60000-180000 (A) | 101 | 12 | 8 | 28 | 28 | 3 | 3 | 11 | 25 | 02 | - | - | - | - | - |
| 70000-200000 (B) | 95 | 16 | 3 | 30 | - | - | - | - | 53 | 02 | 01 | - | - | - | - |
| 80000-220000 (C) | 62 | 11 | 4 | 17 | - | - | - | - | 54 | 01 | 02 | - | - | - | - |
| 90000-240000 (D) | 54 | 9 | 5 | 10 | - | - | - | - | 62 | 06 | 02 | - | - | - | - |
| 100000-260000 (E) | 56 | 11 | 5 | 8 | - | - | - | - | 44 | 09 | 04 | - | - | - | - |
| 120000-280000 (F) | 21 | 1 | 2 | 5 | - | - | - | - | 29 | - | 01 | - | - | - | - |
| 120000-280000 (G) | 6 | - | - | 1 | - | - | - | - | 08 | - | - | - | - | - | - |
| 120000-280000 (H) | 1 | - | - | - | - | - | - | - | 07 | - | - | - | - | - | - |
| 120000-280000 (H2) | 2 | 1 | - | - | - | - | - | - | 05 | 01 | - | - | - | - | - |
| 150000- 300000 (I) | - | - | - | - | - | - | - | - | 02 | 01 | - | - | - | - | - |
| 180000-340000 (Dir) | 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 200000-370000 (MD) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total** | **399** | **61** | **27** | **99** | **28** | **3** | **3** | **11** | **289** | **22** | **10** | - | - | - | - |

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

ANNEXURE B

## ANNUAL STATEMENT SHOWING REPRESENTATION OF THE PERSONS WITH DISABILITIES IN SERVICE AS ON 1st JANUARY, 2021 AND DIRECT RECRUITMENT / PROMOTION DURING THE CALENDAR YEAR 2020.

Name of the Public Enterprises: Mangalore Refinery and Petrochemicals Limited

| Groups | Number of employees (As on 01/01/2021) | | | | Direct Recruitment - 2020 No. of Vacancies Reserved | | | No. of Appointments Made by Recruitment | | | | Promotion - 2020 No. of Vacancies Reserved | | | | No. of Appointments Made by Promotions | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | 399 | 1 | 3 | 7 | | - | - | - | - | - | - | - | - | - | 289 | - | 3 | 3 |
| B | 0 | 0 | 0 | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| C | 862 | 0 | 8 | 12 | - | - | - | - | - | - | - | - | - | - | 225 | - | - | 1 |
| D/DS | 0 | 0 | 0 | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total** | **1261** | **1** | **11** | **19** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **514** | **-** | **3** | **4** |

**No direct recruitment in Group B and Group D in MRPL**

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

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

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

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

**ANNEXURE – C**

## ANNUAL REPORT FOR THE YEAR ENDING 31ST MARCH 2021 UNDER SECTION 21 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 (PRSH ACT)

| | | |
|---|---|---|
| Reporting Period | : | FY 2020-21 (1/4/2020 to 31/3/2021) |
| No. of Complaints received during the year | : | NIL |
| No. of Complaints disposed off during the year | : | 1(ONE) |
| No. of cases pending for more than 90 days | : | NIL |
| No. of Workshops or Awareness programs | : | |

i. Organised Gender Sensitisation Training programs for Employees

ii. Awareness about Gender Sensitisation was introduced in the Induction programs for new employees

iii. Inclusion of the message – “Sexual Harassment is a prohibited Act in MRPL”, in the email message sent to the Visitors

iv. Creation of Online Survey Platform for employees for checking their awareness about Sexual Harassment Act, acts leading to Sexual Harassment , existence of Internal Committee in MRPL, etc

v. A line on the statutory provisions of The Sexual Harassment of Women at Work place ( Prevention, Prohibition and Redressal) Act 2013, The Repealing and Amending Act 2016 was included in the General Terms and Conditions of all Work orders issued by MRPL.

| | | |
|---|---|---|
| Nature of Action | : | Annexure - 1 |

**ANNEXURE – 1**

The following action was taken by the employer in respect of the complaints received during the year :

| | | |
|---|---|---|
| No. of complaints during the year | : | NIL |
| Investigated and Completed by the Committee | : | 1 (One)<br>Complaint was expressly withdrawn in writing by the complainant upon reconciliation.<br>A Closure report was submitted to the Factory Manager and Occupier, MRPL. |
| **Action Take** | **:** | **N.A.** |
| Written Apology | : | |
| Warning | : | |
| Reprimand of Censure | : | |
| Withholding of Promotion | : | |
| Withholding of Pay Rise / Increment | : | |
| Termination | : | |
| Transfer | : | |
| Undergo Counselling | : | |
| Carrying out Community Service | : | |

**Sd/-**

**PRESIDING OFFICER – INTERNAL COMMITTEE, MRPL**

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

Your company accords highest priority for energy conservation and takes proactive measures through Process Optimization, Continuous monitoring and implementation of several energy conservation measures.

i. Major Energy Conservation measures being implemented / under consideration for reduction of energy consumption during FY 2020-21

| SL. NO. | DESCRIPTION OF MEASURES | SAVINGS IN MTOE/ANNUM |
|---|---|---|
| 1 | CDU 2 CAPH Replacement & Optimization | 2457.3 |
| 2 | Excess air optimization of the CDU-II heater (BA-41001) by replacement of O2 Analyzer / burners' fine tuning / replacement of burner components | 403.8 |
| 3 | VDU 2 CAPH replacement & Optimization | 654.2 |
| 4 | Flasher off gas recovery in Amine Treatment Unit -3 | 862 |
| 5 | Use of Low Temperature Co-Mo catalyst in Reduced Reactor | 186 |
| 6 | Generation of LP steam by hot HCGO product/Hot stream steam directly to Coker Gas Oil Hydro Treater Unit | 368 |
| 7 | KSU Steam Re-boiler commissioning | 168 |
| 8 | APH Replacement in GOHDS | 59 |
| 9 | APH Replacement in Hydrogen Generation Unit-I | 485 |
| 10 | MP steam to OMS lower plateau from Phase III | 187 |
| 11 | IFO Surge control modification | 45 |
| 12 | Replacement of HPMV & HPSV lights with energy efficient fixtures in plant area | 158 |
| 13 | LED fixtures in new HLMs against replacement /additions of new HLMs in plant area(Each HLM having 12 nos. fittings) | 177 |
| 14 | Replacement of Inefficient lighting fixtures with energy efficient fixtures in no shop floor areas | 230 |
| 15 | HRSG modification - Auxiliary firing in HRSG I/HRSG II | 1826 |

1 MTOE = Fuel equivalent of 10000kcal/kg

Above measures have resulted in estimated fuel saving of 8268 Metric Tons of oil equivalent (MTOE).

ii. Steps taken by the company for utilizing alternate sources of energy

Solar power plant was fully operational during the financial year and power equivalent to 8.35 million units have been generated thus demonstrating commitment towards sustainable development and reduction in carbon emission.

## B. TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption;

- Completed Advanced process controller implementation in CDU3, DCU along with RSU and MX Units. Advance process technology implementation is in progress in CDU2, DHDT and PFCC units.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution;

- MRPL has developed 5MFI General Purpose Rafia grade Poly Propylene during the year. The grade will be utilized for applications which require low strength and high machine speed.
- With the implementation of MARPOL specifications (FO with 0.5 wt. % Sulphur), started producing a Very Low Sulphur Fuel Oil (LSFO) in line with IMO regulations.
- For optimizing power generation and steam generation in CPP 1 & 2, an algorithm was internally developed and was implemented.
- For optimizing the feed N+2A to the CCRs, an algorithm was developed internally and implemented on the DCS.

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

**a.** Flare Gas Recovery System(FGRS)

*Details of Technology Import*

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

Year of Import: FY 2017-18

Whether the technology has been fully absorbed: Yes

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

*Details of Technology Import*

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

Year of Import: FY 2017-18.

Whether the technology has been fully absorbed: Yes

**c.** FCC Gasoline Treater (FGT)

*Details of Technology Import*

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

Year of Import: FY 2017-18

Whether the technology has been fully absorbed: The Project is in implementation stage.

Anticipated mechanical completion by July 2021

**d.** CCR2 Revamp

*Details of Technology import*

MRPL has increased the design capacity of the unit from 9,474 barrels of fresh stock charge per operating day to 13,586 barrels of fresh stock charge per operating day. Capacity revamp is done through original unit process Licensor M/s UOP Inter- Americana, Inc.

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

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

**e.** Chlorosorb Process technology for CCR Unit

*Details of technology imported*

A by-product of the regeneration process is the release of HCI and chlorine. The vent gas from the Regeneration Zone is cooled in the Vent Gas Cooler by heat exchange with a slip stream of air from the Cooler Blower. The cooling air is preheated to prevent condensation in the Vent Gas Cooler. The temperature at the outlet of the Vent Gas Cooler is controlled by adjustment of the cooling air flow using a butterfly valve. The vent gas is normally cooled to 143deg.C and then flows through the Adsorption Zone of the Disengaging Hopper before being vented to atmosphere.

The spent catalyst passes from the disengaging zone of the Disengaging Hopper into the Preheat Zone where it is heated by direct contact with N2 that has been heated in a steam heat exchanger. The catalyst then passes from the Preheat Zone to the Adsorption Zone. The catalyst flows from the Adsorption Zone into the Regeneration Tower via a number of catalyst transfer pipes.

Year of import was FY 2018-2019.

Whether the technology has been fully absorbed: Yes.

**f.** PSA revamp

*Details of Technology import*

MRPL has increased the design feed capacity of the PSA unit from 21593 Nm3/h to 37469Nm3/h. PSA unit provide the pure hydrogen of min.99.9vo1% purity. Capacity revamp is done through original unit process Licensor M/s UOP LLC.

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

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

**g.** LPG Amine absorber

*Details of Technology import*

In order to increase the Sulfur in feed VGO of Petro Fluidised Catalytic Cracking Unit, a new LPG amine absorber is being installed. Technology for the LPG amine absorber is being imported from M/S Technip Stone and Webster Process Technology, USA

Whether the technology has been fully absorbed: The Project is in implementation stage.

Anticipated mechanical completion by April 2023

**h.** Wet Gas Scrubber

*Details of Technlogy import*

In order to reduce emission of dust from Petro Fluidised Catalytic Cracking Unit, Wet gas scrubber technology is being imported from M/S Hammon Research – Cottrell Inc, USA.

Year of Import: FY2020-21.

Whether the technology has been fully absorbed: The Project is in implementation stage.

Anticipated mechanical completion by April 2023

**(i) Research and Development**

**1. Specific Areas of R&D:**

The R&D activities of MRPL are primarily categorized under technology up gradation, catalyst development, corrosion mitigation, process optimization and niche product development through in-house and/or collaborative projects with other institutions. MRPL has collaborated with institutes of national repute- CSIR-NCL, IIT-Guwahati, NITK Surathkal and CIPET Chennai through entering into MOUs, to attain the aforesaid R&D objectives.

**2. Benefits Derived:**

The technologies developed are under various levels of maturity and are expected to be commercialized in future. A procedure to screen the patented technologies, estimate the potential for scale up along with the commercial benefit has been formulated. Accordingly priority of commercialization of various patents granted shall be taken up. MRPL has filed for three new provisional patents and has filed five new complete patent specifications in the year 2020-21. With this, MRPL's cumulative count of intellectual property filed in the form of patents till FY 2020-21 is 14. Of these, two patents got awarded in 2021:

1) Process for distillation of petroleum fractions (patent no. 348528)

2) Oxidative Treatment of Refinery Spent caustic ( patent no. 359026)

**3. Future Plan of Action**

MRPL has envisaged a two–pronged future plan of action: developing the patented technologies identified by commercialization priority procedure to maturity and carrying out grass-root research. There are many grass-root research projects ongoing in both in-house and collaborative mode. The technologies for which patents have been granted are being examined under the commercialization priority procedure.

Research projects are also taken up in specific areas related to application of data analytics and machine learning. In this regard further collaborative R&D projects are being explored with reputed institutions.

**4. Expenditure on R&D:**

Total R&D expenditure in FY 2020-21 is ₹ **75.62 lakhs**.

Breakup of the expenditure is as follows:

a. Capex: ₹ 51.84 lakhs

b. Revenue: ₹ 23.78 lakhs

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Crores)

| **Particulars** | **FY 2020- 21** | **FY 2019- 20** |
|---|---|---|
| Foreign Exchange Earnings – (FOB value of exports) | 5,593.54 | 16,557 |
| Foreign Exchange Outgo | 27,674.14 | 45,138 |

**ANNEXURE 'E'**

## Form AOC-2

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

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

### 1. Detail of contracts or arrangements or transactions not at arm's length basis:

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

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

| | Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board | Amount paid as advances, if any |
|---|---|---|---|---|---|---|
| 1(a) | ONGC Mangalore Petrochemicals Ltd- (Subsidiary) * | Transfer of Feed stock from MRPL and return streams from OMPL. Providing facilitation services to OMPL. | W.e.f 15.01.2019 validity 10 years along with side letter to agreement w.e.f. 23.10.2019 | Transfer of Feed stock from MRPL and return streams from OMPL and providing facilitation services to OMPL at mutually agreed term sheet. Side letter to agreement for extension of credit term backed by bill discounting facility. The revision in terms and conditions are approved by COD from time to time. | # | Nil |
| 1(b) | ONGC Mangalore Petrochemicals Ltd- (Subsidiary) * | Backstopping support for Compulsorily convertible debentures | W.e.f 5.03.2020 valid for 3 years | Backstopping support in proportion to the shareholding in OMPL for Compulsorily convertible debentures issued by OMPL including interest accrued thereon, as part of Capital Realignment Plan. | # | Nil |
| 1(C) | ONGC Mangalore Petrochemicals Ltd- ubsidiary)* | Deputation of employees | On going | Deputation of MRPL employees to OMPL and Deputation of OMPL employees to MRPL | # | Nil |

| | | | | | | |
|---|---|---|---|---|---|---|
| 2(a) | ONGC* | Crude Oil Sale Agreement | W.e.f 01.04.2018 to 31.03.2023 | Purchase of crude oil from ONGC at the delivery point of the quantity allocated at prices fixed as per price built up formula. | # | Nil |
| 2(b) | ONGC * | Supply of HFHSD at ONGC offshore locations | 02.09.2016 to 25.07.2021 | Supply of HFHSD at ONGC offshore locations by free delivery at MRPL Jetty, Mangalore as and when required. | # | Nil |
| 2(c) | ONGC * | Inland Sales Bills discounting for MH Crude supplied to MRPL with recourse to ONGC | w.e.f 01.03.2021 to 30.04.2021 | Extension of credit period of MH crude for a further period of 180 days though Bill discounting facility. The facility of Rs.600 Crore may be availed from SBI at 4.00% payable upfront along with applicable stamp duty. | # | Discounting Charges were paid as advance for the unexpired period |
| 2(d) | ONGC * | Parental Guarantee given by ONGC on behalf of MRPL to Saudi Arabian Oil Company for upliftment of Arab grade crude oil | 01.09.2020 to 31.08.2022 | Parental Guarantee given by ONGC on behalf of MRPL to Saudi Arabian Oil Company for upliftment of Arab grade crude oil by MRPL for which ONGC is charging guarantee commission from MRPL for every cargo / parcel of crude oil that MRPL imports under such parental company guarantee. | # | Nil |
| 2(e) | ONGC * | Acquisition of equity share of OMPL from ONGC | N.A | Acquisition of 1,24,66,53,746 equity shares of ₹ 10/- each of OMPL from ONGC at a value of ₹ 9.76 thereby enhancing the shareholding of MRPL in OMPL from 51% to 99.9998% | # | Nil |
| 2(f) | ONGC* | Office premises taken lease | 01.04.2016 to 31.03.2026 & 01.01.2017 to 31.12.2026 | Office premises taken at Mumbai & Delhi on lease from ONGC | # | Nil |
| 3 | ONGC Videsh Ltd * | Purchase of Crude Oil | February 2021 | Purchase of Sokol crude oil | # | Nil |
| 4 | Shell MRPL Aviation Fuels & Services Ltd. | Jet Fuel Sale Purchase & Infrastructure sharing Agreement | | Sale and purchase of Jet fuel in line with the domestic sale to Oil Marketing company in India and sharing of infrastructure at prices fixed as per price built up formula. | # | Nil |

| | | | | | | |
|---|---|---|---|---|---|---|
| 5(a) | Hindustan Petroleum Corporation Limited (HPCL)-Promoter Company* | MOU between MRPL & HPCL for Product Sale-Purchase, Providing Infrastructure services and Co-operation in Energy & Related fields | Ongoing Contract<br><br>Ongoing Contract | (1) Product sale-purchase, providing infrastructure services and co-operation in Energy and related fields. Pricing for products (MS/HSD/SKO/ATF/LPG) shall be in line with PSU OMCs' existing terms as prevailing from time to time, unless otherwise mutually agreed. (2) HPCL shall offer Road and Rail terminalling services under hospitality arrangements from HPCL's Mangalore, Hassan and Devangunthi Terminals to MRPL for supplies to ROs/ Customers. | # | Nil |
| 5(b) | Hindustan Petroleum Corporation Limited (HPCL)-Promoter Company * | MOU between MRPL & HPCL for Purchase of HSD for KSRTC sales | 3 years up to 30.06.2023 with option of further extension for 2 years | Objective of catering HSD demand of KSRTC and its sister corporations as per the agreed terms and conditions of the MOU | # | Nil |
| 5 (c) | Hindustan Petroleum Corporation Limited (HPCL)-Promoter Company * | Arrangement between MRPL & HPCL for supply of Auto Fuels (MS & HSD) to HPCL Gulbarga | Ongoing Arrangement | Supply of HSD and MS to Gulbarga depot of HPCL as per the agreed terms and conditions of the arrangement | # | Nil |
| 5(d) | Hindustan Petroleum Corporation Limited (HPCL)-Promoter Company * | Arrangement between MRPL & HPCL for supply of HSD to HPCL Coimbatore | Ongoing Arrangement | Supply of HSD to Coimbatore depot of HPCL as per the agreed terms and conditions of the arrangement | # | Nil |
| 5(e) | Hindustan Petroleum Corporation Limited (HPCL)-Promoter Company * | MOU between MRPL & HPCL for ATF supply to HPCL in Karnataka | Up to 31.03.2022 with option of extension till 31.03.2023 | Supply of ATF to HPCL in Karnataka as per the agreed terms and conditions of the MOU | # | Nil |
| 5(f) | Hindustan Petroleum Corporation Limited (HPCL)-Promoter Company * | Supply of Lube Oil on Annual Rate Contract basis. | 24.07.2020 to 23.07.2021 | Supply of Lube Oil on Annual Rate Contract basis. | # | Nil |

| | | | | | | |
|---|---|---|---|---|---|---|
| 5(g) | Hindustan Petroleum Corporation Limited (HPCL)- Promoter Company * | Supply of Lubricity Improver for ULHSD | 05.02.2021 | Supply of Lubricity Improver for ULHSD. | # | Nil |
| 6(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 up to the battery limits of MRPL, storing and distributing water and setting up the necessary infrastructure for disposal of treated effluents. | # | Nil |
| 6(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. | # | Nil |
| 6(c) | Mangalore SEZ Limited | Setting up PP-Pet coke evacuation road & truck parking | w.e.f 05.12.2016 | MRPL has paid onetime 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. | # | Nil |
| 7(a) | Petronet MHB Limited * | Transportation of petroleum products through Pipeline | w.e.f 01.04.2003 | MRPL is utilizing the services of pipeline of PMHBL for transfer of Petroleum products from Mangalore to Hassan and Devangunthi as per PNGRB notified Tariff. | # | Nil |
| 7(b) | Petronet MHB Limited * | Supply of Power to PMHBL | w.e.f 01.06.2019 | MRPL supplies power to PMHBL and power cost is reimbursed by PMHBL at MESCOM Notified Tariffs. | # | Nil |
| 7(c) | Petronet MHB Limited * | Agreement for leasing of PMHBL pipeline corridor facility up to PMHBL Mass Flow Meter | w.e.f 05.08.2019 validity 10 years | MRPL uses pipeline corridor at Petronet's pumping station at Mangalore for its supply of petroleum products to OMC's at Hassan and Devanganthi . MRPL's pays lease rent for the pipeline corridor. | # | Nil |
| 7(d) | Petronet MHB Limited * | Supply of Solar Power by PMHBL | w.e.f. 01.06.2019 | PMHBL supplies Solar Power to MRPL and charges are reimbursed by MRPL to PMHBL as per MESCOM tariff rate. | # | Nil |

*Government Companies

# Board approval is not applicable in the case of transactions between Government companies and in the case of transactions entered into by the company in its ordinary course of business other than transactions which are not on arm's length basis.

ANNEXURE 'F'

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

*[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,**
**CIN: L23209KA1988GOI008959**
**Regd. Office: Mudapadav, Post Kuthethoor,**
**Via Katipalla, Mangalore – 575030**
**Karnataka**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mangalore Refinery and Petrochemicals Limited** (hereinafter called "the company") (CIN: L23209KA1988GOI008959) having its Registered Office at Mudapadav, Post Kuthethoor, Via Katipalla, Mangalore – 575030 Karnataka. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings;

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

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

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

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

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable, as the Company has not offered any shares or granted any options pursuant to any employee benefits scheme during the financial year under review).

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

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

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

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable, as the Company has not bought back/proposed to Buyback any of its securities during the financial year under review).

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

(a) Petroleum Act, 1934 and Rules made thereunder;

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

(c) Provision of Gas Cylinder Rules;

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

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

(f) The Factories Act, 1948;

(g) The Contract Labour (Regulation & Abolition) Act, 1970;

(h) The Industrial Employment (Standing orders) Act, 1946;

(i) The Payment of Wages Act, 1936;

(j) Industrial Disputes Act, 1947;

(k) The Employees State Insurance Act, 1948;

(l) Employees Provident Fund and Misc. Provisions Act, 1952;

(m) Equal Remuneration Act,1976;

(n) Maternity Benefit Act, 1961;

(o) Minimum Wages Act, 1948;

(p) Trade Union Act, 1926;

(q) Payment of Bonus Act, 1965;

(r) Payment of Gratuity Act, 1972;

(s) Provisions of Environment (Protection) Act, 1986;

(t) Explosives Act, 1884;

(u) Income Tax Act, 1961, Karnataka Tax on professions, Trades, Calling and Employments Act, 1976 and Customs Act, 1962;

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

(w) The Apprentices Act,1961;

(x) The Public Liability Insurance Act, 1991;

(y) The Information Technology Act, 2000;

(z) Sale of Goods Act, 1930;

(aa) Karnataka Labour Welfare Fund Act, 1965 and

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

(cc) Indian Electricity Act, 2003

(dd) Indian Electricity Rules, 1956.

(ee) Provisions of The Water (Prevention & Control of Pollution) Act, 1974

(ff) The Air (Prevention & Control of Pollution) Act, 1981 and rules made thereunder.

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

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

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

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

1. The Company did not have the required number of Independent Directors as required under section 149(1)(4) of the Companies Act, 2013 for a period from 7th September 2020 to 31st March 2021.

2. During the year under review the company did not have the required number of Independent Directors as required under Regulation 17 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance with regard to Composition of the Board of Directors and thereby not meeting the provisions relating to composition of Board, Audit Committee and Nomination and Remuneration Committee.

3. During the year under review the company did not have Independent Woman Director on its Board as required under Regulation 17(1) of SEBI (LODR) Regulations, 2015.

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

**We further report that,**

The Board of Directors of the Company is constituted with Executive Directors, Non-Executive Directors and Independent Directors. 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 with the exception of the requisite number of Independent Directors including Independent Woman Director on the Board as required under the provisions of Regulation 17 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as mentioned above. BSE and NSE have levied monetary fine(s) for non-compliance with Regulation 17(1) of SEBI (LODR) Regulations, 2015 during the year under review. Further, the Company also did not have the required number of Independent Directors as required under section 149(1)(4) of the Companies Act, 2013 w.e.f. from 7th September 2020.

The Company, being a Central Public Sector Enterprise (CPSE) the appointment of Directors on the Board of the Company are made by the Administrative Ministry, i.e., Ministry of Petroleum and Natural Gas (MoP&NG), Government of India (GoI). The Company has been continuously following up with MoP&NG for appointment of requisite number of Independent Directors on the Board of the Company and the same has been under active consideration with MoP&NG.

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

Majority decision is carried through while the members' views were captured and recorded as part of the minutes.

The 32nd Annual General Meeting of the Company was held on Friday, 18th Day of September, 2020 at the registered office of the company through Video Conferencing (VC) or Other Audio-Visual Means ("OAVM") as per the mechanism provided in General Circular No.14/2020 dated 08.04.2020 issued by the Ministry of Corporate Affairs for conducting the Members' Meeting through VC or OAVM along with other provisions of the Companies Act, 2013 and rules thereon.

No Extraordinary General Meeting of the Company was held during the Financial Year 2020-21.

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

**We further report that** during the audit period:

- The approval of Board of Directors of the Company for acquisition of shares of ONGC MANGALORE PETROCHEMICALS LIMITED was given in their meeting held on 19th October 2020. Accordingly, the Company has acquired 124,66,53,746 Equity Shares of ONGC MANGALORE PETROCHEMICALS LIMITED from Oil and Natural Gas Corporation Limited on 1st January 2021 and thereby enhancing the shareholding of the Company in the present paid up equity capital of ONGC MANGALORE PETROCHEMICALS LIMITED from 51% to 99.9998%.
- In the 32nd Annual General Meeting of the Company held on Friday, 18th Day of September, 2020, the Shareholders approval by way of passing Special Resolution was obtained to raise funds upto Rs.5000 crore through issue of unsecured non-convertible debentures (NCDs)/ Bonds by the Company.
- During the Financial Year 2020-21, the Company has issued Unsecured Redeemable Non-Convertible Fixed Rate Debentures (NCDs) of worth ₹1217 Crore through Private Placement with interest of 6.18% p.a. The NCDs are listed on BSE Limited and National Stock Exchange of India Limited.

*For* ***Ullas Kumar Melinamogaru & Associates***
*Practising Company Secretaries*
***Sd/-***
***CS Ullas Kumar Melinamogaru***
***Proprietor***
***FCS 6202, CP No. 6640***
**UDIN: F006202C000545268**

Date : 30/06/2021
Place : Mangaluru

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

**Annexure A**

**To,**
**Mangalore Refinery and Petrochemicals Limited,**
**CIN: L23209KA1988GOI008959**
**Regd. Office: Mudapadav, Post Kuthethoor,**
**Via Katipalla, Mangalore – 575030**
**Karnataka**

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

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on my 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 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 my opinion.
3. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the company. We have relied upon the Reports of Statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating to maintenance of Books of Accounts, Papers and Financial Statements of the relevant financial year, which give a true and fair view of the state of the affairs of the Company.
4. We have relied upon the reports of Statutory Auditors regarding compliance of Fiscal Laws including Goods and Service Tax and not gone into that.
5. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

*Sd/-*

***CS Ullas Kumar Melinamogaru***
***Proprietor***
***FCS 6202, CP No. 6640***
**UDIN: F006202C000545268**

Date : 30/06/2021
Place : Mangaluru

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

**To,**
**The Members,**
**Mangalore Refinery and Petrochemicals Limited,**
**CIN: L23209KA1988GOI008959**
**Regd. Office: Mudapadav, Post Kuthethoor,**
**Via Katipalla, Mangalore – 575030**
**Karnataka**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Mangalore Refinery and Petrochemicals Limited** having CIN L23209KA1988GOI008959 and registered office at Mudapadav, Kuthethoor Post, Via Katipalla, Mangalore - 575030 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

| Sr. No. | Name of Director | Directors Identification Number (DIN) | Date of Appointmentin Company | Date of Cessation |
|---|---|---|---|---|
| 1. | Shri Shashi Shanker | 06447938 | 01/10/2017 | *Continuing |
| 2. | Shri Venkatesh Madhava Rao | 07025342 | 01/04/2015 | Continuing |
| 3. | Shri Mundanat Vinayakumar | 08225553 | 11/07/2019 | 31/05/2020 |
| 4. | Smt. Pomila Jaspal | 08436633 | 15/10/2019 | Continuing |
| 5. | Shri Subhash Kumar | 07905656 | 15/05/2018 | Continuing |
| 6. | Shri Vinod Sadanand Shenoy | 07632981 | 08/11/2016 | Continuing |
| 7. | Shri Vijay Sharma | 08045837 | 08/01/2020 | 04/08/2020 |
| 8. | Shri Sunil Kumar | 08467559 | 17/10/2019 | 10/12/2020 |
| 9. | Shri Sewa Ram | 01652464 | 08/09/2017 | 07/09/2020 |
| 10. | Shri Balbir Singh | 07945679 | 08/09/2017 | 07/09/2020 |
| 11. | Shri Virupakshan Pranatharthiharan | 07710821 | 08/09/2017 | 07/09/2020 |
| 12. | Dr. Gunvant Kantilal Patel | 07945704 | 08/09/2017 | 07/09/2020 |
| 13. | Shri Ram Tirath Agarwal | 01937329 | 12/07/2019 | Continuing |
| 14. | Shri Sanjay Varma | 05155972 | 09/06/2020 | Continuing |
| 15. | Ms. Esha Srivastava | 08504560 | 10/12/2020 | Continuing |
| 16. | Shri Rohit Mathur | 08216731 | 10/12/2020 | Continuing |

* Shri Shashi Shanker (DIN:06447938), Chairman/Director, has resigned from the Board of the Company w.e.f. 01/04/2021 consequent to his superannuation from the services of Oil and Natural Gas Corporation Limited as Chairman & Managing Director on 31/03/2021.

Ensuring the eligibility of the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

*Sd/-*

***CS Ullas Kumar Melinamogaru***
***Proprietor***
***FCS 6202, CP No. 6640***
**UDIN: F006202C000545367**

Date : 30/06/2021
Place : Mangaluru

**ANNEXURE 'G'**

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MANGALORE REFINERY AND PETROCHEMICALS LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of Mangalore Refinery and Petrochemicals Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 17th May 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Mangalore Refinery and Petrochemicals Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

**For and on behalf of the**
**Comptroller & Auditor General of India**
*Sd/-*
**(R. AMBALAVANAN)**
**Director General of Commercial Audit, Chennai**

Place : Chennai
Date: 15.07.2021

## 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 2021

The preparation of consolidated financial statements of Mangalore Refinery and Petrochemicals Limited For the year ended 31 March 2021 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 17th May 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Mangalore Refinery and Petrochemicals Limited for the year ended 31 March 2021 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Mangalore Refinery and Petrochemicals Limited and ONGC Mangabre Petrochemicals Limited, but did not conduct supplementary audit of the financial statements of Shell MRPL Aviation Fuels and Services Limited for the year ended on that date. Further, section 139(5) and 143 (6) (b) of the Act are not applicable to Shell MRPL Aviation Fuels and Services Limited being private entity. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of this company. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

**For and on behalf of the**
**Comptroller & Auditor General of India**
*Sd/-*
**(R. AMBALAVANAN)**
**Director General of Commercial Audit, Chennai**

Place : Chennai
Date: 15.07.2021

# MANAGEMENT DISCUSSION AND ANALYSIS

## 1. Economic Overview

### 1.1. Global Economy

The COVID-19 pandemic made 2020 a unique year for the world. Over three million lives were lost around the world. Global Economy contracted to -3.3%. Lockdowns that were imposed globally have impacted all businesses. This has also resulted in a drastic change in the way of life of people across the globe and has had attendant impact on all the key macroeconomic factors like employment, consumption, investment and savings. Unemployment rates have risen. On the fiscal front, rising debt which is being used to combat the effects of the pandemic could hit the poorer and emerging economies particularly hard. Global debt from all sectors (ranging from household to government to corporate) has surged. The pandemic has tested the ability of local, national, multinational and private institutions to respond to mitigate the catastrophic impact and stimulate an inclusive recovery.

Global growth is widely expected to strengthen as more people are vaccinated. The world economy will be exiting the pandemic weighed down with much larger debts and increased inequality. It is also believed that the world would witness fractured growth outcomes with some economies recovering rapidly while other lag behind. Countries whose economies are dependent on travel and tourism are expected to take longer to recover. Global growth is expected to rise above 5% in 2021 aided by fiscal support and vaccine powered recovery.

### 1.2. Indian Economy

India is also combating the effects of this global pandemic. The population was confined to homes for much of the first quarter of the last fiscal. Businesses were shut, consumption slumped, investments were hit and jobs were lost. While the government has initiated stimulus spending relaxing the fiscal deficit targets significantly, the expenditure has been constrained by lower revenue collections which were hurt by the lockdown. However, just when March 2021 proved a silver lining by providing the highest mop-up of GST ever, indicating recovery of revenue for the government the second wave of pandemic struck. The country witnessed shutdowns in April, May and June of the current fiscal. Despite this revenue crunch, the government has continued to provide relief to poorer households, ensure relief to small and medium enterprises and has attempted to get the economy back on track. Government's continued stimulus on infrastructure and social sectors will be required to guide the pace of recovery. Education was also impacted by the pandemic. To minimize the impact of lockdown and to avoid loss in human capital, learning in schools and colleges was switched from offline to online mode. Due to the impetus that the government has been giving to digitalization, even the rural and remote populace could be digitally connected for continuation in learning and growth. The rollout of digital payments from 2015 onwards has also helped in ensuring that economic transactions were not impacted by lack of mobility.

India recovery has been stronger than earlier expected. Indian economy is seeing a turnaround considering the roll out of vaccine, increased mobility and less disruptions to business activity. Indicators including exports, energy consumption, automobile sales and manufacturing are beginning to show an uptick. The country will require substantial growth to not only cover lost ground but also create new jobs.

## 2. Overview of Energy Industry

### 2.1. Global scenario

The energy industry has also been impacted on account of the pandemic. The lockdowns caused by the pandemic has completely skewed the energy consumption patterns. Fuel consumption patterns have changed with travel being impacted and this in turn has caused a drastic change in the margins available for producers.

Despite drop in consumption, Crude prices continued to harden throughout the year emerging from the historic lows of May 2020. This was occasioned by the decisions of OPEC+ to continue with production cuts. This increased crude price coupled with low demand for the fuels resulted in extremely low product cracks throughout the year. Consequently global refining margins continue to be at unsustainably low levels even a full year after the onset of the pandemic.

### 2.2. Indian scenario

India is the third largest consumer of energy. At close to 18% of the world's population, the per capita energy consumption is only 0.6 Mtoe when compared to China's at 2.42 and USA's at 6.84 Mtoe. This portends significant increase in energy use in the next two decades of growth.

There is a significant churn happening among Oil, Natural Gas, Coal and Renewables in the energy basket. Conventional energy sources are still the primary contributors to the energy needs. The share of Coal is over 50% and Oil and Gas 36%. The low per capita energy consumption amongst the big economies provides India with a historic opportunity to enhance the share of renewables in the energy pie. It can decarbonize even while the economy grows. India is well on its way of achieving 175 MW of Installed Capacity of Renewables by 2022. The fall in the prices of renewables, especially solar, has enabled such large scale adoption.

In the energy transition journey, the aspirational needs of millions of people being pulled out of poverty, with rising incomes have to be judiciously balanced with increased environmental concerns and reliable and affordable energy. The Government is doing well by encouraging different forms of energy. It has announced an ambitious target of 450 MW installed capacity of renewables by 2030. Share of gas in the energy mix is targeted at 15% by 2030. Compressed Bio-Gas and Advanced Bio-Fuels are being supported. Share of Ethanol in Petrol has been targeted at 20% by 2025 and Ethanol production from excess food grains is being permitted. The government has proposed the setting up of National Hydrogen Mission in the current fiscal with the goal to provide a roadmap for using Hydrogen as an alternate clean energy source.

Despite the efforts to decarbonize, conventional fossil based energy sources are not going to lose traction in the medium term in India. While the performance of Solar has been impressive, technologies are yet to mature to provide scale and cost effective solutions for storage to address intermittency. Oil is important not only as an energy source but also as the only cost-effective source of petrochemicals in the world today. The per capita consumption of plastics is still low in the country. For India, oil demand is expected to grow until 2040 although its end use could alter with the emergence of other forms of energy.

## 3. Markets

The year 2020-21 has been amongst the most volatile for International Oil Markets. The pandemic induced lockdowns across the world pummelled the Crude prices and the Brent fell to less than USD 10/bbl for the first time in more than two decades. As the world emerges from the lockdown, markets may never be the same again. There could be more work-from-home and lesser business travel. The momentum for renewables which existed before COVID coupled with the lockdown might see the world oil consumption remain below 2019 levels for the next 2 to 3 years. The recovery of the markets is expected to be different across nations and sectors. Suppression of the virus through vaccination will probably happen at different speeds in different parts of the world, with the emerging world likely to be slowest. This will likely continue to disrupt or restrict travel. Until travel returns to normal cadence, the oil markets will remain negatively impacted.

The average Crude Oil Basket price in India fell below USD 20/bbl in April 2020. During the period of freefall in the Crude price, India filled up its strategic reserves. The price crash helped the country's current account deficit and saved foreign exchange. The Crude Oil price rose above USD 65/bbl in the last quarter of FY 20-21. This was not entirely demand driven. Any high Crude Oil price would naturally be unwelcome for an oil importing nation like ours especially at a time when the economy is struggling. Unilateral decisions by the supplier countries to artificially prop up Crude Oil prices would be detrimental to the consumer countries. Industry responded well recently to the Government's call to diversify crude sources when such unilateral cuts were announced by a major OPEC nation.

For the refiners, the steep fall prices resulted in huge inventory losses. Indian refiners also faced the challenge of keeping their factories running at low capacities during the lockdown to supply essential fuel like LPG although sales of other fuels was challenging and most of the fuel margins were negative. The product cracks were depressed and the benchmark GRM was negative during the first 6 months of FY 2020-21. Although the Crude prices gained towards the end of the year and the Capacity Utilization increased in the second half of the year, driven by domestic demand, the low product margins are weighing on the refiners. The lockdowns imposed during the second wave of the pandemic during the first quarter of the current fiscal have set back the improvements that were being seen. For India, the setback on oil demand is expected to be temporary, although the year has been uncertain and complex. However, unlike the other major economies, the country is expected to continue its oil momentum for the next two decades supported by low base and large population. Refiners would be integrating and diversifying the products over this period to face sectoral changes.

## 4. Crude Basket

Your company meets its crude oil requirement from various National Oil Companies of exporting countries on term basis and from open market on spot basis. During 2020-21, the company procured 11.615 MMT of crude oil of which 9.125 MMT was imported and the balance was sourced indigenously from Bombay High, Ravva and Mangala of ONGC and Cairn India. Crude oil was imported from Kuwait Petroleum Corporation, Saudi Aramco, Abu Dhabi National Oil Company and SOMO. To meet the Low Sulphur Heavy Stock (LSHS) requirement and shortfall in term crude requirement, MRPL also imported crude oil (0.744 MMT) through spot tender during the year.

New Crudes Nemba (Angola) API 37.7, Mars (US) API- 30.42, Bakken (US) API 42.5, Umm Lulu (UAE) API 38.7, Akpo (Nigeria) API- 48.18, WTI Midland (USA) API- 41.67, Girassol (Angola) API- 30.16 and Poseidon (USA) API- 29.09 were processed during the year.

The crude purchase and consumption in quantity and value terms is indicated below

| Crude | Consumption | | Purchase | |
|---|---|---|---|---|
| | '000 MT | ₹ Crore | '000 MT | ₹ Crore |
| MH Crude | 1089 | 2488 | 1089 | 2487 |
| RAVVA | 185 | 423 | 185 | 423 |
| EOA | 2 | 4 | 2 | 4 |
| KG | 14 | 20 | 14 | 20 |
| Mangala | 1158 | 2938 | 1158 | 3064 |
| Nagayalanka | 12 | 31 | 12 | 31 |
| CB Crude | 27 | 68 | 27 | 68 |
| Das | 342 | 796 | 300 | 707 |
| Umm Lulu | 123 | 390 | 123 | 390 |
| Upper Zakum | 851 | 2326 | 851 | 2325 |
| Arab Heavy | 2193 | 5574 | 2193 | 5573 |
| Arab Extra Light | 65 | 145 | 65 | 145 |
| Arab Light | 638 | 1534 | 638 | 1533 |

| | | | | |
|---|---|---|---|---|
| Kuwait | 972 | 2453 | 972 | 2671 |
| Barsah Light | 1689 | 4055 | 1672 | 4225 |
| Basrah Heavy | 429 | 898 | 429 | 898 |
| Bonga | 141 | 482 | 141 | 482 |
| Bonny Light | 0 | 0 | 128 | 471 |
| Saturno Blend | 256 | 708 | 256 | 707 |
| Cabinda | 128 | 214 | 128 | 211 |
| Akpo Exp Blend | 119 | 435 | 119 | 435 |
| WTI Midland | 128 | 449 | 128 | 449 |
| Girassol | 139 | 470 | 139 | 470 |
| Nemba Blend | 131 | 353 | 131 | 353 |
| Mars Blend | 288 | 844 | 288 | 843 |
| Poseidon | 139 | 468 | 139 | 468 |
| Bakken | 139 | 366 | 139 | 366 |
| Sokol | 23 | 81 | 94 | 323 |
| ISPRL Mix | 41 | 98 | 41 | 98 |

### 5. Products

The production, sales and exports of the products are given below

| PRODUCT | Quantity Produced ('000 MT) | Quantity Sold ('000 MT) | Exports('000 MT) |
|---|---|---|---|
| HSD | 5024 | 5100 | 1187 |
| NAPHTHA | 1063 | 1063 | 180 |
| MS | 1060 | 1019 | 162 |
| LPG | 811 | 812 | Nil |
| PETCOKE | 577 | 583 | Nil |
| ATF | 447 | 459 | 357 |
| POLYPROPYLENE | 342 | 373 | 22 |
| MFO | 188 | 188 | 188 |
| ASPHALT | 177 | 177 | Nil |
| SULPHUR | 155 | 163 | 10 |
| XYLOL | 109 | 110 | Nil |
| SKO | 34 | 38 | Nil |
| LSFO | 32 | 32 | Nil |
| A7 | 31 | 31 | Nil |
| A9 | 22 | 22 | Nil |
| CRMB | 5 | 5 | Nil |

### 6. Performance

Your company's performance was severely impacted by COVID pandemic. As lockdown was imposed at the beginning of the year there was near complete destruction in demand for transportation fuels. Demand of ATF dropped to near zero levels and MS and HSD also dropped significantly. Export demand was also low as many parts of the world were already under lockdown. Domestic LPG and Polypropylene (for manufacture of PPEs) continued to be in demand. This resulted in shutting down of certain units while still keeping certain units in operation so as to supply essential fuels and raw materials to the country. Sustaining of operations was carried out through timely decisions including Crude diversion to ISPRL and storage of Diesel product in shipping vessel. Although sales of Road Transportation Fuels Viz. Motor Spirit and Diesel were present to some extent, Aviation Fuel sales had completely stopped until July 2020. The Refinery had to weather this situation by swelling diesel pool. Against this backdrop of low demand and depressed cracks, it was prudent for the company to operate at lower capacity. Consequently, the Refinery Capacity Utilization stood at only 60% in the first quarter.

In this period the benchmark GRM (Singapore, Platts Coking-FCC-Hydrockraker) was minus 0.44USD/bbl for the Apr-Sep period. During the same period, MRPL's operating GRM stood at 1.55 USD/bbl.

As the situation reverted to near normal, the demand for products picked up and the Refinery Utilization increased. The average Capacity Utilization was 65% for the first 9 months of the financial year. In Jan 2021, the Capacity Utilization reached 100% and continued to remain at 100% for the remainder of the year. Your Company's operating GRM for the Oct- Dec quarter was USD 3.26/bbl and stood at USD 3.71/bbl for the year. Measures and controls were put into place to control and defer expenses and expenditure. This has resulted in significant savings on the expenses when compared to the previous year.

Crude prices rose above USD 65/bbl in the last quarter of the year. Increasing consumption supported reduction of global inventories but the high prices were also attributable to production cuts meant to buttress the prices. The product cracks still remain depressed and are at a fraction of pre-covid levels primarily on account of continuing curbs of travel and consequent high global product inventories.

In the midst of all these issues your Company has tried to ensure that we continue to strive for excellence and be ready for normalisation. The period of uncertain demand has been utilised for maintenance and turnarounds and the Company can operate at its fullest capacity when markets normalize. Polypropylene production was sustained at high throughput as petrochemical returns compensated the low fuel cracks to some extent. Activities for installation of a new Oil Marketing Terminal in Bengaluru has commenced. Retail Sales is being continuously expanded and the margins are significant especially considering the prevalence of low product cracks.

## STANDALONE FINANCIAL PERFORMANCE

For the financial year 2020-21, MRPL Loss After Tax was ₹ 240 Crore resulting in earnings per share of ₹ (1.37).

**Gross Sales**

Gross sales of the Company (inclusive of excise duty) in the financial year 2020-21 was ₹ 50,974 Crore as compared to ₹ 60,728 Crore in the financial year 2019-20. The total sale of products for the year 2020-21 was 10.22 MMT as against 12.70 MMT for the year 2019-20.

**Profit/ (Loss) Before Tax**

The Company has incurred Loss Before Tax (PBT) of ₹ 345 Crore in 2020-21 as compared to Loss Before Tax of ₹ 3,958 Crore in 2019-20.

**Provision For Taxation**

An amount of ₹ 104 Crore has provided as tax credit for 2020-21 as against tax credit of ₹ 1,222 Crore during 2019-20.

**Profit/ (loss) After Tax**

The Company has a Loss After Tax (PAT) of ₹ 240 Crore during 2020-21 as compared to Loss After Tax of ₹ 2,740 Crore during 2019-20.

**Depreciation and Amortisation**

Depreciation for the year 2020-21 was ₹ 853 Crore as against ₹ 783 Crore for the year 2019-20.

**Borrowings**

The Borrowings of the Company were ₹ 16,225 Crore as on March 31, 2021 as compared to ₹ 11,896 Crore as on March 31, 2020. Long term borrowings were through Non-Convertible Debentures (NCDs), External Commercial Borrowings (ECB), Loans from foreign banks, Oil Industry Development Board (OIDB) and deferred payment liabilities against VAT payment. Short term borrowings were mainly through short term Rupee loans from banks, Loans from foreign banks, bill discounting facility and Commercial papers. The long term debt to equity ratio stands at 1.43 as on March 31, 2021 as against 1.21 as on March 31, 2020 and on overall borrowing basis (long term and short term), the debt to equity ratio stands at 2.16 as on March 31, 2021 as against 1.53 as on March 31, 2020.

**Capital Assets**

Net fixed assets (including capital work in progress and RoU) increased to ₹ 16,067 Crore as on March 31, 2021 from ₹ 15,969 Crore as on March 31, 2020.

**Investments**

Investments as on March 31, 2021 were ₹ 3,395 Crore as compared to ₹ 2,178 Crore as on March 31, 2020.

**Gross Refining Margins (GRMs)**

The Gross Refining Margin was US$ 3.71 per barrel for the year 2020-21 as against US$ (0.23) per barrel for the year 2019-20.

**Earnings Per Share (EPS)**

Earnings per share for the year 2020-21 is ₹ (1.37) as compared to ₹ (15.64) for the year 2019-20.

## CONSOLIDATED FINANCIAL PERFORMANCE

For the financial year 2020-21, Loss After Tax attributable to owners of the company was ₹ 568 Crore resulting in earnings per share of ₹ (3.24).

**Gross Sales**

Gross sales of the Group (inclusive of excise duty) in the financial year 2020-21 was ₹ 50,839 Crore as compared to ₹ 59,869 Crore in the financial year 2019-20.

**Profit/ (Loss) Before Tax**

The Group has incurred Loss Before Tax (PBT) of ₹ 919 Crore in 2020-21 as compared to Loss Before Tax (PBT) of ₹ 5,404 Crore in 2019-20.

**Provision For Taxation**

An amount of ₹ 153 Crore has provided as tax credit for 2020-21 as against tax credit of ₹ 1,366 Crore during 2019-20.

**Profit/ (loss) After Tax**

The Group has a Loss After Tax (PAT) of ₹ 765 Crore during 2020-21 as compared to Loss After Tax (PAT) of ₹ 4,043 Crore during 2019-20.

**Depreciation and Amortisation**

Depreciation and amortization for the year 2020-21 was ₹ 1,158 Crore as against ₹ 1,086 Crore for the year 2019-20.

**Borrowings**

The Borrowings of the Group were ₹ 23,833 Crore as at March 31, 2021 as compared to ₹ 18,482 Crore as at March 31, 2020. Long term borrowings were mainly through Non-Convertible Debentures (NCDs),Compulsory convertible Debentures (CCDs), External Commercial Borrowings (ECB), Loans from foreign banks, Oil Industry Development Board (OIDB) and deferred payment liabilities against VAT payment etc. Short term borrowings were mainly through short term Rupee loans from banks, Loans from foreign banks, bill discounting facility and Commercial papers etc. The long term debt to equity ratio stands at 3.95 as at March 31, 2021 as against 2.40 as at March 31, 2020 and on overall borrowing basis (long term and short term), the debt to equity ratio stands at 5.61 as at March 31, 2021 as against 2.97 as at March 31, 2020.

**Capital Assets**

Net fixed assets (including capital work in progress, RoU and excluding goodwill on consolidation) decreased to ₹ 21,586 Crore as at March 31, 2021 from ₹ 21,800 Crore as at March 31, 2020.

**Investments**

Investments as at March 31, 2021 were ₹ 25 Crore as compared to ₹ 29 Crore as at March 31, 2020.

**Gross Refining Margins (GRMs)**

The Gross Refining Margin for refinery operation was US$ 3.71 per barrel for the year 2020-21 as against US$ (0.23) per barrel for the year 2019-20.

**Earnings Per Share (EPS)**

Earnings per share attributable to owners of the company for the year 2020-21 is ₹ (3.24) as compared to ₹ (19.14) for the year 2019-20.

**Loan Covenants:**

The ECB facility agreements for the foreign currency loans availed by MRPL contain Financial Covenants to be complied with on annual basis, namely, Long Term Debt Equity Ratio, Long term Debt to EBITDA, Interest Coverage Ratio and Tangible Net worth. The Financial Covenants are tested annually based on the Annual Audited Financial Results.

Considering the adverse impact of Covid on the business in FY 2020-21, it was felt that MRPL may breach some covenants. In view of the same, the ECB lenders were approached before the financial year end and were requested to grant waiver / holiday of one year from Financial Covenant testing for the FY 2020-21. The request was considered favourably by the banks and waiver from testing of financial covenants was granted for FY 2020-21 for all the ECB agreements.

Based on the Annual Audited Financial Results for FY 2020-21, MRPL has breached only one covenant (i.e. Debt to EBITDA).

## 7. Key financial parameters and ratios

Key financial Ratios are presented below:

| Ratio Name | Formula | UoM | FY 2020-21 | FY 2019-20 | Change in % |
|---|---|---|---|---|---|
| | | | Ratio | | |
| DEBTOR TURNOVER RATIO (DAYS) | (AVERAGE RECEIVABLE / REVENUE FROM OPERATIONS)*365 | No. of days | 12.37 | 10.11 | 22.41 |
| INVENTORY TURNOVER RATIO | COST OF GOODS SOLD / A VERAGE INVENTORY | No. of times | 6.05 | 10.98 | -44.94 |
| INTEREST SERVICE COVERAGE RATIO (ISCR) | EBITDA / (INTEREST & FINANCE CHARGES NET OF AMOUNT TRANSFERRED TO EXPENDITURE DURING CONSTRUCTION) | No. of times | 2.44 | (3.26) | 174.87 |
| CURRENT RATIO | CURRENT ASSET / CURRENT LIABILITIES | No. of times | 0.80 | 0.68 | 16.58 |
| DEBT EQUITY RATIO | (LONG TERM BORROWING + CURRENT MATURITIES OF LONG TERM DEBT) / TOTAL EQUITY | No. of times | 1.43 | 1.21 | 17.65 |
| OPERATING PROFIT MARGIN | (PROFIT BEFORE EXCEPTIONAL ITEM AND TAX+FINANCE COST-OTHER INCOME) / REVENUE FROM OPERATIONS NET OF EXCISE DUTY | %ge | (0.35) | (6.51) | 94.67 |
| NET PROFIT MARGIN | PROFIT AFTER TAX FOR THE YEAR / REVENUE FROM OPERATIONS NET OF EXCISE DUTY | %ge | (0.75) | (5.37) | 86.09 |
| RETURN ON NET WORTH | (TOTAL COMPREHENSIVE INCOME - PREFERRED DIVIDEND) / EQUITY (NET WORTH) | %ge | (3.17) | (35.39) | 91.05 |

| |
|---|
| The Debtor turnover ratio for current FY 21 is 12.37 as against 10.11 in FY 20. i.e. increase of 22.41%, which is mainly due to decrease in revenue from operation by ₹ 9,732 crore on account of decrease in demand for petroleum products due to COVID - 19. |
| The Inventory turnover ratio for current FY 21 is 6.05 as against 10.98 in FY 20. i.e. decrease of 44.94%, which is mainly due to decrease in cost of goods sold by ₹ 21,519 crore on account of decrease in demand for petroleum products resulting in lower consumption of raw material due to COVID - 19. |
| The Interest Service Coverage ratio for current FY 21 is 2.44 as against (3.26) in FY 20. i.e. increase of 174.87%, which is mainly due to decrease in loss before interest depreciation and tax by ₹ 3,290 crore and decrease in finance cost by ₹ 393 crore mainly on account of Exchange differences regarded as an adjustment to borrowing cost. |

| |
|---|
| The Current ratio for current FY' 21 is 0.80 as against 0.68 in FY 20. i.e. increase of 16.58%, which is mainly due to increase in Inventory, trade receivable and short term borrowings by ₹ 2,720 crore, ₹ 1,374 crore and ₹ 3,001 crore respectively. |
| The Debt equity ratio for current FY' 21 is 1.43 as against 1.21 in FY'20. i.e. increase of 17.65%, which is mainly due to current year losses which has further reduced the net worth and increase in long term borrowings by ₹ 238 crore and ₹ 1,328 crore respectively. |
| The Operating profit margin for current FY 21 is (0.35) as against (6.51) in FY 20. i.e. increase of 94.67%, which is mainly due to decrease in operating losses in current year by ₹ 3,206 crore. |
| The Net profit margin for current FY 21 is (0.75) as against (5.37) in FY 20. i.e. increase of 86.09%, which is mainly due to decrease in losses in current year (PAT) by ₹ 2,500 crore. |
| The return on net worth for current FY 21 is (3.17) as against (35.39) in FY 20. i.e. increase of 91.05%, which is mainly due to decrease in losses in current year (TCI) by ₹ 2,510.crore. |

## 8. Opportunities and Threats

### 8.1. Opportunities

India is expected to be a USD 5 trillion economy by 2030 only behind China and USA. This is going to result in a surge in energy demand. Oil constitutes an important energy link in India's growth. Oil is pervasive and is present across Transportation (Road and Railways), Aviation, Shipping, Petrochemicals, Electricity Generation, Residential, Agriculture and Commercial Sectors. The momentum for oil is not expected to abate in India for the next two decades although one could experience sectoral changes in the use of oil. Growth is imminent.

MRPL today is characterized by the ability to upgrade wide range of Crude stocks to produce regulation compliant fuels and petrochemicals. With millions of people moving into middle class in the next two decades, the company sees Petrochemicals as the new growth engine that would deliver more profits although fuels would still continue to grow during the same period.

Refineries of the future must be a Total Fuel Solution provider. Study and evaluation of a new 2nd Generation Advanced Bio-Fuels Technology is underway. The company has also tied-up for supplies for dispensing Compressed Natural Gas at identified Retail Outlets that are being set up. The company is also exploring Bio-ATF manufacture.

The refineries of the future must be well integrated with diversified products. Refineries that are demand driven will thrive. The growth trajectory would include end to end integration, efficient use of capital, cost optimization and nimbleness in responding to regulatory or external changes. On-purpose technologies can be part of the company's future configuration to meet changing consumer behaviour.

### 8.2. Threats

Uncertainty in the Oil Markets is a persistent threat to your company. In an interconnected world the actions and fallout in any particular region will have repercussions elsewhere too. Geo-political and policy changes all have a bearing on the Oil Industry. Besides, any unprecedented occurrence such as the pandemic that we are facing would severely impact the markets, strain finances and accentuate vulnerability.

The Refinery has to face the challenge of delivering superior returns even while the demand for cleaner fuels increases. The Government of India intends to take the share of renewables to 40% of the energy basket. There is a steady increase in the manufacture of Electric Vehicles although it still constitutes a very small percentage as compared to the Internal Combustion Engine vehicles. Fifty percent of the products produced by the company comprise the road transportation vehicles (Motor Spirit and Diesel). Any contraction in demand will have an impact on the revenues.

The short term issues are expected to subside when the markets recover with the suppression of the virus. However with a mode shift in Transportation being planned at the policy level, the demand for fuels is expected to plateau, though in the case of India, later as compared to other big economies. Electricity generation through Solar is expected to offset Coal. Use of electricity for powering vehicles would not only require their manufacture but also a large and expanding transmission grid. There are other nascent technologies like Hydrogen powered transportation under consideration. These would all take time to mature. The intervening period would be utilized by your company, once it is less leveraged, to increase the share of petrochemicals and invest in new energy solutions for more resilience. This would hedge the company in times of depressed fuel demand.

On specific threats to the business, the New Mangalore Port Trust through which MRPL imports all its Crude and exports its products using its captive jetties has recently put out invitation for Expressions of Interest from other parties seeking to give out the captive jetties of MRPL to other parties, ostensibly under the Captive Policy of the Ministry of Shipping. If continued with, this move could jeopardise the smooth operation of the refinery in the short term and in times to come. MRPL has taken up the issue strongly with NMPT and has asserted its Legal, Equitable and Contractual Rights for exclusive use of the facility and have sought for NMPT to withdraw from this plan. The matter is unresolved at this stage and it is assessed that this poses a threat to the business of the company.

## 9. Strengths and Weaknesses

### 9.1. Strengths

Your company is amongst the largest in South India. In every phase of expansion, the company has demonstrated deftness in adopting the latest technologies to face the challenges of a changing market. At the time of inception and initial growth, the country was deficient in Petroleum Refining and fuels. The opportunity was used to build scale. By the time of the third phase of expansion, significant Refining capacities had been built in India and MRPL commenced its foray into petrochemicals with Polypropylene. This transposed the company from a "Fuels Only" organization to a "Fuels and Petrochemicals" organization. MRPL has been continuously evolving to stay relevant.

Your Company has a strong configuration with a high complexity. The Refinery is capable to optimally process wide grades of crude oil ranging from 20 API to 45 API. This provides flexibility in crude sourcing and substitution. The company has been maximizing efficiency. On the input side it has commenced use of cheaper Fuel substitute like Natural Gas. On the asset side integration of the Refinery with its subsidiary has been initiated which would lead to product diversification and synergy benefits. On the output side, multi-marketing model is being ensured through Retail Sales, Direct Sales, Merchant Sales and synergies with group Refining Company.

Land acquisition is in progress for the next phase of expansion. The aim would be to transform the Refinery during the next phase of growth.

### 9.2. Weaknesses

Your company has a high complexity to process different Crude diets on the input side. The complexity is lesser on the output side for manufacture of diversified products. As the country moves towards cleaner fuels, there could be demand imbalance within and across sectors. Electrification and cleaner fuels in the road transportation sector could slow the rate of growth while the Aviation sector may continue to surge with an expanding economy. There could be growing demand for fuel in the domestic sector. All this presents a challenging scenario for the Refinery to respond to selective market demand with the configuration designed for a limited array of products. A 10% petrochemical footprint in past was considered a sizeable portfolio of any Refinery. Much larger numbers are now the norm and new technologies are emerging for Crude to Chemicals conversion. Your company would be laying a roadmap for an increased petrochemical portfolio using cost effective pathways during its next phase of expansion. This would free it from the risk of lower utilization of Refinery Capacity as newer energy sources gather pace.

Your Refinery is dependent on Oil Marketing Companies for product upliftment. Its coastal location has enabled the company to export its products for sustaining operations. With disruptions in place in the Oil and Gas world, relocation of end markets for oil is happening. The centre of gravity is shifting to Asia and India is expected to lead both refining and consumption of Oil. The company is picking up pace in its Retail Expansion to reduce dependence on Oil Marketing Companies and is also setting up a new Oil Marketing Terminal as part of a comprehensive marketing strategy.

The increased levels of debt of the company is limiting its capability for large scale capital expenditure thus preventing large scale expansions and diversification into value-added products.

## 10. Risks

### 10.1.Crude Supply and Price Risk

Crude is the most important raw material for your company and its inflow must be maintained for Refinery Operations. Since domestic production of crude and its allotment is limited, global supplies pose an inherent risk. The Crude Oil Industry is positioned in an unpredictable environment of geopolitical unrest, global competition and price volatility.

The Crude Supply Chain comprises Operational Risk and Disruption Risk apart from Price Risk. Operational risks are mitigated by meticulous operational and marketing plans. The flexibility to export products also alleviates the Supply chain risk due to demand variations. However, in an unprecedented situation last year, an operational risk was faced due to demand annihilation due to pandemic. The challenging situation was well handled by utilizing the Crude supplies, which the exporting countries were unwilling to negotiate, for filling up of the ISPRL reservoirs.

The risk of disruption in Crude flows is relieved by multiple sourcing options. In the petroleum supply chain, risk is also dependent on the country from which crude is imported. To reduce dependence on select countries, your company has been continuously diversifying. Eight new types of crudes were processed during the year.

Your Company has a periodic Business Process Optimization Review where Economic analysis and Performance measurement is undertaken and actions identified for improvement.

The price of crude is subject to swings because for many years now it has not been based simply on a Global supply-demand scenario. In India, demand for petroleum products has been largely price inelastic due to a burgeoning population and growth. However, this does not shield your company from fluctuations in the Crude market because Crude and products are bought and sold at different times. Your Company minimizes this associated financial risk by maintaining a cautious inventory of Crude to sustain operations without stock out.

### 10.2. Refinery Margin Risk

Volatility in Crude and Product prices is inbuilt risk of the industry. Your Company disaggregates aspects of the Refining Supply chain for measuring and improving performance. The activities are distinguished as Crude Supply, Crude Inventory, Refinery Operations, Finished Product Inventory and Product Sales.

Crude is selected on the basis of maximum economic value accrued to the company. The Crude and Product inventory is determined at optimum based on operational schedule and requirement. This mitigates the risk of value of the holdings although the price is market determined. The daily prices of Crude and Products are the inputs and outputs for Measurement of Refinery Performance. High Asset Utilization is ensured to deliver maximum returns to stakeholders as the revenues are a function of Capacity Utilization and product cracks. Unscheduled maintenance and shutdowns cause disruptions to schedules and affect profitability and are avoided by state of the art Predictive and Preventive Maintenance & Inspection techniques. Profitability Improvement plans in terms of plant modification and revamps are explored, conceptualized, evaluated and implemented as part of the business. The Refinery is rugged in its design with bottom of the barrel upgradation capabilities. This ensures product value maximization. OMPL has become a fully owned subsidiary of MRPL and the process has been initiated for its merger with the Company. The synergy from this merger is expected to deliver better returns. The aromatic and olefinic production pathways will improve versatility and shore up the company's revenues during periods of low fuel demand.

India is projected to be the new region of growth for the world's oil in the coming decades. Transportation fuels would continue to power vehicles but new forms of energy will develop. Any supply overhang due to imbalances would be a short lived as being seen recently due to COVID. This can however put your company's margins under stress. MRPL's Retail Expansion drive would provide sales margins that would offset the downward pressures on Refining margins.

### 10.3. Water Supply Risk

River Water has been the mainstay of Refinery's water requirements since beginning. Less rainfall in certain years during the last decade and a burgeoning city population have made the company vulnerable to water supply disruptions during summer. This has affected the Asset Utilization and the revenues of the organization. To overcome this situation, a desalination plant is being set up at an installed capacity of 6 MGD. However, the plant can be expanded to an ultimate capacity of 15 MGD and the off-sites have been accordingly designed and erected. The Desalination Plant was slated for completion in the Q3 of FY 20-21. However due to the onset of pandemic, the works were impacted and the plant is now expected to be completed in August, 2021. Additionally, your company is receiving 2-3 MGD of Treated Sewage Water for its Operations. This could increase in future if required infrastructure is augmented in the City by authorities for enhancing discharge quantities. This will insulate your company's operations from water shortage at all times.

With an ultimate design capacity of 15 MGD and Treated Sewage Water supplementing, the Refinery requirements post Expansion would be taken care of. The Fresh Water footprint would decrease with all these developments.

## 11. Human Resources

During the financial year 2020-21, your Company continued to enjoy cordial and harmonious relations with all the employees and as evidence to the same not a single man-hour was lost on account of any industrial disturbance. The Long Term Settlement for the period upto 31st December 2026, with the MRPL Employees Union was reached in the current fiscal.

Total employee strength was 1939 including 135 women employees, 280 SC/ST employees and 32 Physically Challenged employees. 907 employees belong to Management cadre whereas 1032 employees belong to Non-Management cadre

.

## 12. Internal Control Systems

Your Company has a well-established internal control mechanism which ensures effective internal control environment. Your Company is constantly improving and upgrading its system of internal control towards ensuring management effectiveness and efficiency, reliable reporting on operations and finances and securing high level legal compliance and risk management. Adequate systems of internal control commensurate with the Company's size and nature of its operations are in place. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies.

The Internal Audit is supervised by the Audit Committee which continuously monitors the effectiveness of the internal control systems with an objective to provide to the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organization's risk management control and governance process. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations and follow up actions.

Your company is also covered by regular compliance and performance audits by the Comptroller and Auditor General of India. CAG has deputed a Resident auditor to the company. The company is also under the jurisdictional oversight of the Central Vigilance Commission and has a full-fledged Vigilance Department headed by a Chief Vigilance Officer.

## 13. Subsidiaries and Joint Ventures

### 13.1.Subsidiary Company – ONGC Mangalore Petrochemicals Ltd (OMPL)

OMPL has set up an Aromatic Complex with an annual capacity 914 KTPA of Para-Xylene and 283 KPTA of Benzene in Mangalore Special Economic Zone. The revenue from Operations was ₹ 3,374 Cr in FY 2020-21 as against ₹ 4,861 Cr in FY 2019-20. The Company had a loss of ₹ 455 Cr in FY 2020-21 as against a loss of ₹ 1,400 Cr in the FY2019-20 on account of weak global demand for petrochemicals caused by the pandemic

On 01.01.2021 your Company acquired 49% shares of OMPL held by ONGC and as on 31.03.2021 Company holds 99.9998% of equity shares in OMPL. The conversion of OMPL into a wholly owned subsidiary of the company was completed on 19th May, 2021. The Board of MRPL approved the scheme of amalgamation between OMPL and MRPL in its meeting on 10th June, 2021. The scheme of amalgamation has been filed on 7th July, 2021.

### 13.2 Joint Ventures

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

### 13.2.1. Shell MRPL Aviation Fuel Services Limited (SMAFSL)

The Company holds 50% of the equity share capital in Shell MRPL Aviation Fuel Services Limited (SMAFSL) and the balance is held by Shell Gas BV, The Netherlands and its associates. SMAFSL supplies aviation turbine fuel (ATF) to both domestic and international airlines at several Indian airports and acts as a contracting company for Indian carrier's International Aviation Fuel requirements. The total income for FY 2020-21 is ₹ 260.50 Cr as against ₹ 830.75 Crores in FY 2019-20 with Pre-tax profit of ₹ 1.25 Crore (Previous Year ₹ 1.68 Crore) and post-tax profit of ₹ 0.80 Crore (Previous Year ₹ 1.52 Crore).

### 13.2.2. Mangalam Retail Services Limited (MRSL)

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

## 14. Conclusions

The market mayhem wrought by COVID is causing short term pain. This set in during the last quarter of FY 2019-20 and continued well into the current year. In FY 2020-21 too, revenues and profits have been impacted and cash flows are strained. The response to the situation has been courageous to keep the Company's operations going during the year. Expenses were rationalized. This has kept the losses low in a year when Crude prices swung by more than 60USD/bbl and the benchmark GRM (Singapore) was negative for the first half of the year. Even now, the product cracks are languishing and have not matched the upward rise in Crude prices. This is expected to only gradually pick up when supply inventories, including all floating inventories, fall. The intervening period would continue to remain challenging. The silver lining is that post COVID India demand for Oil would continue for the short to medium term notwithstanding the churn in global markets. The Company has taken up many actions to consolidate its operations. It is maintaining fiscal discipline. It has initiated the process of merger of its subsidiary OMPL with itself. It has built synergies with group refining company and it is moving along with its Retail Expansion Plans. While present year performance has been severely impacted on account of the pandemic, the resilience of the company shows that it has the structural capability to withstand and overcome the current short-term crises that is engulfing the whole world.

## 15. 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 Securities and Exchange Board of Iinda (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015]. Besides adhering to provisions of SEBI (LODR) 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 including one woman Independent Director. 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 and one woman Independent Director on the Board of MRPL is pursued with the Administrative Ministry, MoP&NG, 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 shareholders' rights;
- Committed to a transparent system and values; which recognize the rights of the stakeholders and encourage co-operation between Company and the Stakeholders;
- Timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company;
- Operating in a sound system of internal control with a thrust on integrity and accountability;
- Ensuring timely and adequate disclosure of all material information to all Stakeholders;
- Ensuring compliance of applicable Laws, Guidelines, Rules and Regulations;
- Committed for equitable and fair treatment to all its stakeholders and society at large;
- Effective Whistle Blower Policy mechanism is provided for the Stakeholders.

## 2. BOARD OF DIRECTORS

The Board of Directors functions within the purview of Corporate Governance norms in transparent and effective manner. The Company has an exhaustive Book of Delegated Powers (BDP) and other manuals like Material

Management, Works manual etc, which spell out the processes and defines the level (Board/Committee of Directors/ Functional Director) at which any decision is to be made and are reviewed from time to time to ensure that they are updated and meet the needs of the organization. The company has 6 sub-committees of the Board which deliberate upon various important matters and advise the Board on the course of action to be taken.

**A. Composition of Directors along with other Directorship as on 31/03/2021: 09**

Executive Director : 03

Non-Executive Directors : 06

## B. Board of Directors as on 31/03/2021

| Directors Name & DIN | Category | Skills/Expertise/ Competence | Other Directorship | | | Outside Committees | |
|---|---|---|---|---|---|---|---|
| | | | No. | Name of the Company | Designation | Committee Name | Designation |
| Shri Shashi Shanker DIN: 06447938 | Chairman Non- executive | • He is an industry veteran with over 30 years of experience in diverse E&P activities.<br>• He is a Petroleum Engineer from Indian School of Mines (ISM), Dhanbad.· He also holds an MBA degree with specialisation in Finance.<br>• He has received executive education from prestigious Indian Institute of Management, Lucknow and Indian School of Business, Hyderabad.<br>• Prior to his appointment as Director (T&FS) in 2012 in ONGC, he has progressed through senior Management roles in various work-centers including Institute of Drilling Technology, Dehradun; West Bengal Project; Assam Project and Deep Water group at Mumbai.<br>• He was acclaimed for his performance in spearheading the deep/ultra-deep water campaign of ONGC which was christened 'Sagar Samriddhhi'. | 7 | 1. Oil and Natural Gas Corporation Limited | Chairman & Managing Director | NIL | NA |
| | | | | 2. ONGC Videsh Limited. | Chairman & Director | NIL | NA |
| | | | | 3. Mangalore SEZ Limited. | Chairman & Director | NIL | NA |
| | | | | 4. ONGC Tripura Power Company Limited | Chairman & Director | NIL | NA |
| | | | | 5. ONGC Petro Addition Limited | Chairman & Director | NIL | NA |
| | | | | 6. ONGC Mangalore Petrochemicals Limited | Chairman & Director | NIL | NA |
| | | | | 7. Petronet LNG Limited | Director | NIL | NA |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Shri M Venkatesh DIN: 07025342 | Managing Director Executive | • He is a Chemical Engineer having over three decades of experience in Oil & Gas Sector.<br>• He is associated with MRPL since 1994 and executed all major projects. | 4 | 1. ONGC Mangalore Petrochemicals Limited | Director | Nomination & Remuneration | Chairman |
| | | | | 2. Shell MRPL Aviation Fuels and Services Limited | Director | NIL | NA |
| | | | | 3. Petronet MHB Limited | Director | Nomination & Remuneration | Chairman |
| | | | | 4. Mangalore SEZ Limited | Director | Nomination & Remuneration | Member |
| Shri Sanjay Varma DIN: 05155972 | Director (Refinery) Executive | • He has a diversified experience of 30 years in Petroleum Refining, Petrochemicals and Fertilizer sectors. He has rendered more than 25 years of service at MRPL, Mangalore with cross-functional work exposure in Project, Operations, Utilities, Materials and HSE.<br>• He has led as Group General Manager (I/c Refinery) for the last two years.<br>• He has previously served in reputed organizations like Indo Gulf Fertiliser, Jagdishpur, UP and Reliance Industries Ltd (Petrochemical Division) Hazira, Gujarat before joining MRPL | 2 | 1. ONGC Mangalore Petrochemicals Limited | Director | Audit | Member |
| | | | | | | Nomination & Remuneration | Member |
| | | | | 2. Shell MRPL Aviation Fuels and Services Limited | Director | Audit | Member |
| | | | | | | Nomination & Remuneration | Member |
| Smt. Pomila Jaspal DIN: 08436633 | Director (Finance) Executive | • Smt. Pomila Jaspal is a Cost Accountant working as Director (Finance) in MRPL, with 35 years of experience in oil and gas sector, both in operating and regulatory framework of upstream and downstream operations. Nominated as Director in the Board of OMPL & PMHBL.<br>• After joining MRPL, she steered MRPL's maiden NCD issue of ₹ 3,000Cr from market as well as through Bharat Bond ETF and was able to generate fund at very competitive rates. Also monitored | 2 | 1. ONGC Mangalore Petrochemicals Limited | Director | Audit | Member |
| | | | | 2. Petronet MHB Limited | Director | NIL | NA |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | OMPL's maiden CCD issuance of ₹ 1,000 Cr.<br>• Her educational background is highly accredited and directly contributes to her field of operations. A Fellow Member of ICMAI and Gold medalist and recipient of Late Mrs Dhanpati Goel Gold Medal from ICMAI. She has obtained B.Com. (Hons) degree from MCM DAV College, Chandigarh and M. Com. from Punjab University. She had a short stint as Lecturer in Degree College.<br>• She joined ONGC in 1985 as Finance &Accounts Officer and has risen to the coveted position of Executive Director-Chief Corporate Finance. She earns the distinction of being the first lady officer in ONGC to occupy this top post. She was also on the Board of OPAL.<br>• During her initial period, after completing 3 months Induction training at ONGC Academy, she was posted at Head Office, Dehradun and handled key assignments and later with Joint Venture group at JVOG, Mumbai. She further had the opportunity to hone her skills with deputation at Directorate General of Hydrocarbons (DGH) in its formative years and was instrumental in developing the model Production Sharing Contracts (PSC) which was adopted as base document in many pre- NELP &NELP blocks. Subsequently, she was deputed to Contract Cell of MoP&NG where she worked in different areas of gas pricing, Rangarajan | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | Committee, Gas utilization policy, royalty committee, formulation of policies for smooth implementation of PSCs and monitoring the royalty and profit petroleum to GoI.<br>• She also carries with her the rich exposure of ONGC Videsh, international arm of ONGC, handling the assignment of In-charge, Project Finance, for execution of almost all overseas projects (Exploration and Development) and was actively involved in smooth takeover and execution of new acquisitions of OVL. Subsequently, she became Head – Finance of Assam Asset, ONGC and handled this challenging assignment for 4 years.<br>• Given her multi-faceted personality, she is a beacon of light for all lady officers to follow their dreams and achieve them through sheer hard work and focused approach. | | | | | |
| Shri Subhash Kumar DIN: 07905656 | Non-executive Nominee Director | • He is a Director (Finance), ONGC.<br>• Fellow Member of ICMA<br>• Associate Member of ICSI.<br>• Alumni of Panjab University, Chandigarh, where he obtained his Bachelors degree and Masters Degree in Commerce with Gold Medal.<br>• He went on to serve as Chief Financial Officer of Mansarovar Energy Colombia Limited, a 50:50 joint venture of ONGC Videsh and Sinopec of China, from September 2006 to March, 2010.<br>• He worked as Head Business Development, Finance & Budget and also | 6 | 1. Oil and Natural Gas Corporation Limited | Whole time Director & Chief Financial Officer | Stake Holders Relationship | Member |
| | | | | 2. Hindustan Petroleum Corporation Limited | Government Nominee Director | Audit | Member |
| | | | | 3. ONGC Petro Additions Limited | Nominee Director of ONGC | Audit | Member |
| | | | | 4. ONGC Tripura Power Company Limited. | Nominee Director of ONGC | Audit | Member |
| | | | | 5. Mangalore SEZ Limited | Nominee Director of ONGC | Audit | Member |
| | | | | 6. Petronet MHB Limited | Chairman & Director | NIL | NA |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | as Head Treasury Planning & Portfolio Management Group at ONGC Videsh from April 2010 to March, 2015.<br>• He joined back ONGC as Chief Commercial & Head Treasury of ONGC in July, 2016 where he played a key role in evaluation, negotiation, and concluding outstanding issues pertaining to the organization | | | | | |
| Shri Vinod S. Shenoy DIN: 07632981 | Non-executive Nominee Director | • He is a Bachelor in Chemical Engineering from IIT Bombay.<br>• During his career spanning over three decades, He has held various positions in the Refinery Divisions and Corporate Departments of Hindustan Petroleum Corporation Limited and has wide exposure to the Petroleum Industry | 6 | 1. Hindustan Petroleum Corporation Limited | Whole-time Director | NIL | NA |
| | | | | 2. HPCL- Mittal Energy Limited | Director | NIL | NA |
| | | | | 3. Prize Petroleum Company Limited | Director | NIL | NA |
| | | | | 4. Ratnagiri Refinery and Petrochemicals Limited | Director | NIL | NA |
| | | | | 5. HPCL Rajasthan Refinery Limited | Director | NIL | NA |
| | | | | 6. HPCL Biofuels Limited | Director | NIL | NA |
| Shri Rohit Mathur DIN: 08216731 | Non-executive Nominee Director | • He is Joint Secretary (General), Ministry of Petroleum and Natural Gas (MOP&NG) is a Mechanical Engineer from Thapar College of Engineering, Patiala and has also completed Master of Finance and Control (MFC) from Delhi University.<br>• Prior to this assignment he was Director (S, CC & FP), MOP&NG handling matters relating to Refineries Sector, Biofuels, Petrochemicals, crude oil supply and flagship programmes.<br>• He has also worked in various capacities in other Ministries viz. Ministry of Agriculture, Food Processing Industries, Ministry of Finance (Department of Economic | NIL | NIL | NIL | NIL | NIL |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | Affairs), Department of Biotechnology and Ministry of Health & Family Welfare. | | | | | |
| Ms. Esha Srivastava DIN: 08504560 | Non-executive Nominee Director | • She is Director (I/c), Ministry of Petroleum and Natural Gas (MoP&NG) since March, 2019. Ms. Srivastava had served in the Ministry of External Affairs as Deputy Chief of Mission in Thimphu, Third Secretary at Paris.<br>• She was also on the Board of Bharat Petro Resources Limited and GAIL (India) Limited. | NIL | NIL | NIL | NIL | NIL |
| Shri R.T. Agarwal DIN: 01937329 | Non –executive Independent Director | • He is a Chartered Accountant by profession, having more than 35 years of experience in corporate finance and accounts functions.<br>• He was Director (Finance) of Power Grid Corporation of India Ltd. (PGCIL), a 'Navratna' company under Ministry of Power, Govt of India, from 29 July 2011 until attaining superannuation.<br>• Prior to being taken over as functional Director of PGCIL, world's second largest Power Transmission Company, he had worked in finance functions of PGCIL and also in NTPC in various capacities. Accredited with 'CFO-Power Sector Award' from Institute of Chartered Accountants of India in the year 2015.<br>• He was associated with Initial Public Offering (IPO) of PGCIL, and subsequently piloted the Follow on Offers (FPO) in the year 2013. Resource mobilization from Domestic as well as from International financial institutions including multilateral financing institutions like The World Bank, Asian | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Development Bank (ADB), IFC, KfW, Germany for the high Capex of PGCIL attaining CAGR more than 17% year on year basis. Raised the first foreign currency Bond of PGCIL and listed the bond in Singapore Exchange.<br>• He has also implemented various financial management systems and procedures in finance functions including Treasury management and internal audit functions of the company for best corporate governance practices.<br>• He has also instituted Enterprise- wise Risk management system in PGCIL.<br>• His regular and periodic interactions with both domestic and international investors and analysts has improved investors' confidence with the company, which helped PGCIL stock a most favoured stock in Indian power sector. | | | | | | |

**Note:** Membership/Chairmanship pertaining only to Audit Committee, Nomination & Remuneration Committee and Stakeholders relationship Committee are considered.

(i) Particulars of Appointment of a New Director or Re-Appointment of a Director in terms of Regulation 36(3) of the SEBI (LODR) 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 (LODR) Regulations, 2015 with Stock Exchanges are provided in the Notice of the 33rd Annual General Meeting.

- Shri Vinod S. Shenoy (DIN :07632981) retires from office by rotation and being eligible offers himself for re-appointment as Director.
- Shri Subhash Kumar (DIN :07905656) retires from office by rotation and being eligible offers himself for re-appointment as Director.
- Shri Rohit Mathur (DIN :08216731), Ms. Esha Srivastava (DIN : 08504560) and Shri Om Prakash Singh (DIN: 08704968), appointed as Nominee Directors are proposed for re-appointment as Directors in the ensuing AGM.

### (ii) Past Directors

| Director | Executive/ Non-Executive | Category | No. of other Directorship | | No. of outside Committees | |
|---|---|---|---|---|---|---|
| | | | Public | Private | Member | Chairman |
| Shri Vinayakumar | Executive | Director (Refinery) | - | - | | |
| Shri Vijay Sharma | Non-Executive | Government Nominee Director | - | - | - | - |
| Shri Sunil Kumar | Non-Executive | Government Nominee Director | 2 | - | - | - |
| Shri Balbir Singh | Non-Executive | Independent Director | - | - | - | - |
| Dr. G.K Patel | Non-Executive | Independent Director | - | - | | |
| Shri Sewa Ram | Non-Executive | Independent Director | - | - | - | - |
| Shri V.P.Haran | Non-Executive | Independent Director | - | - | - | - |

### (iii) Changes in the Board of Directors during 2020-21

| Director | Date of Appointment | Date of cessation | Tenure | Remarks |
|---|---|---|---|---|
| Shri Sanjay Varma | 09/06/2020 | NA | Till 30/06/2024 i.e., date of his superannuation, or until further orders, whichever is earlier. | Appointed as Director (Refinery) |
| Shri Rohit Mathur | 10/12/2020 | NA | For a period of three years or until further orders, whichever is earlier | Appointed as Government Nominee Director on the Board of MRPL by Ministry of Petroleum & Natural Gas |
| Ms. Esha Srivastava | 10/12/2020 | NA | For a period of three years or until further orders, whichever is earlier | Appointed as Government Nominee Director on the Board of MRPL by Ministry of Petroleum & Natural Gas |
| Shri M Vinayakumar | 11/07/2019 | 31/05/2020 | Till 31.05.2020 i.e., date of his Superannuation. | Ceased to be Director (Refinery). |
| Shri Vijay Sharma | 08/01/2020 | 04/08/2020 | For a period of three years i.e. till 04/08/2020. | Ceased to be Director on co-terminus basis. |
| Shri Sunil Kumar | 17/10/2019 | 10/12/2020 | For a period of three years i.e. till 10/12/2020. | Ceased to be Director on co-terminus basis. |
| Shri Balbir Singh | 08/09/2017 | 07/09/2020 | Three years from the date of appointments or until further orders, whichever is earlier. | Completion of tenure |
| Shri Sewa Ram | 08/09/2017 | 07/09/2020 | Three years from the date of appointments or until further orders, whichever is earlier. | Completion of tenure |
| Shri V. P. Haran | 08/09/2017 | 07/09/2020 | Three years from the date of appointments or until further orders, whichever is earlier | Completion of tenure |
| Dr. G..K. Patel | 08/09/2017 | 07/09/2020 | Three years from the date of appointments or until further orders, whichever is earlier | Completion of tenure |

iv) Changes in the Board of Directors after 31/03/2021

- Shri Shashi Shanker (DIN: 06447938), Chairman/Director - MRPL, resigned from the Board of MRPL w.e.f. 01/04/2021 consequent to his superannuation from the services of Oil and Natural Gas Corporation Limited as Chairman & Managing Director on 31/03/2021.
- Shri Subhash Kumar (DIN: 07905656) has been nominated as the Chairman on the Board of MRPL by ONGC with effect from 05/04/2021.
- Shri Om Prakash Singh (DIN: 08704968) has been appointed as Additional Director on the Board of MRPL pursuant to the nomination received from ONGC with effect from 07/06/2021.

**v) Changes in the Key Managerial Personnel after 31/03/2021**

- Shri K B Shyam Kumar has been appointed as Company Secretary and Compliance Officer with effect from 17/05/2021.
- Shri Dinesh Ranjan Mishra ceased to be Company Secretary and Compliance Officer due to sad demise on 02/05/2021

**C. Attendance of Directors at the Board Meetings held during the financial year 2020-2021 and 32nd Annual General Meeting held on 18/09/2020**

**(i) Details of Board Meetings held during the Financial Year 2020-21**

During the year 2020-21, Seven (7) Board Meetings were held.

| Date of meeting | Meeting No. | Place |
|---|---|---|
| 09/06/2020 | 229 | Through VC/OAVM |
| 04/08/2020 | 230 | Through VC/OAVM |
| 10/08/2020 | 231 | Through VC/OAVM |
| 19/10/2020 | 232 | Through VC/OAVM |
| 29/10/2020 | 233 | Through VC/OAVM |
| 20/01/2021 | 234 | Through VC/OAVM |
| 01/02/2021 | 235 | Through VC/OAVM |

**(ii) Attendance of Directors during the Financial Year 2020-21**

| Director | No. of Board Meetings Attended | Attended Last AGM |
|---|---|---|
| Shri Shashi Shanker | 6 | Yes |
| Shri M.Venkatesh | 7 | Yes |
| Shri Sanjay Varma* | 7 | Yes |
| Smt. Pomila Jaspal | 7 | Yes |
| Shri Subhash Kumar | 7 | Yes |
| Shri Vinod S. Shenoy | 7 | Yes |
| Shri Rohit Mathur* | 2 | NA |
| Ms. Esha Srivastava* | 2 | NA |
| Shri R. T. Agarwal | 7 | Yes |

* Shri Sanjay Varma (DIN:05155972) was appointed as Director (Refinery) on 09/06/2020.

* Shri Rohit Mathur (DIN: 08216731) and Ms. Esha Srivastava (DIN: 08504560) were appointed as Non-Executive Directors (Government Nominee) on the Board of MRPL on 10/12/2020.

### (iii) Attendance of the Past Directors during the Financial Year 2020-21.

| Director | No. of Board Meetings Attended | Attended Last AGM |
|---|---|---|
| Shri Vinayakumar | 0 | NA |
| Shri Vijay Sharma | 0 | NA |
| Shri Balbir Singh | 3 | NA |
| Shri V.P Haran | 3 | NA |
| Dr. G.K Patel | 3 | NA |
| Shri Sewa Ram | 3 | NA |
| Shri Sunil Kumar | 5 | Yes |

**Note:**

1. Shri Vinayakumar ceased to be Director on the Board of MRPL with effect from 31/05/2020
2. Shri Vijay Sharma ceased to be Director on the Board of MRPL with effect from 04/08/2020
3. Shri Balbir Singh, Shri V.P Haran, Dr. G. K Patel, and Shri Sewa Ram ceased to be Directors on the Board of MRPL with effect from 07/09/2020.
4. Shri Sunil Kumar ceased to be Director on the Board of MRPL with effect from 10/12/2020.

**D. Disclosure of relationships between Directors**

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

**E. Director's Shareholding:**

Director's shareholding in the Company as on 31/03/2021

| Name of the Director | No. of Shares held |
|---|---|
| Shri Sanjay Varma | 50 |

**Independent Directors**

MRPL is a Central Public Sector Enterprise (CPSE) under the Administrative Ministry, i.e., Ministry of Petroleum & Natural Gas (MoP&NG), Govt. of India. Presently MRPL has one (1) Independent Director on the Board.

MRPL being a Central Public Sector Enterprise (CPSE), Directors on the Board of the Company are appointed by the administrative Ministry, Ministry of Petroleum and Natural Gas (MoP&NG), Government of India. Company has been pursuing with the Administrative Ministry, Ministry of Petroleum and Natural gas (MoP&NG), Government of India for appointment of requisite number of Independent Directors on the Board of MRPL.

All the Independent Directors fulfil the criteria of Independence as per the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Shri R T Agarwal was the only Independent Director on the Board of MRPL as on 31/03/2021. The evaluation of Independent Director for the FY 2020-21 has been done as per the evaluation criteria provided in SEBI circular dated 05/ 01/2017.

The Company is following up with the MoP&NG on regular basis to appoint requisite number of Directors to ensure compliance with SEBI (LODR).

No Independent Director has resigned during the Financial Year 2020-21 before the expiry of his tenure.

As provided under Schedule IV of the Companies Act, 2013 and also as per Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, separate meeting of Independent Directors was held on 28/05/2020.

## 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 (LODR) Regulations, 2015. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance.

**a) Terms of Reference:**

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal controls system, discussion on quarterly, half-yearly and annual financial results, interaction with Statutory and Internal Auditors. Review and recommend appointment of Cost Auditors/ Internal Auditors/Secretarial Auditors and their remuneration, review of Business Risk Management Plan, review of Forex policy, Management Discussions & Analysis, review of Internal Audit Reports, significant related party transactions. The Board has framed the Audit Committee Terms of Reference for the purpose of effective compliance of provisions of Section 177 of the Companies Act, 2013, Regulation 18 of the SEBI (LODR) 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 31/03/2021**

The Committee was reconstituted during the FY2020-21. The composition of the Committee including changes during the year are as under:

| Members of Audit Committee | Category |
|---|---|
| **Shri R. T. Agarwal** | **Chairperson** |
| Shri M Venkatesh (From 08/09/2020 upto 19/02/2021) | Member |
| Shri Subhash Kumar (From 08/09/2020) | Member |
| Shri Vinod S. Shenoy (From 08/09/2020) | Member |
| Shri Sanjay Varma (From 08/09/2020 upto19/02/2021) | Member |
| Shri V.P Haran (Up to 07/09/2020) | Member |
| Shri Sewa Ram(Up to 07/09/2020) | Member |
| Shri Rohit Mathur (From 19/02/2021) | Member |
| Ms. Esha Srivastava (From 19/02/2021) | Member |

**c) Details of the Audit Committee Meetings held during the Financial Year 2020-21**

During the year 2020-21, Eight (8) Audit Committee Meetings and One (1) adjourned Meeting were held.

| Date of Meeting | Meeting No. | No. of members attended |
|---|---|---|
| 06/06/2020 | 111 | 3 |
| 09/06/2020 | 112 | 3 |
| 28/07/2020 | 113 | 3 |
| 29/07/2020 (adjourned) | 113 | 3 |
| 04/08/2020 | 114 | 3 |
| 19/10/2020 | 115 | 5 |
| 29/10/2020 | 116 | 5 |
| 20/01/2021 | 117 | 5 |
| 01/02/2021 | 118 | 5 |

**d) Attendance in Audit Committee Meetings held during the Financial Year 2020-21.**

| Members of Audit Committee | No. of Meetings attended |
|---|---|
| Shri R. T. Agarwal | 8 |
| Shri M Venkatesh | 4 |
| Shri Sanjay Varma | 4 |
| Shri Subhash Kumar | 4 |
| Shri Vinod S. Shenoy | 4 |
| Shri V.P Haran | 4 |
| Shri Sewa Ram | 4 |
| Shri Rohit Mathur* (From 19/02/2021) | N/A |
| Ms. Esha Srivastava* (From 19/02/2021) | N/A |

## 4. NOMINATION & 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), Government of India.

Pursuant to Regulation 19 of the SEBI (LODR) Regulations, 2015 and DPE guidelines on Corporate Governance for CPSE, the Company has constituted a Remuneration Committee in April, 2009.

**Key Board qualifications, expertise and attributes**

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

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

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

| | | |
|---|---|---|
| a | Financial | Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial principal accounting officer, controller, public accountant or person performing similar functions |
| b | Gender, ethic, national or other diversity | Representation of gender, ethic, geographic, cultural or other perspective that expand the Board's understanding of the viewpoints of customers, partners, employees, Governments and other stakeholders worldwide. |
| c | Legal, Risk Management | Expertise in handling legal issues and risks analyses and mitigation process. |
| d | Business Knowledge | Knowledge of the environment in which the company operates Industry structure and outlook. |

| | | |
|---|---|---|
| e | Leadership | Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, planning, and risk management. Demonstrated strengths in developing talent, planning succession and driving change and long growth. |
| f | Technology | A significant background in technology, resulting in knowledge of how to anticipate technological trends, generates discoveries, innovation, and extends or creates new business models. |
| g | Board service and governance | Service on a public company Board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices. |
| h | Sales and marketing | Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance enterprise reputation. |

**a) Composition of Nomination & Remuneration Committee as on 31/03/2021:**

The Company has complied with the requirement of Regulation 19(1)(c) of the SEBI (LODR) Regulations, 2015 as well as the Companies Act, 2013 as regards the constitution of Nomination & Remuneration Committee with reference to requisite number of Independent Directors till 07/09/2020. The Committee was reconstituted during the FY 2020-21.

The composition of the Committee including changes during the year is as under:

| Members of Nomination & Remuneration Committee | Category |
|---|---|
| **Shri R.T Agarwal (From 08/09/2020)** | **Chairperson** |
| Shri Subhash Kumar (From 08/09/2020) | Member |
| Shri Vinod S. Shenoy (From 08/09/2020) | Member |
| Shri Sewa Ram (Up to 07/09/2020) | Member |
| Shri V.P. Haran (Up to 07/09/2020) | Member |
| Shri Balbir Singh (Up to 07/09/2020) | Member |
| Shri Rohit Mathur (From 19/02/2021) | Member |
| Ms. Esha Srivastava (From 19/02/2021) | Member |

**b) Details of Nomination & Remuneration Committee Meetings held during the Financial Year 2020-21**

During the year 2020-21, three (3) meetings of the Committee were held.

| Date of Meeting | Meeting No. | No. of members attended |
|---|---|---|
| 15/05/2020 | 19 | 3 |
| 14/08/2020 | 20 | 3 |
| 29/12/2020 | 21 | 3 |

**c) Attendance in Nomination & Remuneration Committee Meetings held during the Financial Year 2020-21**

| Members of Nomination & Remuneration Committee | No. of Meetings attended |
|---|---|
| Shri R.T Agarwal | 1 |
| Shri Subhash Kumar | 1 |
| Shri Vinod S. Shenoy | 1 |
| Shri Balbir Singh | 2 |
| Shri V.P. Haran | 2 |
| Shri Sewa Ram | 2 |
| Shri Rohit Mathur* (From 19/02/2020) | N/A |
| Ms. Esha Srivastava* (From 19/02/2020) | N/A |

**d) Performance evaluation criteria for Independent Directors**

The Companies Act, 2013 and SEBI (LODR) Regulations, 2015, contain broad provisions on Board Evaluation i. e. evaluating of the performance of: (i) the board as a whole, (ii) individual directors (including Independent Directors and Chairperson) and (iii) various Committees of the Board. The provisions also specify responsibilities of various persons / committees for conduct of such evaluation and certain disclosures requirements as a part of the listed entity's corporate governance obligations.

SEBI (LODR) and Companies Act requires disclosure of manner of formal annual evaluation of the Board, its Committees and individual directors and of performance evaluation criteria for Independent Directors to the shareholders of an Annual basis

## 5. REMUNERATION OF DIRECTORS

The Remuneration paid to Directors and Key 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 2020–21:**

(₹ in Lakhs)

| Independent Director | Sitting Fees |
|---|---|
| Shri R.T. Agarwal | 6.70 |
| Shri V P Haran (Up to 07/09/2020) | 3.60 |
| Shri Sewa Ram (Up to 07/09/2020) | 3.60 |
| Dr. G. K. Patel ( Up to 07/09/2020) | 2.10 |
| Shri Balbir Singh (Up to 07/09/2020) | 2.70 |

**b) Details of making payments to Non- Executive Directors during the Financial Year 2020-21:**

NIL

**c) Details of Remuneration Paid to Managing Director, Director (Finance) and Director (Refinery) during the Financial Year 2020 -21:**

(₹ in Lakhs)

| Particulars | Shri M. Venkatesh | Shri M. Vinaya Kumar | Shri Sanjay Varma | Smt. Pomila Jaspal | Total |
|---|---|---|---|---|---|
| | Managing Director | Director (Refinery) oil 31.05.2020 | Director (Refinery) from 31.05.2020 | Director Finance | |
| Salaries, Allowances and Perquisites | 49.65 | 66.81 | 41.80 | 46.19 | **204.45** |
| Contribution to PF & Other Funds | 7.84 | 1.27 | 6.14 | 7.64 | **22.89** |
| **Total** | **57.49** | **68.08** | **47.94** | **53.83** | **227.34** |

**d) Terms of service contract:**

| | Particulars | Managing Director | Director (Refinery) | Director (Finance) |
|---|---|---|---|---|
| A | Tenure | 5 years from the date of appointment or till the date of superannuation or until further orders, whichever is earlier. | From the date of assumption of charge i.e. 09/06/2020 or till the date of superannuation i.e. 30/06/2024 or until further orders, whichever is earlier. | From the date of assumption of charge i.e. 15/10/2019 or till the date of superannuation i.e. 31/01/2024 or until further orders, whichever is earlier. |
| B | 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. |
| C | Severance fees | Not Applicable | Not Applicable | Not Applicable |
| D | Stock Options details (if any) | Not Applicable | Not Applicable | Not Applicable |
| E | Whether issued at discount | Not Applicable | Not Applicable | Not Applicable |
| F | Period over which it isaccrued and is exercisable | Not Applicable | Not Applicable | Not Applicable |

**d) Familiarization Programme for Independent Directors**

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

## 6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

a) The Stakeholders' Relationship Committee has been mandated to review and redress shareholder grievances as per the provisions of Section178 of the Companies Act, 2013.The terms of reference of the Committee has been amended pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

b) **Terms of Reference:**

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

c) **Composition of Stakeholders' Relationship Committee as on 31/03/2021:**

The Committee was reconstituted during the FY 2020-21.The composition of the Committee including changes during the year is as under:

| Members of Stakeholders' Relationship Committee | Category |
|---|---|
| **Shri R. T. Agarwal** | **Chairperson** |
| Smt. Pomila Jaspal | Member |
| Shri Sanjay Varma (From 08/09/2020 upto 19/02/2021) | Member |
| Shri Balbir Singh (Up to 07/09/2020) | Member |
| Dr. G. K Patel (Up to 07/09/2020) | Member |
| Shri Rohit Mathur (From 19/02/2021) | Member |

d) **Details of Stakeholders' Relationship Committee Meetings held during the Financial Year 2020-21:**

During the year 2020-21, Four (4) Stakeholders' Relationship Committee Meetings were held.

| Date of Meeting | Meeting No. | No. of members attended |
|---|---|---|
| 06/06/2020 | 67 | 3 |
| 28/07/2020 | 68 | 3 |
| 29/10/2020 | 69 | 3 |
| 01/02/2021 | 70 | 3 |

**e) Attendance in Stakeholders' Relationship Committee Meetings held during the Financial Year 2020-21:**

| Members of Stakeholders' Relationship Committee | No. of meetings attended |
|---|---|
| Shri R.T Agarwal (From 08/09/2020) | 2 |
| Shri Sanjay Varma (From 08/09/2020) | 2 |
| Smt. Pomila Jaspal | 4 |
| Shri Balbir Singh (Up to 07/09/2020) | 2 |
| Dr. G.K Patel (Up to 07/09/2020) | 2 |
| Shri Rohit Mathur* (From 19/02/2021) | N/A |

**f) Name and Designation of the Compliance Officer:**

Shri K.B Shyam Kumar

Company Secretary & Compliance Officer.

**g) References & Investor Complaints Received and Replied During 2020-21:**

| Sl. No | Nature of Correspondence | For the year ended 31/03/2021 |
|---|---|---|
| 1. | Revalidation of Dividend Warrants. | 919 |
| 2. | Demat - Remat Cases – Letters. | 63 |
| 3. | Stop Transfer - Procedure for Duplicate / Removal | 305 |
| 4. | Name Deletion/Transmission /Transposition /Change of Name/Issue of Duplicate - Share Certificates. | 539 |
| 5. | Consolidation /Change of Status Certificates. | 47 |
| 6. | Change of Signature Letters. | 100 |
| 7. | Correction/ Registration / Change of Address/Bank Detail/Bank Mandate. | 695 |
| 8. | Registration / Cancellation of NACH Letters. | 329 |
| 9. | Nomination Letters. | 25 |
| 10. | References through Statutory/ Regulatory bodies like ROC/ SEBI/ NSE/BSE/ NSDL/ CDSL. | 28 |
| 11. | Others. | 786 |
| | **TOTAL** | **3836** |

**h) Number not Solved to the satisfaction of Shareholders:**

NIL

**i) Number of pending complaints**

NIL

**SHARE TRANSFER COMMITTEE (STC)**

(i) Pursuant to the provisions of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014 a Committee of Directors (Share Transfer Committee) is constituted for approving transfer of shares, transmission of shares and issue of duplicate share certificates.

(ii) The Share Transfer Committee consists of Managing Director, Director (Finance) and Director (Refinery) for approving transfer of shares, transmission of shares and issue of Duplicate Share Certificates and matter incidental thereto. The Quorum of the committee shall be any two Directors. However, in the absence of Director (Refinery) and Director Finance during part of the year, Managing Director was the quorum for the Committee with the approval of the Board.

(iii) Pursuant to Rule 6(2)(a) of the Companies (Share Capital and Debentures) Rules, 2014 duplicate share certificates are issued in lieu of those that are lost or destroyed with the approval of Share Transfer Committee, as the Board has delegated the Powers to STC pursuant to MCA General Circular No.19/2014 dated 12$^{th}$June, 2014 to issue duplicate share certificates.

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

## 7. RISK MANAGEMENT COMMITTEE

The RMC shall review and monitor the risk overview document of the Company on quarterly basis in accordance with the board approved Enterprises Risk Management policy of the Company and submit the report to the Audit Committee.

The RMC shall appoint the risk managers and risk coordinator to operate the Risk Management policy of the Company. Pursuant to Regulation 21 of SEBI (LODR) Regulation, 2015 and section 177(4)(vii) of the Companies Act, 2013, the terms of reference of the Audit Committee includes evaluation of the risk management system of the Company.

**a) Composition of Risk Management Committee as on 31/03/2021**

| Members of Risk Management Committee | Category |
|---|---|
| **Shri M. Venkatesh** | **Chairperson** |
| Smt. Pomila Jaspal | Member |
| Shri Sanjay Varma | Member |
| Shri Yogish Nayak (From 17/07/2020) | Member |
| Shri M. Vinayakumar (Up to 31/05/2020) | Member |

**b) Details of the Risk Management Committee Meetings held during the Financial Year 2020-21**

During the year 2020-21, Four (4) Risk Management Committee Meetings were held.

| Date of Meeting | Meeting No. | No. of members attended |
|---|---|---|
| 06/05/2020 | 22 | 5 |
| 17/07/2020 | 23 | 4 |
| 14/10/2020 | 24 | 4 |
| 21/01/2021 | 25 | 4 |

**c) Attendance in Risk Management Committee Meetings held during the Financial Year 2020-21.**

| Members of Risk Management Committee | No. of Meetings attended |
|---|---|
| Shri M. Venkatesh | 4 |
| Smt Pomila Jaspal | 4 |
| Shri Sanjay Varma | 4 |
| Shri Yogish Nayak | 4 |
| Shri M. Vinayakumar | 1 |

## 9. PROJECT APPRAISAL AND REVIEW AND OPERATIONS REVIEW COMMITTEE

Project Appraisal Review & Operation Review Committee is constituted to assist the Board for evolving, monitoring and reviewing appropriate systems to deal with Health, Safety and Environmental issues and ensuring compliance to the statutory/ Regulatory provisions

**a) Composition of PAR & OR Committee for the FY 2020-21 are as under:**

| Members of PAR & OR Committee | Category |
|---|---|
| Shri Rohit Mathur (From 19/02/2021) | Chairperson |
| Shri R.T. Agarwal (From 08/09/2020 till 19/02/2021) | Chairperson |
| Shri Subhash Kumar | Member |
| Shri. Vinod S. Shenoy | Member |
| Shri Vijay Sharma (Up to 04/08/2020) | Member |
| Shri Sewa Ram (Up to 07/09/2020) | Member |
| Shri V. P. Haran (Up to 07/09/2020) | Member |

**b) Details of the PAR & OR Committee meetings held during the Financial Year 2020-21**

During the year 2020-21, Three (3) Risk Management Committee Meetings were held.

| Date of Meeting | Meeting No. | No. of members attended |
|---|---|---|
| 09/06/2020 | 46 | 5 |
| 03/09/2020 | 47 | 5 |
| 13/01/2021 | 48 | 2 |

**c) Attendance in PAR & OR Committee Meetings held during the Financial Year 2020-21**

| Members of PAR & OR Committee | No. of Meetings attended |
|---|---|
| Shri R.T. Agarwal (From 08/09/2020 till 19/02/2021) | 2 |
| Shri Vinod S. Shenoy | 3 |
| Shri Subhash Kumar | 3 |
| Shri V.P Haran (Up to 07/09/2020) | 2 |
| Shri Sewa Ram (Up to 07/09/2020) | 2 |
| Shri Vijay Sharma (Up to 04/08/2020) | 0 |
| Shri Rohit Mathur* (From 19/02/2021) | N/A |

## 10. CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABLE DEVELOPMENT COMMITTEE

MRPL is a Miniratna Schedule A, Central Public Sector Enterprise (CPSE), Right from the inception, MRPL has been undertaking Corporate Social Responsibility (CSR) activities under the name "Samrakshan". Pursuant to the section 135 of the Companies Act 2013, followed by release of Company (Corporate Social Responsibility Policy) Rules, 2014 by Ministry of Corporate Affairs & Guidelines on CSR & Sustainable Development (SD) for CPSEs by Department of Public Enterprises (DPE), MRPL is rededicating itself to ensuring sustainable and equitable development through a well-orchestrated CSR program.

**a) Composition of Corporate Social Responsibility & Sustainable Development Committee (CSR&SD)**

The composition of the Committee including changes during the year 2020-21 is as under:

| Members of (CSR&SD) Committee | Category |
|---|---|
| **Ms. Esha Srivastava (From 19/02/2021)** | **Chairperson** |
| Shri R.T Agarwal (From 08/09/2020 upto 19/02/2021 Chairperson) | Member |
| Shri M Vekatesh | Member |
| Smt. Pomila Jaspal (From 08/09/2020) | Member |
| Shri Balbir Singh (Up to 07/09/2020) | Member |
| Dr. G.K Patel (Up to 07/09/2020) | Member |
| Shri Sanjay Varma (From 19/02/2021) | Member |

**Details of Corporate Social Responsibility Committee Meetings held during the Financial Year 2020-21**

During the year 2020-21, One (1) meeting of the Committee was held.

| Date of Meeting | Meeting No. | No. of members attended |
|---|---|---|
| 28/07/2020 | 20 | 3 |

**b) Attendance in Corporate Social Responsibility Committee Meeting held during the Financial Year 2020-21**

| Members of Corporate Social Responsibility Committee | No. of Meetings attended |
|---|---|
| Shri R.T Agarwal | 0 |
| Shri M Venkatesh | 1 |
| Smt. Pomila Jaspal | 0 |
| Shri Balbir Singh | 1 |
| Dr. G.K Patel | 1 |
| Shri Sanjay Varma* (From 19/02/2021) | N/A |
| Ms. Esha Srivastava* (From 19/02/2021) | N/A |

## 11. DETAILS OF ANNUAL GENERAL BODY MEETING

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

| Year | AGM | Location | Date | Time |
|---|---|---|---|---|
| 2020 | 32nd | Through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members attended and participated in the AGM through VC/OAVM | 18/09/2020 | 4.00 p.m. |
| 2019 | 31st | **MRPL Employees Recreation Center** Mudapadav, Post Kuthethoor, Via Katipalla, Mangaluru –575 030 | 03/08/2019 | 4.00 p.m. |
| 2018 | 30th | **MRPL Employees Club** Mudapadav, Post Kuthethoor, Via Katipalla, Mangaluru –575 030 | 11/08/2018 | 4:00 p.m. |

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

Yes.

| **AGM** | **Special Resolutions** |
|---|---|
| 32nd AGM | One Special resolution was passed pursuant to section 42 of the Companies Act, 2013 to raise fund up to ₹ 5,000 Crores through issue of unsecured non-Convertible debentures (NCD/s). |
| 31stAGM | One special resolution was passed pursuant to Section 42 of the Companies Act, 2013 to raise funds upto ₹ 3,000 Crores through issue of NCDs/ Bonds. |
| 30th AGM | None |

**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.

## 12. 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 (LODR) Regulations, 2015.

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

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

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

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

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

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

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

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

## (i) MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

1.0 The transactions with Related Parties are governed by Regulation 23 of the SEBI (LODR) Regulations, 2015, and the provisions of Section 188 of the Companies Act, 2013 and rules made thereunder along with the circulars and notifications issued by SEBI and MCA from time to time.

2.0 The Company has adopted Related Party Transaction Policy and procedures and the same is displayed on the website of the Company i.e. www.mrpl.co.in.

**(ii) Key Managerial Personnel as on 31/03/2021:**

| Name | Designation |
|---|---|
| Shri M. Venkatesh | Managing Director & CEO |
| Smt. Pomila Jaspal | Director (Finance) ,Chief Financial Officer and Whole time Director |
| Shri Sanjay Varma | Director (Refinery) and Whole time Director |
| Shri Dinesh Ranjan Mishra | Company Secretary |

There was no transaction with Key Managerial Personnel during the Financial Year 2020-21 except for the remuneration paid. The remuneration of Key Managerial Personnel has been disclosed separatly in this Report.

**(iii) Enterprises in which significant influence is exercised:**

| Name | Relationship | Nature of Transaction |
|---|---|---|
| ONGC Mangalore Petrochemicals Limited [OMPL] | Subsidiary | Details furnished in [OMPL] Note 11 of the Financial Statements for FY 2020-21. |
| Shell MRPL Aviation Fuel & Services Limited. [SMAFSL] | Joint Venture | |

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

The company has 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. The company has been receiving notices imposing fines / penalties on account of non-availability of requisite number of Independent Directors on the Board of the Company and consequent composition of Audit Committee and Nomination & Remuneration Committee. The Compnay has requested the stock exchanges for waiver of these fines / penalties in view of the fact that MRPL, being a Public Sector undertaking, Directors are appointed by the Administrative Ministry i.e. MoP&NG. BSE Limited has waived the fines while response from NSE is awaited.

**(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(1)(c) of the SEBI (LODR) Regulations, 2015 and the policy is available on the Company website www.mrpl.co.in.

**(vii) NON – MANDATORY REQUIREMENTS:**

a) The Company maintains a Chairman's office at its expense.

b) MRPL is a 'Schedule A' Miniratna, 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 on the website of the Company i.e.www.mrpl.co.in. The Directors are sponsored for various seminars, training, workshops and orientation programmes depending on the suitability and convenience.

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

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

A Code of Conduct for Members of the Board and Senior Management is a comprehensive code applicable to Executive and Non-executive Directors as well as members of the Senior Management i.e. all Key Managerial Personnel of the Company and one level below the Board. The Code of conduct is available on the Company's website www.mrpl.co.in.

The Managing Director has declared that all the members of the Board and Senior Management have affirmed that they have complied with the code of conduct for the Financial Year 2020-21.

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

1.0 "Code of Conduct for Prevention of Insider Trading" for the Company was approved by the Board at its 89th meeting held on 22nd June, 2002 pursuant to SEBI (Insider Trading) (Amendment) Regulations, 2002. The same was amended by the Board at its 226th meeting held on 3rd August, 2019 in view of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2008.

2.0 SEBI has notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 on 15th January, 2015 repealing SEBI (Insider Trading) Regulations, 1992 applicable to all the listed companies with effect from 15/05/2015. The Company adopted the "Code of Internal Procedures and Conduct for Prohibition of Insider Trading in dealing with the Securities of MRPL", as amended, at its 197th Board Meeting held on 22nd May, 2015.

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

4.0 SEBI vide its notification dated 31/12/2018 amended SEBI (Prohibition of Insider Trading) Regulations, 2015. Accordingly, the Board approved the amended "Code of Internal Procedures and Conduct for Prohibition of Insider Trading in dealing with the Securities of MRPL" in its 226th meeting held on 03rd August, 2019 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 Regulation17(8) the SEBI (LODR) Regulations, 2015 inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

**(xi) ANNUAL BUSINESS RESPONSIBILITY REPORT (ABRR)**

Pursuant to Regulation 34(2) (f) of the SEBI (LODR) Regulations, 2015, ABRR for the Financial Year 2020-21 forms part of the Annual Report.

**(xii) DEMATERIALISATION OF SHARES AND LIQUIDITY**

98.86% of the equity shares of the Company have been dematerialized (NSDL- 43.81% and CDSL-55.05%) as on 31/03/2021.The Company has entered in to agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to de-materialize 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 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 by-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, are reacreated to intimate their e-mail address to the Company's Registrar and Transfer Agent, Link Intime India Private Limited, to their dedicated E-mail ID i.e.mrplirc@linkintime.co.in

**(xvi) GOVERNANCE OF SUBSIDIARY COMPANY**

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

**(xvii) GUIDELINES ON CORPORATE GOVERNANCE BY DPE**

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

No Presidential Directives have been issued during the period 1st April 2020 to 31st March, 2021. 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, Regulations 24(A) of SEBI (LODR) Regulations, 2015, DPE Guidelines and all other related rules and regulations relating to capital market has been obtained from a practicing Company Secretary forms part of the Board's Report.

**(xix) SECRETARIAL COMPLIANCE REPORT**

Secretarial Compliance certificate pursuant to SEBI Circular No: CIR/CFO/CMD1/27/2019 dated 08/02/2019, has been obtained from RMG & Associates, Practicing Company Secretaries, New Delhi.

## 13. MEANS OFCOMMUNICATION

| | | | |
|---|---|---|---|
| i | Quarterly Results | : | Quarterly Results of the Company are published in Business Standard - all edition (English), Business Standard - Delhi edition (Hindi) and Hosadigantha-Mangalore edition (Kannada) Newspapers 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'whereshareholdersinformation 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 | : | Chairman's Speech 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 | 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. |
| x | 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. |
| xi | SEBI Complaints Redress System (SCORES) | : | The investor complaints are redressed in a centralized web based complaints redressal system provided by SEBI. |
| xii | Designated Exclusive email-id | : | Company has designated e-mail Id: investor@mrpl.co.in exclusively for investor servicing. |

## 14. GENERAL SHAREHOLDERS INFORMATION
## 33rd ANNUAL GENERAL MEETING

| | | | |
|---|---|---|---|
| i | Company Registration Details | : | **CIN** : L23209KA1988GOI008959 |
| ii | Day, Date and Time | : | Saturday, 04th September, 2021 at 4.00 P.M. (IST) |
| iii | Financial Year | : | 01/04/2020 to 31/03/2021 |
| iv | Date of Book Closure | : | 27/08/2021 till 04/09/2021 (both days inclusive) |
| v | Dividend Payment Date | : | NA |
| vi | E-voting | : | The Company has provided for remote e-voting facility to the shareholders in accordance with Regulation 44 of the SEBI (LODR) Regulations, 2015, provisions of the Companies Act, 2013 and the Rules made thereunder. |
| vii | **Listing on Stock Exchange** | | |
| A. | **Equity Shares ISIN**:INE103A01014 | : | **1. BSE Limited**<br>Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001<br>**Scrip Code : 500109**<br>**2. The National Stock Exchange of India Limited**<br>Exchange Plaza, Bandra (E), Mumbai - 400 051<br>**Trading Symbol :MRPL** |
| B | **Non Convertible Debentures (NCDs)**<br>**ISIN :** INE103A08027<br>INE103A08019<br>INE103A08035<br>INE103A08043 | : | **1. BSE Limited**<br>Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001<br>**Scrip Code : 500109**<br>**The National Stock Exchange of India Limited,**<br>Exchange Plaza, Bandra (E), Mumbai - 400 051<br>**Trading Symbol :MRPL** |

**C. Debt Security:**

**Details of NCD outstanding as on March 31, 2021**

| Details of NCD outstanding as on March 31, 2021 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Name of the Issuer** | **ISIN No.** | **Issuance Date** | **Maturity Date** | **Coupon Rate** | **Payment Frequency** | **Embedded Option if any** | **Amount Issued** | **Amount Outstanding** |
| Mangalore Refinery and Petrochemicals Limited | INE103A08027 | 13/01/2020 | 14/04/2023 | 6.64%p.a | Annual | NA | ₹ 500 Crores | ₹ 500 Crores |
| Mangalore Refinery and Petrochemicals Limited | INE103A08019 | 13/01/2020 | 12/04/2030 | 7.40%p.a | Annual | NA | ₹ 1000 Crores | ₹ 1000 Crores |
| Mangalore Refinery and Petrochemicals Limited | INE103A08035 | 29/01/2020 | 29/01/2030 | 7.75%p.a | Annual | NA | ₹ 1060 Crores | ₹ 1060 Crores |
| Mangalore Refinery and Petrochemicals Limited | INE103A08043 | 29/12/2020 | 29/12/2025 | 6.18 %p.a | Annual | NA | ₹ 1217 Crores | ₹ 1217 Crores |

| | | | |
|---|---|---|---|
| D. | **Payment of Listing Fees** | : | Annual listing fee for the year 2021-22 has been paid by the Company to BSE Limited. Payment of Annual listing fee to National Stock Exchange of India Limited is in progress. |
| E. | **Payment of Depository Fees** | : | Annual Custody fees for the year 2021-22 has been paid by the Company to NSDL. Payment of Annual Custody fee to CDSL is in progress. |
| F. | **DEBENTURE TRUSTEE** | : | M/s SBICAP Trustee Company Limited Apeejay House 6th Floor, 3, Dinshaw Wachha Road Church gate, Mumbai – 400020 |
| G. | **CREDIT RATING** | : | **ICRA** has reaffirmed the long-term rating of [ICRA] AAA (pronounced ICRA "Triple A rating with stable outlook) and the short-termrating of [ICRA] A1+ (pronounced ICRA A one plus) on the ₹ **12,600 Crore** bank facilities and also reaffirmed the rating of "[ICRA] A1+" (pronounced ICRA A one plus) for ₹ **3,000 Crore** Commercial Paper (CP) / Short Term Debt (STD) programme. ICRA has also assigned rating of [ICRA] AAA (pronounced as ICRA "Triple A rating with stable outlook) for the ₹ **3,000 Crore** Non-Convertible Debenture (NCD) Programme of Mangalore Refinery and Petrochemicals Limited.**CRISIL** has assigned "CRISIL AAA/Stable" (pronounced "CRISIL triple A rating with stable outlook") for the ₹ **3,000 Crore** Non-Convertible Debenture of Mangalore Refinery and Petrochemicals Limited and also reaffirmed its Corporate Credit Rating (CCR) "CCR AAA/Stable" on Mangalore Refinery and Petrochemicals Limited.<br><br>**CARE Ratings** has assigned "CARE AAA/Stable (pronounced "Triple A rating with stable outlook") for the ₹ **5,000 Crore** Non-Convertible Debenture and the short-term rating of A1+ for ₹ **3,000 Crore** Commercial Paper (CP) / Short Term Debt (STD) programme of Mangalore Refinery and Petrochemicals Limited.<br><br>**India Ratings (Fitch Group)** has assigned "IND AAA/Stable (pronounced "Triple A rating with stable outlook") for the ₹ **5,000 Crore** Non-Convertible Debenture programme of Mangalore Refinery and Petrochemicals Limited. |

**viii Financial Calendar for Financial Year 2020-21:**

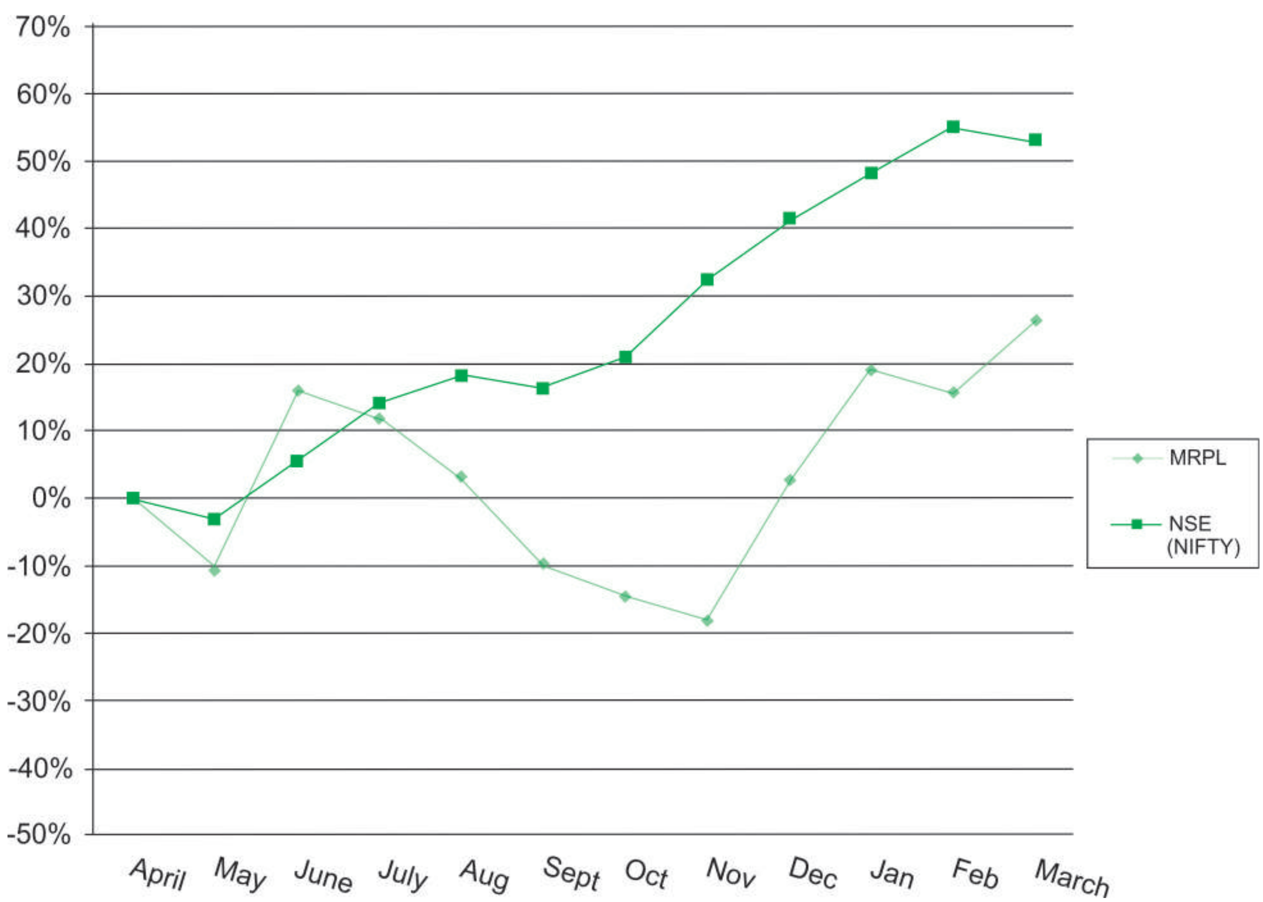
| Particulars | Financial Year 2020 -21 | | Financial Year 2021 -22 | |
|---|---|---|---|---|
| Accounting Period | 01/04/2020 to 31/03/2021 | | 01/04/2021 to 31/03/2022 | |
| Announcement of Financial Results | 1st Quarter<br>2nd Quarter<br>3rd Quarter | 04/08/2020<br>29/10/2020<br>01/02/2021 | First three Quarters | Announcement within 45 days from the end of each quarter |
| | 4th Quarter & Annual Financial Results | 17/05/2021 | Fourth Quarter & Annual Financial Results | Announcement within 60 days from the end of the financial year. |

ix Market Price Data:

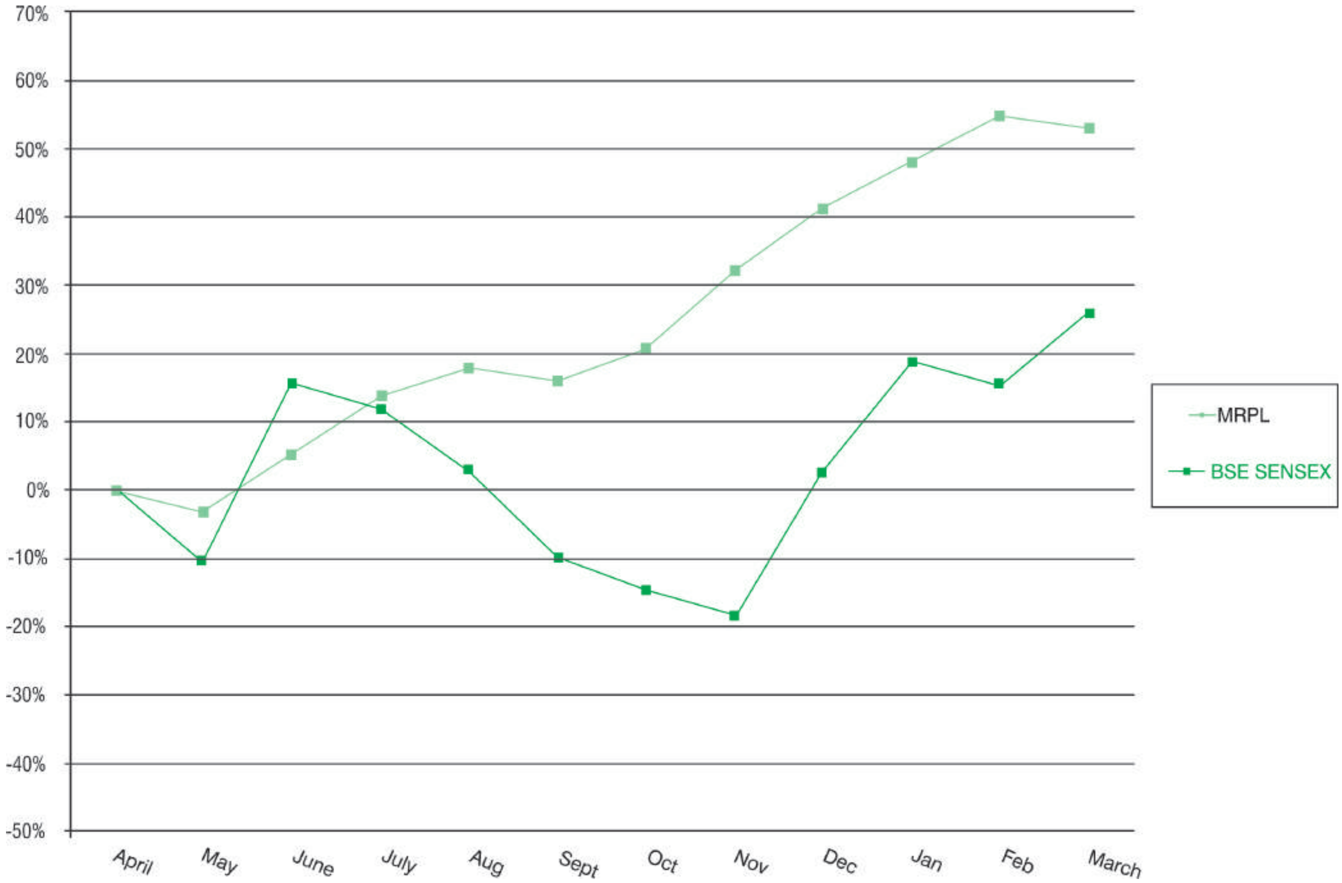
| Month | BSE Limited | | NSE Limited | |
|---|---|---|---|---|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April,2020 | 36.45 | 22.90 | 36.40 | 22.30 |
| May, 2020 | 32.60 | 26.35 | 33.15 | 26.20 |
| June, 2020 | 42.30 | 29.20 | 42.35 | 29.05 |
| July, 2020 | 40.75 | 33.70 | 41.00 | 33.65 |
| August, 2020 | 37.60 | 31.80 | 37.70 | 31.75 |
| September, 2020 | 32.95 | 25.00 | 32.60 | 25.55 |
| October, 2020 | 31.15 | 25.05 | 31.20 | 25.25 |
| November, 2020 | 29.80 | 26.90 | 29.85 | 26.95 |
| December, 2020 | 37.40 | 29.30 | 37.40 | 29.25 |
| January, 2021 | 43.35 | 34.40 | 43.30 | 34.30 |
| February, 2021 | 42.10 | 33.85 | 42.20 | 33.80 |
| March, 2021 | 46.00 | 36.00 | 46.10 | 38.30 |

**NSE (NIFTY) 2020-21**

**x Performance in comparison to board based indices such as NSE NIFTY and BSE Sensex:**



## BSE SENSEX 2020-21




The Market Capitalization of MRPL as on 31/03/2021 was ₹ **6,808.85 Crore.** MRPL is ranked **333 on NSE** and **338 on BSE** based on Market Capitalisation as on 31/03/2021.

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

**(xii) Share Transfer System:**

The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the SEBI (LODR) Regulations, 2015, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

| Years | No. of transfer deeds processed | No. of shares transferred |
|---|---|---|
| 2020-21 | 95 | 21500 |
| 2019-20 | 979 | 177320 |
| 2018-19 | 2132 | 389675 |

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

Pursuant to the provisions of IEPF Rules and the applicable provisions of the Companies Act, 2013, the company has transferred the unpaid or unclaimed dividend for the years 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 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 03/08/2019 (date of last Annual General Meeting) on the website of the company (www.mrpl.co.in) and also the website of the Ministry of Corporate Affairs.

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, 2017on 28/02/2017. During the financial year no amounts of unclaimed dividend and corresponding shares were due for transfer to Investor Education & Protection Fund (IEPF).

**(xiv) Distribution of Shareholding as on 31/03/2021:**

| 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 |
| 001 - 500 | 103011 | 207668 | 19162492 | 34678705 | 1.0934 | 1.9787 |
| 501 - 1000 | 445 | 15980 | 335850 | 13007392 | 0.0192 | 0.7422 |
| 1001 - 2000 | 80 | 6766 | 118105 | 10335733 | 0.0067 | 0.5897 |
| 2001 - 3000 | 9 | 2083 | 23400 | 5374208 | 0.0013 | 0.3066 |
| 3001 - 4000 | 3 | 884 | 11100 | 3181550 | 0.0006 | 0.1815 |
| 4001 - 5000 | 7 | 879 | 33750 | 4189483 | 0.0019 | 0.2390 |
| 5001 - 10000 | 4 | 1097 | 28800 | 8134302 | 0.0016 | 0.4641 |
| 10001 & above | 4 | 787 | 275500 | 1653708407 | 0.0157 | 94.3575 |
| **Total** | **103563** | **236144** | **19988997** | **1732609780** | **1.1405** | **98.8595** |

**(xv) Shareholding Pattern as on 31/03/2021:**

| Particulars | No. of Shares | Percentage |
|---|---|---|
| Oil and Natural Gas Corporation Limited | 1255354097 | 71.63 |
| Hindustan Petroleum Corporation Limited | 297153518 | 16.95 |
| Resident Individuals | 107386606 | 6.13 |
| Non Resident Individuals | 7026652 | 0.40 |
| Domestic Companies | 3602001 | 0.21 |

| Particulars | No. of Shares | Percentage |
|---|---|---|
| Foreign Institutioal Investor / Foreign Portfolio Investor (Corporate)/ Foreign Nationals | 12945309 | 0.74 |
| GIC & Subsidiaries/ Banks/ Foreign Bank &Financial Institutions/ Insurance /Mutual Funds/NBFCs registered with RBI | 47804541 | 2.73 |
| Investor Education And Protection Fund | 17399655 | 0.99 |
| Central/ State Govt. Institutions | 2900 | 0.00 |
| Trusts | 20450 | 0.00 |
| Clearing Members | 1318597 | 0.08 |
| Hindu Undivided Family | 2584451 | 0.15 |
| **Total** | **1752598777** | **100.00** |

**(xvi) Unclaimed/Undelivered Shares as on 31/03/2021.**

| 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. | 1217 | 72365 |
| 2. | Addition - Number of shareholders whose shares lying undelivered / unclaimed during the year (April, 2019 to March, 2020). | 9 | 1900 |
| 3. | Number of shareholders who approached the Company for their undelivered/unclaimed shares during the year and share issued. | 9 | 1400 |
| 4. | Shares transferred to IEPF Authority (from unclaimed response Account) | 0 | 0 |
| 5. | Aggregate number of shareholders and the outstanding shares in the "Unclaimed Share Suspense Account" lying at the end of the year. | 1217 | 72865 |
| 6. | The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares | | |

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

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

**(xix) Address for Correspondence:**
Shri K. B Shyam Kumar
Company Secretary and Compliance Officer
Mangalore Refinery and Petrochemicals Limited
Mudapadav, Post Kuthethoor, Via Katipalla, Mangaluru-575 030, Karnataka.
Tel.No. : 0824-2270400; Email : investor@mrpl.co.in; Website : www.mrpl.co.in

**REGISTERED OFFICE / COMPANY'S INVESTOR RELATION CELL:**

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

2 SCOPE Complex, 7th Floor, Core-8, Lodhi Road, NewDelhi-110003.
Tel. No. : 011-24306400 Email : investor@mrpl.co.in Website : www.mrpl.co.in

3 Maker Towers, 15th Floor, "E" Wing, Cuffe Parade, Mumbai - 400005. Tel. : 022-22173000
Email : *investor@mrpl.co.in*

4 Plot A-1, Opp. KSSIDC A.O. Building, Industrial Estate, Rajajinagar, Bengaluru-560010 (Karnataka).
Tel.: 080-22642200 Email : investor@mrpl.co.in Website : www.mrpl.co.in

**5 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 49186000 E-mail : mrplirc@linkintime.co.in
Website : www.linkintime.co.in

**Constitution of Board and Board Committees as on 31st March 2021**

| Name | Board | Audit | CSR/SD | Nomination, Remuneration Committee | Stakeholders Relationship Committee | Project Appraisal and Review Committee and Operations Review Committee |
|---|---|---|---|---|---|---|
| Shri Shashi Shanker | C | - | - | - | - | - |
| Shri M. Venkatesh | M | - | M | - | - | - |
| Shri Sanjay Varma | M | - | M | - | - | - |
| Smt. Pomila Jaspal | M | - | M | - | M | - |
| Shri Subhash Kumar | M | M | - | M | - | M |
| Shri Vinod S. Shenoy | M | M | - | M | - | M |
| Shri Rohit Mathur | M | M | - | M | M | C |
| Ms. Esha Srivastava | M | M | C | M | - | - |
| Shri R.T.Agarwal | M | C | M | C | C | - |

**C - Chairperson**
**M - Member**

# AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members,
Mangalore Refinery and Petrochemicals Limited,
Mangalore.

1. We have examined the compliance of conditions of Corporate Governance by Mangalore Refinery and Petrochemicals Limited for the year ended on 31st March, 2021 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.

## Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

## Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;

ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;

iii. Obtained and read the Directors Register as on March 31, 2021 and verified that at least one women director was on the Board during the year;

iv. Obtained and read the minutes of the following meetings held from April 1, 2020 to March 31, 2021: (a) Board of Directors meeting; (b) Audit committee; (c) Annual General meeting; (d) Nomination and remuneration committee; and (e) Stakeholders Relationship Committee;

v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and

vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

**Opinion**

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 3 above, 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations , 2015 and Department of Public Enterprises guidelines except for the following:

a) As per regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the composition of the Board of Directors shall have at least one independent woman director.

***The company did not have an independent woman director on its board during the financial year.***

b) As per regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 at least half of the Board of Directors shall comprise of Independent Directors.

***The company did not have requisite number of Independent Directors on its Board for a period from 07$^{th}$ September 2020 to 31$^{st}$ March 2021.***

c) As per regulation 18 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations , 2015 2/3 of the members of the Audit Committee shall be Independent Directors

***The company did not have requisite number of Independent Directors on its Board for a period from 07$^{th}$ September 2020 to 31$^{st}$ March 2021 and hence the provisions have not been complied.***

d) As per regulation 19 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations , 2015 at least half of the members of Nomination and Remuneration Committee shall be Independent Directors.

***The company did not have requisite number of Independent Directors on its Board for a period from 07th September 2020 to 31st March 2021 and hence the provisions have not been complied.***

9. In view of the situation emerging out of the outbreak of COVID-19 Pandemic, we could not examine the physical documents, records & other papers etc. of the Company for the year ended 31st March, 2021 and the documents / information required by us we provided through electronic mode.

**Other matters and Restriction on Use**

10. This report 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.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **SANKAR & MOORTHY**
Chartered Accountants
Firm Reg. Number: 003575S

Sd/-
**CA JAYAPRAKESH M C**
Partner
Membership no: 215562

Place : Kannur
Date : 23rd July, 2021
UDIN : 21215562AAAADF9258

For **RAM RAJ & CO**
Chartered Accountants
Firm Reg. Number: 002839S

Sd/-
**CA G VENKATESWARA RAO**
Partner
Membership no: 024182

Place : Bangalore
Date : 23rd July, 2021
UDIN : 21024182AAAAD13053

# 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 2021 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 2021, which are fraudulent, illegal or violative of the Company's Code of Conduct.

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

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

(1) Significant changes, if any, in internal control over financial reporting during the financial year ended 31st March, 2021.

(2) Significant changes, if any, in accounting policies during the year and that the same has 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/-**
**Pomila Jaspal**
**Director (Finance) & CFO**
**DIN: 08436633**

**Sd/-**
**M. Venkatesh**
**Managing Director & CEO**
**DIN: 07025342**

# ANNUAL BUSINESS RESPONSIBILITY REPORT (ABRR)

## Section A: General Information

| | | | |
|---|---|---|---|
| 1 | **Corporate Identity Number (CIN) of the Company** | : | L23209KA1988GOI008959 |
| 2 | **Name of the Company** | : | Mangalore Refinery and Petrochemicals Limited |
| 3 | **Registered address** | : | Mudapadav, Post Kuthethoor, Via Katipalla, Mangaluru-575 030, Karnataka |
| 4 | **Website** | : | www.mrpl.co.in |
| 5 | **e-mail id** | : | investor@mrpl.co.in |
| 6 | **Financial Year reported** | : | 2020-21 |
| 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<br>Petrochemicals - Polypropylene |

*As per NIC-2004-Ministry of Corporate Affairs

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

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

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

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

ii **Number of National Locations** :

- MRPL carries out its main business activities including manufacturing activities at one location namely Mangaluru in the State of Karnataka.
- MRPL carries out its Marketing activities from the Marketing Head Office located in Bengaluru. Marketing also has 3 Regional Offices, one each at Mangaluru, Bengaluru and Mumbai which carries out diverse marketing functions like Consumer Sales, Retail Sales and Petrochemicals Sales.

| | | | |
|---|---|---|---|
| | | | • 7 Retail Outlets, one each at Maddur, Hubli, Mandya, Tumkur and 3 are at Mangaluru in the State of Karnataka.· 3 depots, one each at Kasargod (Kerala), Hindupur (Andhra Pradesh) and Hosur (Tamil Nadu).<br>• 1 Polypropylene (PP) warehouse at Hassan in the State of Karnataka. |
| 10 | **Markets served by the Company – Local/State/National/International** | : | Pan India and Direct export of Polypropylene in Asia, Africa, Latin America, Europe. (Other than tendered Petroleum products) |

## Section B: Financial Details (FY 2020-21)

| | | | |
|---|---|---|---|
| 1 | **Paid up Capital** | : | ₹ 1,753 Crore |
| 2 | **Total Turnover** | : | ₹ 50,974 Crore |
| 3 | **Profit After Tax (PAT) / (Loss)** | : | ₹ (240.46) Crore |

4. **Total Spending on Corporate Social Responsibility (CSR)**
   - The Company has spent ₹ 25.36 Crores on CSR during the year 2020-21
5. **List the activities in which the CSR expenditures has been incurred**
   - The major area in which the above expenditure has been incurred includes education, health care, livelihood support, Swachh Bharat community development projects and environment protections.

## Section C: Other Details

1 **Subsidiary Company.**
The Company has only one subsidiary Company viz., ONGC Mangalore Petrochemicals Limited (OMPL).

2 **Participation of Subsidiary Company/Companies in the BR Initiatives of the parent company.**
Since OMPL is a separate entity, it carries out Business Responsibility initiatives on its own as per the policies applicable to the Company.

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

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

## Section D: BR Information

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

a) Details of the Director/Director responsible for implementation of the BR policy/policies
Shri M. Venkatesh, Managing Director & CEO
DIN : 07025342

b) Details of the BR head

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

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

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

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

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 6 | **Indicate the link for the policy to be viewed online?** | Whistle Blower Policy and Integrity Pact could be viewed in www.mrpl.co.in | www.mrpl.co.in | Available at Employee Portal | www.mrpl.co.in | www.mrpl.co.in | www.mrpl.co.in | The various policies of the Company can be assessed at www.mrpl.co.in | www.mrpl.co.in | www.mrpl.co.in |
| 7 | **Has the policy been formally communicated?** | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 8 | **Does the company have in-house structure to implement the policy /policies** | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 9 | **Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?** | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 10 | **Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?** | The implementation of SEBI Listing Regulations, 2015 with regard to Corporate Governance is audited by the Statutory Auditors. | Yes | Yes | Yes | Yes | Yes ISO system Audits are in place. | The Company being a PSE is subject to CAG Audit. | Yes | Yes |

| Sl. No. | Questions | Business ethics | Product Responsibility | Well being of employees | Stakeholders engagement & CSR | Human Rights | Environment | Public policy | CSR | Customer Relations |
|---|---|---|---|---|---|---|---|---|---|---|
| | | P1 | P2 | P 3 | P 4 | P 5 | P 6 | P7 | P8 | P9 |
| 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 2020-21 as required by Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 forms part of 33rd Annual Report. The same is also available on the Company's website at www.mrpl.co.in

## Section E: Principle-wise performance

### Principle 1- Ethics, Transparency and Accountability

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

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

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

   The Company has a Stakeholder Relationship Committee. The Committee specifically looks into redressing Shareholders and Investors complaints pertaining to transfer/transmission of shares, non – receipt of annual report, dividends payments, issue of duplicate share certificates and other issues as per the terms of reference. The company has received 21 investor complaints during the Financial Year 2020-2021 of which 17 complaints were resolved and 04 complaints were pending with SEBI for disposal. ATR in respect of these complaints was filed and the same were disposed off subsequently by SEBI .

### Principle 2- Product Lifecycle Sustainability

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

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

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

**i. Reduction during sourcing / production/ distribution**

a) As part of continue efforts towards energy conservation, a number of Energy Conservation projects have been implemented during 2020-21 in the refinery. These measures resulted in Estimated Fuel savings (Standard Refinery Fuel equivalent) of 8,268 Metric Tons of oil equivalent(MTOE).

b) Refinery has achieved a MBN of 81.41 during the year.

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

a) The company continued its emphasis on energy conservation through Process Optimisation, continuous monitoring and implementation of several Energy Conservation modification.

b) As part of Perform, Achieve and trade (PAT) cycle VI for the assessment year 2022-23, Mandatory Energy Audit (MEA) was carried out during the year.

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

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

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

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

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

- MRPL aims to reuse/recycle the waste including waste water generated at the site by adapting various technology measures. Slop oil generated from process units is reprocessed in Crude Distillation Units and part of oily sludge in Delayed Coker Unit. During FY 2020-21, approximately 1432 $m^3$ of oily sludge was reprocessed in Delayed Coker Unit (DCU).
- Waste water generated in the Refinery is treated in the Waste Water Treatment Plants. The treated water is reused as makeup water in Cooling Towers. During FY 2020-21, the refinery has recycled around 84% of waste water generated.
- 61,85,314 $m^3$ of Tertiary treated Municipal Sewage Water received in MRPL during FY 2020-21 and after proper disinfection treatment, it is used in the Refinery as process water.
- Spent catalyst from PFCC unit is sent for co-processing in Cement Industries, while other spent catalysts are sent to the authorized recyclers for recovery of noble and other precious metals.
- Organic waste generated in the Refinery canteen and colony is treated in a Biogas plant and the biogas generated is used for cooking purpose in main canteen.
- Treated water quality is closely monitored before being discharged to sea.

## Principle 3 – Employee well-being

1. Total number of employees.
   1939
2. Total number of employees hired on temporary/contractual/casual basis
   3150 approx. Employees on contractual basis
3. Number of permanent female employees
   135
4. Number of permanent employee with disabilities.
   32
5. Do you have an employee association that is recognised by management.
   Yes. The details are given below

a) Management Staff Association (MSA)
b) MRPL Employees Union (MEU)
c) MRPL SC/ST Employees Welfare Association (MSSEWA)
d) Women in Public Sector (WIPS)
e) MRPL OBC Employees Welfare Association (MOEWA)

6. Percentage of your permanent employees is members of this recognised 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 |

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

During the Year 2020-21, the Company devoted 6510 Mandays for training, development and learning, which amounts to 5.44 average Mandays per employee for Management staff and 1.52 average Mandays per employee for Non-Management staff.

## Principle 4- Stakeholder Engagement

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

Yes, the stakeholders have been mapped as under:

a. Investors and shareholders

b. Employees

c. Local Community

d. Suppliers & Customers

e. Government regulatory authorities

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

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

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

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

## Principle 5- Human Rights

1. **Coverage of the policy of the company on human rights cover and its extension to the Group/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 2020-21.

## 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. The company strives to inculcate the responsibility of environment preservation and management amongst stakeholder groups such as Contractors, Suppliers and Local Community for sharing the responsibility towards environmental protection. MRPL believe in all-inclusive model in achieving the sustainable targets of the organization by all round involvement of relevant stakeholders

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

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

   - CDU 2 CAPH Replacement/CDU FD Fan lower air demand
   - Excess air optimization of the CDU-II heater (BA-41001) by replacement of O2 Analyser / burners' fine tuning / replacement of burner components
   - VDU 2 CAPH replacement
   - ATU III Flasher off gas recovery
   - Use of Low Temperature Co-Mo catalyst in Reduced Reactor
   - Generation of LP steam by hot HCGO product/Hot stream steam directly to CHT
   - KSU Steam Re-boiler commissioning
   - APH Replacement in GOHDS
   - APH Replacement in HYD-I
   - MP steam to OMS lower plateau from Phase III
   - IFO Surge control modification
   - Replacement of HPMV & HPSV lights with energy efficient fixtures in plant area
   - LED fixtures in new HLMs against replacement /additions of new HLMs in plant area (Each HLM having 12 nos. fittings)

- Replacement of Inefficient lighting fixtures with energy efficient fixtures in no shop floor area
- HRSG modification - Auxiliary firing in HRSG I/HRSG II

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

   MRPL has well-defined process for managing its risks continuously. MRPL has comprehensive Enterprise Risk Management System in place. "The Action Taken Report(ATR) on risks identified and risk mitigation plan are reviewed periodically by the Top Management. The company is successful in reducing GHG emissions by implementing energy conservation measures. MRPL appointed M/s Deloitte to carry Carbon Foot Printing (CFP) of refinery and to identify CDM projects

4. **Company's initiatives on - clean technology, energy efficiency, renewable energy, etc.**

   a) The Company had embarked on a drive to replace inorganic fertilizer with in-house organic fertilizer produced by Vermicomposting horticulture debris. The first Vermicomposting facility is commissioned and organic fertilizer from organic waste is produced enabling cradle to cradle horticulture waste management,

   b) The Company is setting up Desalination Plant at Tannirbhavi, Mangalore of capacity 70 MLD. Environment Clearance (EC) & Consent for Established (CFE) were obtained and the project is envisaged to mechanically complete enabling MRPL water sustainability and reducing the reliance on fresh water sources.

   c) The Company is planning to install Vapour Recovery System at Retail Outlets to reduce fugitive emissions.

   d) The Company completed EIA study in respect of the proposed State of Art 2G Ethanol Plant to be located at Davanegere, Kamataka and Public Hearing is completed and Environment Clearance (EC) awaited. The said 60 KLPD Ethanol plant is an initiative in support of National Bio Fuel policy. The methodology adopted is converting of agricultural residue to environment friendly blend stock for Gasoline.

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

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

6. **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 2020-21**. : Nil.

## Principle 7- Public Advocacy

1. **Representation in any trade and chamber or association.**
   Yes, the company is having membership in the following Associations / Bodies

   1. Confederation of Indian Industry (CII)
   2. Standing Committee on Public Enterprises (SCOPE)
   3. Petroleum Conservation Research Association (PCRA)
   4. National Accreditation Board of Testing and Calibration Laboratories (NABL)

5. Federation of Indian Petroleum Industry
6. Federation of Indian Export Organizations (FIEO)

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

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

## Principle 8: Inclusive Growth

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

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

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

The CSR Projects are implemented by the Company.

**3. Impact assessment for initiatives.**

Impact assessment is carried out after completion of the project, by taking feedback from the beneficiaries. M/s. ResearchnConsultanting, Bangalore was hired for carrying out impact assessment study of completed projects during the Financial year 2020-21, having outlay of more than ₹ 1 crore. Copy of the Impact Assessment Report for two completed projects viz., Govt. Lady Goschen Hospital, Mangalore and Bio-diversity in Pilikula Nisargadhama, Mangalore is enclosed as an Annexure to Annual Report on CSR. Further, feedback is obtained from schools regarding improvement of attendance, academic performance of the students, improvements in extra-curricular activities of the students etc., to analyse the impact of the CSR projects such as providing Infrastructure facility, distribution of Scholarship etc., on the beneficiary schools. Similarly, feedback on improvement of health and living standard of the village residents is taken from the Grama Panchayaths, where various CSR projects are taken up such as Running of Free Primary Health Centre / Medical facility on wheels, construction of roads, installation of solar street lights, drinking water projects etc.

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

An expenditure of ₹ 25.36 Crore has been incurred by MRPL during 2020-21 towards community development projects pertaining to Education, Healthcare, Community Development, Skill Development, Support to Biodiversity, Culture & Heritage, Contribution to National Disaster Relief Fund and PM CARES Fund 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 especially in student intake in rural Government Schools, sanitation, health, infrastructure development, environment in rural and downtrodden communities of the society. The quality of living with respect to hygiene has improved in rural SC/ST communities. Providing free medical facility through Primary Health Centers in the surrounding rural area has greatly helped in improving the health condition of the rural people especially the agriculturists and women. Providing hygienic midday meal to the students in the rural schools has helped in retaining strength in the Government Schools. Solar street lights installed in villages have helped the villagers to save energy. Construction of Anganwadi has helped in nurturing the children and pregnant women. Differently abled persons with all kinds of impairment are supported with Aids and assistive devices. Pilikula Nisargadhama in the outskirts of Mangalore has been entirely maintained as a part of our contribution to Biodiversity. Our skill development programmes for the younger generation in the State has helped them to develop their skills. The project of Restoration and Development of Kemplaje Lake in Moodabidri, taken up as a part of our Prakrithi Samrakshan programme has been useful in holding the rain water and increasing the groundwater level in the region. This has resulted in abundant availability of water in the surrounding area both for domestic and agricultural purpose. Through our Samskrithi Samrakshan Program, we have taken up the project of providing Chairs for the “Bhavanika” Auditorium at “Gilivindu”, Rashtrakavi Govinda Pai Memorial Trust in Manjeshwara, Kasaragod District Kerala State. We have also contributed to Yakshagana and Tulu Language through our programs in All India Radio

## Principle 9: Value for Customers.

1. **Percentage of customer complaints/consumer cases are pending as on the end of financial year.**
   80% of the customer complaints stands resolved under the Direct Sales vertical in the FY.

2. **Product information on the product labeling.**
   Only for Polypropylene. Information inter alia covers Grade Description, Manufacturer name and address / email address, Brand name, Bag number, Lot number and safety directions.

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 consistent product quality and highly responsive sales system has ensured direct marketing customer satisfaction index of more than 97.15% for FY 20-21.

# INDEPENDENT AUDITOR'S REPORT

To The Members of

**Mangalore Refinery and Petrochemicals Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **MANGALORE REFINERY AND PETROCHEMICALS LIMITED** ("the Company"),which comprises the Standalone Balance Sheet as at 31st March 2021, and the Standalone Statement of Profit and Loss, (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash flow for the year then ended, and notes to the Standalone Financial statement, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the relevant rules issued thereunder, of the state of affairs of the Company as at 31st March 2021, and its loss (including other comprehensive income), changes in equity and cash flows for the year ended on that date.

### Basis for opinion

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

### Emphasis of Matter

We invite attention to the following Notes to statement of Standalone Financial Statements;

(a) Note No.40.2.2 (c) of the statement regarding provision of ₹ 28.72 Million and ₹ 243.11Million respectively, to make good the loss in value of investment considering the employer's obligation under the Provident Fund Regulations, arising out of shortfall primarily due to default over interest obligations and the probable principal default anticipated on Non-convertible Debentures of certain Companies wherein the Provident Fund Trust has made its investments. The Provident Fund Trust has marked down the above investment by 70% in its books which will depend upon the future outcome of various matters and the recognition of company's claim in these matters.

(b) Note No.49 of the statement with regard to the disclosure and accounting treatment including the restatement of the standalone financial statement for the year ending 31st March, 2020 on the basis of the Expert Advisory

Committee (EAC) opinion of the Institute of Chartered Accountants of India (ICAI) in respect of backstopping arrangement for Compulsorily Convertible Debentures (CCD) issued by its subsidiary ONGC Mangalore Petrochemicals Limited.

(c) Note No 53 of the statement which describes the impact of COVID-19 on the company's business and the appropriateness of preparing these standalone financial statements on a going concern basis which is more fully described therein.

Our opinion is not modified in respect of the above referred (a) to (c) matters.

## Key Audit Matters

Key audit matters are those matters that, in our Professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

| The Key Audit Matters | How the matter was addressed in our audit |
|---|---|
| **Modified Audit Procedures necessitated in the second spell of our final audit pursuant to the second wave of COVID-19 pandemic:** | |
| Due to the Nation-wide second wave of COVID-19 pandemic and the consequent travel and other restrictions, the final part of the second phase of our audit could not be carried through our physical presence at the operating locations/other business areas/ Corporate Office of the company. To a limited extent, this extraordinary situation has necessitated modification of our audit procedures so as to carry out the audit remotely through online access, receipt of digital documents, online meetings etc.<br><br>Due to this extraordinary situation on account of the second wave of COVID-19 pandemic, to the extent of our physical presence was absent as stated above, we have identified such modified audit procedures as a Key Audit Matter | The company provided us the VPN access over secured network to their SAP system for verification of books of accounts and documents backed by email communication, video conference and other communication system to complete the audit. To the extent of our physical presence was absent, we carried the audit processes on the basis of verification of such books of accounts, records, documents etc., made available to us as above, which were relied upon as audit evidence for conducting the audit and reporting for the current period.<br><br>We have carried out the verification of scanned copies of the documents, evidences etc., produced before us from time to time through the aforesaid medium and kept as audit evidences.<br><br>We have made enquiries, discussed our audit observations, and gathered necessary audit evidences and information through email, video conferencing, dialogues and similar communication channels.<br><br>Wherever the confirmation from banks and other parties in respect of outstanding balances were not directly received by us, we have relied on the confirmation and statements obtained by the company in this regard and carried other audit procedures including the verification of subsequent events and transactions, |

| | |
|---|---|
| | Wherever the title deeds of immovable properties are held in physical form, the access of which is not available in SAP system, we have relied on the other details and management representation in this regard,<br><br>We have also relied upon and performed our audit procedures in accordance with the advisories and guidance issued by the institute of chartered accountants of India for Audit and Accounting procedure under COVID 19 situation. |
| **Contingent Liabilities related to claims against the company/Disputed demands (Refer Note No 45 of accompanying Standalone Financial statements)** | |
| There are several claims and litigations pending before various forums against the company which have not been acknowledged as debt by the company and are disclosed as contingent Liabilities.<br><br>Whether a liability is recognised or disclosed as a contingent liability in the financial statements is inherently judgmental and dependent on a number of significant assumptions and assessments. The eventual outcome of these legal proceedings is dependent on the outcome of future events and unexpected adverse outcomes could significantly impact the Company's reported profits and balance sheet position.<br><br>Considering the degree of management judgement in interpreting the various cases, including accounting estimates that involves high estimation uncertainty in relation to the exposure arising out the claims against the company/disputed demand, this matter has been identified as a key audit matter for the current year audit. | Our audit procedure included, but was not limited to the following :<br><br>• Obtained an understanding of the management process for:<br><br>• Controls and identification of legal actions initiated in respect of claims and disputed amount against the Company<br><br>• Assessment of accounting treatment for each such litigation identified under Ind AS 37 and<br><br>• Measurement of amounts involved.<br><br>• Obtained an understanding of the nature of litigations pending against the Company and discussed the developments during the year for key litigations with the management and respective legal department of the company.<br><br>• Assessed management's conclusions through understanding precedents set in similar cases<br><br>• Evaluated the adequacy and completeness of disclosures made for their appropriateness in accordance with the applicable accounting standards |
| **Recognition and Measurement Deferred Tax Assets** | |
| As per IND AS 12, Deferred Tax Assets are the amount of income tax recoverable in future periods in respect of (a) deductible temporary differences (b) the carry forward of unused tax losses and (c) the carry forward of unused tax credits<br><br>A deferred tax asset shall be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised | Our audit procedure included, but was not limited to the following :<br><br>• Considered the company's past years taxable profits and taxes paid, obtained details of carry forward losses under income tax and details of estimates of future taxable profits.<br><br>• Tested the period over which the deferred tax assets on such unused tax losses and unused tax credits would be recovered against future taxable income.<br><br>• Tested the management's under lying assumptions and judgments in estimating the probable future taxable profits and the existence of sufficient taxable temporary difference against which the |

| | |
|---|---|
| Determination of probable future taxable profit is a matter of judgment based on convincing evidence. Considering the management's involvement in estimation and judgment of determining the future taxable profits which have a degree of uncertainty, this matter has been determined as a key audit matter. | unused tax losses or unused tax credits can be utilised by the company<br>• Assessed the adequacy and appropriateness of the disclosures in the Standalone financial statements. |
| **Impairment of Investment in Subsidiary** | |
| As per the IND AS 36 – *Impairment of Assets*, An entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired including investment in subsidiaries, associates and joint ventures. If any such indication exists, the entity shall estimate the recoverable amount of the asset.<br><br>As disclosed in note No. 11 of standalone financial statements, the Company has investments in subsidiary **ONGC Mangalore Petrochemicals Limited** as well as joint venture **Shell MRPL Aviation Fuels and Services Limited**<br><br>The Company analyses regularly for indicators of impairment of the said investments by reference to the requirements under relevant Ind AS which involve use of significant estimates and assumptions.<br><br>ONGC Mangalore Petrochemicals Limited has incurred continuous losses which have led to erosion of its net worth. The management of ONGC Mangalore Petrochemicals Limited has estimated that it will make profits in the upcoming years based on the assumptions and projections which have been approved by the Board of directors of ONGC Mangalore Petrochemicals Limited<br><br>The accounting for Investment in this subsidiary is a Key Audit matter as the determination of recoverable value for impairment assessment involves significant management assumptions and judgement in respect of estimated Future cash flows, Discount rates, economic and entity specific factors etc. | Our audit procedure included, but was not limited to the following :<br>• We discussed and evaluated management assessment of impairment of investment in subsidiary.<br>• We evaluated the objectivity and independence of specialists/ experts involved in the valuation process.<br>• We have assessed and reviewed the valuation method including the assumptions considered by the Management of ONGC Mangalore Petrochemicals Limited for projecting the future cash flows and the key assumptions used in this regard.<br>• Obtained the representations from the management and reviewed the Independent audit report of the statutory auditor of the subsidiary company.<br>• We considered the disclosures in the standalone IND AS financial statements for compliance with disclosure requirements. |

### Other Matters

The audit of the Standalone financial statement for the year ended 31st March, 2020 included in the statement was carried out and reported by the predecessor auditors, who have expressed unmodified opinion vide their audit report dated 9th June, 2020 whose report has been furnished to us and which have been relied upon by us for the purpose of our audit of the statement. Our opinion is not modified in respect of this matter.

### Other Information

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the information, if, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulation.

### Responsibilities of Management and those charged with governance for the Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the the Companies Act, 2013("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and Cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibilities for the audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing an opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

## Report on Other Legal and Regulatory Requirements

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

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

   a. The company process all the accounting transactions through IT system, named SAP. Based on the audit procedures carried out and as per the information and explanations given to us, there were no accounting transactions processed outside the IT system for the year ended 31$^{st}$ March, 2021 closure, no financial implications arise to impact the integrity of accounts.

   b. Based on the audit procedures carried out and as per the information and explanations given to us , there is no restructuring of an existing loan or cases of waiver/write off of debt/loans/interest etc. made by lender to the company due to the company's inability to repay the loan.

c. Based on the audit procedures carried out and as per the information and explanations given to us. Government grants in the form of interest free loans received from the State Government have been properly accounted and utilised as per the terms and conditions.

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books;

c) The standalone Balance Sheet, standalone Statement of Profit and Loss (including other comprehensive income), the standalone statement of Cash Flows and the standalone 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 financial statements comply with Indian Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

e) As per Notification No. GSR 463(E) of the Ministry of Corporate Affairs dated 05-06-2015. Disqualification of directors stated under Section 164(2) of the Act is not applicable to the Company, since it is a Government Company.

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

g) As per Notification No GSR 463 (E) of Ministry of Corporate Affairs dated 05-06-2015, provisions of Section 197 as regards managerial remuneration are not applicable to the company since it is a Government Company and

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

(I) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note No 45 to the Standalone Financial Statements;

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

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

For **SANKAR & MOORTHY**
Chartered Accountants
Firm Registration Number: 003575S

Sd/-
**CA JAYAPRAKESH M C**
Partner
Membership no: 215562

Place : Kannur
Date : 17th May 2021
UDIN : 21215562AAAADA4355

For **RAM RAJ & CO**
Chartered Accountants
Firm Registration Number: 002839S

Sd/-
**CA G VENKATESWARA RAO**
Partner
Membership no: 024182

Place : Bangalore
Date : 17th May 2021
UDIN :21024182AAAACR7020

# "ANNEXURE - A" TO THE INDEPENDENT AUDITOR'S REPORT

*[Referred to in paragraph 1 of Report* on Other Legal and Regulatory Requirements *of our Report of even date to the members of M/S* MANGALORE REFINERY AND PETROCHEMICALS LIMITED *on the accounts of the Company for the year ended 31st March, 2021]*

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

i) In respect of the Company's Property, Plant and Equipment;

   a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

   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. In respect of immovable properties taken on lease and disclosed as right-of-use-assets in the standalone financial statements, the formal lease agreements for lands amounting to ₹ 1,247.51 million are yet to be executed. Refer Note no. 6.2 to the standalone financial statements.

ii) We are informed that the inventory of stores and spares are physically verified during the year by the management on a continuous basis as per programme of perpetual inventory. Inventories of other items have been physically verified at the year end. The frequency of the verification, in our opinion, is reasonable having regard to the size of the company and nature of its business. As per the reports submitted by the Company, no material discrepancies have been noticed on such verification.

iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence, the provisions of clause (iii) (a) to (c) of paragraph 3 of the Order are not applicable to the company.

iv) According to the information and explanations given to us, in respect of loans, investments, guarantees, and security, the Company has complied with provisions of Section 185 and Section 186 of the Companies Act, 2013.

v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Hence, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the company.

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 Sub section (1) of Section 148 of the Companies

Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

vii) a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Goods and Services Tax, Sales Tax, Duty of Excise and other statutory dues applicable to it during the year with appropriate authorities.

According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Duty of Excise and other statutory dues outstanding as at 31st March, 2021 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, 2021 are given below.

(Amount in ₹ Millions)

| NAME OF THE STATUTE | NATURE OF THE DUES | TOTAL DEMAND | TOTAL TAX PAID UNDER PROTEST/ ADJUSTED | AMOUNT NOT DEPOSITED | PERIOD (FINANCIAL YEAR) | FORUM WHERE THE DISPUTE IS PENDING |
|---|---|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax / Interest / Penalty | 112.24 | | | 2013-14 | Commissioner of Income Tax Appeals |
| Central Excise Act, 1944 | Central Excise Duty / Service Tax / Interest / Penalty | 6298.54 | 327.09 | 5971.45 | 2002-03 to 2016-17 | CESTAT |
| The Customs Act, 1962 | Custom Duty / Interest / Penalty | 7049.19 | 2503.96 | 4545.23 | 1997-2000 & 2015-17 | CESTAT - Bangalore |
| | | 71.86 | | 71.86 | 1997-2000 | Supreme Court |
| | | 3.34 | 0.76 | 2.58 | 2017-18 | Commissioner (Appeals) (Customs)– Bangalore |
| The Karnataka Sales tax Act, 1957/ Central Sales Act, 1956 | Tax/ Interest/ Penalty | 4,341.60 | 4,341.60 | - | 1999-00 to 2009-10 | Karnataka Appellate Tribunal |
| | | 16.42 | 12.42 | 4.00 | 2009-10 to 2011-12 | Karnataka High Court |
| | | 34.97 | 22.66 | 12.31 | 2003-04 | Gujarat Value Added Tax Tribunal |

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 borrowings to any bank or Government during the year.

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

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

xi) As per notification No. GSR 463(E) of the Ministry of Corporate Affairs dated 05/06/2015, provisions of section 197 as regards managerial remuneration are not applicable to the Company since it is a Government Company. Hence, the provisions of clause (xi) of paragraph 3 of the Order are not applicable to the company.

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

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. Hence, the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the company.

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

For **SANKAR & MOORTHY**
Chartered Accountants
Firm Registration Number: 003575S

Sd/-
**CA JAYAPRAKESH M C**
Partner
Membership no: 215562

Place : Kannur
Date : 17th May 2021
UDIN : 21215562AAAADA4355

For **RAM RAJ & CO**
Chartered Accountants
Firm Registration Number: 002839S

Sd/-
**CA G VENKATESWARA RAO**
Partner
Membership no: 024182

Place : Bangalore
Date : 17th May 2021
UDIN :21024182AAAACR7020

# "ANNEXURE B"TO THE INDEPENDENT AUDITORS' REPORT

**REFERRED TO IN PARAGRAPH 3(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE STANDALONEFINANCIAL STATEMENTS OF MANGALORE REFINERY AND PETROCHEMICALS LIMITED FOR THE YEAR ENDED 31ST MARCH 2021**

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

We have audited the internal financial controls system with reference to stand alone financial statements reporting of **MANGALORE REFINERY AND PETROCHEMICALS LIMITED** ("the Company") as of 31st March 2021 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

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

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls system with reference to the standalone financial statements 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 with reference to Standalone financial Statements. 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 system with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls with reference to these Standalone Financial Statements

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

### Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls systems with reference to these standalone financial statements and such internal financial controls system with reference to these standalone financial statements were operating effectively as at 31 March 2021, based on the internal control with reference to these standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SANKAR & MOORTHY**
Chartered Accountants
Firm Registration Number: 003575S

Sd/-
**CA JAYAPRAKESH M C**
Partner
Membership no: 215562

Place : Kannur
Date : 17th May 2021
UDIN : 21215562AAAADA4355

For **RAM RAJ & CO**
Chartered Accountants
Firm Registration Number: 002839S

Sd/-
**CA G VENKATESWARA RAO**
Partner
Membership no: 024182

Place : Bangalore
Date : 17th May 2021
UDIN :21024182AAAACR7020

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ million unless otherwise stated)

### A Equity share capital

| Particulars | Amount |
|---|---|
| **Balance as at April 1, 2019** | **17,526.64** |
| Changes in equity share capital during the year | - |
| **Balance as at March 31, 2020** | **17,526.64** |
| Changes in equity share capital during the year | - |
| **Balance as at March 31, 2021** | **17,526.64** |

### B Other equity

| Particulars | Deemed Equity | Reserves and Surplus | | | | Total |
|---|---|---|---|---|---|---|
| | | General Reserve | Capital Redemption Reserve | Securities Premium | Retained Earnings | |
| **Balance as at April 1, 2019** | **42.17** | **1,192.00** | **91.86** | **3,490.53** | **84,927.09** | **89,743.65** |
| Profit / (Loss) after tax for the year | - | - | - | - | (27,403.46) | (27,403.46) |
| Other comprehensive income for the year, net of income tax | - | - | - | - | (85.73) | (85.73) |
| **Total Comprehensive Income** | **-** | **-** | **-** | **-** | **(27,489.19)** | **(27,489.19)** |
| Payment of dividends | - | - | - | - | (1,752.60) | (1,752.60) |
| Tax on dividends | - | - | - | - | (360.25) | (360.25) |
| **Balance as at March 31, 2020 *** | **42.17** | **1,192.00** | **91.86** | **3,490.53** | **55,325.05** | **60,141.61** |
| Profit / (Loss) after tax for the year | - | - | - | - | (2,404.57) | (2,404.57) |
| Other comprehensive income for the year, net of income tax | - | - | - | - | 19.98 | 19.98 |
| **Total Comprehensive Income** | **-** | **-** | **-** | **-** | **(2,384.59)** | **(2,384.59)** |
| **Balance as at March 31, 2021** | **42.17** | **1,192.00** | **91.86** | **3,490.53** | **52,940.46** | **57,757.02** |

Restated, refer Note No. 49

**As per our report of even date attached**

**For and on behalf of the Board**

**For RAM RAJ & CO**
Chartered Accountants
Firm Registration No. : 002839S

sd/-
**CA. G VENKATESWARA RAO**
Partner
Membership No. 024182

**For SANKAR & MOORTHY**
Chartered Accountants
Firm Registration No. : 003575S

sd/-
**CA. JAYAPRAKESH MC**
Partner
Membership No. 215562

sd/-
**M VENKATESH**
Managing Director
DIN: 07025342

sd/-
**POMILA JASPAL**
Director (Finance)
DIN: 08436633

sd/-
**K. B. SHYAM KUMAR**
Company Secretary

Place : New Delhi
Date : 17/05/2021

# STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

(All amounts are in ₹ million unless otherwise stated)

| | Particulars | Note No. | As at March 31, 2021 | As at March 31, 2020* |
|---|---|---|---|---|
| | **ASSETS** | | | |
| I | **Non-Current Assets** | | | |
| | (a) Property, Plant and Equipment | 5 | 132,466.84 | 137,619.60 |
| | (b) Right-of-Use Assets | 6 | 4,448.12 | 4,600.53 |
| | (c) Capital Work-in-Progress | 7 | 23,592.46 | 17,302.04 |
| | (d) Investment Property | 8 | 77.96 | 77.96 |
| | (e) Goodwill | 9 | 4.04 | 4.04 |
| | (f) Other Intangible Assets | 10 | 77.14 | 90.45 |
| | (g) Financial Assets | | | |
| | (i) Investments | 11 | 33,948.43 | 21,779.23 |
| | (ii) Loans | 12 | 1,225.84 | 1,108.72 |
| | (iii) Other Financial Assets | 13 | 275.52 | 198.57 |
| | (h) Non-Current Tax Assets (net) | 14 | 1,636.56 | 1,636.54 |
| | (i) Deferred Tax Assets (net) | 25 | 4,187.80 | 3,152.13 |
| | (j) Other Non-Current Assets | 15 | 8,169.98 | 8,721.26 |
| | **Total Non Current Assets (I)** | | **210,110.69** | **196,291.07** |
| II | **Current Assets** | | | |
| | (a) Inventories | 16 | 66,098.68 | 38,899.75 |
| | (b) Financial Assets | | | |
| | (i) Trade Receivables | 17 | 24,164.74 | 10,422.69 |
| | (ii) Cash and Cash Equivalents | 18 | 258.01 | 17.80 |
| | (iii) Bank Balances other than (ii) above | 19 | 262.61 | 262.15 |
| | (iv) Loans | 12 | 148.94 | 133.19 |
| | (v) Other Financial Assets | 13 | 772.55 | 6,329.33 |
| | (c) Current Tax Assets (net) | 14 | 1,860.09 | 1,982.33 |
| | (d) Other Current Assets | 15 | 3,784.31 | 3,647.66 |
| | **Total Current Assets (II)** | | **97,349.93** | **61,694.90** |
| | **TOTAL ASSETS (I+II)** | | **307,460.62** | **257,985.97** |
| | **EQUITY AND LIABILITIES** | | | |
| I | **Equity** | | | |
| | (a) Equity Share Capital | 20 | 17,526.64 | 17,526.64 |
| | (b) Other Equity | 21 | 57,757.02 | 60,141.61 |
| | **Total Equity (I)** | | **75,283.66** | **77,668.25** |
| | **LIABILITIES** | | | |
| II | **Non-Current Liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 22 | 99,222.48 | 79,515.17 |
| | (ii) Other Financial Liabilities | 23 | 6,318.02 | 6,090.10 |
| | (b) Provisions | 24 | 1,141.69 | 947.47 |
| | (c) Deferred Tax Liabilities (net) | 25 | - | - |
| | (d) Other Non Current Liabilities | 27 | 3,449.04 | 3,597.42 |
| | **Total Non Current Liabilities (II)** | | **110,131.23** | **90,150.16** |
| III | **Current Liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 22 | 54,369.88 | 24,360.83 |
| | (ii)Trade Payables | 26 | | |
| | -Total outstanding dues of micro enterprises and small enterprises | | 305.31 | 336.00 |
| | -Total outstanding dues of creditors other than micro enterprises and small enterprises | | 39,671.29 | 32,375.17 |
| | (iii) Other Financial Liabilities | 23 | 18,190.79 | 22,518.03 |
| | (b) Other Current Liabilities | 27 | 3,982.46 | 8,764.49 |
| | (c) Provisions | 24 | 5,526.00 | 1,813.04 |
| | **Total Current Liabilities (III)** | | **122,045.73** | **90,167.56** |
| IV | **Total Liabilities (II+III)** | | **232,176.96** | **180,317.72** |
| | **TOTAL EQUITY AND LIABILITIES (I+IV)** | | **307,460.62** | **257,985.97** |

* Restated, refer Note No. 49

**See accompanying notes to the standalone financial statements (1-56)**
**As per our report of even date attached**

**For and on behalf of the Board**

**For RAM RAJ & CO**
Chartered Accountants
Firm Registration No. : 002839S

sd/-
**CA. G VENKATESWARA RAO**
Partner
Membership No. 024182

**For SANKAR & MOORTHY**
Chartered Accountants
Firm Registration No. : 003575S

sd/-
**CA. JAYAPRAKESH MC**
Partner
Membership No. 215562

sd/-
**M VENKATESH**
Managing Director
DIN: 07025342

sd/-
**POMILA JASPAL**
Director (Finance)
DIN: 08436633

sd/-
**K. B. SHYAM KUMAR**
Company Secretary

Place : New Delhi
Date : 17/05/2021

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ million unless otherwise stated)

| | Particulars | Note No. | Year ended March 31, 2021 | Year ended March 31, 2020 * |
|---|---|---|---|---|
| I. | Revenue from Operations | 28 | 510,191.92 | 607,515.38 |
| II. | Other Income | 29 | 1,184.58 | 1,050.46 |
| III. | **Total income (I + II)** | | **511,376.50** | **608,565.84** |
| IV. | **Expenses:** | | | |
| | Cost of Materials Consumed | 30 | 294,072.61 | 466,242.67 |
| | Purchases of Stock-in-Trade | 31 | 11,931.73 | 33,520.79 |
| | Changes in Inventories of Finished Goods and Stock-in-Process | 32 | (12,028.15) | 13,474.20 |
| | Excise Duty on Sale of Goods | | 1,88,367.81 | 97,496.06 |
| | Employee Benefits Expense | 33 | 5,109.39 | 4,401.22 |
| | Finance Costs | 34 | 3,520.46 | 7,446.61 |
| | Depreciation and Amortisation Expense | 35 | 8,529.97 | 7,832.08 |
| | Other Expenses | 36 | 15,323.65 | 17,727.20 |
| | **Total Expenses (IV)** | | **5,14,827.47** | **6,48,140.83** |
| V. | **Profit/ (Loss) Before Exceptional Items and Tax (III-IV)** | | **(3,450.97)** | **(39,574.99)** |
| VI. | **Exceptional Items (Income)/Expenses (net)** | | - | - |
| VII. | **Profit/ (Loss) Before Tax (V - VI)** | | **(3,450.97)** | **(39,574.99)** |
| VIII. | Tax Expenses: | | | |
| | (1) Current Tax | 37 | | |
| | - Current year | | - | - |
| | - Earlier years | | (10.86) | 1,037.36 |
| | (2) Deferred Tax | 25 | (1,035.54) | (13,208.89) |
| | **Total Tax Expenses (VIII)** | | **(1,046.40)** | **(12,171.53)** |
| IX | **Profit/ (Loss) for the year (VII - VIII)** | | **(2,404.57)** | **(27,403.46)** |
| X | **Other Comprehensive Income** | | | |
| | Items that will not be reclassified to Profit or Loss | | | |
| | (a) Remeasurement of the Defined Benefit Plans | | 30.71 | (131.78) |
| | (b) Income Tax relating to above | 37 | (10.73) | 46.05 |
| | **Total Other Comprehensive Income (X)** | | **19.98** | **(85.73)** |
| XI | **Total Comprehensive Income for the year (IX+X)** | | **(2,384.59)** | **(27,489.19)** |
| XII | Earnings per Equity Share: | 38 | | |
| | (1) Basic (in ₹) | | (1.37) | (15.64) |
| | (2) Diluted (in ₹) | | (1.37) | (15.64) |

* Restated, refer Note No.: 49

**See accompanying notes to the standalone financial statements (1-56)**
**As per our report of even date attached**

**For and on behalf of the Board**

**For RAM RAJ & CO**
Chartered Accountants
Firm Registration No. : 002839S

sd/-
**CA. G VENKATESWARA RAO**
Partner
Membership No. 024182

**For SANKAR & MOORTHY**
Chartered Accountants
Firm Registration No. : 003575S

sd/-
**CA. JAYAPRAKESH MC**
Partner
Membership No. 215562

sd/-
**M VENKATESH**
Managing Director
DIN: 07025342

sd/-
**POMILA JASPAL**
Director (Finance)
DIN: 08436633

sd/-
**K. B. SHYAM KUMAR**
Company Secretary

Place : New Delhi
Date : 17/05/2021

## STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ million unless otherwise stated)

| | Particulars | | Year ended March 31, 2021 | Year ended March 31, 2020* |
|---|---|---|---|---|
| A | **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| | **Profit / (Loss) After Tax** | | **(2,404.57)** | **(27,403.46)** |
| | Adjustments for : | | | |
| | Tax Expense | | (1,046.40) | (12,171.53) |
| | Depreciation and Amortisation expense | | 8,529.97 | 7,832.08 |
| | Loss/ (profit) on Sale of Property, Plant and Equipment (net) | | 71.63 | 83.49 |
| | Liability / provision no longer required written back | | (291.87) | (127.54) |
| | Impairment of doubtful trade receivables & Non Moving Inventories | | 14.59 | 168.31 |
| | Write off of doubtful trade receivables / advances / deposits | | 3.81 | - |
| | Exchange Rate Fluctuation (net) | | (1,453.48) | 5,642.54 |
| | Finance Costs | | 3,520.46 | 7,446.61 |
| | Interest Income | | (363.03) | (504.58) |
| | Dividend Income | | (41.50) | (18.56) |
| | Amortisation of Prepayments | | 6.75 | 6.68 |
| | Amortisation of Deferred Government Grant / Guarantee | | (197.26) | (187.99) |
| | Others | | 30.71 | (131.78) |
| | | | **6,379.81** | **(19,365.73)** |
| | **Movements in Working Capital :** | | | |
| | - (Increase)/ Decrease in Trade and Other Receivables | | (13,677.54) | 12,616.75 |
| | - (Increase)/ Decrease in Loans | | (131.31) | (200.89) |
| | - (Increase)/ Decrease in Other Assets | | 5,633.16 | 580.04 |
| | - (Increase)/ Decrease in Inventories | | (27,152.78) | 19,200.71 |
| | - Increase/ (Decrease) in Trade Payables and Other Liabilities | | 8,601.55 | (10,135.74) |
| | **Cash generated from Operations** | | **(20,347.11)** | **2,695.14** |
| | Income Taxes paid, net of refunds | | 131.36 | (861.80) |
| | **Net Cash generated from / (used in ) Operations** | **(a)** | **(20,215.75)** | **1,833.34** |
| B | **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| | Payments for Property, Plant and Equipment | | (9,115.48) | (13,531.40) |
| | Proceeds from disposal of Property, Plant and Equipment | | 1.32 | 5.74 |
| | Interest Received | | 282.48 | 439.51 |
| | Dividend receiving from Joint Venture | | 37.59 | 6.00 |
| | Dividend received from Investments in Mutual Fund | | 4.00 | 12.56 |
| | Investment in Subsidiary Company | | (12,169.20) | (2,550.09) |
| | Tax Paid on Interest/ Dividend Income | | (9.13) | (16.79) |
| | **Net Cash generated from / (used in ) Investing Activities** | **(b)** | **(20,968.51)** | **(15,634.47)** |
| C | **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| | Proceeds from Long Term Borrowings | | 30,130.24 | 56,486.73 |
| | Repayments of Long Term Borrowings | | (15,084.72) | (8,819.61) |
| | Proceeds / (Repayment) from Short Term Borrowings (net) | | 29,961.01 | (24,447.44) |
| | Payment of Lease Rentals (Principal Component) | | (76.76) | (119.80) |
| | Payment of Lease Rentals (Interest Component) | | (201.61) | (134.49) |
| | Finance Costs Paid | | (3,303.69) | (7,059.52) |
| | Dividends and Dividend Distribution Tax paid on Equity Shares | | - | (2,112.85) |
| | **Net Cash generated from / (used in ) Financing Activities** | **(c )** | **41,424.47** | **13,793.02** |
| | **Net Increase / (Decrease) in Cash and Cash Equivalents** | **(a+b+c)** | **240.21** | **(8.11)** |
| | **Cash and Cash Equivalents as at the beginning of the year** | | **17.80** | **25.91** |
| | **Cash and Cash Equivalents as at the end of the year** | | **258.01** | **17.80** |
| | **Net Change in Cash and Cash Equivalents (Closing - Opening)** | **(a+b+c)** | **240.21** | **(8.11)** |

1. The above statement of Cash Flows prepared under the "Indirect method" as set out in the Ind AS 7 "Statement of Cash Flows".
2. Brackets indicate cash outflow.

* Restated, refer Note No. 49

**See accompanying notes to the standalone financial statements (1-56)**
**As per our report of even date attached**

**For and on behalf of the Board**

**For RAM RAJ & CO**
Chartered Accountants
Firm Registration No. : 002839S

sd/-
**CA. G VENKATESWARA RAO**
Partner
Membership No. 024182

**For SANKAR & MOORTHY**
Chartered Accountants
Firm Registration No. : 003575S

sd/-
**CA. JAYAPRAKESH MC**
Partner
Membership No. 215562

sd/-
**M VENKATESH**
Managing Director
DIN: 07025342

sd/-
**POMILA JASPAL**
Director (Finance)
DIN: 08436633

sd/-
**K. B. SHYAM KUMAR**
Company Secretary

Place : New Delhi
Date : 17/05/2021

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2021

### 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.

As on the reporting date, there were no new Indian Accounting Standards (IndAS) issued by the Ministry of Corporate Affairs (MCA) which would have been applicable from April 1, 2021.

### 3. Significant Accounting Policies

#### 3.1. Statement of compliance

These Financial Statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time and the presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

#### 3.2. Basis of preparation

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

The Company has adopted all the Ind AS and the adoption was carried out during Financial Year 2016-17 in accordance with Ind AS 101 (First time adoption of Indian Accounting Standards). The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the "Previous GAAP".

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

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

The Financial Statements are presented in Indian Rupees and all values are rounded to the nearest two decimal million except otherwise stated.

**Fair Value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

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

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

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

**3.3. 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 Statement of Profit and 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.

The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value for goodwill as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

**3.4. Investments in Subsidiaries, Joint Ventures and Associates**

3.4.1 The Company records the Investments in Subsidiaries, Joint Venture and Associates at cost and reviews for impairment at each reporting date, if any. Cost includes deemed cost of investment arising from certain contractual provisions entered into by the Company.

3.4.2 The Company records the initial fair value of financial guarantee given to subsidiary company as deemed investment with a corresponding liability recorded as deferred revenue under financial guarantee obligation. Such deemed investment is added to the carrying amount of investment in subsidiaries. Deferred revenue is recognized in the Statement of Profit and Loss over the remaining period of financial guarantee issued as other income.

3.4.3 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 Subsidiaries, Joint Ventures and Associates 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 Subsidiaries, Joint Ventures and Associates.

3.4.4 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.

3.4.5 Upon disposal of Investment in Subsidiaries, Joint Ventures and Associates, a gain or loss is recognised in the Statement of Profit and 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 Subsidiary or 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. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, Plant and Equipment and Intangible Assets are not depreciated or amortized once classified as held for sale.

**3.6. Revenue Recognition**

3.6.1 Revenue from sales of goods and services are recognized upon the satisfaction of a performance obligation, which occurs when control transfers to the customer. Control of the goods is determined to be transferred to the customer when the title of goods passes to the customer, which typically takes place when product is physically transferred into a vessel, pipeline (other than Company owned pipeline) or other delivery mechanism. In respect of revenue contracts for goods which provide for provisional pricing (wherever applicable) at the time of shipment, the final price adjustment if any will be given effect in the period in which it is finalised/ settled.

3.6.2 Revenue is measured at the transaction price of the consideration received or receivable and represents amounts receivable for goods and services including excise duty provided in the normal course of business, net of discounts or rebates, GST and sales tax. Any retrospective revision in prices is accounted for in the year of such revision.

3.6.3 Price Reduction Schedule (PRS) for delay in execution of contracts/supplies are accounted for as per the terms of the contracts/ agreement. The PRS amount would be recognised as income except on account of capital projects wherein the adjustments are carried out to the cost of the asset. The adjustments are carried out prospectively upon finalization.

3.6.4 The Company has entered into take or pay contracts with a customer. In this transaction, revenue is recognised as per the formula laid out in the contract with the customers.

3.6.5 Revenue from sale of scrap is recognised at the point in time when control (transfer of custody of goods) is passed to customers.

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

3.6.7 For Non -Financial Assets, interest income is recognised on a time proportion basis. Interest income on refundable taxes/ duties is recognised on receipt basis.

3.6.8 Dividend Income is recognised when the right to receive the dividend is established.

3.6.9 Excise duty is presented as expense in the Statement of Profit and Loss. Excise duty in respect of difference between closing and opening stock of excisable goods is included under "Other Expenses".

**3.7. Leases**

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

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

**(i)** The contract involves use of an identified assets

**(ii)** The company has substantially all the economic benefits from the use of the asset through the period of the lease and

**(iii)** The company has the right to direct the use of the asset.

**Company as a Lessee:**

At the date of commencement of the lease, the Company recognizes a Right-of-Use Assets (ROU Assets) and a corresponding Lease Liability for all lease contracts / arrangements in which it is a lessee, except for lease with a term of twelve months or less (i.e. short term leases) and lease of low value assets. For these short-term and low value leases, the Company recognizes the lease payments on straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Right-of-Use Assets and Lease Liabilities includes these options when it is reasonably certain that they will be exercised.

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

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

Subsequently, the Right-of-Use Assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The Right-of-Use Assets are depreciated using the straight-line method, except in case of leasehold lands where the ownership will be transferred to the Company, from the commencement date over the shorter of lease term or useful life of Right-of-Use Assets, however, in case of ownership of such right-of-use asset transfers to the lessee at the end of the lease term, such assets are depreciated over the useful life of the underlying asset. The Company applies Ind AS 36 to determine whether a Right-of-Use Assets are impaired and accounts for any identified impairment loss as described in the accounting policy below on “Impairment of Non-Financial Assets”.

The interest cost on Lease Liability (computed using effective interest rate method) is expensed in the Statement of Profit and Loss unless eligible for capitalization as per accounting policy below on “Borrowing costs”.

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

Right-of-Use Assets are derecognized upon completion or cancellation of the lease contract.

Lease Liability and Right-of-Use Assets have been separately presented in the Balance Sheet and lease payments have been classified as financing activity in the Statement of Cash Flows.

Lease modification impact is on prospective basis.

**3.8. Foreign Currency Transactions**

The Company’s Financial Statements are presented in Indian Rupee (₹), which is also its Functional Currency.

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 translated using closing exchange rate prevailing on the last day of the reporting period.

Exchange difference arising in respect of foreign currency monetary items is recognised in the Statement of Profit and Loss either as ‘Exchange Rate Fluctuation loss/ (gains) (Net)’ or as ‘Finance Costs’ except for the exchange difference related to long term foreign currency monetary items outstanding as at March 31, 2016, in so far as, they relate to the acquisition of depreciable assets, are adjusted against the cost of such assets and depreciate the said adjustment, over the balance life of asset.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

**3.9. Borrowing Costs**

Borrowing costs consists of interest and other costs incurred in connection with the borrowing of funds and interest on lease liability.

Borrowing costs also include exchange differences arising from foreign currency borrowings to the extent regarded as an adjustment to interest cost i.e. equivalent to the extent to which the exchange loss does not exceed the difference between the cost of borrowing in functional currency (₹) when compared to the cost of borrowing in a foreign currency. When there is an unrealized exchange loss which is treated as an adjustment to interest and subsequently there is a realized or unrealized gain in respect of the settlement or translations of the same borrowing, the gain to the extent of the loss previously recognized as an adjustment is also recognized as an adjustment to interest.

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. Capitalization of borrowing costs is suspended when active development on the qualifying assets is interrupted other than on temporary basis and charged to the statement of Profit and Loss during such extended periods. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

**3.10. Government Grants**

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

Government Grants are recognised in Statement of Profit and 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 salaries, wages, provident fund, superannuation fund, gratuity fund, leave encashment, post-employment medical benefits, resettlement allowances and termination benefits.

**3.11.1 Short Term Employee Benefits**

All short-term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

**3.11.2 Post-Employment benefits**

**Defined Contribution Plans**

Defined Contribution Plans comprising of contribution towards superannuation fund and is recognized based on the undiscounted amount of obligation of the Company to contribute to the plan. The same is paid to a fund administered through a separate trust.

**Defined Benefit Plans**

Defined 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 Obligations and is computed using the Projected Unit Credit Method, which is being carried out at the end of each annual reporting period by independent actuaries. These are accounted as current Employee Costs 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 recognized 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 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.

**3.11.3 Other Long-term Employee Benefits**

Other long term employee benefits (leave encashment and Provident Fund contribution to trust) are determined on actuarial valuation by independent actuaries using Projected Unit Credit method, which is being carried at the end of each annual reporting period.

The Company's contribution to the Provident Fund is remitted to separate trusts (MRPL's Provident Fund Trust) established for this purpose based on a fixed percentage of the eligible employee's salary and charged to the Statement of Profit and Loss or include in the cost of Assets as permitted. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, is made good by the Company and charged to the Statement of Profit and Loss.

Leave encashment 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.

Liability towards the above plans are recognized 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.

Re-measurements gains and losses are recognized in the statement of profit and loss in the period in which they arise.

**3.11.4 Termination Benefits**

**Premature Retirement on Medical Grounds**

The Company has an approved scheme of Premature Retirement on Medical Grounds. Ex-gratia payment equivalent to 60 days emolument for each completed year of service or the monthly emoluments at the time of retirement multiplied by the balance months of service left before normal date of retirement, whichever is less is payable apart from Superannuation Benefits.

**Scheme for Self Insurance for providing lump-sum monetary compensation**

Under the scheme of 'Post Retirement Benefit and Benefit on Separation', in case of employee suffering death or permanent total disablement due to an accident arising out of and in the course of employment, a compensation equivalent to 100 months Basic Pay plus Dearness Allowance (DA) without laying down any minimum amount is payable.

**Benefits of Separation under SABF (re-nomenclatured now as MDCPS)**

In case of death / permanent disablement of an employee while in service in the Company, the beneficiary has to exercise desired options available within 6 months from the date of death / permanent total disablement.

Termination Benefits are charged to Statement of Profit and Loss as and when incurred.

**3.12. Taxation**

Tax Expense represents the sum of the Current Tax and Deferred Tax.

**(i) Current Tax**

The tax currently payable is based on Taxable Profit for the year together with any adjustment to tax payable in respect of previous years. 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 provided using the Balance Sheet method and is recognized 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, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Current and Deferred Tax for the year**

Current and Deferred Tax are recognised in Statement of Profit and 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) and Right of Use Assets (ROU)**

Property, Plant and Equipment 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.

Property, Plant and Equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. The cost of an asset comprises its purchase price or its construction cost (net of applicable tax credits) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management and the initial estimated present value of any contractual decommissioning obligation, if any. It includes professional fees and borrowing costs for qualifying assets capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Parts of an item of PPE having different useful lives and material value as assessed by management and subsequent capital expenditure on Property, Plant and Equipment are accounted for as separate components. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Technical know-how / license fees relating to plants / facilities and specific software that are integral part of the related hardware are capitalized as part of cost of the underlying asset.

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 (after retaining the estimated residual value of upto 5%) 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/ other assets whose useful lives are determined based on technical evaluation and the useful life considered under Company's policy for the employee's vehicle, computer 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 asset) is capitalized as component of relevant items of PPE and is depreciated over the period till next shutdown on straight line basis. Catalyst whose life is more than one year is capitalised as Property, Plant and Equipment and depreciated over the guaranteed useful life as specified by the supplier when the catalyst is put to use.

Stores and Spares which qualifies as Property, Plant and Equipment for specific machinery are capitalised.

Major capital spares are capitalised as Property, Plant and Equipment. Depreciation on such spares capitalised as Property, Plant and Equipment are depreciated over the period starting when it is brought into service and continuing over the shorter of its useful life and the remaining expected useful life of the asset to which it relates and written down value of the spare is charged to the Statement of Profit and Loss as and when replaced.

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions except low value items not exceeding ₹ 5,000/- (other than company purchase scheme for employees) which are fully depreciated at the time of addition.

Estimated useful lives of the Assets are as follows:

| Sl. 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. | Railway Siding | 15 |
| 11. | Office Equipment | 5 |
| 12. | Furniture and Fixtures | 6-10 |
| 13. | Vehicles | 4-8 |

An item of Property, Plant and Equipment is derecognised upon disposal, replacement, deduction, reclassification or when no future economic benefits are expected to arise from the continued use of the asset. The loss arising on retirement of an item of Property, Plant and Equipment is determined with regard to the WDV value and the net value of after set off of the accumulated depreciation as on date is recognized in Statement of Profit and Loss.

The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

Right-of-Use Assets are depreciated on a straight line basis over the lease term or useful life of the underlying asset, whichever is lower, except leasehold lands where the ownership will be transferred to the Company.

### 3.14. Intangible Assets

#### 3.14.1. Intangible Assets other than Goodwill

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

Technical know-how / license fee relating to production process and process design are recognized as intangible asset and amortized on a straight line basis over the life of the underlying plant / facility.

Expenditure on internally generated intangibles, excluding development costs, is not capitalized and is reflected in Statement of Profit and Loss in the period in which such expenditure is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Recognition of costs as an asset is ceased when the project is complete and available for its intended use, or if these criteria are no longer applicable. Where development activities do not meet the conditions for recognition as an asset, any associated expenditure is treated as an expense in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost

less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its intangible assets as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

**3.14.2. Derecognition of Intangible Assets**

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

### 3.14.3. Useful lives of Intangible Assets

Estimated useful lives of the Intangible Assets are as follows:

| SL. No. | Particulars | Useful lives( in years) |
|---|---|---|
| 1. | Computer Software | 3-10 |
| 2. | Licence and Franchise | 3 |

### 3.15. Impairment of Non-financial Assets

The Company reviews the carrying amounts of its Non-financial assets other than inventories, deferred tax assets, non-current assets classified as held for sale and goodwill at the end of each reporting period to determine whether there is any significant 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 (CGU) to which the asset belongs.

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

If the recoverable amount of an asset (or Cash Generating Unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or Cash Generating Unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

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

### 3.16. Statement of Cash Flows

Statement of 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 activities. The Cash Flows are segregated into Operating, Investing and Financing activities.

### 3.17. Earnings Per Share (EPS)

Basic Earnings per Share are calculated by dividing the Net Profit or Loss for the period attributable to Equity Shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of Equity Shares outstanding during the period.

For the purposes of calculating Diluted Earnings per Share, the Net Profit or Loss for the period attributable to Equity Shareholders and the weighted average number of Shares outstanding during the period are adjusted for the effect of all dilutive potential Equity Shares.

### 3.18. 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 Materials (Crude) | On First In First Out (FIFO) basis. |
| Other Raw Materials | On Weighted Average Cost basis |
| Finished Goods | At Raw material and Conversion cost |
| Stock-in-Trade | On Weighted Average Cost basis |
| Stock-in-Process | At Raw Material and Proportionate Conversion Cost |
| Stores and Spares including packing materials | On Weighted Average Cost basis |

Raw Materials are not written down below cost except in case where their prices have declined subsequently and it is estimated that the cost of the finished goods will exceed their net realizable value.

Excise duty on Finished Goods lying at manufacturing location is provided for at the assessable value based on applicable duty.

Customs duty on Raw Materials lying in bonded warehouse is provided for at the applicable rates.

Obsolete, Slow Moving, Surplus and Defective Stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

### 3.19. Provisions, Contingent Liabilities, Contingent Assets and Commitments

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of time value of money is material, provisions are discounted using an appropriate pre-tax discount rate. When discounting is used, the increase in provision due to the passage of time is recognized as a Finance Costs.

The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.

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 possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are disclosed on the basis of judgment of the management / independent experts in the Financial Statements by way of Notes to Accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets and contingent liabilities are reviewed at each balance sheet date to reflect the current management estimate.

Capital and Other Commitments disclosed are in respect of items which in each case are above the threshold limit.

**3.20. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity or a contract that will or may be settled in the entity's own equity instruments and is a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments.

**Initial recognition and measurement**

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 Statement of Profit and Loss.

**3.21. Financial Assets**

**Subsequent Measurement**

All recognised Financial Assets are subsequently measured in their entirety at either amortised cost or fair value, based on the business model for managing the financial assets and the contractual cash flow characteristics.

**(i) Financial Assets at Amortised Cost**

Financial Assets are subsequently measured at amortised cost using the effective interest rate method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to Cash Flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

**(ii) Financial Assets at Fair value through Other Comprehensive Income (FVOCI)**

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 (SPPI) on the principal amount outstanding.

**(iii) Financial Assets at Fair value through Profit or Loss (FVTPL)**

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.

After initial measurement, any fair value changes including any interest income, impairment loss and other net gains and losses are recognized in the Statement of Profit and Loss.

**(iv) 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.

**(v) Equity Investments:**

**Equity Investments (Other than Subsidiaries, Joint Ventures (JV) and Associates):**

All Equity Investments in the scope of Ind AS 109 are measured at Fair value. Equity Instruments which are held for trading are classified as at FVTPL. For all other such equity investments, the Company decides to classify the same either as FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

**Equity Investments (In subsidiaries, Joint Ventures (JV) and Associates):**

Investment in Subsidiaries, Joint Ventures (JV) and Associates are accounted for at cost in Standalone Financial Statements.

**(vi) 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.

**(vii) 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 Financial Liabilities**

**Subsequent measurement**

**(i) Financial liabilities 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 Rate method ("EIR"). Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance Costs' line item.

**(ii) Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include derivatives. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

**(iii) Embedded derivatives**

Derivatives embedded in all other host contract except for an asset are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

**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.

**3.22.2 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.

**3.23 Financial Guarantee**

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of

**i.** The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and

**ii.** The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

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 the Statement of Profit and Loss over the period of Financial Guarantee received.

**3.24 Insurance Claims**

(a) All the insurance claims are accounted for on the basis of claims admitted / expected to be admitted to the extent that the amount recoverable can be measured reliably and it is virtually certain by the management to expect ultimate collection.

(b) 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 subject to condition mentioned in para (a) above. In case insurance claim is less than the carrying cost of the asset, the difference is charged to Statement of Profit and Loss.

(c) 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 subject to condition mentioned in para (a) above. Insurance Policy deductible excess are expensed in the year in which corresponding expenditure is incurred.

(d) In the eventuality of total loss, partial loss or other losses in any year and where condition of paragraph (a) above does not fulfill, then the losses are charged to the Statement of Profit and Loss in the same year.

(e) 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.

(f) All other claims and provisions are booked on the merits of each case.

**3.25 Investment Property**

Investment Properties (land or building or part of a building or both) are properties held to earn rentals and/or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment Properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model. Free hold Land and Properties under construction are not depreciated.

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

## 4 Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

Inherent in the application of many of the Accounting Policies used in preparing the Financial Statements is the need for management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of judgments, assumptions and estimation uncertainty in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of useful lives of Property, Plant and Equipment, Employee Benefit Obligations, Provision for Income Tax and measurement of Deferred Tax Assets.

**4.22 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 (₹).

**4.23 Assumptions and key sources of estimation uncertainty**

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

**a) Useful lives of Property, Plant and Equipment and Intangible Assets**

Management reviews its estimate of the useful lives of PPE and Intangible Assets at each reporting date, based on the future economic benefits expected to be consumed from the Assets.

**b) Defined Benefit Obligation (DBO)**

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

**c) Provision for Income Tax**

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

**d) Recognition of Deferred Tax Assets**

The extent to which Deferred Tax Assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the Deferred Tax Assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties.

**e) Impairment of Investment in Subsidiary**

As at March 31, 2021, the Company has carrying amount of ₹ 29,595.57 million (As at March 31, 2020: ₹ 17,426.37 million) for equity investment made in ONGC Mangalore Petrochemicals Limited (OMPL). OMPL started its operations in the year 2014-15 as a Greenfield project and had incurred losses in earlier financial years resulting in significant reduction in net worth. However, through improved physical performance and various profitability improvement measures, the Company has overcome initial period challenges.

The management has considered relevant future cash flows, based on assumptions about the future, discounted to their present value. Impairment testing requires long-term assumptions to be made concerning a number of often volatile economic factors such as future market prices, currency exchange rates and future output and discount rate, in order to establish relevant future cash flows.

Based on the aforesaid assessment, the management has concluded that current diminution in the value of investment is due to losses incurred by OMPL is temporary in nature. Accordingly, no impairment exists as at March 31, 2021.

**f) Leases**

**Identifying whether a Contract includes a Lease**

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

**Determining Lease Term (Including Extension and Termination Options)**

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

**Identifying Lease Payments for Computation of Lease Liability**

To identify fixed (including in-substance fixed) lease payments, the Company consider the non-operating day rate/standby as minimum fixed lease payments for the purpose of computation of Lease Liability and corresponding Right of Use Assets.

**Low Value Leases**

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

**Determining Discount Rate for Computation of Lease Liability**

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

For leases denominated in Company’s Functional Currency, the Company considers the incremental borrowing rate to be Corporate Bond Rates for similar rated Organizations.

*******

## 5. Property, Plant and Equipment

(All amounts are in ₹ million unless otherwise stated)

| Net Carrying Amount | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Freehold Lands | 54.91 | 54.91 |
| Buildings | 3,635.31 | 3,733.20 |
| Plant and Equipment **[refer note 'a' below]** | 127,059.04 | 131,994.11 |
| Railway Sidings | 1,446.41 | 1,534.70 |
| Furniture and Fixtures | 221.17 | 250.09 |
| Vehicles | 22.73 | 24.49 |
| Office Equipment | 27.27 | 28.10 |
| **Total** | **132,466.84** | **137,619.60** |

| Gross Carrying Amount | Freehold Lands | Leasehold Lands | Buildings | Plant and Equipment | Railway Sidings | Furniture and Fixtures | Vehicles | Office Equipment | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Balance as at April 1, 2019** | **17.65** | **271.74** | **4,425.94** | **1,62,239.80** | **-** | **416.01** | **28.20** | **41.91** | **1,67,441.25** |
| Additions / Reclassification / Transfer | 37.26 | - | 48.24 | 4,100.34 | 1,626.75 | 32.80 | 8.73 | 10.00 | 5,864.12 |
| Disposal / Deduction / Reclassification / Transfer to other heads | - | 271.74 | 37.26 | 502.63 | - | 3.23 | 0.69 | 2.50 | 818.05 |
| **Balance as at March 31, 2020** | **54.91** | **-** | **4,436.92** | **1,65,837.51** | **1,626.75** | **445.58** | **36.24** | **49.41** | **1,72,487.32** |
| Additions / Reclassification / Transfer | - | - | 32.26 | 3,202.42 | 15.82 | 14.81 | 4.58 | 6.41 | 3,276.30 |
| Disposal / Deduction / Reclassification / Transfer to other heads | - | - | - | 810.37 | - | 5.87 | 4.12 | 5.42 | 825.78 |
| **Balance as at March 31, 2021** | **54.91** | **-** | **4,469.18** | **1,68,229.56** | **1,642.57** | **454.52** | **36.70** | **50.40** | **1,74,937.84** |

| Accumulated depreciation | Freehold Lands | Leasehold Lands | Buildings | Plant and Equipment | Railway Sidings | Furniture and Fixtures | Vehicles | Office Equipment | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Balance as at April 1, 2019** | **-** | **-** | **574.36** | **26,861.10** | **-** | **150.65** | **7.54** | **19.70** | **27,613.35** |
| Depreciation | - | - | 129.36 | 7,396.65 | 92.05 | 47.47 | 4.77 | 3.89 | 7,674.19 |
| Disposal / Deduction / Reclassification / Transfer to other heads | - | - | - | 414.35 | - | 2.63 | 0.56 | 2.28 | 419.82 |
| **Balance as at March 31, 2020** | **-** | **-** | **703.72** | **33,843.40** | **92.05** | **195.49** | **11.75** | **21.31** | **34,867.72** |
| Depreciation | - | - | 130.15 | 8,067.38 | 104.11 | 43.14 | 4.36 | 6.96 | 8,356.10 |
| Disposal / deduction / Reclassification / Transfer to other heads | - | - | - | 740.26 | - | 5.28 | 2.14 | 5.14 | 752.82 |
| **Balance as at March 31, 2021** | **-** | **-** | **833.87** | **41,170.52** | **196.16** | **233.35** | **13.97** | **23.13** | **42,471.00** |

a) Plant and Equipment include ₹ 39.15 million (As at March 31, 2020 ₹ 39.15 million) being Company's share of an asset jointly owned with another company.

5.1 **Property Plant and Equipment pledged as security [refer note 22]:**

External Commercial Borrowings are secured by first pari passu charge over immovable Property, Plant & Equipment and first ranking pari passu charge over movable Property, Plant & Equipment (including but not limited to Plant and Machinery, Spares, Tools, Furniture, Fixture, Vehicles and all other Movable Property, Plant & Equipment) both present and future.

Working capital borrowings from consortium banks are secured by way of first ranking pari passu charge by way of hypothecation of Company's stocks of Raw Material, Finished Goods, Stock-in-Process, Stores, Spares, Components, Trade receivables, outstanding Money Receivables, Claims, Bills, Contract, Engagements, Securities both present and future and further secured by second ranking pari passu charge over companies movable and immovable property (all Property, Plant & Equipment) both present and future.

5.2 The Company was eligible for certain economic benefits such as exemptions from entry tax, custom duty etc. on import/local purchase of capital goods in earlier years. The Company had accounted benefits received for custom duty and entry tax on purchase of Property, Plant and Equipment as Government grants. The Company had adjusted the cost of Property, Plant and Equipment as at April 1, 2017 and credited deferred Government grant amounting to ₹ 3,618.21 million. The deferred Government grant is amortised over the remaining useful life of the Property, Plant and Equipment.

## 6. Right-of-Use Assets

| Net Carrying Amount | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Leasehold hands **(refer note no. 6.1 and 6.2 below)** | 2,851.16 | 2,922.34 |
| Buildings | 211.26 | 249.60 |
| Others (Right of Use of Assets) | 1,385.70 | 1,428.59 |
| **Total** | **4,448.12** | **4,600.53** |

| Gross Carrying Amount | Leasehold Lands | Buildings | Others (Right Use of assets) | Total |
|---|---|---|---|---|
| **Balance as at April 1, 2019** | **2,971.47** | **288.05** | **1,448.52** | **4,708.04** |
| Additions | 11.96 | - | 41.55 | 53.51 |
| Adjustment for Remeasurement / Completion of Lease Contract | 6.66 | - | (0.40) | 6.26 |
| **Balance as at March 31, 2020** | **2,990.09** | **288.05** | **1,489.67** | **4,767.81** |
| Additions | 26.68 | - | 8.60 | 35.28 |
| Adjustment for Remeasurement / Completion of Lease Contract | (30.69) | - | 21.72 | (8.97) |
| **Balance as at March 31, 2021** | **2,986.08** | **288.05** | **1,519.99** | **4,794.12** |

| Accumulated depreciation | Leasehold Lands | Buildings | Others (Right Use of assets) | Total |
|---|---|---|---|---|
| **Balance as at April 1, 2019** | - | - | - | - |
| Additions | 67.75 | 38.45 | 66.00 | 172.20 |
| Adjustment for Remeasurement / Completion of Lease Contract | - | - | (4.92) | (4.92) |
| **Balance as at March 31, 2020** | **67.75** | **38.45** | **61.08** | **167.28** |
| Additions | 67.17 | 38.34 | 73.21 | 178.72 |
| Adjustment for Remeasurement / Completion of Lease Contract | - | - | - | - |
| **Balance as at March 31, 2021** | **134.92** | **76.79** | **134.29** | **346.00** |

6.1 Includes leasehold lands where the ownership will be transferred to the Company at the end of the lease period. These leasehold lands are not depreciated.

6.2 Right-of-Use Assets includes land amounting to ₹ 1,247.51 million (As at March 31, 2020 ₹ 1,305.60 million), which is in possession of the Company towards which formal lease deeds are yet to be executed.

6.3 An amount of ₹ 37.57 million (Year ended March 31, 2020 ₹ 43.02 million) for depreciation charged to Right-of-Use Asset has been capitalized as component of cost of Capital Work-in-Progress (CWIP) **[refer note 7.3]**

## 7. Capital Work-in-Progress (CWIP)

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| Buildings | | 399.57 | | 249.97 |
| Plant and Equipment | | 21,546.33 | | 16,057.62 |
| Computer Software | | - | | 15.48 |
| **Project expenditure pending allocation :** | | | | |
| Employee Benefits Expense | 440.49 | | 300.29 | |
| Finance Costs **[refer note 7.1 and 7.2 below]** | 1,100.62 | | 621.90 | |
| Depreciation Expense **[refer note 7.3 below]** | 80.59 | | 43.02 | |
| Other expenses | 60.14 | | 47.74 | |
| **Less:** Allocated /Adjusted during the year | 35.28 | 1,646.56 | 33.98 | 978.97 |
| **Total** | | **23,592.46** | | **17,302.04** |

**7.1** Additions to CWIP includes borrowing costs amounting to ₹ 478.72 million (For the year ended March 31, 2020 ₹ 366.61 million) and allocated / will be allocated to different class of assets. The rate used to determine the amount of borrowing costs eligible for capitalisation was 7.17% (For the year ended March 31, 2020 was 7.80%) which is the effective interest rate on borrowings.

**7.2** An amount of ₹ 89.44 million (Year ended March 31, 2020 ₹ 101.60 million) towards Finance cost on lease liability has been capitalized as a component of cost of Capital Work-in-Progress (CWIP).

**7.3** An amount of ₹ 37.57 million (Year ended March 31, 2020 ₹ 43.02 million) towards depreciation charged to Right-of-Use Asset has been capitalized as a component of cost of Capital Work-in-Progress (CWIP).

**7.4** Includes loan availed against OIDB, which is secured by way of first ranking pari passu charge by way of hypothecation / mortgage only on Property, Plant & Equipment / projects financed out of loan proceeds of OIDB **[refer note 22.2.2]** and Foreign Currency Term Loan (FCNR) (B) Capex loan availed from State Bank of India which is unsecured **[refer note 22.7]**.

## 8 Investment Property

| Net Carrying Amount: | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Freehold land | 77.96 | 77.96 |
| **Total** | **77.96** | **77.96** |

| Gross Carrying Amount | Amount |
|---|---|
| **Balance as at April 1, 2019** | **77.96** |
| Additions | - |
| Disposal / Deduction/ Reclassification / Transfer to other heads | - |
| **Balance as at March 31, 2020** | **77.96** |
| Additions | - |
| Disposal / Deduction/ Reclassification / Transfer to other heads | - |
| **Balance as at March 31, 2021** | **77.96** |

| Accumulated depreciation and impairment | Amount |
|---|---|
| **Balance as at April 1, 2019** | **-** |
| Depreciation | - |
| Disposal / Deduction/ Reclassification / Transfer to other heads | - |
| **Balance as at March 31, 2020** | **-** |
| Depreciation | - |
| Disposal / Deduction/ Reclassification / Transfer to other heads | - |
| **Balance as at March 31, 2021** | |

**8.1** Includes land measuring 102.31 acres is held for capital appreciation.

**8.2** There is no contractual obligation to purchase, construct or develop investment property.

**8.3** The net amount recognised in the Statement of Profit and Loss for investment property for current year is ₹ Nil (Year ended March 31, 2020 ₹ Nil).

**8.4** No Right-of-Use Asset has been included in the investment property as given above.

**8.5** The best evidence of fair value is current prices in an active market for similar properties.

**8.6** The Company has considered the fair value of the freehold land amounting to ₹ 409.24 million as at March 31, 2021 (As at March 31, 2020 ₹ 255.80 million) based on the valuation carried out by independent valuer report dated October 30, 2020.

## 9. Goodwill

| Particulars | Amount |
|---|---|
| **Balance as at April 1, 2019** | **4.04** |
| Impairment | - |
| **Balance as at March 31, 2020** | **4.04** |
| Impairment | - |
| **Balance as at March 31, 2021** | **4.04** |

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

## 10 Other Intangible Assets

| Net Carrying Amount | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Computer Software | 56.82 | 53.60 |
| License and Franchise | 20.32 | 36.85 |
| **Total** | **77.14** | **90.45** |

| Gross Carrying Amount | Computer Software | License and Franchise | Total |
|---|---|---|---|
| **Balance as at April 1, 2019** | **87.44** | **-** | **87.44** |
| Additions | 17.94 | 49.53 | 67.47 |
| Disposal / Deduction / Reclassification / Transfer to other heads | - | - | - |
| **Balance as at March 31, 2020** | **105.38** | **49.53** | **154.91** |
| Additions | 19.41 | - | 19.41 |
| Disposal / Deduction / Reclassification / Transfer to other heads | 29.87 | - | 29.87 |
| **Balance as at March 31, 2021** | **94.92** | **49.53** | **144.45** |

| Accumulated Amortisation | Computer Software | License and Franchise | Total |
|---|---|---|---|
| **Balance as at April 1, 2019** | **35.75** | **-** | **35.75** |
| Amortisation | 16.03 | 12.68 | 28.71 |
| Disposal / Deduction / Reclassification / Transfer to other heads | - | - | - |
| **Balance as at March 31, 2020** | **51.78** | **12.68** | **64.46** |
| Amortisation | 16.19 | 16.53 | 32.72 |
| Disposal / Deduction / Reclassification / Transfer to other heads | 29.87 | - | 29.87 |
| **Balance as at March 31, 2021** | **38.10** | **29.21** | **67.31** |

## 11. Investments

| | Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|---|
| | | Number in million | Amount | Number in million | Amount |
| 11.1 | **Investments in Equity Instruments**<br>**Unquoted Investments (all fully paid up)**<br>**(i) Investment in Subsidiary**<br>ONGC Mangalore Petrochemicals Limited (at cost)<br>(Face value of ₹ 10 per share)<br>**[refer note 11.1.1 to 11.1.4 below]** | 2,544.29 | 29,595.57 | 1,297.63 | 17,426.37 |
| | **(ii) Investment in Joint Venture**<br>Shell MRPL Aviation Fuels and Services Limited (at cost)<br>(Face value of ₹ 10 per share)<br>**[refer note 11.1.5 below]** | 15.00 | 150.00 | 15.00 | 150.00 |
| | **(iii) Investment: Other**<br>Mangalam Retail Services Limited (at fair value)<br>(Face value of ₹ 10 per share)<br>**[refer note 11.1.6 below]** | 0.02 | 0.19 | 0.02 | 0.19 |
| 11.2 | **Other Investments**<br>Deemed Investment in Subsidiary<br>ONGC Mangalore Petrochemicals Limited<br>**[refer note 11.2.1 below]** | | 4,202.67 | | 4,202.67 |
| | **Total** | | **33,948.43** | | **21,779.23** |

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Aggregate carrying value of unquoted investments | 33,948.43 | 21,779.23 |
| Aggregate amount of impairment in value of investments | - | - |

**11.1.1** Restrictions on disinvestment of share in ONGC Mangalore Petrochemicals Limited are subject to the approval of the Board of Oil and Natural Gas Corporation Limited.

**11.1.2** Number of Shares in ONGC Mangalore Petrochemicals Limited includes fully paid equity shares whose beneficial interest is held by MRPL.

**11.1.3** On January 01, 2021 the company has acquired an additional shares of 48.9981% from non-controlling shareholders of ONGC Mangalore Petrochemicals Limited (OMPL) for a cash consideration of ₹ 12,167.34 million.

**11.1.4 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, 2021 | As at March 31, 2020 |
| ONGC Mangalore Petrochemicals Limited | Petrochemicals | India | 99.99996% | 51.00% |

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

**11.1.5 Details of Joint Venture**

| Name of Joint Venture | Principal Activity | Place of incorporation and principal place of business | Proportion of ownership interest / voting rights held by the Company | |
|---|---|---|---|---|
| | | | As at March 31, 2021 | As at March 31, 2020 |
| Shell MRPL Aviation Fuels and Services Limited | Trading of aviation fuels | India | 50.00% | 50.00% |

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

**11.1.6 Details of Investment: Other**

| Name of the Company | Principal Activity | Place of incorporation and principal place of business | Proportion of ownership interest / voting rights held by the Company | |
|---|---|---|---|---|
| | | | As at March 31, 2021 | As at March 31, 2020 |
| Mangalam Retail Services Limited (MRSL) | Distribution of petroleum products through retail outlet and transport terminal | India | 18.98% | 18.98% |

The investment in MRSL has been measured at fair value through profit or loss. The management has considered the fair value (level 3 hierarchy) of such investment equivalent to the carrying amount as at reporting period.

**11.2.1** During the previous year the Company entered into an arrangement for backstopping support towards repayment of principal and cumulative coupon amount for three years Compulsorily Convertible Debentures (CCD) amounting to ₹ 5,100 million (As at March 31,2020 ₹ 5,100 million) issued by subsidiary Company "ONGC Mangalore Petrochemicals Limited (OMPL)" and outstanding interest for the year ended March 31, 2021 amounting to ₹ Nil (As at March 31, 2020 ₹ Nil) in three series.

The amount of ₹ 4,202.67 million (As at March 31, 2020 ₹ 4,202.67 million) includes,

(i) ₹ 4,200.70 million (As at March 31, 2020 ₹ 4,200.70 million) towards the fair value of Financial Liability against Compulsory Convertible Debenture given for ONGC Mangalore Petrochemicals Limited and

(ii) ₹ 1.97 million (As at March 31, 2020 ₹ 1.97 million) towards the fair value of guarantee fee on financial guarantee given without any consideration for ONGC Mangalore Petrochemicals Limited.

**Refer Note 3.4.1 and 3.4.2** for method followed for accounting of deemed investment.

## 12 Loans

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **(a) Security Deposits** | | | | |
| (Unsecured, considered good) | | | | |
| With Related Party | 12.68 | - | 12.68 | - |
| With vendors | 134.09 | 3.35 | 145.76 | 4.51 |
| **Credit impaired** | | | | |
| - Deposits which are credit impaired | - | 0.71 | - | - |
| **Less :** Impairment for doubtful Deposits | - | 0.71 | - | - |
| | **146.77** | **3.35** | **158.44** | **4.51** |
| **(b) Loans to employees** | | | | |
| Secured, considered good | 1,070.15 | 138.14 | 948.11 | 121.53 |
| Unsecured, considered good | | 6.34 | | 6.91 |
| **Credit impaired** | | | | |
| -Loans which are credit impaired | - | - | - | 0.69 |
| **Less:** Impairment for doubtful loans | - | - | - | 0.69 |
| | **1,070.15** | **144.48** | **948.11** | **128.44** |
| **(c) Loans to directors and other officers** | **4.34** | **0.80** | **0.58** | **0.09** |
| (Secured, considered good) | | | | |
| **(d) Loans to Customers** | **4.58** | **0.31** | **1.59** | **0.15** |
| (Secured, considered good) | | | | |
| **[refer note 12.1 below]** | | | | |
| **Total** | **1,225.84** | **148.94** | **1,108.72** | **133.19** |

**12.1** Company has policy of providing financial assistance to Schedule Caste / Schedule Tribe category dealers for Retail Outlets under the Corpus Fund Scheme (CFS). Under this scheme upon written request seeking working capital loan / assistance by dealer, the company provides working capital loan for a full cycle of operation (equivalent to seven days sales volume) of the dealer. This working capital loan as well as the interest at the specified rate thereon will be recovered in hundred equal monthly instalments from the thirteenth month of commissioning of the dealer operated Retail Outlet.

## 13 Other Financial Assets

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **(Secured, considered good unless otherwise stated)** | | | | |
| **(a)** Interest accrued on loans to employee / directors/ other officers | **275.52** | **3.45** | **198.57** | **3.04** |
| **(b)** Interest accrued but not due on Others | | | | |
| Secured, considered good | - | 2.62 | - | 1.84 |
| Unsecured, considered good | - | - | - | - |
| | | **2.62** | **-** | **1.84** |
| **(c)** Bills Receivable (Unsecured, considered good) **[refer note 13.1 below]** | **-** | **766.48** | **-** | **6,324.45** |
| **Total** | **275.52** | **772.55** | **198.57** | **6,329.33** |

**13.1** Represents unsecured bill discounting facility from State Bank of India against Non LC bill drawn on Subsidiary Company “ONGC Mangalore Petrochemicals Limited” (OMPL) **[refer note 17.7**].

## 14 Tax Assets/ (Liabilities) [Net]

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Tax assets | 10,019.31 | 2,944.85 | 10,019.29 | 3,067.09 |
| **Less:** Provision for current tax liabilities | 8,382.75 | 1,084.76 | 8,382.75 | 1,084.76 |
| **Net tax assets / (liabilities) (a)** | **1,636.56** | **1,860.09** | **1,636.54** | **1,982.33** |
| **Income tax paid under dispute (b)** | - | - | - | - |
| **Total (a+b)** | **1,636.56** | **1,860.09** | **1,636.54** | **1,982.33** |

**14.1** During the financial year ended March 31, 2020, the Company opted to settle Income Tax Disputes under the Direct Tax Vivad Se Vishwas Act, 2020, and accordingly, a sum of ₹ 1,084.76 million payable under the said scheme was charged as prior year tax in the Statement of Profit and Loss in the financial year ended March 31, 2020. Pursuant to this, the tax assets and liabilities were reclassified for the year ended March 31, 2020. The tax assets of ₹ 2,908.37 million and liabilities of ₹ 1,084.76 million pertaining to assessment years for which the Company exercised the option were considered as current tax assets and current tax liabilities respectively, as the same are expected to be settled within a year. The same treatment is continued in the current financial year as the final orders under the said scheme are awaited.

**14.2** The Taxation Laws (Amendment) Act, 2019 inserted a new section 115BAA in the Income Tax Act, 1961, which gives domestic companies a non-reversible option to pay corporate tax at reduced rate, subject to certain conditions. Such option can be exercised for the financial year 2019-20 or any subsequent financial year. The Company did not exercise the option for the financial year ended March 31, 2020. The financial statements of the Company for the year ended March 31, 2021 have been prepared considering the old Corporate Tax rate. However, the option for the new lower tax rate for the financial year 2020-21 can be exercised by the Company on or before the due date for filing of the return of income.

## 15 Other Assets

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **(Unsecured, considered good unless otherwise stated)** | | | | |
| **(a) Capital advances to others** | | | | |
| Secured, considered good | 548.21 | - | 1,061.34 | - |
| Unsecured, considered good | 7,035.68 | - | 7,063.29 | - |
| | **7,583.89** | **-** | **8,124.63** | **-** |
| **(b) Deposits with Government Authorities [refer note 15.1, 15.2 and 15.3 below]** | **378.73** | **2,472.83** | **378.73** | **2,471.87** |
| **(c) Advance recoverable in kind** | | | | |
| From Related Parties | - | 4.73 | - | 1.87 |
| From Others | - | 353.95 | - | 295.11 |
| | **-** | **358.68** | **-** | **296.98** |
| **(d) Balance with Government Authorities** | **-** | **646.84** | **-** | **796.34** |
| **(e) Prepayments** | | | | |
| Others | 207.36 | 305.05 | 217.90 | 81.56 |
| | **207.36** | **305.05** | **217.90** | **81.56** |
| **(f) Gold coins** | **-** | **0.91** | **-** | **0.91** |
| **(g) Stock on Returnable Basis** | - | 41.39 | - | 41.39 |
| **Less**: Impairment for Stock | - | 41.39 | - | 41.39 |
| | - | - | - | - |
| **Total** | **8,169.98** | **3,784.31** | **8,721.26** | **3,647.66** |

**15.1** Includes amounts paid under protest.

**15.2** Includes ₹ 2,125.25 million relating to an appeal in the matter of classification of Reformate import pending before Hon'ble CESTAT wherein, basis the Company's early hearing application, Hon'ble CESTAT has ordered for out of turn hearing in this matter. Due to outbreak of Covid-19, presently, the Hon'ble CESTAT has decided to hear the matter through video conferencing platform and the same is expected to be held and concluded with in a year.

**15.3** During the previous year ended March 31, 2020, the Company had exercised option under "Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019" announced under "Finance Act 2019" which was effected from September 1, 2019 to January 15, 2020. During the current financial year ended March 31, 2021, pursuant to the scheme and based on approval of the Designated Authorities, upon receipt of discharge certificate, an amount of ₹ 2.07 million has been offset against pre-deposit. Further, an amount of ₹ 0.24 million has been charged to the Statement of Profit and Loss in the current financial year ended March 31, 2021.

## 16 Inventories

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Amount | Total | Amount | Total |
| **Raw materials** | | | | |
| **(a)** On hand | 19,555.17 | | 8,087.66 | |
| **(b)** In transit | 11,156.50 | **30,711.67** | 6,845.88 | **14,933.54** |
| **Stock-in-process** | | **9,735.06** | | **5,000.57** |
| **Finished goods** | 19,084.05 | | 11,790.39 | |
| **Less**: Provision for stock loss | 5.91 | **19,078.14** | 5.91 | **11,784.48** |
| **Stock in Trade- Lube Oil** | | **0.07** | | **0.07** |
| **Stores and spares** | | | | |
| **(a)** On hand | 6,412.82 | | 7,188.02 | |
| **(b)** In transit | 205.23 | | 83.53 | |
| **Less** : Provision for slow/non-moving inventories | 44.31 | **6,573.74** | 90.46 | **7,181.09** |
| **Total** | | **66,098.68** | | **38,899.75** |

**16.1** The cost of inventories (cost of sales) recognised as an expense during the year is ₹ 317,428.86 million (Year ended March 31, 2020 ₹ 532,615.95 million).

**16.2** The cost of inventories (Finished goods) recognized as an expense includes ₹ Nil (Year ended March 31, 2020 ₹ 8,888.64 million) in respect of write down of inventories to net realisable value. There has been no reversal of such write down in current year and previous year.

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

## 17 Trade Receivables

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Secured **[refer note 17.4 below]** | | |
| - Considered good | 1,783.06 | 582.56 |
| Unsecured | | |
| - Considered good | 22,381.68 | 9,840.13 |
| **Credit impaired** | | |
| - Receivable which are credit impaired | 1,079.80 | 1,126.01 |
| **Less**: Impairment for doubtful receivables | 1,079.80 | 1,126.01 |
| **Total** | **24,164.74** | **10,422.69** |

**17.1** Generally, the Company enters into long-term sales arrangement with Oil Marketing Companies for domestic sales besides export of products through term contracts and spot international tenders and supplies to SEZ customers. The average credit period on sales ranges from 7 to 45 days (Year ended March 31, 2020 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 2% per annum (Year ended March 31, 2020 upto 2% per annum) over the applicable bank rate on the outstanding balance.

**17.2** Of the trade receivables, balance as at March 31, 2021 of ₹ 23,871.33 million (As at March 31, 2020 ₹ 10,306.61 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, 2021 | As at March 31, 2020 |
|---|---:|---:|
| Customer 1 | 1,632.26 | 956.80 |
| Customer 2 | 13,990.09 | 5,809.64 |
| Customer 3 | 1,162.21 | 1,103.79 |
| Customer 4 | 2,151.22 | 943.45 |
| Customer 5 | 552.06 | 679.16 |
| Customer 6 | 1,440.82 | 339.02 |
| Customer 7 | 1,514.73 | 474.75 |
| Customer 8 | 1,427.94 | - |
| **Total** | **23,871.33** | **10,306.61** |

**Note:** Major customers identity are not disclosed on account of market confidentiality

**17.3** 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.

**17.4** Secured by bank guarantees / letter of credit received from customers.

**17.5** The Company has concentration of credit risk due to the fact that the Company has significant receivables from customers mentioned in **note 17.2,** however these customers are reputed and creditworthy.

**17.6** There are no outstanding receivables due from directors or other officers of the Company.

**17.7** Trade Receivables are netted with Bill Discounting of ₹ 766.48 million (As at March 31, 2020 ₹ 6,324.45 million).

**17.8** **Age of Trade Receivables:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---:|---:|
| Within the credit period | 23,881.53 | 9,799.55 |
| 1-30 days past due | 174.86 | 375.62 |
| 31-90 days past due | 87.64 | 228.40 |
| More than 90 dayas past due | 1,100.51 | 1,145.13 |
| **Total** | **25,244.54** | **11,548.70** |

**17.9 Movement of Impairment for doubtful receivables**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balance at beginning of the year | 1,126.01 | 969.60 |
| Additions/ (Deletion) in expected credit loss allowance | 10.65 | 158.41 |
| Less: Write back during the year | 56.86 | 2.00 |
| **Balance at end of the year** | **1,079.80** | **1,126.01** |

## 18 Cash and Cash Equivalents

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balances with banks | 254.09 | 15.62 |
| Cash on hand | 3.92 | 2.18 |
| **Total** | **258.01** | **17.80** |

## 19. Other Bank Balances

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Other bank deposits under lien | 0.09 | 0.09 |
| Unclaimed interest on debentures account **[refer note 19.1 below]** | - | 0.01 |
| Unclaimed dividend account [refer note 19.2 below] | 249.36 | 249.79 |
| Restricted bank balance for employee benevolent fund | 13.16 | 12.26 |
| **Total** | **262.61** | **262.15** |

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

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

## 20 Equity Share Capital

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Authorised share capital:** | | |
| 2,900,000,000 Equity shares of ₹ 10 each | **29,000.00** | **29,000.00** |
| (as at March 31, 2020: 2,900,000,000 Equity shares of ₹10 each) | | |
| 100,000,000 Redeemable Preference shares of ₹10 each | **1,000.00** | **1,000.00** |
| (as at March 31, 2020: 100,000,000 Preference shares of ₹ 10 each) | | |
| **Issued and Subscribed:** | | |
| 1,752,598,777 Equity shares of ₹10 each | **17,525.99** | **17,525.99** |
| (as at March 31, 2020: 1,752,598,777 Equity shares of ₹10 each) | | |
| **Fully paid equity shares:** | | |
| 1,752,598,777 Equity shares of ₹10 each | 17,525.99 | 17,525.99 |
| (as at March 31, 2020: 1,752,598,777 Equity shares of ₹10 each) | | |
| Add: Shares forfeited **[refer note 20.5 below]** | 0.65 | 0.65 |
| **Total** | **17,526.64** | **17,526.64** |

**Reconciliation of Equity shares outstanding at the beginning and at the end of the reporting period:**

| Particulars | Number of shares in million | Share capital |
|---|---|---|
| **Balance as at April 1, 2019** | **1,752.60** | **17,525.99** |
| Changes during the year | - | - |
| **Outstanding as at March 31, 2020** | **1,752.60** | **17,525.99** |
| Changes during the year | - | - |
| **Outstanding as at March 31, 2021** | **1,752.60** | **17,525.99** |

**20.1 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 (if any) 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.

**20.2 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, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Number in million | % holding | Number in million | % holding |
| Oil and Natural Gas Corporation Limited | 1,255.35 | 71.63 | 1,255.35 | 71.63 |
| Hindustan Petroleum Corporation Limited | 297.15 | 16.96 | 297.15 | 16.96 |

**20.3 Details of shareholders holding more than 5% equity shares in the Company are as under:-**

| Name of equity share holders | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Number in million | % holding | Number in million | % holding |
| Oil and Natural Gas Corporation Limited | 1,255.35 | 71.63 | 1,255.35 | 71.63 |
| Hindustan Petroleum Corporation Limited | 297.15 | 16.96 | 297.15 | 16.96 |

**20.4** Equity shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment: Nil (As at March 31, 2020: Nil).

**20.5** 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.

## 21. Other Equity

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **(a)** Deemed equity **[refer note 3.23]** | 42.17 | 42.17 |
| **(b)** Reserves and surplus | | |
| **(i)** Capital redemption reserve | 91.86 | 91.86 |
| **(ii)** Securities premium | 3,490.53 | 3,490.53 |
| **(iii)** General reserve | 1,192.00 | 1,192.00 |
| **(iv)** Retained earnings | 52,940.46 | 55,325.05 |
| **Total** | **57,757.02** | **60,141.61** |

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **(a) Deemed equity [refer note 21.1 below]** | | |
| Balance at beginning of the year | 42.17 | 42.17 |
| Addition during the year | - | - |
| **Balance at end of the year** | **42.17** | **42.17** |
| **(b) Reserves and Surplus** | | |
| **(i) Capital redemption reserve [refer note 21.2 below]** | | |
| Balance at beginning of the year | 91.86 | 91.86 |
| Transfer during the year | - | - |
| **Balance at end of the year** | **91.86** | **91.86** |
| **(ii) Securities premium [refer note 21.3 below]** | | |
| 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 21.4 below]** | | |
| Balance at beginning of the year | 1,192.00 | 1,192.00 |
| Transfer from retained earnings | - | - |
| **Balance at end of the year** | **1,192.00** | **1,192.00** |
| **(iv) Retained earnings** | | |
| Balance at beginning of the year | 55,325.05 | 84,927.09 |
| Profit / (Loss) after tax for the year | (2,404.57) | (27,403.46) |
| Other comprehensive income for the year, net of income tax | 19.98 | (85.73) |
| Payment of Dividends | - | (1,752.60) |
| Tax on Dividends | - | (360.25) |
| **Balance at end of the year** | **52,940.46** | **55,325.05** |

21.1 The amount of ₹ 42.17 million ( As at March 31, 2020 ₹ 42.17 million ) shown as deemed equity denotes the fair value of fees towards financial guarantee received from Oil and Natural Gas Corporation Limited without any consideration.

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

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

21.4 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 Statement of Profit and Loss.

21.5 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.

## 22 Borrowings

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **Secured – at amortised cost** | | | | |
| **Term Loans:-** | | | | |
| **From banks** | | | | |
| External Commercial Borrowings (ECB) **[refer note 22.1 below]** | 10,930.40 | - | 18,822.77 | - |
| **From others** | | | | |
| Oil Industry Development Board (OIDB) **[refer note 22.2 below]** | 3,925.00 | - | 4,720.00 | - |
| **Deferred Payment Liabilities:-** | | | | |
| Deferred Payment Liabilities - VAT Loan **[refer note 22.3 below]** | 418.09 | - | 360.78 | - |
| **Working capital loan from banks** **[refer note 22.4 below]** | - | - | - | 2,470.32 |
| **Unsecured – at amortised cost** | | | | |
| **Debentures :-** | | | | |
| Non Convertible Debentures (NCD) **[refer note 22.5 below]** | 37,752.25 | - | 25,586.59 | - |
| **Term loan :-** | | | | |
| **From Banks** | | | | |
| **Domestic** | | | | |
| Rupee Term Loan from bank **[refer note 22.6 below]** | - | - | - | - |
| **Foreign** | | | | |
| Foreign Currency Term Loan (FCNR) **[refer note 22.7 below]** | 6,214.78 | - | - | - |
| **Working capital loan from banks** | | | | |
| External Commercial Borrowings (ECB): Working Capital **[refer note 22.8 below]** | 39,981.96 | - | 30,025.03 | - |
| Foreign Currency Term Loan (FCTL) **[refer note 22.9 below]** | - | 11,698.40 | - | 11,866.06 |
| Bills Discounting Facility : SBI **[refer note 22.10 below]** | - | 766.48 | - | 6,324.45 |
| Other Working Capital Loan **[refer note 22.11 below]** | - | 15,405.00 | - | 3,700.00 |
| **Working capital loan from Others** | | | | |
| Commercial Paper **[refer note 22.12 below]** | - | 26,500.00 | - | - |
| **Total** | **99,222.48** | **54,369.88** | **79,515.17** | **24,360.83** |

**22.1 External Commercial Borrowings (ECB) :**

**22.1.1** External Commercial Borrowings taken by the Company are USD denominated loans and carries variable rate of interest which is six month Libor plus spread (Interest rate as at March 31, 2021 is 1.24% and interest rate as at March 31, 2020 was 2.90%).

**22.1.2** External Commercial Borrowings are secured by first pari passu charge over immovable Property, Plant & Equipment and first ranking pari passu charge over movable Property, Plant & Equipment (including but not limited to Plant and Machinery, Spares, Tools, Furniture, Fixture, Vehicles and all other Movable Property, Plant & Equipment) both present and future.

**22.1.3** ₹ 7,311.50 million (As at March 31, 2020 of ₹ 7,558.00 million) is repayable within one year and the same has been shown as "Current maturities of long term debts (secured)" under **Note 23.**

**22.1.4 Repayment schedule of ECB is as follows:**

| Year of repayment [refer note 22.13 below] | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 2020-21 | - | 7,558.00 |
| 2021-22 | 7,311.50 | 7,558.00 |
| 2022-23 | 7,311.50 | 7,558.00 |
| 2023-24 | 3,655.75 | 3,779.00 |
| **Total** | **18,278.75** | **26,453.00** |

**22.2 Loan from Oil Industry Development Board (OIDB) :**

**22.2.1** Loan from OIDB taken by the Company carries fixed rate of interest (Interest rate as at March 31, 2021 for ₹ 2,010.00 million (7.98%), ₹ 1,840.00 million (7.00%), ₹ 150.00 million (7.50%), ₹ 450.00 million (7.11%) and ₹ 270.00 million (7.03%) and ₹ 552.50 million (6.01%) and interest rate as at March 31, 2020 was 7.00% to 7.98%).

**22.2.2** OIDB loan is secured by way of first ranking pari passu charge by way of hypothecation / mortgage only on Property, Plant & Equipment / projects financed out of loan proceeds of OIDB.

**22.2.3** ₹ 1,347.50 million (As at March 31, 2020 of ₹ 670.00 million) is repayable within one year and the same has been shown as "Current maturities of long term debts (secured)" under **Note 23**.

**22.2.4 Repayment schedule of loan from OIDB is as follows:**

| Year of repayment [refer note 22.13 below] | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 2020-21 | - | 670.00 |
| 2021-22 | 1,347.50 | 1,347.50 |
| 2022-23 | 1,485.62 | 1,347.50 |
| 2023-24 | 1,485.62 | 1,347.50 |
| 2024-25 | 815.63 | 677.50 |
| 2025-26 | 138.13 | - |
| **Total** | **5,272.50** | **5,390.00** |

**22.3 Deferred payment liabilities - VAT Loan :**

**22.3.1** Deferred payment liability against VAT Loan represents amounts payable on account of "Interest free loan" received from Government of Karnataka. This interest free loan against VAT will be repayable from March 31, 2028.

**22.3.2** The benefit of a Government loan at a below-market rate of interest is treated as a government grant (Ind AS 20). The Interest free loan is recognised and measured in accordance with Ind AS 109, Financial Instruments. The benefit of the Interest free loan is measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109, and the proceeds received. The benefit is accounted for in accordance with this Standard.

**22.3.3** Deferred payment liabilities - VAT Loan are secured by bank guarantees given by the company.

**22.3.4 Repayment schedule of Deferred payment liability- VAT loan is as follows:**

| Year of repayment [refer note 22.13 below] | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 2027-28 | 132.61 | 132.61 |
| 2028-29 | 155.16 | 155.16 |
| 2029-30 | 197.76 | 197.76 |
| 2030-31 | 208.53 | 208.53 |
| 2031-32 | 322.83 | 322.83 |
| 2032-33 | 74.88 | - |
| **Total** | **1,091.77** | **1,016.89** |

**22.4 Working capital loan from Banks**

**22.4.1** Working capital borrowings from consortium banks are secured by way of first ranking pari passu charge by way of hypothecation of Company's stocks of Raw Material, Finished Goods, Stock-in-Process, Stores, Spares, Components, Trade receivables, outstanding Money Receivables, Claims, Bills, Contract, Engagements, Securities both present and future and further secured by second ranking pari passu charge over companies movable and immovable property (all Property, Plant & Equipment) both present and future. Working capital borrowings from banks in the form of overdraft facility against fixed deposits are secured by way of hypothecation on original fixed deposits.

**22.5 Non Convertible Debentures (NCD):**
**Unsecured Redeemable Non-Convertible Fixed Rate Debentures (Privately Placed) :**

| Sl. No. | ISIN | Face Value Per Debenture (₹) | Date of Allotment | As at 31-03-2021 | Coupon Rate | Maturity [refer note 22.13 below] | |
|---|---|---|---|---|---|---|---|
| | | | | | | Amount | Date |
| 1 | INE103A08027 | 1,000,000 | 13-Jan-20 | 4,999.02 | 6.64% | 5,000.00 | 14-Apr-23 |
| 2 | INE103A08019 | 1,000,000 | 13-Jan-20 | 9,997.35 | 7.40% | 10,000.00 | 12-Apr-30 |
| 3 | INE103A08035 | 1,000,000 | 29-Jan-20 | 10,591.92 | 7.75% | 10,600.00 | 29-Jan-30 |
| 4 | INE103A08043 | 1,000,000 | 29-Dec-20 | 12,163.96 | 6.18% | 12,170.00 | 29-Dec-25 |
| **Total** | | | | **37,752.25** | | **37,770.00** | |

**22.6 Rupee term loan from bank :**

**22.6.1** Term loan from SBI was taken by the Company and carried variable rate of interest which was three months MCLR plus spread (Interest rate as at March 31, 2020 was 7.84%).

**22.6.2** ₹ Nil (As at March 31, 2020 of ₹ 6,856.72 million) is repayable within one year and the same has been shown as "Current maturities of long-term debts (unsecured)" under **Note 23.**

**22.6.3 Repayment schedule of Term Loan from SBI is as follows:**

| Year of repayment [refer note 22.13 below] | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 2020-21 | - | 6,856.72 |
| **Total** | **-** | **6,856.72** |

**22.7 Foreign Currency Term Loan (FCNR)**

**22.7.1** FCNR (B) Capex Loan from SBI taken by the company carries variable rate of interest which is six months Libor plus spread (Interest rate as at March 31, 2021 is 1.70%).

**22.7.2 Repayment schedule of Foreign Currency Term Loan (FCNR) is as follows:**

| Year of repayment [refer note 22.13 below] | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 2023-24 | 6,214.78 | - |
| **Total** | **6,214.78** | **-** |

**22.8 Working capital Term Loan from Banks - ECB :**

**22.8.1** External Commercial Borrowing taken by the Company are USD denominated loans and carries variable rate of interest which is six month Libor plus spread (Interest rate as at March 31, 2021 is 1.54% and as at March 31, 2020 was 2.37%).

**22.8.2 Repayment schedule of Working Capital loan ECB is as follows:**

| Year of repayment [refer note 22.13 below] | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 2023-24 | 73.12 | 75.58 |
| 2024-25 | 29,172.88 | 30,156.42 |
| 2025-26 | 10,967.25 | - |
| **Total** | **40,213.25** | **30,232.00** |

**22.9 Foreign currency Term loan (FCTL) :**

**22.9.1** Foreign Currency Term Loan from bank are USD denominated loans and carries variable rate of interest which is three month Libor plus spread and is repayable within one year from the date of each disbursement.

**22.10 Bill Discounting Facility :**

**22.10.1** Unsecured Bill discounting facility from State Bank of India (SBI) against Non LC bill drawn on Subsidiary Company "ONGC Mangalore Petrochemicals Limited" (OMPL).

**22.11 Other Working Capital Loan :**

**22.11.1** Unsecured short term working capital loan from bank

**22.12 Commercial Paper**

**22.12.1** The Commercial paper issued is unsecured fixed rate short term debt instrument.

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

## 23 Other Financial Liabilities

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Current maturities of long term debt (Secured) **[refer note 22.1.3 and 22.2.3]** | - | 8,659.00 | - | 8,228.00 |
| Current maturities of long term debt (Unsecured) **[refer note 22.6.2]** | - | - | - | 6,856.72 |
| Unclaimed dividends **[refer note 23.1 below]** | - | 249.36 | - | 249.79 |
| Unclaimed interest on matured debentures **[refer note 23.2 below]** | - | - | - | 0.01 |
| Interest accrued but not due | - | 653.60 | - | 630.16 |
| Deposits from suppliers/ contractors/ others | - | 466.79 | - | 513.40 |
| Payable against capital goods **[refer note 23.3 below]** | - | 2,922.28 | - | 3,115.44 |
| Liability for employees | - | 299.36 | - | 882.73 |
| Lease Liability | 1,814.57 | 218.62 | 1,868.65 | 259.40 |
| Other liabilities relating to customers and vendors | - | 1,246.05 | - | 1,782.38 |
| Unspent CSR Liability **[refer note 36.3 (c)]** | - | 216.77 | - | - |
| Liabilities for CCDs **[refer note 49.1]** | 4,503.45 | - | 4,221.45 | - |
| Bills Payable **[refer note 23.4 below]** | - | 3,258.96 | - | - |
| **Total** | **6,318.02** | **18,190.79** | **6,090.10** | **22,518.03** |

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

**23.2** Represents interest payable towards matured debentures.

**23.3 Price reduction schedule**

Payable against capital goods includes ₹ 242.28 million (As at March 31, 2020 ₹ 234.90 million) relating to amounts withheld from vendors pursuant to price reduction schedule which will be settled on finalisation of proceedings with such vendors. When the withheld amounts are ultimately finalised, the related adjustment is made to the Property, Plant and Equipment prospectively.

**23.4** Towards bills payable in respect of purchases drawn by Holding Company.

## 24 Provisions

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **Provision for employee benefits [refer note 40]** | | | | |
| (a) Leave encashment | 1,021.37 | 80.80 | 838.62 | 75.06 |
| (b) Post retirement medical and other benefits | 120.32 | 3.60 | 108.85 | 3.45 |
| Others **[refer note 24.1 below]** | - | 5,441.60 | - | 1,734.53 |
| **Total** | **1,141.69** | **5,526.00** | **947.47** | **1,813.04** |

**24.1 Others include provision for Excise duty on closing stock**

**Movement for the year 2020-21**

| Particulars | Excise duty on closing stock |
|---|---|
| Opening Balance as at April 1, 2020 | 1,734.53 |
| **Less**: Reduction on account of provision reversal | 1,734.53 |
| **Add**: Additions during the year | 5,441.60 |
| Closing Balance as at March 31, 2021 | 5,441.60 |

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, 2021 ₹ 5,441.60 million (As at March 31, 2020 ₹ 1,734.53 million) and has included it in other provision. This provision is expected to be settled when the goods are removed from the factory premises.

## 25 Deferred Tax Asset/ (Liabilities) (Net)

Statement showing the movement in Deferred Tax Assets/ (Liabilities):

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Deferred Tax Assets | 33,343.65 | 32,303.26 |
| Deferred Tax Liabilities | (29,155.85) | (29,151.13) |
| **Deferred Tax Asset/ (Liability) -Net** | **4,187.80** | **3,152.13** |

| 2020-21 | Opening balance | Recognised in Profit or Loss | MAT credit entitlement related to previous year | Recognised in Other Comprehensive Income | Closing balance |
|---|---|---|---|---|---|
| **Deferred Tax Liabilities in relation to** | | | | | |
| Property, Plant and Equipment | (28,832.35) | (107.62) | - | - | (28,939.97) |
| Intangible Assets | (12.45) | 4.59 | - | - | (7.86) |
| Compulsorily Convertible Debentures (CCDs) (Net) | (306.33) | 98.31 | - | - | (208.02) |
| **Total** | **(29,151.13)** | **(4.72)** | **-** | **-** | **(29,155.85)** |

| | | | | | |
|---|---|---|---|---|---|
| **Tax effect of items constituting Deferred Tax Assets** | | | | | |
| Other Liabilities | 1.40 | 161.86 | - | - | 163.26 |
| Brought forward business losses and unabsorbed depreciation | 14,670.03 | 880.19 | - | - | 15,550.22 |
| MAT credit entitlement | 17,241.78 | - | 10.86 | - | 17,252.64 |
| Right of Use Assets net of Lease Liability | 27.45 | (7.68) | - | - | 19.77 |
| Financial and Other Assets | 340.47 | (0.24) | - | - | 340.23 |
| Inventories | 22.13 | (4.60) | - | - | 17.53 |
| Remeasurement of the Defined Benefit Plans | - | 10.73 | - | (10.73) | - |
| **Total** | **32,303.26** | **1,040.26** | **10.86** | **(10.73)** | **33,343.65** |
| **Deferred Tax Asset / (Liability) (Net)** | **3,152.13** | **1,035.54** | **10.86** | **(10.73)** | **4,187.80** |

| **2019-20** | **Opening balance** | **Recognised in Profit or Loss** | **MAT credit entitlement related to previous year** | **Recognised in Other Comprehensive Income** | **Closing balance** |
|---|---|---|---|---|---|
| **Deferred Tax Liabilities in relation to** | | | | | |
| Property, Plant and Equipment | (27,698.36) | (1,133.99) | - | - | (28,832.35) |
| Intangible Assets | (10.27) | (2.18) | - | - | (12.45) |
| Compulsorily Convertible Debentures (CCDs) (Net) | - | (306.33) | - | - | (306.33) |
| **Total** | **(27,708.63)** | **(1,442.50)** | **-** | | **(29,151.13)** |
| **Tax effect of items constituting Deferred Tax Assets** | | | | | |
| Other Liabilities | 1.40 | - | - | - | 1.40 |
| Brought forward business losses and unabsorbed depreciation | - | 14,670.03 | - | - | 14,670.03 |
| MAT credit entitlement | 17,189.15 | - | 52.63 | - | 17,241.78 |
| Right of Use Assets net of Lease Liability | - | 27.45 | - | - | 27.45 |
| Financial and Other Assets | 340.51 | (0.04) | - | - | 340.47 |
| Inventories | 22.13 | - | - | - | 22.13 |
| Remeasurement of the Defined Benefit Plans | - | (46.05) | - | 46.05 | - |
| **Total** | **17,553.19** | **14,651.39** | **52.63** | **46.05** | **32,303.26** |
| **Deferred tax asset / (liability) (net)** | **(10,155.44)** | **13,208.89** | **52.63** | **46.05** | **3,152.13** |

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

## 26 Trade Payables

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises | 305.31 | 336.00 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 39,671.29 | 32,375.17 |
| **Total** | **39,976.60** | **32,711.17** |

**26.1** Trade payables include ₹ Nil (As at March 31, 2020 of ₹ 10,268.07 million) for which ONGC has given guarantees on behalf of the Company.

**26.2** The average credit period on purchases of crude, stores and spares, other raw material, services, etc. ranges from 14 to 60 days (Year ended March 31, 2020 ranges from 14 to 60 days). Thereafter, interest is charged upto 6.75% per annum (Year ended March 31, 2020 upto 6.75% per annum) over the relevant bank rate as per respective arrangements on the outstanding balances. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

**26.3** Disclosure relating to dues to Micro, Small and Medium Enterprises

| | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| i | The principal amount and the interest dues thereon (to be shown separately) remaining unpaid to any supplier at the end of the year | 305.31 | 336.00 |
| ii | The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| iii | The amount of interest dues and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| iv | The amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| v | The amount of further interest remaining dues and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises | - | - |

## 27 Other Liabilities

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Revenue received in advance | - | 1.04 | - | 1.16 |
| Liability for gratuity **[refer note 27.1 below]** | - | 235.84 | - | 151.16 |
| Liability for statutory payments | - | 2,870.93 | - | 1,282.90 |
| Others | | 671.13 | | 7,132.02 |
| Financial Guarantee Obligation (Deferred Revenue) **[refer note 11.2.1 (ii)]** | 0.61 | 0.66 | 1.27 | 0.66 |
| Deferred Government Grant **[refer note 5.2 & 22.3.2]** | 3,448.43 | 202.86 | 3,596.15 | 196.59 |
| **Total** | **3,449.04** | **3,982.46** | **3,597.42** | **8,764.49** |

**27.1** Net amount payable to Gratuity Trust.

## 28 Revenue from Operations

| | Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|---|
| **28.1** | **Sales** | | |
| | Petroleum Products | 497,806.63 | 573,780.34 |
| | Crude Oil and Other Products | 11,931.73 | 33,502.12 |
| | **Total** | **509,738.36** | **607,282.46** |
| **28.2** | **Other operating revenues** | | |
| | Sale of scrap | 393.67 | 152.91 |
| | Facilitation charges | 33.67 | 57.14 |
| | Price Reduction Schedule | 26.22 | 22.87 |
| | **Total** | **453.56** | **232.92** |
| | **Grand Total** | **510,191.92** | **607,515.38** |

## 29 Other Income

| | Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|---|
| **29.1** | **Interest on:** | | |
| | Contractor mobilisation advance | 56.76 | 31.55 |
| | Others | 198.96 | 240.51 |
| | Financial assets measured at amortised cost: | | |
| | - Bank deposits | 0.89 | 148.71 |
| | - Direct marketing customers | 18.18 | 13.15 |
| | - Employee loans | 88.24 | 70.66 |
| | **Total** | **363.03** | **504.58** |

| | Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|---|
| 29.2 | **Dividend income from:** | | |
| | Investment in mutual funds (measured at FVTPL) | **4.00** | **12.56** |
| | Investment in Shell MRPL Aviation Fuels and Services Limited (measured at cost) | **37.50** | **6.00** |
| 29.3 | **Other non-operating income** | | |
| | Royalty income | 8.17 | 11.30 |
| | Liability no longer required written back | 184.94 | 125.42 |
| | Excess provisions written back | 106.93 | 2.12 |
| | Tender form sale | - | 3.77 |
| | Hire charges | 11.64 | 8.57 |
| | Recoveries from employees | 11.52 | 11.15 |
| | Amortisation of Deferred Government Grant / Guarantee | 197.26 | 187.99 |
| | Miscellaneous receipts | 259.59 | 177.00 |
| | **Total** | **780.05** | **527.32** |
| | **Grand Total** | **1,184.58** | **1,050.46** |

## 30 Cost of Materials Consumed

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Raw material: Crude oil** | | |
| Imported | 231,491.61 | 383,220.35 |
| Indigenous | 59,759.87 | 76,040.65 |
| **Raw material: Others** | | |
| **Imported** | | |
| Hydrogen | 1,764.04 | 1,724.71 |
| Paraffin Raffinate | 808.00 | 5,235.48 |
| De- Ethanizer | 166.80 | - |
| Reformate | - | 3.28 |
| **Indigenous** | | |
| CRMB modifier | 17.73 | 17.56 |
| Regasified Liquefied Natural Gas (RLNG) | 64.00 | - |
| **Lube Oil - Indigenous** | 0.56 | 0.64 |
| **Total** | **294,072.61** | **466,242.67** |

## 31 Purchases of Stock-in-Trade

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Crude Oil & Other Products | 11,931.73 | 33,520.79 |
| **Total** | **11,931.73** | **33,520.79** |

## 32 Changes in Inventories of Finished Goods and Stock-in-Process

| | Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|---|
| 32.1 | **Closing stock** | | |
| | Finished goods | 19,084.05 | 11,790.39 |
| | Stock-in-process | 9,735.06 | 5,000.57 |
| | **Total closing stock** | **28,819.11** | **16,790.96** |
| 32.2 | **Opening stock** | | |
| | Finished goods | 11,790.39 | 20,569.99 |
| | Stock-in-process | 5,000.57 | 9,695.17 |
| | **Total opening stock** | **16,790.96** | **30,265.16** |
| | **Net (Increase) / Decrease (Opening - Closing)** | **(12,028.15)** | **13,474.20** |

## 33 Employee Benefits Expense

| Particulars [refer note 33.1 below] | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Salaries and wages | 3,729.61 | 3,635.55 |
| Contribution to provident and other funds **[refer note 40.2.2 and 48]** | 1,157.99 | 531.85 |
| Post-retirement benefits - medical and others | 14.47 | 13.84 |
| Staff welfare expenses | 207.32 | 219.98 |
| **Total** | **5,109.39** | **4,401.22** |

**33.1** The Company during the year has finalized the Long Term Settlement pertaining to wage revision and other related benefits of the Non Management staff which was due for revision effective from January 1, 2017. The effect of same has already been considered in respective financial years.

## 34 Finance Costs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Finance expense for financial liabilities measured at amortised cost** | | |
| - From Banks | 1,886.18 | 4,117.38 |
| - From Others | 3,257.39 | 733.25 |
| | **5,143.57** | **4,850.63** |
| **Finance Cost on Lease Liabilities** | 79.72 | 68.27 |
| **Financial guarantee charges** | 6.78 | 27.43 |
| **Exchange differences regarded as an adjustment to borrowing costs** | (1,709.61) | 2,500.28 |
| **Total** | **3,520.46** | **7,446.61** |

## 35 Depreciation and Amortisation Expense

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Depreciation of Property, Plant and Equipment **[refer note 5]** | 8,356.10 | 7,674.19 |
| Depreciation of Right-of-Use Assets **[refer note 6]** | 141.15 | 129.18 |
| Amortisation of Intangible Assets **[refer note 10]** | 32.72 | 28.71 |
| **Total** | **8,529.97** | **7,832.08** |

## 36 Other Expenses

| Particulars | Year ended March 31, 2021 | | Year ended March 31, 2020 | |
|---|---|---|---|---|
| Power, Utility and Fuel **[refer note 36.1 below]** | 30,036.47 | | 39,888.68 | |
| **Less** : Consumption of Fuel from own production | 28,715.02 | 1,321.45 | 38,264.48 | 1,624.20 |
| Repairs and maintenance | | | | |
| - Plant and Machinery | 4,129.74 | | 5,051.57 | |
| - Buildings | 0.95 | | 2.90 | |
| - Others | 520.42 | 4,651.11 | 484.83 | 5,539.30 |
| Consumption of Stores, spares and chemicals | | 1,426.38 | | 1,479.18 |
| Consumption of Packing materials | | 225.55 | | 269.89 |
| Rent **[refer note 36.4 below]** | | 40.74 | | 34.01 |
| Insurance | | 366.97 | | 314.96 |
| Rates and Taxes | | 2,318.67 | | 1,018.79 |
| Excise Duty on Stock (Net) **[refer note 36.2 below]** | | 3,511.29 | | (2,493.88) |
| Exchange Rate Fluctuation loss/ (gain) (Net) | | (1,078.76) | | 6,872.12 |
| Director's sitting fees | | 2.02 | | 4.28 |
| Loss on sale/ disposal of Property, Plant and Equipment | | 71.66 | | 84.78 |
| Bank charges | | 32.89 | | 42.93 |
| **Payment to auditors:** | | | | |
| Audit fees | 2.65 | | 2.66 | |
| For taxation matters | 0.68 | | 0.70 | |
| For certification fees | 1.94 | | 1.99 | |
| Reimbursement of expenses | 0.23 | 5.50 | 1.83 | 7.18 |
| Corporate Social Responsibility Expenses (CSR) **[refer note 36.3 below]** | | 470.40 | | 760.89 |
| **Provision/ Impairment for:** | | | | |
| Doubtful Trade Receivables | 10.65 | | 158.41 | |
| Doubtful Advances / Deposits | 0.71 | | - | |
| Slow/non-moving Inventories | 3.23 | 14.59 | 9.90 | 168.31 |
| **Write Offs:** | | | | |
| Doubtful trade receivables | 0.04 | | - | |
| Claims/ Advances | 3.77 | 3.81 | | - |
| **Miscellaneous expenses** | | 1,939.38 | | 2,000.26 |
| **Total** | | **15,323.65** | | **17,727.20** |

**36.1** The company has generated a total of 8,005,216 Kwh of Solar power for the year ended March 31, 2021 (Year ended March 31, 2020 a total of 8,229,787 Kwh) and the same are captively consumed. The monetary values of such power generated that are captively consumed are not recognised for the purpose of disclosure in the financial statement.

**36.2** Excise Duty on sale of goods has been included in "Revenue from operations". Despite of decrease in sales from petroleum products, crude oil and other products for the current year, the Excise duty on sale of goods is higher mainly on account of increase in excise duty rates of MS (Petrol) and HSD (Diesel). Excise duty shown above represents the difference between excise duty on opening and closing stock of finished goods.

**36.3** The CSR expenditure comprises the following:

**(a)** Gross amount required to be spent by the Company during the year: ₹ 470.40 million (Year ended March 31, 2020 ₹ 1,226.00 million).

**(b)** Amount spent during the year on:

| Particulars | Year ended March 31, 2021 | | |
|---|---|---|---|
| | **In Cash** | **Yet to be paid in cash** | **Total** |
| i) Construction/acquisition of Assets | 159.42 | 61.57 | 220.99 |
| ii) Purposes other than (i) above | 31.82 | 0.82 | 32.64 |
| **Total** | **191.24** | **62.39** | **253.63** |

| Particulars | Year ended March 31, 2020 | | |
|---|---|---|---|
| | **In Cash** | **Yet to be paid in cash** | **Total** |
| i) Construction/acquisition of Assets | 368.04 | 96.55 | 464.59 |
| ii) Purposes other than (i) above | 280.28 | 16.02 | 296.30 |
| **Total** | **648.32** | **112.57** | **760.89** |

**(c)** Disclosure pursuant to amendments to section 135(5) and 135(6) of Companies Act, 2013 :-

| In case of Section 135(5) unspent amount (other than ongoing projects) | | | | |
|---|---|---|---|---|
| **Opening Balance as on 01.04.2020** | **Amount deposited in specified Fund of Sch. VII within 6 months** | **Amount required to be spent during the year 2020-21** | **Amount spent during the year 2020-21** | **Closing Balance as on 31.03.2021** |
| **Nil** | **Nil** | **Nil** | **Nil** | **Nil** |

| In case of Section 135(5) Excess amount spent | | | |
|---|---|---|---|
| **Opening Balance as on 01.04.2020** | **Amount required to be spent during the year 2020-21** | **Amount spent during the year 2020-21** | **Closing Balance as on 31.03.2021** |
| **Nil** | **Nil** | **Nil** | **Nil** |

| In case of Section 135(6) (Ongoing Project) | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Year** | **Opening Balance** | | **Amount required to be spent during the year** | **Amount spent during the year** | | **Closing Balance** | |
| | **With Company** | **In separate CSR Unspent A/c** | | **From Company's bank A/c** | **From separate CSR Unspent A/c** | **With Company #** | **In separate CSR Unspent A/c** |
| **2020-21** | **Nil** | **Nil** | **216.77** | **Nil** | **Nil** | **216.77** | **Nil** |

# An amount of ₹ 216.77 million representing unspent money on ongoing projects has been transferred to Specified Bank account on April 30, 2021.

**36.4** Rent (Lease expenses) relating to short-term leases, low value leases and variable lease payment are given below:

| Particulars | Year ended March 31, 2021 |
|---|---|
| i) Short Term Leases | 7.85 |
| ii) Leases for Low Value Assets | 0.31 |
| iii) Variable Lease Payments not included in lease liabilities | 32.58 |
| **Total** | **40.74** |

| Particulars | Year ended March 31, 2020 |
|---|---|
| i) Short Term Leases | 6.70 |
| ii) Leases for Low Value Assets | 0.55 |
| iii) Variable Lease Payments not included in lease liabilities | 26.76 |
| **Total** | **34.01** |

## 37 Income Taxes related to Continuing Operations

### 37.1 Income Tax recognised in Statement of Profit and Loss

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Current Tax | (10.86) | 1,037.36 |
| Deferred Tax | (1,035.54) | (13,208.89) |
| **Total** | **(1,046.40)** | **(12,171.53)** |

### 37.2 The Income Tax expenses reconciliations with the accounting profit are as follows:

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Profit before tax from continuing operations** | **(3,450.97)** | **(39,574.99)** |
| Income tax expense calculated at 34.944% (2019-20: 34.944%) | (1,205.91) | (13,829.08) |
| Effect of income exempt from tax | (69.58) | (6.49) |
| Effect of investment allowance u/s 32AC of Income Tax Act, 1961 | 4.33 | 2.67 |
| Effect of adjustment made on account of CCD transaction | - | 313.56 |
| Effect of expenses not deductible in determining taxable profit | 182.99 | 213.49 |
| Effect of recognition of Prior year tax of previous year | (10.86) | 1,037.36 |
| Effect of change in deferred tax balance due to true up adjustments | 52.63 | 96.96 |
| **Income tax expense recognised in profit or loss** | **(1,046.40)** | **(12,171.53)** |

### 37.3 Income tax recognised in Other Comprehensive Income

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Deferred tax** | | |
| **Arising on income and expenses recognised in Other Comprehensive Income:** | | |
| Remeasurement of Defined Benefit Obligation | (10.73) | 46.05 |
| **Total income tax recognised in Other Comprehensive Income** | **(10.73)** | **46.05** |
| Bifurcation of the income tax recognised in Other Comprehensive Income into:- | | |
| Items that will not be reclassified to profit or loss | (10.73) | 46.05 |
| Items that will be reclassified to profit or loss | - | - |

## 38 Earnings per Equity Share:

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Profit after tax for the year attributable to Equity shareholders | (2,404.57) | (27,403.46) |
| Weighted average number of equity shares (Number in million) | 1,752.60 | 1,752.60 |
| Basic and Diluted earnings per equity share (₹) | (1.37) | (15.64) |
| Face Value per equity share (₹) | 10.00 | 10.00 |

## 39 Leases

### 39.1 Obligations under finance leases

**39.1.1** During the previous year the Company has adopted Ind AS 116 ‘Leases’ effective April 1, 2019. The Company has entered into lease agreements for lands which have been classified as finance leases and the same is now disclosed as Right of Use Assets (ROU). 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 to 44 years.

Financial lease obligation as at March 31, 2021 is immaterial (As at March 31, 2020: immaterial).

### 39.2 Operating lease arrangements

#### 39.2.1 Leasing arrangements

During the previous year the Company has adopted Ind AS 116 ‘Leases’ effective April 1, 2019. The Company has entered into arrangements for right of way for pipelines and lease of land which have been classified as operating leases and the same is now disclosed as Right of Use Assets (ROU). The lease period for right of way ranges from 11 months to 30 years and for leases of land ranges from 5 to 99 years. In case of leasehold land, the Company does not have option to purchase the land at the end of the lease period. Generally, the lease arrangements for land requires Company to make upfront payments at the time of the execution of the lease arrangement with annual recurring charges with escalations in annual lease rentals.

#### 39.2.2 Payments recognized as an expense

During the previous year the Company has adopted Ind AS 116 ‘Leases’ effective April 1, 2019 and wherever the lease is short term lease, lease for low value assets or having variable lease payments are not included in lease liabilities.

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Minimum Rent (lease expenses) | 40.74 | 34.01 |
| **Total** | **40.74** | **34.01** |

#### 39.2.3 Non-cancellable operating lease commitments

The Company does not have any non-cancellable lease arrangements

## 40 Employee Benefit

### 40.1 Post-Employment benefits

#### 40.1.1 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, 2021 | Year ended March 31, 2020 | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Employer's contribution to Superannuation Fund | 300.82 | 253.56 | 1.28 | 1.34 |

#### 40.1.2 Defined benefit plans

**40.1.2.1 Brief Description:** A general description of the type of Defined benefit plans are as follows:

**a) Gratuity:**

15 days salary for every completed year of service. Vesting period is 5 years and the payment is restricted to ₹ 2 million. Besides the ceiling of gratuity increase by 25% whenever IDA rises by 50%.

The MRPL Gratuity Fund Trust was formed on 20th April, 2007 and investments of the funds received from the company after actuarial valuation and the investment of the funds upto June 28, 2013 was made in the manner prescribed by Income tax Rule 67(1) of the Income Tax Rules ,1962 as amended from time to time .

The Funds of MRPL Gratuity Fund 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 India First Life Insurance Co.

**b) Post-Retirement Medical Benefits:**

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

**c) Resettlement Allowance:**

At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Settlement Allowance.

**40.1.2.2** 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, 2021 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. The liabilities for Defined Benefit Plans are recognized and charged to Statement of Profit and Loss.

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

| Sl. No. | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| | **Gratuity(Funded)** | | |
| 1 | Expected return on plan assets | 6.90% | 6.86% |
| 2 | Rate of discounting | 6.90% | 6.86% |
| 3 | Rate of salary increase | 7.50% | 7.50% |
| 4 | Rate of employee turnover | 2.00% | 2.00% |
| 5 | Mortality rate during employment | Indian Assured lives Mortality (2006-08) Ult | Indian Assured lives Mortality (2006-08) Ult |
| | **Post-Retirement Medical Benefits** | | |
| 1 | Rate of discounting | 6.90% | 6.86% |
| 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) Ult | Indian Assured lives Mortality (2006-08) Ult |
| 5 | Mortality rate after employment | Indian Individual AMT (2012-15) | Indian Assured lives Mortality (2006-08) Ult |
| | **Resettlement Allowance** | | |
| 1 | Rate of discounting | 6.90% | 6.86% |
| 2 | Rate of salary increase | 7.50% | 7.50% |
| 3 | Rate of employee turnover | 2.00% | 2.00% |
| 4 | Mortality rate during employment | Indian Assured lives Mortality (2006-08) Ult | Indian Assured lives Mortality (2006-08) Ult |

The rate of discounting based upon the market yield available on Government bonds at the accounting date with a term that matches. The salary growth takes account inflation, seniority, promotion and other relevant factor on long term basis. Expected rate of return on plan assets is based on market expectation, at the beginning of the year, for return over the entire life of the related obligation.

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

**Gratuity:**

| **Particulars** | **Year ended March 31, 2021** | **Year ended March 31, 2020** |
|---|---|---|
| **Service Cost :** | | |
| Current service cost | 38.60 | 32.30 |
| Net interest expense | 10.69 | 7.63 |
| Past Service Cost | 237.25 | - |
| **Components of defined benefit costs recognised in employee benefit expenses** | **286.54** | **39.93** |
| **Remeasurement on the net defined benefit liability:** | | |
| Return on plan assets excluding amounts included in net interest cost | (9.52) | (0.76) |
| Actuarial (gains) / losses arising from changes in financial assumptions | 23.94 | 98.10 |
| Actuarial (gains) / losses arising from experience adjustments | (52.03) | 18.63 |
| **Components of Remeasurement** | **(37.61)** | **115.97** |
| **Total** | **248.93** | **155.90** |

**Post-Retirement Medical Benefits:**

| **Particulars** | **Year ended March 31, 2021** | **Year ended March 31, 2020** |
|---|---|---|
| **Service Cost** | | |
| Current service cost | 5.32 | 5.13 |
| Net interest expense | 6.53 | 6.06 |
| **Components of defined benefit costs recognised in employee benefit expenses** | **11.85** | **11.19** |
| **Remeasurement on the net defined benefit liability:** | | |
| Actuarial (gains) / losses arising from changes in demographic assumptions | 7.16 | - |
| Actuarial (gains) / losses arising from changes in financial assumptions | (0.63) | 11.58 |
| Actuarial (gains) / losses arising from experience adjustments | 1.90 | 4.24 |
| **Components of Remeasurement** | **8.43** | **15.82** |
| **Total** | **20.28** | **27.01** |

**Resettlement Allowance:**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Service Cost** | | |
| Current service cost | 1.44 | 1.48 |
| Net interest expense | 1.17 | 1.16 |
| **Components of defined benefit costs recognised in employee benefit expenses** | **2.61** | **2.64** |
| **Remeasurement on the net defined benefit liability:** | | |
| Actuarial (gains) / losses arising from changes in financial assumptions | (0.10) | 2.21 |
| Actuarial (gains) / losses arising from experience adjustments | (1.43) | (2.22) |
| **Components of Remeasurement** | **(1.53)** | **(0.01)** |
| **Total** | **1.08** | **2.63** |

The current service cost, the net interest expense and past service cost 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 ₹ 30.71 million (previous year ₹ (-) 131.78 million).

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

**Gratuity:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening defined benefit obligation | 1,123.55 | 934.77 |
| Current service cost | 38.60 | 32.30 |
| Past Service Cost | 237.25 | - |
| Interest cost | 77.08 | 72.82 |
| Remeasurement (gains)/losses: | | |
| Actuarial gains and losses arising from changes in financial assumptions | 23.94 | 98.10 |
| Actuarial gains and losses arising from experience adjustments | (52.03) | 18.63 |
| Benefits paid | (23.65) | (33.07) |
| **Closing defined benefit obligation** | **1,424.74** | **1,123.55** |
| Current obligation | 248.93 | 155.90 |

**Post-Retirement Medical Benefits:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening defined benefit obligation | 95.22 | 77.83 |
| Current service cost | 5.32 | 5.13 |
| Interest cost | 6.53 | 6.06 |
| Remeasurement (gains)/losses: | | |
| Actuarial gains and losses arising from changes in demographic assumptions | 7.16 | - |
| Actuarial gains and losses arising from changes in financial assumptions | (0.63) | 11.58 |
| Actuarial gains and losses arising from experience adjustments | 1.90 | 4.24 |
| Benefits paid | (8.53) | (9.62) |
| **Closing defined benefit obligation** | **106.97** | **95.22** |
| Current obligation | 3.11 | 2.95 |
| Non-Current obligation | 103.86 | 92.27 |

**Resettlement Allowance:**

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Opening defined benefit obligation | 17.08 | 14.88 |
| Current service cost | 1.44 | 1.48 |
| Interest cost | 1.17 | 1.16 |
| Remeasurement (gains)/losses: | | |
| Actuarial gains and losses arising from changes in financial assumptions | (0.10) | 2.21 |
| Actuarial gains and losses arising from experience adjustments | (1.43) | (2.22) |
| Benefits paid | (1.22) | (0.43) |
| **Closing defined benefit obligation** | **16.94** | **17.08** |
| Current obligation | 0.49 | 0.50 |
| Non-Current obligation | 16.45 | 16.58 |

**40.1.2.6 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, 2021** | **As at March 31, 2020** |
|---|---|---|
| Present value of funded defined benefit obligation | (1,424.74) | (1,123.55) |
| Fair value of plan assets | 1,175.81 | 967.65 |
| Funded status | **(248.93)** | **(155.90)** |
| Net liability arising from defined benefit obligation | **(248.93)** | **(155.90)** |

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, 2020 ₹ Nil)

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

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

**Gratuity:**

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Opening fair value of plan assets | 967.65 | 836.79 |
| Interest income | 66.38 | 65.19 |
| Return on plan assets (excluding amounts included in net interest expense) | 9.52 | 0.76 |
| Contributions by the employer | 155.91 | 97.98 |
| Benefits paid | (23.65) | (33.07) |
| **Closing fair value of plan assets** | **1,175.81** | **967.65** |

Expected Contribution (Net) in respect of Gratuity for next year will be ₹ 235.84 million (For the year ended March 31, 2020 ₹ 151.16 million)

The Company has recognized a gratuity liability of ₹ 248.93 million as at March 31, 2021 (As at March 31, 2020 ₹ 155.90 million).

**40.1.2.8 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, 2021** | **As at March 31, 2020** |
|---|---|---|
| Cash and Cash equivalents | 0.03 | 22.92 |
| Mutual Fund-UTI Treasury Fund | 20.34 | 19.21 |
| **Debt investment categorised by issuer's credit rating** | | |
| AAA | 10.08 | 31.12 |
| AA+ | 1.02 | 0.30 |
| AA | 18.03 | - |
| AA- | 1.00 | - |
| A+ | 2.00 | 7.01 |
| D | 2.00 | - |
| **Group Gratuity Cash Accumulation Scheme (Traditional Fund)** | | |
| Life Insurance Corporation of India | 230.27 | 186.84 |
| Bajaj Allianz | 215.68 | 167.93 |
| HDFC Standard Life Insurance Co. | 216.74 | 169.01 |
| Birla Sunlife Insurance Co. | 134.99 | 93.29 |
| India First Life Insurance Co. | 134.17 | 93.34 |
| Investment in Government Securities | 120.63 | 121.13 |
| Other current assets - Interest Accrued | 68.83 | 55.55 |
| **Total** | **1,175.81** | **967.65** |

The actual return on plan assets of gratuity was ₹ 66.38 million (As at March 31, 2020 ₹ 65.19 million).

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

**40.1.2.9 Sensitivity Analysis as at March 31, 2021**

| **Significant actuarial assumptions** | **Gratuity** | **Post-Retirement Medical Benefits** | **Resettlement Allowance** |
|---|---|---|---|
| Rate of discounting | | | |
| - Impact due to increase of 50 basis points | (72.76) | (7.41) | (1.19) |
| - Impact due to decrease of 50 basis points | 79.05 | 8.27 | 1.32 |
| Rate of salary increase | | | |
| - Impact due to increase of 50 basis points | 76.70 | - | 1.31 |
| - Impact due to decrease of 50 basis points | (73.31) | - | (1.19) |
| Rate of Employee turnover | | | |
| - Impact due to increase of 50 basis points | 3.70 | (3.00) | - |
| - Impact due to decrease of 50 basis points | (3.80) | 2.76 | - |

**Sensitivity Analysis as at March 31, 2020**

| Significant actuarial assumptions | Gratuity | Post-Retirement Medical Benefits | Resettlement Allowance |
|---|---|---|---|
| Rate of discounting | | | |
| - Impact due to increase of 50 basis points | (54.57) | (6.51) | (1.24) |
| - Impact due to decrease of 50 basis points | 59.25 | 7.26 | 1.38 |
| Rate of salary increase | | | |
| - Impact due to increase of 50 basis points | 18.71 | - | 1.36 |
| - Impact due to decrease of 50 basis points | (18.99) | - | (1.24) |
| Rate of Employee turnover | | | |
| - Impact due to increase of 50 basis points | 15.18 | (2.76) | - |
| - Impact due to decrease of 50 basis points | (16.10) | 2.51 | - |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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

**40.1.2.10 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, 2021 | As at March 31, 2020 |
|---|---|---|
| Number of active members | 1,939 | 1,939 |
| Per month salary for active members | 185.30 | 178.89 |
| Weighted average duration of the Projected Benefit Obligation (years) | 12 | 12 |
| Average Expected future service (years) | 16 | 16 |
| Projected benefit obligation | 1,424.74 | 1,123.55 |
| Contribution to the defined benefit plan during the next financial year | 185.30 | 178.89 |

**Post-Retirement Medical Benefits:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Number of active members | 1,939 | 1,939 |
| Number of retired employees | 138 | 126 |
| Weighted average duration of the Projected Benefit Obligation (years) | 16 | 15 |
| Average expected future service (years) | 18 | 17 |
| Projected benefit obligation | 106.99 | 95.22 |

**Resettlement Allowance:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Number of active members | 1,939 | 1,939 |
| Weighted average duration of the Projected Benefit Obligation (years) | 16 | 15 |
| Average expected future service (years) | 16 | 16 |
| Projected benefit obligation | 16.94 | 17.08 |

**40.1.2.11 Maturity Profile for Defined Benefit Obligations**

| Defined Benefit | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Gratuity** | | |
| Less than one year | 66.73 | 66.61 |
| One to Three years | 129.49 | 116.46 |
| Three to Five years | 149.23 | 134.14 |
| Five years to Ten years | 610.84 | 462.47 |
| **Post-Retirement Medical Benefits** | | |
| Less than one year | 3.11 | 2.95 |
| One to Three years | 6.72 | 6.27 |
| Three to Five years | 7.79 | 7.12 |
| Five years to Ten years | 28.74 | 25.25 |
| **Resettlement Allowance** | | |
| Less than one year | 0.49 | 0.50 |
| One to Three years | 0.91 | 0.92 |
| Three to Five years | 1.00 | 0.97 |
| Five years to Ten years | 3.22 | 3.05 |

**40.2 Other long term employee benefits**

**40.2.1 Leave encashments**

A brief description on Leave encashments are as follows:

a) **Earned Leave Benefit (EL):**

Accrual – 32 days per year

Accumulation up to 300 days allowed

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

b) **Half Pay Leave (HPL)**

Accrual – 20 days per year

Encashment while in service is not allowed

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

The liability for above leaves (a & b) are recognized on the basis of actuarial valuation.

**40.2.2 Provident Fund :**

A brief description on Provident Fund is as follows:

(a) Provident Fund is governed through a separate trust. The board of trustees of the Trust functions in accordance with any applicable guidelines or directions that may be issued in this behalf from time to time by the Central Government or the Central Provident Fund Commissioner. The board of trustees have the following responsibilities :

i. The investments shall be made in accordance with the pattern of investment prescribed by the Government of India in Rule 67 of Income Tax Rules, 1962, and /or directions given by the Central Government, from time to time.

ii. The Board of Trustees may raise such sum or sums of money as may be required for meeting obligatory expenses such as settlement of claims, grant of advances as per rules, and transfer of member's P.F. accumulations in the event of his / her leaving service of the Employer and any other receipts by sale of the securities or other investments standing in the name of the Fund subject to the prior approval of the Regional Provident Fund Commissioner.

iii. Fixation of rate of interest to be credited to members' accounts.

**(b)** The long term employee benefit of Provident Fund is administered through a separate Trust, established for this purpose in accordance with The Employee Provident Fund and Miscellaneous Provisions Act, 1952. The Company's contribution to the Provident Fund is remitted to this trust based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. During the year, the Company has recognized Employer's contribution to Provident Fund in the Statement of Profit and Loss are given below:

| Particulars | Amount recognized during the year | | Contribution for Key Management Personnel | |
|---|---|---|---|---|
| | Year ended March 31, 2021 | Year ended March 31, 2020 | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Employer's contribution to Provident Fund | 293.02 | 232.98 | 1.41 | 1.24 |

**(c)** Under the Statute, the shortfall, if any, in the interest obligation, in comparison to minimum rate of return, declared by Government of India will have to be made good by the Employer and therefore, for the financial year 2020-21, an amount of ₹ 28.72 million (Year ended March 31, 2020 ₹ Nil) has been provided and charged to Statement of Profit and Loss. The shortfall has arisen primarily due to default over interest obligations on Non-convertible Debentures (NCD) of certain Companies wherein the Trust has made its investments at a time when these Companies were having highest credit rating. In anticipation of probable principal default as well in these NCDs amounting to ₹ 347.30 million, basis best available estimate, the Provident Fund Trust has marked down the investments by 70% in its books to reflect the true & fair valuation. Correspondingly, considering the Employer's obligation to make good the loss in value of these investments under the Provident Fund regulations, the Company determined its probable liability in the future amounting to ₹ 243.11 million (Year ended March 31, 2020 ₹ Nil), which has been provided during the year and charged to Statement of Profit and Loss.

**(d)** The fair value of the assets of Provident Fund Trust as of Balance Sheet date is greater than the present value of benefit obligation which is given below.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Present value of obligation at the end of the year | 5,472.05 | 4,772.87 |

**40.3 Termination Benefits :**

**40.3.1 Premature Retirement on Medical Grounds**

The Company has an approved scheme of Premature Retirement on Medical Grounds. Ex gratia payment equivalent 60 days emolument for each completed year of service or the monthly emoluments at the time of retirement multiplied by the balance months of service left before normal date of retirement, whichever is less is payable apart from Superannuation Benefits.

**40.3.2 Scheme for Self Insurance for providing lump-sum monetary compensation**

Under the scheme of 'Post Retirement Benefit and Benefit on Separation', in case of employee suffering death or permanent total disablement due to an accident arising out of and in the course of employment, a compensation equivalent to 100 months Basic Pay plus Dearness Allowance (DA) without laying down any minimum amount is payable.

**40.3.3 Benefits of Separation under SABF (re-nomenclatured now as MDCPS)**

In case of death / permanent disablement of an employee while in service in the Company, the beneficiary has to exercise desired options available within 6 months from the date of death / permanent total disablement.

**40.3.4** Terminal benefits are unfunded plans, and no plan assets are involved.

**40.3.5** Termination Benefits are charged to Statement of Profit and Loss as and when incurred.

## 41 Segment Reporting

The Company has "Petroleum Products" as single reportable segment.

### 41.1 Information about major customers

Company's significant revenues are derived from sales to oil marketing companies which is 70% and 57% of the Company's sales related to petroleum products for the year ending March 31, 2021 & March 31, 2020 respectively. The total sales to such companies amounted to ₹ 350,501.95 million for the year ended March 31, 2021 and ₹ 328,952.62 million for the year ended March 31, 2020.

No customer (excluding oil marketing companies mentioned above) for the years ended March 31, 2021 and March 31, 2020 contributed 10% or more to the Company's revenue.

### 41.2 Information about geographical areas:

a) The Company is domiciled in India. The amount of its revenue from customers broken down by location of customers is tabulated below:

| **Particulars** | **Year ended March 31, 2021** | **Year ended March 31, 2020** |
|---|---|---|
| India | 454,245.35 | 448,281.09 |
| Other Countries | 55,493.01 | 159,001.37 |
| **Total** | **509,738.36** | **607,282.46** |

b) Non-current assets (excluding financial assets and deferred tax assets) broken down by location of customers is tabulated below:

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| India | 170,473.10 | 170,052.42 |
| Other Countries | - | - |
| **Total** | **170,473.10** | **170,052.42** |

### 41.3 Revenue from major products

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

| **Particulars** | **Year ended March 31, 2021** | **Year ended March 31, 2020** |
|---|---|---|
| High speed Diesel (HSD) | 296,199.50 | 303,698.47 |
| Motor Spirit (MS) | 71,457.67 | 75,719.55 |
| **Total** | **367,657.17** | **379,418.02** |

Threshold limit of 10% of total turnover of each product is considered for reporting revenue from major products.

## 42 Related Party Disclosures

### 42.1 Name of related parties and description of relationship:

**A Entity having control over the Company (Holding Company)**

Oil and Natural Gas Corporation Limited (ONGC)

**B Entity having significant influence over the Company**

Hindustan Petroleum Corporation Limited (HPCL)

**C Subsidiary**

ONGC Mangalore Petrochemicals Limited (OMPL)

**D Joint Ventures**

Shell MRPL Aviation Fuels and Services Limited (SMAFSL)

**E Trusts (including post retirement employee benefit trust) where in MRPL is having control**

1 MRPL Gratuity Fund Trust

2 MRPL Provident Fund Trust

**F.1 Non-Executive Director**

Shri Shashi Shanker, Chairman

**F.2 Other Non-Executive Directors**

1 Shri Subhash Kumar, Nominee Director (ONGC)

2 Shri Vinod S. Shenoy, Nominee Director (HPCL)

3 Shri Rohit Mathur, Director (Govt. Nominee), from December 10, 2020

4 Ms. Esha Srivastava, Director (Govt. Nominee), from December 10, 2020

5 Shri R T Agarwal, Independent Director

6 Shri Vijay Sharma, Government Nominee, till August 04, 2020

7 Shri V.P. Haran, Independent Director, till September 07, 2020

8 Shri Sewa Ram, Independent Director, till September 07, 2020

9 Dr. G. K. Patel, Independent Director, till September 07, 2020

10 Shri Balbir Singh Yadav, Independent Director, till September 07, 2020

11 Shri Sunil Kumar, Director (Government Nominee), till December 10, 2020

**G Key Management Personnel**

**G.1 Executive Directors**

1 Shri M. Venkatesh, Managing Director

2 Smt. Pomila Jaspal, Director (Finance)

3 Shri Sanjay Verma, Director (Refinery), from June 09, 2020.

**G.2 Chief Financial Officer**

Smt. Pomila Jaspal, Director (Finance) & CFO

**G.3 Company Secretary**

Shri Dinesh Ranjan Mishra, Company Secretary

.

## 42.2 Details of Transactions:

### 42.2.1 Transactions with Holding Company

| Oil and Natural Gas Corporation Limited (ONGC) | Nature of Transactions | Year ended March 31, 2021 | Year ended March 31,2020 |
|---|---|---|---|
| **Sales of products** | Sale of products and associated services | 10,243.33 | 5,649.26 |
| **Purchases of Crude** | Purchase of Crude Oil etc. | 39,254.75 | 41,538.37 |
| **Services received** | a) Deputation of ONGC Employees | - | 2.53 |
| | b) Rent and Electricity Charges for Mumbai and Delhi Office & reimbursement of expenses & bill discounting charges | 129.24 | 74.32 |
| **Guarantee Fees** | Charges for Guarantee given to Saudi Aramco | 9.73 | 34.24 |
| **Dividend** | Dividend Paid | - | 1,255.35 |
| **OMPL Share stake purchase** | OMPL share stake purchase by MRPL from ONGC | 12,167.34 | - |

### 42.2.2 Outstanding balances with Holding Company

| Oil and Natural Gas Corporation Limited (ONGC) | Nature of Transactions | As at March 31, 2021 | As at March 31,2020 |
|---|---|---|---|
| **Amount receivable** | Sale of products & associated services | 552.06 | 679.16 |
| **Amount payable** | Purchase of Crude Oil | 2,904.94 | 1,746.97 |
| **Amount payable** | Others for expenses | 13.69 | 18.22 |
| **Commitments** | On account of bill discounting of invoices raised by ONGC on MRPL with recourse to ONGC | 3,258.96 | - |

### 42.2.3 Transactions with Entity having significant influence over the Company

| Hindustan Petroleum Corporation Limited (HPCL) | Nature of Transactions | Year ended March 31, 2021 | Year ended March 31,2020 |
|---|---|---|---|
| **Sales** | Sale of Oil products etc. | 247,324.63 | 148,663.53 |
| **Services provided** | a) Loading arm, pipeline charges etc. | - | 1.64 |
| | b) Reimbursement of Expenses, facilitation charges | 5.66 | 8.01 |
| | c) Receipts of contaminated products, Hospitality Charges, Wharfage etc. | 6.64 | 10.24 |
| **Dividend** | Dividend Paid | - | 297.15 |

**42.2.4 Outstanding balances with Entity having significant influence over the Company**

| Hindustan Petroleum Corporation Limited (HPCL) | Nature of Transactions | As at March 31, 2021 | As at March 31,2020 |
|---|---|---|---|
| **Amount receivable** | Sale of Oil products etc. | 13,956.40 | 5,769.37 |
| | Others reimbursements | 22.19 | 40.27 |
| **Amount payable** | Others for expenses | 0.27 | 4.94 |

**42.2.5 Transactions with Subsidiary**

| ONGC Mangalore Petrochemicals Limited (OMPL) | Nature of Transactions | Year ended March 31, 2021 | Year ended March 31,2020 |
|---|---|---|---|
| **Sales of products** | Sale of products etc. | 33,589.12 | 49,089.74 |
| **Purchase of products** | Purchases of products etc. | 2,986.72 | 7,657.24 |
| **Services received** | Salary for OMPL staff on deputation etc | 3.90 | 2.75 |
| **Services provided** | a) Facilitation Charges | 33.67 | 57.14 |
| | b) Deputation of MRPL Employees & other expenses | 5.55 | 23.97 |
| **Investment in Equity** | Investment in Equity | - | 2,550.09 |
| **Deemed Investment** | Deemed Investment | - | 4,202.67 |
| **Interest income and Other Recovery** | Reimbursement of Charges | 329.44 | 397.44 |

**42.2.6 Outstanding balances with Subsidiary**

| ONGC Mangalore Petrochemicals Limited (OMPL) | Nature of Transactions | As at March 31, 2021 | As at March 31,2020 |
|---|---|---|---|
| **Loans** | Short Term Loans & Advances | 2.77 | 0.39 |
| **Amount receivable** | Sales of Oil products, Facilitation Charges & Others | 2,151.22 | 943.45 |
| **Amount payable** | Purchase of Raffinate, Hydrogen & Other Service Charges | 126.26 | 65.72 |
| **Liability towards guarantee** | Guarantee Liability for interest on CCDs | 1.27 | 1.93 |
| **Commitments** | a) On account of bill discounting on invoices raised by MRPL on OMPL with with recourse to MRPL | 766.48 | 6,324.45 |
| | b) Backstopping support for Interest accrued on Compulsorily Convertible Debentures issued by OMPL | - | - |

**42.2.7 Transactions with Joint Ventures:**

| Shell MRPL Aviation Fuels and Services Ltd (SMAFSL) | Nature of Transactions | Year ended March 31, 2021 | Year ended March 31,2020 |
|---|---|---|---|
| **Sales of products** | Petroleum Products | 2,226.71 | 7,409.25 |
| **Purchase of products** | Contaminated Petroleum Products & reimbursement of expenses | 0.14 | - |
| **Services provided** | a) Reimbursement of Expenses | - | 0.07 |
| | b) Royalty Income | 9.15 | 12.65 |
| **Dividend Income** | Dividend received | 37.50 | 6.00 |

**42.2.8 Outstanding balances with Joint Ventures:**

| Shell MRPL Aviation Fuels and Services Ltd (SMAFSL) | Nature of Transactions | As at March 31, 2021 | As at March 31,2020 |
|---|---|---|---|
| **Amount receivable** | Royalty and Terminalling Charges etc | 342.32 | 318.56 |

**42.2.9 Transactions with Other Related Parties Associates :**

| Name of Associates | Nature of Transactions | Year ended March 31, 2021 | Year ended March 31,2020 |
|---|---|---|---|
| **a) Services received from:** | | | |
| 1. Mangalore SEZ Limited | River Water, STP Water & Road Repairs | 710.22 | 692.69 |
| 2. Petronet MHB Limited | Pipeline Transportation Charges & other expenses | 23.57 | 110.95 |
| 3. ONGC Nile Ganga BV | Purchase of Crude Oil etc. | - | 0.11 |
| 4. ONGC Videsh Ltd. | Purchase of Crude Oil etc. | 3,197.02 | - |
| **b) Services provided to:** | | | |
| 1. ONGC Nile Ganga BV | Tendering services | - | 0.70 |
| 2. Petronet MHB Limited | Reimbursement of Electricity Charges etc. | 18.14 | 28.78 |

**42.2.10 Outstanding balances with Other Related Parties Associates :**

| Name of Associates | Nature of Transactions | As at March 31, 2021 | As at March 31,2020 |
|---|---|---|---|
| **Amount receivable:** | | | |
| 1. Petronet MHB Limited | Reimbursement of Electricity Charges etc. | 0.01 | - |
| 2. ONGC Nile Ganga BV | Outstanding on account of services | 0.12 | 0.12 |
| 3. ONGC Campos Ltda | Outstanding on account of services | 0.10 | 0.10 |
| 4. Mangalore SEZ Limited | River Water, STP Water and Road Repairs | - | 129.30 |
| **Amount payable:** | | | |
| 1. Mangalore SEZ Limited | River Water, STP Water and Road Repairs etc. | 65.62 | - |
| 2. Petronet MHB Limited | Pipeline Transportation Charges and other expenses | 2.46 | 15.38 |
| 3. ONGC Videsh Ltd. | Balance Outstanding on account of Crude procurement etc. | 0.14 | - |

**42.2.11 Transactions with Trusts**

| Name of Trusts | Nature of Transactions | Year ended March 31, 2021 | Year ended March 31,2020 |
|---|---|---|---|
| **Remittance of payments:** | | | |
| Provident Fund of MRPL | Contributions | 684.86 | 525.98 |
| Provident Fund of MRPL | Contribution to the Provident Fund based the shortfall | 271.83 | - |
| MRPL Gratuity Fund Trust | Reimbursements from Trust to MRPL | 23.65 | 33.07 |
| MRPL Gratuity Fund Trust | Contributions from MRPL to Trust | 248.93 | 155.90 |

**42.2.12 Outstanding balances with Trusts**

| Name of Trusts | Nature of Transactions | As at March 31, 2021 | As at March 31,2020 |
|---|---|---|---|
| **Amount Payable:** Provident Fund of MRPL | Amount payable to PF Trust towards shortfall | 271.83 | - |
| MRPL Gratuity Fund Trust | Contribution payable to Trust (Net) | 235.84 | 151.16 |

**42.2.13 Compensation to Key Management Personnel:**

| Whole Time Directors/ Company Secretary/ Chief Financial Officer / | Year ended March 31, 2021 | Year ended March 31,2020 |
|---|---|---|
| **Particulars** | | |
| Short Term employee benefits | 22.86 | 15.86 |
| Post-employment benefits (includes provision for leaves, gratuity and other post retirement benefits) | 15.15 | 16.72 |
| Other long-term benefits (includes contribution to provident fund) | 3.81 | 2.59 |
| **Total** | **41.82** | **35.17** |

**Loans / Accrued Interest on Loan to directors and other officers:**

| Whole Time Directors and Company Secretary | As at March 31, 2021 | As at March 31,2020 |
|---|---|---|
| **Particulars** | | |
| Loans to Director and Company Secretary | 5.14 | 0.67 |
| Accrued interest on Loans to Director and Company Secretary | 0.47 | 0.12 |
| **Total** | **5.61** | **0.79** |

**Independent Directors**

| Particulars | Year ended March 31, 2021 | Year ended March 31,2020 |
|---|---|---|
| Sitting Fees | 2.02 | 4.28 |

**42.3 Disclosure in respect of Government related entities [refer note 42.3.4 below]:**

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

| Government related entities | | Relation |
|---|---|---|
| 1 | Bharat Petroleum Corporation Ltd (BPCL) | Central PSU |
| 2 | Indian Oil Corporation Limited (IOCL) | Central PSU |
| 3 | Bharat Heavy Electrical Limited (BHEL) | Central PSU |
| 4 | Oriental Insurance Co. Limited | Central PSU |
| 5 | Bridge & Roof Co (India) Limited | Central PSU |
| 6 | Engineers India Limited | Central PSU |
| 7 | The Shipping Corporation of India Limited | Central PSU |
| 8 | Konkan Railway Corporation Limited | Central PSU |
| 9 | Indian Strategic Petroleum Reserves Limited (ISPRL) | Central Government |
| 10 | Centre for High Technology | Central Government |
| 11 | Indian Railways | Central Government |
| 12 | Karnataka Power Transmission Corporation Limited | State Government |
| 13 | Karnataka Industrial Area Development Board | State Government |
| 14 | New Mangalore Port Trust | Central Port Trust |

**42.3.2 Transactions with Government related Entities [refer note 42.3.4 below]:**

| | Name of entity | Nature of Transactions | Year ended March 31, 2021 | Year ended March 31,2020 |
|---|---|---|---|---|
| A | **Sale of products, others during year to:** | | | |
| 1 | Indian Oil Corporation Limited (IOCL) | Sale of Crude Oil, Petroleum products | 57,178.30 | 1,13,002.64 |
| 2 | Bharat Petroleum Corporation Ltd (BPCL) | Sale of petroleum products | 28,814.32 | 49,974.93 |
| 3 | New Mangalore Port Trust | Sale of petroleum products | 0.82 | 2.99 |
| 4 | Indian Strategic Petroleum Reserves Limited (ISPRL) | Sale of Crude oil, petroleum products | 22,042.85 | 11,931.73 |
| 5 | Indian Railways | Sale of petroleum products | 3,097.00 | 1,077.89 |
| B | **Purchase of product during year from:** | | | |
| 1 | Bharat Heavy Electrical Ltd | Other supplies | 84.11 | 101.94 |
| 2 | Indian Oil Corporation Limited (IOCL) | Purchase of Naphtha, Contaminated Product, Lubes etc. | 135.96 | 17.05 |
| 3 | Bharat Petroleum Corporation Ltd (BPCL) | Purchase of Contaminated Product etc. | 2.08 | 1.00 |
| 4 | Indian Strategic Petroleum Reserves Limited (ISPRL) | Purchase of Crude Oil etc. | 988.45 | 28,766.70 |

| | Name of entity | Nature of Transactions | Year ended March 31, 2021 | Year ended March 31,2020 |
|---|---|---|---|---|
| **C** | **Service Provided** | | | |
| 1 | Indian Strategic Petroleum Reserves Limited (ISPRL) | Deputation of MRPL Employees | 8.73 | 8.03 |
| 2 | Indian Oil Corporation Limited (IOCL) | On account of Pipeline, loading arm charges etc. | - | 1.08 |
| **D** | **Services Received from:** | | | |
| 1 | Karnataka Power Transmission Corporation Ltd | Purchase of electricity | 196.48 | 207.34 |
| 2 | Oriental Insurance Co. Ltd | Insurance premium | 400.89 | 378.24 |
| 3 | New Mangalore Port Trust | Port Services others | 1,072.83 | 1,273.29 |
| 4 | Bridge & Roof Co (India) Ltd | Job Work Service | 925.14 | 1,304.88 |
| 5 | Engineers India Ltd | Technical Services | 92.20 | 288.56 |
| 6 | The Shipping Corporation of India Ltd | Service | 2,204.37 | 3,034.08 |
| 7 | Konkan Railway Corporation Ltd | Railway Siding Freight Charges | 617.34 | 177.27 |
| 8 | Bharat Petroleum Corporation Ltd (BPCL) | PT Programme Services | 0.12 | 0.18 |
| 9 | Bharat Heavy Electrical Ltd | Other services | 24.06 | 67.80 |
| **E** | **Advance for Acquisition for Land** | | | |
| 1 | Karnataka Industrial Area Development Board | Purchase of Land | 7.24 | - |

**42.3.3 Outstanding balances with Government related entities [refer note 42.3.4 below]:**

| | Name of entity | Nature of Transactions | As at March 31, 2021 | As at March 31,2020 |
|---|---|---|---|---|
| | **Amount Receivable:** | | | |
| 1 | Indian Oil Corporation Limited | Trade and other receivable | 1,580.07 | 935.79 |
| 2 | Bharat Petroleum Corporation Ltd | Trade and other receivable | 1,143.19 | 1,084.60 |
| 3 | Indian Strategic Petroleum Reserves Limited (ISPRL) | Trade and other receivable | 1.42 | 6.78 |
| 4 | New Mangalore Port Trust | Trade and other receivable | 220.78 | 300.18 |
| 5 | Indian Railways | Trade and other receivable | 415.82 | 356.02 |
| | **Advance to Vendors :** | | | |
| 1 | Centre for High Technology | Advance | 29.82 | 28.57 |
| 2 | Karnataka Industrial Area Development Board | Advance & Security Deposit for Land etc. | 6,955.25 | 6,951.99 |
| 3 | Indian Strategic Petroleum Reserves Limited (ISPRL) | Advance | - | 0.39 |
| | **Amount payable:** | | | |
| 1 | Bridge & Roof Co (India) Ltd | Trade and other payable | 54.12 | 135.95 |
| 2 | Engineers India Ltd | Trade and other payable | 154.95 | 143.69 |
| 3 | Bharat Heavy Electrical Ltd | Trade and other payable | 882.59 | 883.41 |
| 4 | The Shipping Corporation of India Ltd | Trade and other payable | - | 131.41 |
| 5 | Konkan Railway Corporation Ltd | Trade and other payable | 16.87 | 16.85 |
| 6 | Karnataka Power Transmission Corporation Ltd | Trade and other payable | 19.26 | 17.62 |
| 7 | Indian Oil Corporation Limited | Trade and other payable | 106.81 | 0.08 |
| 8 | Indian Strategic Petroleum Reserves Limited (ISPRL) | Trade and other payable | - | 6,462.22 |

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

**42.3.4** Relationship, transactions and outstanding balances with ONGC, HPCL, OMPL, PMHBL, ONGC Nile Ganga BV and ONGC Videsh Ltd. have been disclosed in Note 42.2.1 to 42.2.10 above.

## 43 Financial instruments

### 43.1 Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders; and maintain an optimal capital structure to reduce the cost of capital.

The Company maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Company may vary the distribution of dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 22 and 23 offset by cash and bank balances) and total equity of the Company.

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

### 43.1.1 Gearing Ratio

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

| Particulars | As at 31March, 2021 | As at 31 March, 2020 |
|---|---|---|
| i) Debt * | 162,251.36 | 118,960.72 |
| ii) Total cash and bank balances | 520.62 | 279.95 |
| **Less :** cash and bank balances required for working capital | 520.62 | 279.95 |
| Net cash and bank balances | - | - |
| **iii) Net Debt** | 162,251.36 | 118,960.72 |
| **iv) Total equity** | 75,283.66 | 77,668.25 |
| **v) Net Debt to equity ratio** | 2.16 | 1.53 |
| *** Debt is defined as long-term and short term borrowings as described in note 22 and note 23** | | |

### 43.2 Categories of financial instruments

| Particulars | As at 31March, 2021 | As at 31 March, 2020 |
|---|---|---|
| **Financial assets [refer note 43.2.1 below]** | | |
| **Measured at amortised cost** | | |
| (a) Trade receivables | 24,164.74 | 10,422.69 |
| (b) Cash and cash equivalents | 258.01 | 17.80 |
| (c) Other bank balances | 262.61 | 262.15 |
| (d) Loans | 1,374.78 | 1,241.91 |
| (e) Other financial assets | 1,048.07 | 6,527.90 |
| **Measured at fair value through profit and loss** | | |
| (a) Investments | 0.19 | 0.19 |
| **Financial liabilities** | | |
| **Measured at amortised cost** | | |
| (a) Borrowings | 153,592.36 | 103,876.00 |
| (b) Trade payables | 39,976.60 | 32,711.17 |
| (c) Other financial liabilities | 24,508.81 | 28,608.13 |

43.2.1 Investments in Subsidiary and Joint Venture have not been disclosed above as these are measured at cost less impairment, if any.

**43.3 Financial risk management objectives**

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

**43.4 Market Risk**

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

**43.5 Foreign currency risk management**

The Company undertakes transactions denominated in foreign currencies, primarily for purchases of crude oil and exports sales and has borrowings denominated in foreign currency; consequently, exposures to exchange rate fluctuations arise. Significant carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

| Transaction Currency | Liabilities | | Assets | |
|---|---|---|---|---|
| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2021 | As at March 31, 2020 |
| USD | 111,735.48 | 97,038.67 | 4,663.18 | 2,243.84 |

**43.5.1 Foreign currency sensitivity analysis**

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

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

| USD sensitivity at year end | Year ended March 31, 2021 | Year ended March 31,2020 |
|---|---|---|
| **Receivables:** | | |
| Weakening of INR by 5% | 233.16 | 112.19 |
| Strengthening of INR by 5% | (233.16) | (112.19) |
| **Payables:** | | |
| Weakening of INR by 5% | (5,586.77) | (4,851.93) |
| Strengthening of INR by 5% | 5,586.77 | 4,851.93 |

**43.5.2 Forward foreign exchange contracts**

The Company books short term forward contracts upto a maximum period of 30 days to the limited extent when export receivables date and import payments date do not fall within the spot date.

**43.6 Interest rate risk management**

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

**Interest rate sensitivity analysis**

The sensitivity analysis 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, 2021 would decrease/increase by ₹ 382.03 million (for the year ended March 31, 2020 : decrease/increase by ₹ 377.04 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings (considered on closing balance of borrowings as at year end).

**43.7 Credit risk management**

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

Major customers comprise of public sector undertakings (Oil Marketing Companies - OMCs) and subsidiary Company ONGC Mangalore Petrochemicals Limited (OMPL). Both public sector undertakings (OMCs) and OMPL are having highest credit ratings, carry negligible credit risk. Concentration of credit risk to any other counterparty did not exceed 10% of total monetary assets at any time during the year.

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

**43.8 Liquidity risk management**

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

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

| Particulars As at March 31, 2021 | Weighted average effective interest rate | Less than 1 month | 1 month - 1 year | 1 year - 3 years | More than 3 years | Total | Gross Carrying Value |
|---|---|---|---|---|---|---|---|
| (i) Borrowings | Long term - 3.94 % Short Term - 3.18% | 15,405.00 | 38,964.88 | 25,226.39 | 74,955.66 | 154,551.93 | 153,592.36 |
| (ii) Trade payables | Refer note 26.2 | 30,719.17 | 9,257.43 | - | - | 39,976.60 | 39,976.60 |
| (iii) Other financial liabilities | | 5,197.35 | 12,994.72 | 5,570.01 | 4,040.52 | 27,802.60 | 24,508.81 |

| Particulars As at March 31, 2020 | Weighted average effective interest rate | Less than 1 month | 1 month - 1 year | 1 year - 3 years | More than 3 years | Total | Gross Carrying Value |
|---|---|---|---|---|---|---|---|
| (i) Borrowings | Long term - 4.80 % Short Term - 7.74% | 2,470.32 | 21,890.51 | 17,811.00 | 62,652.88 | 104,824.71 | 103,876.00 |
| (ii) Trade payables | Refer note 26.2 | 27,516.76 | 5,194.41 | - | - | 32,711.17 | 32,711.17 |
| (iii) Other financial liabilities | | 5,618.40 | 16,901.01 | 5,539.09 | 4,356.39 | 32,414.89 | 28,608.13 |

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

| Particulars As at March 31, 2021 | Weighted average effective interest rate | Less than 1 month | 1 month -1 year | 1 year – 3 years | More than 3 years | Total | Gross Carrying Value |
|---|---|---|---|---|---|---|---|
| (i) Investments | | - | - | - | 33,948.43 | 33,948.43 | 33,948.43 |
| (ii) Loans | | | | | | | |
| Loans to Employee | 7.74% | 17.61 | 127.67 | 271.01 | 803.48 | 1,219.77 | 1,219.77 |
| Loan to Customers | 8.39% | - | 0.31 | 1.00 | 3.58 | 4.89 | 4.89 |
| Others | | 2.46 | 0.89 | 0.11 | 337.97 | 341.43 | 150.12 |
| (iii) Trade receivables | Refer note 17.1 | 23,958.08 | 206.66 | - | - | 24,164.74 | 24,164.74 |
| (iv) Cash and cash equivalents | | 258.01 | - | - | - | 258.01 | 258.01 |
| (v) Other Bank balances | | 262.52 | 0.09 | - | - | 262.61 | 262.61 |
| (vi) Other financial assets | | 2.86 | 769.69 | 16.11 | 259.41 | 1,048.07 | 1,048.07 |

| Particulars As at March 31, 2020 | Weighted average effective interest rate | Less than 1 month | 1 month -1 year | 1 year – 3 years | More than 3 years | Total | Gross Carrying Value |
|---|---|---|---|---|---|---|---|
| (i) Investments | | - | - | - | 21,779.23 | 21,779.23 | 21,779.23 |
| (ii) Loans | | | | | | | |
| Loans to Employee | 7.40% | 15.43 | 113.10 | 246.99 | 701.70 | 1,077.22 | 1,077.22 |
| Loan to Customers | 9.55% | 0.01 | 0.14 | 0.35 | 1.24 | 1.74 | 1.74 |
| Others | | 3.40 | 1.11 | 0.10 | 352.06 | 356.67 | 162.95 |
| (iii) Trade receivables | Refer note 17.1 | 10,346.32 | 76.37 | - | - | 10,422.69 | 10,422.69 |
| (iv) Cash and cash equivalents | | 17.80 | - | - | - | 17.80 | 17.80 |
| (v) Other Bank balances | | 262.06 | 0.09 | - | - | 262.15 | 262.15 |
| (vi) Other financial assets | | 2.02 | 6,327.31 | 13.30 | 185.27 | 6,527.90 | 6,527.90 |

The Company has access to financing facilities as described below, of which ₹ Nil were unused at the end of the reporting period (As at March 31, 2020 ₹ Nil). The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Secured bank overdraft facility payable at call : | - | - |
| - amount used | - | - |
| - amount unused | - | - |

**43.9 Fair value measurement**

The management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values unless otherwise stated. The financial liabilities are measured as amortized cost and are classified as Level II from a fair value hierarchy perspective.

## 44. The Financial position of the Joint Venture is as under:

| Particulars (As at March 31, 2021) | 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 Comprehensive income | Toal Comprehensive income |
|---|---|---|---|---|---|---|---|---|---|
| Shell MRPL Aviation Fuels and Services Limited | 1,984.11 | 91.79 | 1,563.43 | 5.87 | 2,604.95 | 8.00 | - | 0.03 | 8.03 |
| **Total** | **1,984.11** | **91.79** | **1,563.43** | **5.87** | **2,604.95** | **8.00** | **-** | **0.03** | **8.03** |

| Particulars (As at March 31, 2020) | 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 Comprehensive Income | Toal Comprehensive Income |
|---|---|---|---|---|---|---|---|---|---|
| Shell MRPL Aviation Fuels and Services Limited | 2,405.41 | 98.63 | 1,921.35 | 9.12 | 8,307.54 | 15.19 | - | (0.91) | 14.28 |
| **Total** | **2,405.41** | **98.63** | **1,921.35** | **9.12** | **8,307.54** | **15.19** | **-** | **(0.91)** | **14.28** |

### 44.1 Additional Financial information related to Joint venture is as under:

| Particulars (As at March 31, 2021) | Cash and Cash Equivalents | Current Financial Liabilities | Non Current Financial Liabilities | Depreciation and Amortisation | Interest Income | Interest Expense | Income Tax Expense on Income |
|---|---|---|---|---|---|---|---|
| Shell MRPL Aviation Fuels and Services Limited | 87.95 | 1,444.32 | 5.59 | 15.02 | 76.18 | 27.00 | 4.48 |
| **Total** | **87.95** | **1,444.32** | **5.59** | **15.02** | **76.18** | **27.00** | **4.48** |

| Particulars (As at March 31, 2020) | Cash and Cash Equivalents | Current Financial Liabilities | Non Current Financial Liabilities | Depreciation and Amortisation | Interest Income | Interest Expense | Income Tax Expense on Income |
|---|---|---|---|---|---|---|---|
| Shell MRPL Aviation Fuels and Services Limited | 533.12 | 1,836.11 | 9.12 | 15.31 | 41.50 | 12.04 | 1.60 |
| **Total** | **533.12** | **1,836.11** | **9.12** | **15.31** | **41.50** | **12.04** | **1.60** |

## 45 Contingent liabilities

### 45.1 Claims against the Company/ disputed demands not acknowledged as debt:-

| Sl. No. | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 1 | **Claims of Contractors / vendors in Arbitration / Court**<br>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 ₹ 1,258.72 million / charged to revenue account would be ₹ 10.88 million (Year ended March 31, 2020 ₹ 1,248.03 million and ₹ 35.86 million). | 1,269.60 | 1,283.89 |
| 2 | **Others**<br>The claim of Mangalore SEZ Limited over and above the advance paid for land and rehabilitation & resettlement work. | 20.05 | 20.05 |
| | **Total** | **1,289.65** | **1,303.94** |

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

### 45.2 Disputed tax / Duty demands pending in appeal as at 31st March,2021

**45.2.1** Income Tax: ₹ 228.76 million as at March 31,2021 (As at March 31, 2020 ₹ 116.52 million). Against this ₹ Nil as at March 31,2021 (As at March 31, 2020 ₹ Nil) is adjusted / paid under protest and is included under tax assets/ liability [**refer note 14**].

**45.2.2** Excise Duty: ₹ 7,633.38 million as at March 31,2021 (As at March 31, 2020 ₹ 7,310.93 million). Against this ₹ 186.39 million as at March 31,2021 (As at March 31, 2020 ₹ 182.10 million) is predeposit / paid under protest and is included under other assets **[refer note 15].**

**45.2.3** Customs Duty: ₹ 956.02 million as at March 31,2021 (As at March 31, 2020 ₹ 916.31 million). Against this ₹ 379.48 million as at March 31,2021 (As at March 31, 2020 ₹ 379.48 million) is adjusted / paid under protest and is included under other assets [**refer note 15**].

## 46 Commitments

### 46.1 Capital Commitments:

**46.1.1** The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at March 31, 2021 ₹ 6,430.64 million (As at March 31, 2020 ₹ 10,662.97 million).

**46.1.2** The Company has requested KIADB for an allotment of 1,050 acres of land for Phase IV expansion. The balance capital commitment in this regard is around ₹ 6,407.14 million (As at March 31,2020 ₹ 6,407.14 million).

**46.2 Other Commitments**

**46.2.1** Pending commitment on account of Refinery-MRPL is in possession of certain land provisionally measuring 36.69 acres ceded by HPCL for use by MRPL Phase III expansion and upgradation work .The consideration for such land is mutually agreed to be by way of swapping of land in possession of MRPL/ HPCL. The final documentation in this regard is pending to be executed.

**46.2.2** Pending commitment on account of Refinery performance improvement programme by M\s.Shell Global International Solution (M\s.Shell GIS) as at March 31, 2021 USD 1.46 million net of advance (As at March 31, 2020 USD 1.46 million net of advance).

**46.2.3** The Company has entered into an arrangement for backstopping support towards payment of cumulative coupon amount for three years Compulsorily Convertible Debentures (CCD) amounting to ₹ 5,100 million (As at March 31,2020 ₹ 5,100 million) issued by subsidiary Company "ONGC Mangalore Petrochemicals Limited (OMPL)". Outstanding accrued interest (if any) for the year ended March 31, 2021 amounting to ₹ Nil (As at March 31, 2020 ₹ Nil).

## 47 Reconciliation of liabilities arising from financing activities.

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

| Sl. No. | Particulars | Opening balance as at 01/04/2020 | Financing cash Flows | Non-cash changes | Closing balance as at 31/03/2021 |
|---|---|---|---|---|---|
| I | **Borrowing - Long Term** | | | | |
| | 1 External commercial borrowing (ECB ) | 26,380.77 | (7,558.00) | (580.87) | 18,241.90 |
| | 2 Loan from Oil Industry Development Board (OIDB) | 5,390.00 | (117.50) | - | 5,272.50 |
| | 3 Deferred payment liabilities - VAT Loan | 360.78 | 74.88 | (17.57) | 418.09 |
| | 4 Working capital term loan from banks (ECB) | 30,025.03 | 11,165.63 | (1,208.70) | 39,981.96 |
| | 5 Non-Convertible Debentures | 25,586.59 | 12,170.00 | (4.34) | 37,752.25 |
| | 6 Foreign Currency Term Loan (FCTL) | - | 6,167.23 | 47.55 | 6,214.78 |
| | 7 Rupee Term Loan | 6,856.72 | (6,856.72) | - | - |
| | **Total** | **94,599.89** | **15,045.52** | **(1,763.93)** | **107,881.48** |
| II | **Borrowing - Short Term** | | | | |
| | 1 Working capital loan from banks | 2,470.32 | (2,470.32) | - | - |
| | 2 Foreign Currency Term Loan (FCTL) | 11,866.06 | (215.70) | 48.04 | 11,698.40 |
| | 3 Commercial Paper | - | 26,500.00 | - | 26,500.00 |
| | 4 Bill Discounting Facility | 6,324.45 | (5,557.97) | - | 766.48 |
| | 5 Other Working Capital Loan | 3,700.00 | 11,705.00 | - | 15,405.00 |
| | **Total** | **24,360.83** | **29,961.01** | **48.04** | **54,369.88** |

| Sl. No. | Particulars | Opening balance as at 01/04/2019 | Financing cash Flows | Non-cash changes | Closing balance as at 31/03/2020 |
|---|---|---|---|---|---|
| I | **Borrowing - Long Term** | | | | |
| | 1 External commercial borrowing (ECB ) | 24,092.40 | - | 2,288.37 | 26,380.77 |
| | 2 Loan from Oil Industry Development Board (OIDB) | 2,680.00 | 2,710.00 | - | 5,390.00 |
| | 3 Deferred payment liabilities - VAT Loan | 225.56 | 423.85 | (288.63) | 360.78 |
| | 4 Working capital term loan from banks (ECB) | 68.52 | 27,752.88 | 2,203.63 | 30,025.03 |
| | 5 Non-Convertible Debentures | - | 25,600.00 | (13.41) | 25,586.59 |
| | 6 Deferred payment liabilities - CST | 218.63 | (218.63) | - | - |
| | 7 Foreign Currency Term Loan (FCTL) | 3,458.00 | (3,458.00) | - | - |
| | 8 Rupee Term Loan | 11,999.70 | (5,142.98) | - | 6,856.72 |
| | **Total** | **42,742.81** | **47,667.12** | **4,189.96** | **94,599.89** |
| II | **Borrowing - Short Term** | | | | |
| | 1 Working capital loan from banks | 3,071.58 | (601.26) | - | 2,470.32 |
| | 2 Foreign Currency Term Loan (FCTL) | 17,290.00 | (5,664.63) | 240.69 | 11,866.06 |
| | 3 Buyers Credit & Pre/Post Shipment Export Credit | 24,206.00 | (24,206.00) | - | - |
| | 4 Commercial Paper | 4,000.00 | (4,000.00) | - | - |
| | 5 Bill Discounting Facility | - | 6,324.45 | - | 6,324.45 |
| | 6 Other Working Capital Loan | - | 3,700.00 | - | 3,700.00 |
| | **Total** | **48,567.58** | **(24,447.44)** | **240.69** | **24,360.83** |

The cash flows from bank loans, loans from related parties and other borrowings make up the net amount of proceeds from borrowings and repayments of borrowings in the Statement of Cash Flows.

**48 Disclosure as per Ind AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 'Presentation of Financial Statements'.**

The Company during the year has reclassified Employee Benefits related to contribution for Provident Fund from Defined Contribution Plan to Other Long Term Employee Benefits. In accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' the application of accounting policy for transactions, other events or conditions that differs in substance from those previously occurring are not changes in accounting policy. The effect of same on Statement of Profit and Loss for the year ended March 31, 2021 is ₹ 271.83 million and for previous years the same was ₹ Nil.

Certain minor improvements / changes in some polices for improved disclosures, understandability and clarity have also been made in the Significant Accounting Policy **[refer note 3]**. However, such improvements / changes have no impact on the Standalone Ind AS financial statements.

**49 Disclosure as per Ind AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 'Presentation of Financial Statements'.**

**Reconciliation of Financial Statement line items which are retrospectively restated are as under (to the extent practicable):**

**49.1** The Subsidiary Company OMPL has issued ₹10,000 Million Compulsorily Convertible Debentures (CCDs) on March 05, 2020 (1000 Nos. of ₹ 10 Million each). It was treated as Compound Financial Instrument (CFI) and accordingly classified into Equity and Debt component adopting accounting treatment as per Ind AS 32. Correspondingly the company has disclosed only the backstopping arrangement by way of notes in Standalone Financial Statement. The Comptroller & Auditor General (C&AG) of India observed deficiencies in this regard and suggested for corrective and remedial action (if any) for treatment adopted by the Subsidiary Company "OMPL" in FY 2019-20 along with treatment made in the books of holding company. The company along with subsidiary had given assurance to refer the matter to the Expert Advisory Committee (EAC) of The Institute of Chartered Accountants of India (ICAI). Accordingly, the Company along with Subsidiary has referred this matter to EAC on above issue. EAC opined on the said matter on May 5, 2021 that the accounting treatment of CCDs issued by the Subsidiary Company is not in line with the requirements of Ind AS 32 and the CCDs shall be classified as financial liabilities ( the equity conversion feature can only be settled through the issue of equity shares, however, there is an obligation to issue a variable number of shares, the number of shares to be issued is based on the share price on conversion. In other words, the conversion price and, hence, the conversion ratio of CCDs into ordinary equity shares of the Company is not fixed at the point of initial recognition of the CCDs. Therefore, the conversion component within the instrument would not meet the criteria laid down in Ind AS 32 for the purpose of classifying as equity) in entirety and opined to correct the accounting treatment as a prior period error retrospectively. Accordingly, considering the EAC opinion, the subsidiary Company has treated the CCDs as financial liability. Further to that the company has also received opinion for their standalone Financial statement that the current accounting treatment in the financial statements of the Company is not in line with the requirements of Ind AS 32 and the Company shall comply with the relevant presentation and disclosure requirements of Ind AS 107 and Division II of Schedule III to the Companies Act, 2013. The Company shall correct the accounting treatment of the CCDs as a prior period error retrospectively. The company has now corrected the accounting treatment by restating the Financial Statement for the year ending March 31, 2020.

**49.2 Reconciliation of restated items of Balance Sheet as at March 31, 2020 :**

| Particulars | Note No. | As at March 31, 2020 | | |
|---|---|---|---|---|
| | | As previously reported | Adjustment | As Restated |
| Investments **[refer note a below]** | 11 | 17,576.56 | 4,202.67 | 21,779.23 |
| Deferred Tax Assets (net) **[refer note b below]** | 25 | 3,458.46 | (306.33) | 3,152.13 |
| Others | | 233,054.61 | - | 233,054.61 |
| **Total Assets** | | **254,089.63** | **3,896.34** | **257,985.97** |
| Other Equity **[refer note c below]** | 21 | 60,468.65 | (327.04) | 60,141.61 |
| Other Non-Current Financial Liability**[refer note d below]** | 23 | 1,868.65 | 4,221.45 | 6,090.10 |
| Other Non-Current Liability **[refer note e below]** | 27 | 3,596.15 | 1.27 | 3,597.42 |
| Other Current Liability **[refer note f below]** | 27 | 8763.83 | 0.66 | 8,764.49 |
| Others | | 179,392.35 | - | 179,392.35 |
| **Total Equity & Liabilities** | | **254,089.63** | **3,896.34** | **257,985.97** |

**49.3 Reconciliation of restated items of Statement of Profit and Loss for the year ended March 31, 2020 :**

| Particulars | Note No. | Year ended March 31,2020 | | |
|---|---|---|---|---|
| | | As previously reported | Adjustment | As Restated |
| Other Income **[refer note g below]** | 29 | 1,050.41 | 0.05 | 1,050.46 |
| Finance Cost **[refer note h below]** | 34 | 7,425.85 | 20.76 | 7,446.61 |
| Deferred Tax Expense **[refer note i below]** | 25 | (13,515.22) | 306.33 | (13,208.89) |
| **Profit / (Loss) for the year** | | (27,076.42) | (327.04) | (27,403.46) |
| **Total Comprehensive Income for the year** | | (27,162.15) | (327.04) | (27,489.19) |
| **Earnings Per Share** | | | | |
| Basic and diluted (in ₹) | 38 | (15.45) | (0.19) | (15.64) |

**49.4** Reconciliation of Statement of Cash Flows for the year ended March 31, 2020 **[refer note j below]**:

| Particulars | Year ended March 31, 2020 | | |
|---|---|---|---|
| | As previously reported | Adjustment | As Restated |
| Profit / (Loss) after Tax | (27,076.42) | (327.04) | (27,403.46) |
| Tax Expense | (12,477.86) | 306.33 | (12,171.53) |
| Finance Cost | 7,425.85 | 20.76 | 7,446.61 |
| Amortisation of Deferred Government Grant / Guarantee | (187.94) | (0.05) | (187.99) |

**a.** Recognition of deemded investment on account of fair value of CCDs liability and guarantee charges on the interest.

**b.** Recognition of Deferred Tax on fair value of CCDs liability and guarantee charges (Net).

**c.** Amortization of CCDs fair value liability, recognition of guarantee income, Deferred Tax Impact of fair value of CCDs liability and guarantee charges (Net).

**d.** Recognition of fair value of CCDs liability and amortization of same during the financial year.

**e.** Non Current portion of Financial Guarantee Obligation.

**f.** Current portion of Financial Guarantee Obligation.

**g.** Unwinding of fair value of guarantee charges.

**h.** Amortization of CCDs fair value liability.

**i.** Impact on deferred tax on account of recognition of fair value of CCDs liability and guarantee charges and subsequent amortization and unwinding of same.

**j** Impact on Statement of Cash Flows can be ascertained from changes in Balance Sheet and Statement of Profit and loss as referred above.

**50** 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.

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

**52** 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.

**53** The outbreak of COVID-19 pandemic globally and resultant lockdown in many countries and has impacted the business of the Company. Consequently lower demand for crude oil and petroleum products has impacted the prices and refining margin globally during the part of the year and resulted in reduction in sales for the Company. The capacity utilisation gradually improved subsequently. Management has assessed the potential impact of COVID 19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long term basis/ on useful life of the assets/ on long term financial position etc. though there may be lower revenues and refinery throughput in the near future.

**54** The Board had accorded consent for amalgamation of the subsidiary ONGC Mangalore Petrochemicals Limited with the Mangalore Refinery and Petrochemicals Limited (MRPL), subject to necessary approvals. The Company had received “No Objection” vide letter dated April 18, 2018 from Ministry of Petroleum & Natural Gas. No effect is considered towards the same in the financial statements as it is still at a preliminary stage.

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

**56 Approval of financial statements**

The financial statements were approved for issue by the Board of Directors on May 17, 2021

# INDEPENDENT AUDITOR'S REPORT

To The Members of

**Mangalore Refinery and Petrochemicals Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated financial statements of **MANGALORE REFINERY AND PETROCHEMICALS LIMITED** (hereinafter referred to as "the Holding Company"),it's subsidiary **ONGC MANGALORE PETROCHEMICALS LIMITED** (the Holding Company and its subsidiary together referred to as "the Group") and its jointly controlled entity, **SHELL MRPL AVIATION FUELS AND SERVICES LIMITED**, which comprise the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and notes to Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group, and its jointly controlled entity as at 31st March, 2021, of consolidated loss (includingother comprehensive income), consolidated statements of changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

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

### Emphasis of Matter

We invite attention to the following Notes to statement of Consolidated Financial Statements;

(a) Note No. 41.2.2(c) regarding provision of ₹ 28.72 Million and ₹ 243.11 Million respectively, to make good the loss in value of investment considering the employer's obligation under the Provident Fund Regulations, arising out of shortfall primarily due to default over interest obligations and the probable principle default anticipated on Non-convertible Debentures of certain Companies wherein the Provident Fund Trust has made its investments. The Provident Fund Trust has marked down the above investment by 70% in its books which will depend upon the future outcome of various matters and the recognition of company's claim in these matters.

(b) Note No.50 which describes the disclosure and accounting treatment including the restatement of the financial statement of the group for the year ending 31st March,2020 on the basis of the Expert Advisory Committee

(EAC) opinion of the Institute of Chartered Accountants of India (ICAI) in respect of the Compulsorily Convertible Debentures (CCD) issued by the subsidiary and the resultant backstopping arrangement by the Holding company.

(c) Note No 55 relating to the impact of COVID-19 on the Group's business and the appropriateness of preparing these consolidated financial statements on a going concern basis which is more fully described therein.

Our opinion is not modified in respect of the above referred (a) to (c) matters.

## Key Audit Matters

Key audit matters are those matters that, in our Professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

| The Key Audit Matters | How the matter was addressed in our audit |
|---|---|
| **Modified Audit Procedures necessitated in the second spell of our final audit pursuant to the second wave of COVID-19 pandemic:** | |
| Due to the Nation-wide second wave of COVID-19 pandemic and the consequent travel and other restrictions, the final part of the second phase of our audit could not be carried through our physical presence at the operating locations/other business areas/ Corporate Office of the Holding company. To a limited extent, this extraordinary situation has necessitated modification of our audit procedures so as to carry out the audit remotely through online access, receipt of digital documents, online meetings etc.<br><br>Due to this extraordinary situation on account of the second wave of Covid-19 pandemic, to the extent of our physical presence was absent as stated above, we have identified such modified audit procedures as a Key Audit Matter. | The Holding company provided us the VPN access over secured network to their SAP system for verification of books of accounts and documents backed by email communication, video conference and other communication system to complete the audit. To the extent of our physical presence was absent, we carried the audit processes on the basis of verification of such books of accounts, records, documents etc. made available to us as above, which were relied upon as audit evidence for conducting the audit and reporting for the current period.<br><br>We have carried out the verification of scanned copies of the documents, evidences etc produced before us from time to time through the aforesaid medium and kept as audit evidences.<br><br>We have made enquiries, discussed our audit observations, and gathered necessary audit evidences and information through email, video conferencing, dialogues and similar communication channels.<br><br>Wherever the confirmation from banks and other parties in respect of outstanding balances were not directly received to us, we have relied on the confirmation and statements obtained by the company in this regard and carried other audit procedures including the verification of subsequent events and transactions. |

| | |
|---|---|
| | Wherever the title deeds of immovable properties are held in physical form, the access of which is not available in SAP system, we have relied on the other details and management representation in this regard,<br><br>We have also relied upon and performed our audit procedures in accordance with the advisories and guidance issued by the institute of chartered accountants of India for Audit and Accounting procedure under Covid 19 situation. |
| **Contingent Liabilities related to claims against the company/Disputed demands (Refer Note No 46 of accompanying Consolidated Financial Statements)** | |
| There are several claims and litigations pending before various forums against the Group which have not been acknowledged as debt by the company and are disclosed as contingent Liabilities.<br><br>Whether a liability is recognised or disclosed as a contingent liability in the financial statements is inherently judgmental and dependent on a number of significant assumptions and assessments. The eventual outcome of these legal proceedings is dependent on the outcome of future events and unexpected adverse outcomes could significantly impact the Group's reported Loss and balance sheet position.<br><br>Considering the degree of management judgement in interpreting the various cases, including accounting estimates that involves high estimation uncertainty in relation to the exposure arising out the claims against the Group/disputed demand, this matter has been identified as a key audit matter for the current year audit. | Our audit procedure included, but was not limited to the following:<br><br>• Obtained an understanding of the management process for:<br>  • Controls and identification of legal actions initiated in respect of claims and disputed amount against the Group<br>  • Assessment of accounting treatment for each such litigation identified under Ind AS 37 and<br>  • Measurement of amounts involved.<br><br>• Obtained an understanding of the nature of litigations pending against the Group and discussed the developments during the year for key litigations with the management and respective legal department of the Group<br><br>• Assessed management's conclusions through understanding precedents set in similar cases<br><br>• Evaluated the adequacy and completeness of disclosures made for their appropriateness in accordance with the applicable accounting standards . |
| **Recognition and Measurement Deferred Tax Assets** | |
| As per IND AS 12, Deferred Tax Assets are the amount of income tax recoverable in future periods in respect of (a) deductible temporary differences (b) the carry forward of unused tax losses and (c) the carry forward of unused tax credits.<br><br>A deferred tax asset shall be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is | Our audit procedure included, but was not limited to the following :<br><br>• Considered the Group's past years taxable profits and taxes paid, obtained details of carry forward losses under income tax and details of estimates of future taxable profits.<br><br>• Tested the period over which the deferred tax assets on such unused tax losses and unused tax credits would be recovered against future taxable income. |

| | |
|---|---|
| probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.<br><br>Determination of probable future taxable profit is a matter of judgment based on convincing evidence. Considering the management's involvement in estimation and judgment of determining the future taxable profits which have a degree of uncertainty, this matter has been determined as a key audit matter. | • Tested the management's under lying assumptions and judgments in estimating the probable future taxable profits and the existence of sufficient taxable temporary difference against which the unused tax losses or unused tax credits can be utilised by the Group.<br><br>• Assessed the adequacy and appropriateness of the disclosures in the ConsolidatedFinancial Statements. |

## Other Information

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

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

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

When we read the information, If we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013("Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flow of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In Preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are also responsible for overseeing the financial reporting process of the companies included in the Group and of its jointly controlled entity.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its jointly controlled entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its jointly controlled entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its jointly controlled entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

## Other Matters

(i) We did not audit the financial statements / financial information of one subsidiary and one jointly controlled entity, whose financial statements/ financial information reflect total Assets of ₹ 72,920.68 Million as at 31st March, 2021, Total revenues of ₹ 33,986.30 Million and net cash inflow amounting to ₹ 0.04 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 Loss of ₹ 0.52 Million for the year ended 31st March, 2021, as considered in the consolidated financial statements, in respect of 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 these subsidiary and jointly controlled entity, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and jointly controlled entity, is based solely on the reports of the other auditors.

(ii) The audit of the Consolidated Financial Statements for the year ended 31st March, 2020 included in the statement was carried out and reported by the predecessor auditors, who have expressed unmodified opinion vide their audit report dated 9th June,2020 whose report has been furnished to us and which have been relied upon by us for the purpose of our audit of the statement.

Our opinion above on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above (i) and (ii) matters

## Report on Other Legal and Regulatory Requirements

(1) Based on the verification of Records of the Holding Company and based on information and explanations

given to us, we give here below a report on the Directions issued by the Comptroller and Auditor General of India in terms of Section 143 (5) of the Act:

a. The company process all the accounting transactions through IT system, named SAP. Based on the audit procedures carried out and as per the information and explanations given to us, there were no accounting transactions processed outside the IT system for the year ended 31st March, 2021 closure, no financial implications arise to impact the integrity of accounts.

b. Based on the audit procedures carried out and as per the information and explanations given to us , there is no restructuring of an existing loan or cases of waiver/write off of debt/loans/interest etc. made by lender to the company due to the company's inability to repay the loan.

c. Based on the audit procedures carried out and as per the information and explanations given to us. Government grants in the form of interest free loans received from the State Government have been properly accounted and utilised as per the terms and conditions. Government grants in the form of export incentives received by the subsidiary company in the form of MEISscrips have been properly accounted as per the terms and conditions.

For the Subsidiary Company no adverse comments have been made in respect of the above and for the jointly controlled entity no directions have been issued as per the respective audit reports.

(2) As required by section 143 (3) of the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

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

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of theAct, read with rule 7 of the Companies (Accounts) Rules, 2014.

e) As per Notification No. GSR 463(E) of the Ministry of Corporate Affairs dated 05-06-2015. Disqualification of directors stated under Section 164(2) of the Act is not applicable to the Holding Company and subsidiary Company, since they are Government Companies.

   On the basis of the written representations received from the Directors of the jointly controlled entity as on 31st March, 2021, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the jointly controlled entity incorporated in India, none of the directors of the jointly controlled entity incorporated in India is disqualified as on 31st March, 2021, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and its jointly controlled entity incorporated in India and the operating effectiveness of such controls, refer to our separate report in **"Annexure A"**. With regard to Subsidiary and the jointly controlled entity, the reports of the other auditors are taken into account.

g) In respect of the Holding Company and its Subsidiary Company as per Notification No GSR 463 (E) of Ministry of Corporate Affairs dated 05-06-2015, provisions of Section 197 as regards managerial remuneration to director are not applicable since they are Government Companies.

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

(I) The consolidated financial statement disclose the impact of pending litigation as at 31st March, 2021 on the consolidated financial position of the Group and its jointly controlled entity – Refer Note No. 46 to the consolidated financial statements.

(II) The Group and its jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts and

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its Subsidiary Company and its jointly controlled entity Incorporated in India.

---

For **SANKAR & MOORTHY**
Chartered Accountants
Firm Registration Number: 003575S

Sd/-
**CA JAYAPRAKESH M C**
Partner
Membership no: 215562

Plac : Kannur
Date : 17th May 2021
UDIN : 21215562AAAACZ4968

For **RAM RAJ & CO**
Chartered Accountants
Firm Registration Number: 002839S

Sd/-
**CA G VENKATESWARA RAO**
Partner
Membership no: 024182

Place : Bangalore
Date : 17th May 2021
UDIN :21024182AAAACS9498

# "ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

**REFERRED TO IN PARAGRAPH 2 (f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE MANGALORE REFINERY AND PETROCHEMICALS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2021**

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

In conjunction with our audit of the Consolidated financial statements of **MANGALORE REFINERY AND PETROCHEMICALS LIMITED**(hereinafter referred to as "the Holding Company"), its subsidiary **ONGC MANGALORE PETROCHEMICALS LIMITED** and its jointly controlled entity **SHELL MRPL AVIATION FUELS AND SERVICES LIMITED**(the Holding Company and its subsidiary together referred to as "the Group") which are the companies incorporated in India as at 31st March, 2021, We have audited the internal financial controls with reference to consolidated financial statements of the group and its jointly controlled entity as on that date.

## Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary and its jointly controlled entity, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements reporting criteria established by the respective 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 internal financial controls with reference to consolidated financial statements of Holding Company, its subsidiary and its jointly controlled entity, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 with reference to consolidated financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in "Other Matters" Paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system with reference to these consolidated financial statements of the Company, its subsidiary company and its jointly controlled entity, which are companies incorporated in India.

## Meaning of Internal Financial Controls with reference to Consolidated Financial statements

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

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

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

### Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary company and its jointly controlled entity, which are the companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to these consolidated financial statements and those internal financial controls were operating effectively as at 31st March, 2021, based on the internal control with reference to financial statements reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

We did not audit the internal financial controls with reference to financial statements of the subsidiary and jointly controlled entity. The internal financial controls with reference to financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated report on internal financial controls with reference to these consolidated financial statements in so far as it relates to the information included in respect of the subsidiary and jointly controlled entity, and our report in terms of clause 1 of sub Section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and jointly controlled entity, is based solely on the reports of the other auditors.

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

For **SANKAR & MOORTHY**
Chartered Accountants
Firm Registration Number: 003575S

Sd/-
**CA JAYAPRAKESH M C**
Partner
Membership no: 215562

Plac : Kannur
Date : 17th May 2021
UDIN : 21215562AAAACZ4968

For **RAM RAJ & CO**
Chartered Accountants
Firm Registration Number: 002839S

Sd/-
**CA G VENKATESWARA RAO**
Partner
Membership no: 024182

Place : Bangalore
Date : 17th May 2021
UDIN :21024182AAAACS9498

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ million unless otherwise stated)

## A Equity share capital

| Particulars | Amount |
|---|---|
| **Balance as at April 1, 2019** | **17,526.64** |
| Changes in equity share capital during the year | - |
| **Balance as at March 31, 2020** | **17,526.64** |
| Changes in equity share capital during the year | - |
| **Balance as at March 31, 2021** | **17,526.64** |

## B Other equity

| Particulars | Deemed Equity | Reserves and Surplus | | | | | | | Items of OCI | Attributable to Equity holders of the Parent | Non controlling Interest | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | General Reserve | Capital Redemption Reserve | Securities Premium | Debenture Redemption reserve | Capital Reserve | Retained Earnings | Other Reserve | Cash Flow Hedge Reserve | | | |
| Balance as at April 1, 2019 | 42.17 | 1,192.00 | 91.86 | 3,466.45 | 228.94 | 0.07 | 76,909.40 | - | 0.24 | 81,931.13 | 3,001.36 | 84,932.49 |
| Profit / (Loss) after tax for the year | - | - | - | - | - | - | (33,546.31) | - | - | (33,546.31) | (6,878.86) | (40,425.17) |
| Other Comprehensive Income for the year, net of income tax | - | - | - | - | - | - | (86.96) | - | (0.61) | (87.57) | (1.34) | (88.91) |
| **Total Comprehensive Income** | **-** | **-** | **-** | **-** | **-** | **-** | **(33,633.27)** | **-** | **(0.61)** | **(33,633.88)** | **(6,880.20)** | **(40,514.08)** |
| Addition / (Transfer) during the year | 1.89 | - | - | (2.55) | - | - | - | - | - | (0.66) | 2,447.46 | 2,446.80 |
| Transfer to Debenture Redemption Reserve | - | - | - | - | (228.94) | - | 116.76 | - | - | (112.18) | 112.18 | - |
| Payment of dividends | - | - | - | - | - | - | (1,752.60) | - | - | (1,752.60) | - | (1,752.60) |
| Tax on dividends | - | - | - | - | - | - | (360.25) | - | - | (360.25) | - | (360.25) |
| **Balance as at March 31, 2020 *** | **44.06** | **1,192.00** | **91.86** | **3,463.90** | **-** | **0.07** | **41,280.04** | **-** | **(0.37)** | **46,071.56** | **(1,319.20)** | **44,752.36** |
| Profit / (Loss) after tax for the year | - | - | - | - | - | - | (5,675.13) | - | - | (5,675.13) | (1,974.54) | (7,649.67) |
| Other Comprehensive Income for the year, net of income tax | - | - | - | - | - | - | 20.51 | - | 0.37 | 20.88 | - | 20.88 |
| **Total Comprehensive Income** | **-** | **-** | **-** | **-** | **-** | **-** | **(5,654.62)** | | **0.37** | **(5,654.25)** | **(1,974.54)** | **(7,628.79)** |
| Effect of stake acquired from Non-Controlling Interest | - | - | - | - | - | - | - | (15,462.94) | - | (15,462.94) | 3,293.74 | (12,169.20) |
| **Balance as at March 31, 2021** | **44.06** | **1,192.00** | **91.86** | **3,463.90** | **-** | **0.07** | **35,625.42** | **(15,462.94)** | **-** | **24,954.37** | **-** | **24,954.37** |

* Restated, refer Note No. 50

As per our report of even date attached

**For RAM RAJ & CO**
Chartered Accountants
Firm Registration No. : 002839S

Sd/-
**CA. G VENKATESWARA RAO**
Partner
Membership No. 024182

Place : New Delhi
Date : 17/05/2021

**For SANKAR & MOORTHY**
Chartered Accountants
Firm Registration No. : 003575S

Sd/-
**CA. JAYAPRAKESH MC**
Partner
Membership No. 215562

For and on behalf of the Board

Sd/-
**M VENKATESH**
Managing Director
DIN: 07025342

Sd/-
**POMILA JASPAL**
Director (Finance)
DIN: 08436633

Sd/-
**K. B. SHYAM KUMAR**
Company Secretary

## FORM AOC-1

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint venture as on 31.03.2021

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

### Part "A": Subsidiary

**(All amounts are in ₹ million unless otherwise stated)**

| | | | | As at 31.03.2021 | | | | | | Year ended March 31, 2021 (from 1st April 2020 to 31st March 2021) | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| Sl. No. | Name of the subsidiary (Indian Company) | The date since when subsidiary was acquired | Reporting period for the subsidiary | Reporting currency and Exchange rate | Share capital | Reserves & surplus | Total assets | Total Liabilities | Details of Investment * | Turnover | Profit/ (Loss) before taxation | Provision for taxation | Profit/ (Loss) after taxation | Total Comprehensive Incom | Proposed Dividend | % of share holding |
| 1 | ONGC Mangalore Petrochemicals Limited | February 28, 2015 | 01.04.2020 to 31.03.2021 | INR | 25,442.91 | (32,709.92) | 72,920.68 | 80,187.69 | 4.80 | 33,744.18 | (5,148.72) | (591.47) | (4,557.25) | (4,556.36) | - | 99.99996% |

* 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 2020-21: Nil**

## Part "B": Joint Venture

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

| Name of joint Venture | Shell MRPL Aviation Fuels and Services Limited |
|---|---|
| **1.** Latest audited Balance Sheet Date | 31-Mar-21 |
| **2.** Date on which the Joint Venture was acquired | March 11, 2008 |
| **3.** Shares of Joint Venture held by the company on the year end | |
| **i.** Number (in million) | 15 |
| **ii.** Amount of Investment in Joint Venture (**₹ in million)** | 150.00 |
| **iii.** 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 (**₹ in million)** | 253.30 |
| **7.** Profit or Loss for the year | |
| **i.** Considered in Consolidation (**₹ in million)** | 4.01 |
| **ii.** Not Considered in Consolidation | |

**1. Names of joint venture which are yet to commence operations: Nil**

**2. Names of joint venture which have been liquidated or sold during the year 2020-21: Nil**

**As per our report of even date attached**

**For and on behalf of the Board**

**For RAM RAJ & CO**
Chartered Accountants
Firm Registration No. : 002839S

Sd/-
**CA. G VENKATESWARA RAO**
Partner
Membership No. 024182

**For SANKAR & MOORTHY**
Chartered Accountants
Firm Registration No. : 003575S

**Sd/-**
**CA. JAYAPRAKESH MC**
Partner
Membership No. 215562

Sd/-
**M VENKATESH**
Managing Director
DIN: 07025342

Sd/-
**POMILA JASPAL**
Director (Finance)
DIN: 08436633

Sd/-
**K. B. SHYAM KUMAR**
Company Secretary

Place : New Delhi
Date : 17/05/2021

## SCHEDULE-III ADDITIONAL DISCLOSURE ON CONSOLIDATED FINANCIAL STATEMENTS AS ON MARCH 31, 2021

(All amounts are in ₹ million unless otherwise stated)

| Name of the entity | Country of incorporation | Net Asset (i.e. Total Asset minus Total Liabilities) | | Share in Profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|
| | | As a % of Consolidated Net Assets | Amount | As a % of Consolidated profit or loss | Amount | As a % of Consolidated other comprehensive income | Amount | As a % of Consolidated total comprehensive income | Amount |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| **Parent** | | | | | | | | | |
| **Mangalore Refinery and Petrochemicals Limited** | **India** | 116.51% | 49,494.72 | 40.48% | (3,096.42) | 95.69% | 19.98 | 40.33% | (3,076.44) |
| **Subsidiary** | | | | | | | | | |
| **Indian** | | | | | | | | | |
| ONGC Mangalore Petrochemicals Ltd. (OMPL) | **India** | -17.11% | (7,267.01) | 33.76% | (2,582.71) | 4.26% | 0.89 | 33.84% | (2,581.82) |
| Non controlling interest in subsidiary | | 0.00% | - | 25.81% | (1,974.54) | 0.00% | - | 25.88% | (1,974.54) |
| **Joint Venture Entity** | | | | | | | | | |
| **Indian** | | | | | | | | | |
| Shell MRPL Aviation Fuels & Services Limited | **India** | 0.60% | 253.30 | -0.05% | 4.00 | 0.05% | 0.01 | -0.05% | 4.01 |
| **Net** | | **100.00%** | **42,481.01** | **100.00%** | **(7,649.67)** | **100.00%** | **20.88** | **100.00%** | **(7,628.79)** |

**As per our report of even date attached**

**For RAM RAJ & CO**
Chartered Accountants
Firm Registration No. : 002839S

Sd/-
**CA. G VENKATESWARA RAO**
Partner
Membership No. 024182

Place : New Delhi
Date : 17/05/2021

**For SANKAR & MOORTHY**
Chartered Accountants
Firm Registration No. : 003575S

Sd/-
**CA. JAYAPRAKESH MC**
Partner
Membership No. 215562

**For and on behalf of the Board**

Sd/-
**M VENKATESH**
Managing Director
DIN: 07025342

Sd/-
**POMILA JASPAL**
Director (Finance)
DIN: 08436633

Sd/-
**K. B. SHYAM KUMAR**
Company Secretary

# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

(All amounts are in ₹ million unless otherwise stated)

| | Particulars | Note No. | As at March 31, 2021 | As at March 31, 2020 * |
|---|---|---|---|---|
| | **ASSETS** | | | |
| I | **Non-Current Assets** | | | |
| | (a) Property, Plant and Equipment | 5 | 184,347.89 | 192,416.93 |
| | (b) Right-of-Use Assets | 6 | 7,680.07 | 7,948.52 |
| | (c) Capital Work-in-Progress | 7 | 23,662.40 | 17,459.49 |
| | (d) Investment Property | 8 | 77.96 | 77.96 |
| | (e) Goodwill (Including Goodwill on Consolidation) | 9 | 3,772.78 | 3,772.78 |
| | (f) Other Intangible Assets | 10 | 85.73 | 97.93 |
| | (g) Financial Assets | | | |
| | (i) Investments | 11 | 254.94 | 292.95 |
| | (ii) Loans | 12 | 1,254.80 | 1,151.03 |
| | (iii) Other Financial Assets | 13 | 275.52 | 198.57 |
| | (h) Non-Current Tax Assets (net) | 14 | 1,636.56 | 1,636.54 |
| | (i) Deferred Tax Assets (net) | 26 | 13,775.45 | 12,247.09 |
| | (j) Other Non-Current Assets | 15 | 8,170.56 | 8,722.48 |
| | **Total Non Current Assets (I)** | | **244,994.66** | **246,022.27** |
| II | **Current Assets** | | | |
| | (a) Inventories | 16 | 71,028.01 | 42,322.21 |
| | (b) Financial Assets | | | |
| | (i) Trade Receivables | 17 | 24,506.71 | 10,171.72 |
| | (ii) Cash and Cash Equivalents | 18 | 258.25 | 18.00 |
| | (iii) Bank Balances other than (ii) above | 19 | 262.61 | 262.15 |
| | (iv) Loans | 12 | 158.28 | 133.19 |
| | (v) Other Financial Assets | 13 | 6.12 | 6.56 |
| | (c) Current Tax Assets (net) | 14 | 1,884.36 | 1,983.14 |
| | (d) Other Current Assets | 15 | 4,195.21 | 4,734.12 |
| | **Total Current Assets (II)** | | **102,299.55** | **59,631.09** |
| | **TOTAL ASSETS (I+II)** | | **347,294.21** | **305,653.36** |
| | **EQUITY AND LIABILITIES** | | | |
| I | **Equity** | | | |
| | (a) Equity Share Capital | 20 | 17,526.64 | 17,526.64 |
| | (b) Other Equity | 21 | 24,954.37 | 46,071.56 |
| | (c) Non Controlling Interest | 22 | - | (1,319.20) |
| | **Total Equity (I)** | | **42,481.01** | **62,279.00** |
| | **LIABILITIES** | | | |
| II | **Non-Current Liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 23 | 156,993.17 | 132,259.33 |
| | (ii) Other Financial Liabilities | 24 | 2,071.78 | 2,130.68 |
| | (b) Provisions | 25 | 1,360.45 | 1,118.80 |
| | (c) Other Non-Current Liabilities | 28 | 3,448.43 | 3,596.15 |
| | **Total Non Current Liabilities (II)** | | **163,873.83** | **139,104.96** |
| III | **Current Liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 23 | 70,528.20 | 35,254.97 |
| | (ii) Trade Payables | 27 | | |
| | - Total outstanding dues of micro enterprises and small enterprises | | 316.43 | 368.83 |
| | - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 39,714.88 | 32.396.50 |
| | (iii) Other Financial Liabilities | 24 | 20,831.62 | 25,637.43 |
| | (b) Other Current Liabilities | 28 | 4,009.32 | 8,790.50 |
| | (c) Provisions | 25 | 5,538.92 | 1,821.17 |
| | **Total Current Liabilities (III)** | | **140,939.37** | **104,269.40** |
| IV | **Total Liabilities (II+III)** | | **304,813.20** | **243,374.36** |
| | **TOTAL EQUITY AND LIABILITIES (I+IV)** | | **347,294.21** | **305,653.36** |

*** Restated, refer Note no. 50**

**See accompanying notes to the Consolidated financial statements (1-59)**

**As per our report of even date attached**

**For and on behalf of the Board**

**For RAM RAJ & CO**
Chartered Accountants
Firm Registration No. : 002839S

Sd/-
**CA. G VENKATESWARA RAO**
Partner
Membership No. 024182

**For SANKAR & MOORTHY**
Chartered Accountants
Firm Registration No. : 003575S

**Sd/-**
**CA. JAYAPRAKESH MC**
Partner
Membership No. 215562

Sd/-
**M VENKATESH**
Managing Director
DIN: 07025342

Sd/-
**POMILA JASPAL**
Director (Finance)
DIN: 08436633

Sd/-
**K. B. SHYAM KUMAR**
Company Secretary

Place : New Delhi
Date : 17/05/2021

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ million unless otherwise stated)

| | Particulars | Note No. | Year ended March 31, 2021 | Year ended March 31, 2020 * |
|---|---|---|---|---|
| I. | Revenue from Operations | 29 | 508,952.32 | 599,800.04 |
| II. | Other Income | 30 | 968.67 | 820.11 |
| **III.** | **Total Income (I + II)** | | **509,920.99** | **600,620.15** |
| **IV.** | **Expenses:** | | | |
| | Cost of Materials Consumed | 31 | 291,601.45 | 461,666.18 |
| | Purchases of Stock-in-Trade | 32 | 11,931.73 | 33,520.79 |
| | Changes in Inventories of Finished Goods and Stock-in-Process | 33 | (12,543.81) | 12,596.25 |
| | Excise Duty on Sale of Goods | | 188,367.81 | 97,496.06 |
| | Employee Benefits Expense | 34 | 5,761.55 | 5,004.30 |
| | Finance Costs | 35 | 5,544.72 | 12,463.76 |
| | Depreciation and Amortisation Expense | 36 | 11,580.35 | 10,857.91 |
| | Other Expenses | 37 | 16,865.90 | 21,062.80 |
| | **Total Expenses (IV)** | | **519,109.70** | **654,668.05** |
| **V.** | **Profit/ (Loss) Before Exceptional Items and Tax (III-IV)** | | **(9,188.71)** | **(54,047.90)** |
| **VI.** | Exceptional Items (Income)/Expenses (net) | | - | - |
| **VII.** | **Share of Profit of Joint Venture** | | **(0.52)** | **11.82** |
| **VIII.** | **Profit/ (Loss) Before Tax (V- VI+VII)** | | **(9,189.23)** | **(54,036.08)** |
| **IX.** | Tax Expenses: | | | |
| | (1) Current Tax | 38 | | |
| | - Current year | | - | - |
| | - Earlier years | | (10.86) | 1,037.36 |
| | (2) Deferred Tax | 26 | (1,528.70) | (14,648.27) |
| | **Total Tax Expenses (IX)** | | (1,539.56) | (13,610.91) |
| **X.** | **Profit/ (Loss) for the year (VIII-IX)** | | **(7,649.67)** | **(40,425.17)** |
| **XI.** | **Other Comprehensive Income** | | | |
| | **Items that will not be reclassified to Profit or Loss :** | | | |
| | (i) Remeasurement of the Defined Benefit Plans | | 31.59 | (135.77) |
| | (ii) Income Tax relating to above | 38 | (11.08) | 47.47 |
| | **Items that will be reclassified to Profit or Loss :** | | | |
| | (i) Effective portion of gains / (losses) on hedging instruments in cash flow hedges | | 0.50 | (0.82) |
| | (ii) Income Tax relating to above | 38 | (0.13) | 0.21 |
| | **Total Other Comprehensive Income (XI)** | | **20.88** | **(88.91)** |
| **XII.** | **Total Comprehensive Income for the year (X+XI)** | | **(7,628.79)** | **(40,514.08)** |
| **XIII.** | **Profit / (Loss) for the year attributable to** | | | |
| | Owners of the Company | | (5,675.13) | (33,546.31) |
| | Non Controlling Interest | | (1,974.54) | (6,878.86) |
| **XIV.** | **Other Comprehensive Income for the year attributable to** | | | |
| | Owners of the Company | | 20.88 | (87.57) |
| | Non Controlling Interest | | - | (1.34) |
| **XV.** | **Total Comprehensive Income for the year attributable to** | | | |
| | Owners of the Company | | (5,654.25) | (33,633.88) |
| | Non Controlling Interest | | (1,974.54) | (6,880.20) |
| **XVI.** | Earnings per Equity Share: | 39 | | |
| | (1) Basic (in ₹ ) | | (3.24) | (19.14) |
| | (2) Diluted (in ₹ ) | | (3.24) | (19.14) |

*** Restated, refer Note no. 50**

**See accompanying notes to the Consolidated financial statements (1-59)**

**As per our report of even date attached**

**For and on behalf of the Board**

**For RAM RAJ & CO**
Chartered Accountants
Firm Registration No. : 002839S

Sd/-
**CA. G VENKATESWARA RAO**
Partner
Membership No. 024182

**For SANKAR & MOORTHY**
Chartered Accountants
Firm Registration No. : 003575S

Sd/-
**CA. JAYAPRAKESH MC**
Partner
Membership No. 215562

Sd/-
**M VENKATESH**
Managing Director
DIN: 07025342

Sd/-
**POMILA JASPAL**
Director (Finance)
DIN: 08436633

Sd/-
**K. B. SHYAM KUMAR**
Company Secretary

Place : New Delhi
Date : 17/05/2021

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ million unless otherwise stated)

| | Particulars | | Year ended March 31, 2021 | Year ended March 31, 2020 * |
|---|---|---|---|---|
| A | **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| | **Profit / (Loss) After Tax** | | **(7,649.67)** | **(40,425.17)** |
| | **Adjustments for :** | | | |
| | Tax Expense | | (1,539.56) | (13,610.91) |
| | Share of Profit/ (Loss) of Joint Venture | | 0.52 | (11.82) |
| | Depreciation and Amortisation expense | | 11,580.35 | 10,857.91 |
| | Loss/ (profit) on Sale of Property, Plant and Equipment (net) | | 71.63 | 127.92 |
| | Liability / provision no longer required written back | | (291.87) | (127.54) |
| | Impairment of doubtful trade receivables & Non Moving Inventories | | 12.82 | 168.31 |
| | Write off of doubtful trade receivables / advances / deposits | | 3.81 | - |
| | Exchange Rate Fluctuation (net) | | (1,473.99) | 5,638.51 |
| | Finance Costs | | 5,544.72 | 12,463.76 |
| | Interest Income | | (180.32) | (275.82) |
| | Dividend Income | | (4.00) | (14.03) |
| | Amortisation of Prepayments | | 6.75 | 6.68 |
| | Amortisation of Deferred Government Grant | | (196.60) | (187.94) |
| | Others | | 74.53 | (82.57) |
| | | | **5,959.12** | **(25,472.71)** |
| | **Movements in Working Capital :** | | | |
| | - (Increase)/ Decrease in Trade and Other Receivables | | (14,248.17) | 13,383.98 |
| | - (Increase)/ Decrease in Loans | | (127.30) | (220.41) |
| | - (Increase)/ Decrease in Other Assets | | 752.86 | 7,420.49 |
| | - (Increase)/ Decrease in Inventories | | (28,659.65) | 20,752.61 |
| | - Increase/ (Decrease) in Trade Payables and Other Liabilities | | 8,195.24 | (12,114.19) |
| | **Cash generated from Operations** | | **(28,127.90)** | **3,749.77** |
| | Income Taxes paid, net of refunds | | 107.89 | (862.07) |
| | **Net Cash generated from / (used in ) Operations** | **(a)** | **(28,020.01)** | **2,887.70** |
| B | **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| | Payments for Property, Plant and Equipment | | (9,140.02) | (14,938.22) |
| | Proceeds from disposal of Property, Plant and Equipment | | 1.32 | 5.74 |
| | Interest Received | | 283.12 | 442.70 |
| | Dividend received from Joint Venture | | 37.50 | 6.00 |
| | Dividend received from Investments in Mutual Fund | | 4.00 | 14.03 |
| | Investment in Subsidiary Company | | (12,169.20) | - |
| | Tax Paid on Interest/ Dividend Income | | (9.13) | (16.79) |
| | **Net Cash generated from / (used in ) Investing Activities** | **(b)** | **(20,992.41)** | **(14,486.54)** |
| C | **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| | Proceeds from issue of Equity Share Capital | | - | 2,444.91 |
| | Proceeds from Long Term Borrowings | | 39,918.62 | 1,02,646.72 |
| | Repayments of Long Term Borrowings | | (18,582.76) | (33,481.68) |
| | Proceeds / Repayment of short term borrowings | | 35,225.18 | (48,011.78) |
| | Payment of Lease Rentals (Principal Component) | | (77.60) | (120.58) |
| | Payment of Lease Rentals (Interest Component) | | (224.17) | (157.11) |
| | Finance Costs Paid | | (7,006.60) | (9,637.52) |
| | Dividends and Dividend Distribution Tax paid on Equity Shares | | - | (2,112.85) |
| | **Net Cash generated from / (used in ) Financing Activities** | **(c )** | **49,252.67** | **11,570.11** |
| | **Net Increase / (Decrease) in Cash and Cash Equivalents** | **(a+b+c)** | **240.25** | **(28.73)** |
| | Cash and Cash Equivalents as at the beginning of the year | | 18.00 | 46.73 |
| | Cash and Cash Equivalents as at the end of the year | | 258.25 | 18.00 |
| | **Net Change in Cash and Cash Equivalents (Closing - Opening)** | | **240.25** | **(28.73)** |

1 The above Cash Flows statement prepared under the "Indirect method" as set out in the Ind AS 7 "Statement of Cash Flows".
2 Brackets indicate Cash outflow/ deduction
*** Restated, refer Note no. 50**
**See accompanying notes to the Consolidated financial statements (1-59)**
**As per our report of even date attached**

**For RAM RAJ & CO**
Chartered Accountants
Firm Registration No. : 002839S

Sd/-
**CA. G VENKATESWARA RAO**
Partner
Membership No. 024182

**For SANKAR & MOORTHY**
Chartered Accountants
Firm Registration No. : 003575S

Sd/-
**CA. JAYAPRAKESH MC**
Partner
Membership No. 215562

**For and on behalf of the Board**

Sd/-
**M VENKATESH**
Managing Director
DIN: 07025342

Sd/-
**POMILA JASPAL**
Director (Finance)
DIN: 08436633

Sd/-
**K. B. SHYAM KUMAR**
Company Secretary

**Place : New Delhi**
**Date : 17/05/2021**

## 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 Venture 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.

As on the reporting date, there were no new Indian Accounting Standards (Ind AS) issued by the Ministry of Corporate Affairs (MCA) which would have been applicable from April 1, 2021.

## 3. Significant Group Accounting Policies

### 3.1. Statement of Compliance

"These Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time and the presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements."

### 3.2. Basis of Preparation

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

The Group has adopted all the Ind AS and the adoption was carried out during Financial Year 2016-17 in accordance with Ind AS 101 (First time adoption of Indian Accounting Standards). The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the "Previous GAAP".

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 Ind AS – 1 "Presentation of Financial Statements" and 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 Assets or Liabilities.

(c) Level 3 inputs are unobservable inputs for the Assets or Liabilities 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 Venture which are accounted using equity method in these Consolidated Financial Statements. Refer note 3.6 for the accounting policy of investment in Joint Venture in the Consolidated Financial Statements.

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed, or has 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 subsidiary to bring their accounting policies into line with the Group's Significant Accounting Policies.

The Consolidated Financial Statements have been prepared by combining the Financial Statements of the Company and its subsidiary 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. Such unrealized profits/losses are fully attributed to the company.

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 Subsidiary that do not result in the Group losing control over the Subsidiary 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 Subsidiary. 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 consolidated statement of profit and 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 consolidated statement of profit and 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 the cost on initial recognition of an Investment in an Associate or a Joint Venture, when applicable.

### 3.4. Business Combinations

The acquisition method of accounting is used to account for business combination (except for business combination under common control) 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.

**Business Combination under Common control**

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlledby the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Appendix C to Ind AS 103 and are accounted for using the pooling-of-interest method as follows:

- The assets and liabilities of the combining entities are reflected at the carrying amounts.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made to harmonize significant accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash orother assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

### 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 Venture 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 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.

Unrealized gains on transactions between the group and its Joint Venture are eliminated to the extent of the Group's interest in Joint Venture. Unrealized losses are also eliminated to the extent of Group's interest unless the transaction provides evidence of an impairment of the asset transferred.

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 including Goodwill on consolidation**

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 (or groups of 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 Statement of Profit and 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.

The Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for goodwill as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

**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.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, Plant and Equipment and Intangible Assets are not depreciated or amortized once classified as held for sale.

**3.9. Revenue Recognition**

**3.9.1.** Revenue from sales of goods and services are recognized upon the satisfaction of a performance obligation, which occurs when control transfers to the customer. Control of the goods is determined to be transferred to the customer when the title of goods passes to the customer, which typically takes place when product is physically transferred into a vessel, pipeline (other than Group owned pipeline) or other delivery mechanism. In respect of revenue contracts for goods which provide for provisional pricing (wherever applicable) at the time of shipment, the final price adjustment if any will be given effect in the period in which it is finalised/ settled.

**3.9.2.** Revenue is measured at the transaction price of the consideration received or receivable and represents amounts receivable for goods and services including excise duty provided in the normal course of business, net of discounts or rebates, GST and sales tax. Any retrospective revision in prices is accounted for in the year of such revision.

**3.9.3.** Price Reduction Schedule (PRS) for delay in execution of contracts/supplies are accounted for as per the terms of the contracts/ agreement. The PRS amount would be recognised as income except on account of capital projects wherein the adjustments are carried out to the cost of the asset. The adjustments are carried out prospectively upon finalization.

**3.9.4.** The Group has entered into take or pay contracts with a customer. In this transaction, revenue is recognised as per the formula laid out in the contract with the customers.

**3.9.5.** Revenue from sale of scrap is recognised at the point in time when control (transfer of custody of goods) is passed to customers.

**3.9.6.** Revenue from Export Incentives as applicable are recognised as revenue as per para 3.13 on Government Grants. The incentive values are recognized initially for expected realizable value and subsequently adjusted for actual realized value in the period when it is actually sold.

**3.9.7.** 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).

**3.9.8.** For Non –Financial Assets, interest income is recognised on a time proportion basis. Interest Income on refundable taxes/ duties is recognised on receipt basis.

**3.9.9.** Dividend Income is recognised when the right to receive the dividend is established.

**3.9.10.** 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**

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

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

**(i)** The contract involves use of an identified assets

**(ii)** The company has substantially all the economic benefits from the use of the asset through the period of the lease and

**(iii)** The company has the right to direct the use of the asset.

**Group as a lessee:**

At the date of commencement of the lease, the Group recognizes a Right-of-Use Assets (ROU Assets) and a corresponding Lease Liability for all lease contracts / arrangements in which it is a lessee, except for lease with a term of twelve months or less (i.e. short term leases) and lease of low value assets. For these short-term and low value leases, the Group recognizes the lease payments on straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Right-of-Use Assets and Lease Liabilities include these options when it is reasonably certain that they will be exercised.

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

The Right-of-Use Assets are initially recognized at cost, which comprises the amount of the initial measurement of the Lease Liability adjusted for any lease payments made at or before the inception date of the lease along with any initial direct costs, restoration obligations and lease incentives received.

Subsequently, the Right-of-Use Assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The Right-of-Use Assets are depreciated using the straight-line method, except in case of leasehold lands where the ownership will be transferred to the Group, from the commencement date over the shorter of lease term or useful life of Right-of-Use Assets, however, in case of ownership of such right-of-use asset transfers to the lessee at the end of the lease term, such assets are depreciated over the useful life of the underlying asset. The Group applies Ind AS 36 to determine whether a Right-of-Use Asset are impaired and accounts for any identified impairment loss as described in the accounting policy below on “Impairment of Non-Financial Assets”.

The interest cost on Lease Liability (computed using effective interest rate method) is expensed in the Statement of Profit and Loss unless eligible for capitalization as per accounting policy below on “Borrowing costs”.

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

Right-of-Use Assets are derecognized upon completion or cancellation of the lease contract.

Lease liability and Right-of-Use Assets have been separately presented in the Consolidated Balance Sheet and lease payments have been classified as Financing Cash Flows in the Consolidated Statement of Cash Flows.

Lease modification impact is on prospective basis.

**3.11. Foreign Currency Transactions**

The Group’s Financial Statements are presented in Indian Rupee ( ₹), which is also its Functional Currency.

Transactions in currencies other than the respective entity’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 translated using closing exchange rate prevailing on the last day of the reporting period.

Exchange difference arising in respect of foreign currency monetary items is recognised in the Consolidated Statement of Profit and Loss either as ‘Exchange Rate Fluctuation loss/(gain) (Net) ’ or as ‘Finance Cost’ except for the exchange difference related to long term foreign currency monetary items outstandingas 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.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

**3.12. Borrowing Costs**

Borrowing costs consists of interest and other costs incurred in connection with the borrowing of funds and interest on lease liability.

Borrowing costs also include exchange differences arising from foreign currency borrowings to the extent regarded as an adjustment to interest cost i.e. equivalent to the extent to which the exchange loss does not exceed the difference between the cost of borrowing in functional currency (₹) when compared to the cost of borrowing in a foreign currency. When there is an unrealized exchange loss which is treated as an adjustment to interest and subsequently there is a realized or unrealized gain in respect of the settlement or translations of the same borrowing, the gain to the extent of the loss previously recognized as an adjustment is also recognized as an adjustment to interest.

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. Capitalization of borrowing costs is suspended when active development on the qualifying assets is interrupted other than on temporary basis and charged to the statement of Profit and Loss during such extended periods. All other borrowing costs are charged to the Consolidated Statement of Profit and Loss in the period in which they are incurred.

Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

**3.13. Government Grants**

Government Grants including the export incentives are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government Grants are recognised in Consolidated Statement of Profit and 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 salaries, wages, provident fund, superannuation fund, gratuity fund, leave encashment, post-employment medical benefits, resettlement allowances and termination benefits.

**3.14.1. Short Term Employee Benefits**

All short-term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

**3.14.2. Post-Employment benefits**

**Defined Contribution Plans**

Defined Contribution Plans comprising of contribution towards superannuation fund and is recognized based on the undiscounted amount of obligation of the Group to contribute to the plan. The same is paid to a fund administered through a separate trust.

**Defined Benefit Plans**

Defined 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 Obligations and is computed using the Projected Unit Credit Method, which is being carried out at the end of each annual reporting period by independent actuaries. These are accounted as current Employee Costs 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 Consolidated 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 recognized 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 Holding Company contributes all ascertained liabilities with respect to Gratuity to the MRPL Gratuity Fund Trust (MGFT). Subsidiary company's Gratuity plan is unfunded. Other Defined Benefit schemes are un-funded.

The Retirement Benefit Obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Group'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.

**3.14.3. Other Long-term Employee Benefits**

Other long term employee benefits (leave encashment and Provident Fund contribution to trust) are determined on actuarial valuation by independent actuaries using Projected Unit Credit method, which is being carried at the end of each annual reporting period.

The Holding Company's contribution to the Provident Fund is remitted to separate trusts (MRPL's Provident Fund Trust) established for this purpose based on a fixed percentage of the eligible employee's salary and charged to the Consolidated Statement of Profit and Loss or include in the cost of Assets as permitted. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, is made good by the Group and charged to the Consolidated Statement of Profit and Loss.

The Subsidiary Company's provident fund paid to the Authorities is expensed during the year.

Leave encashment 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.

Liability towards the above plans are recognized 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.

Re-measurements gains and losses are recognized in the Consolidated Statement of Profit and Loss in the period in which they arise.

**3.14.4. Termination Benefits (Holding Company)**

**Premature Retirement on Medical Grounds**

The Holding Company has an approved scheme of Premature Retirement on Medical Grounds. Ex-gratia payment equivalent to 60 days emolument for each completed year of service or the monthly emoluments at the time of retirement multiplied by the balance months of service left before normal date of retirement, whichever is less is payable apart from Superannuation Benefits.

**Scheme for Self Insurance for providing lump-sum monetary compensation**

Under the scheme of 'Post Retirement Benefit and Benefit on Separation', in case of employee suffering death or permanent total disablement due to an accident arising out of and in the course of employment, a compensation equivalent to 100 months Basic Pay plus Dearness Allowance (DA) without laying down any minimum amount is payable.

**Benefits of Separation under SABF (re-nomenclatured now as MDCPS)**

In case of death / permanent disablement of an employee while in service in the Holding Company, the beneficiary has to exercise desired options available within 6 months from the date of death / permanent total disablement.

Termination Benefits are charged to Consolidated Statement of Profit and Loss as and when incurred.

## 3.15. Taxation

Tax Expense represents the sum of the Current Tax and Deferred Tax.

### (i) Current Tax

The tax currently payable is based on Taxable Profit for the year together with any adjustment to tax payable in respect of previous years. Taxable Profit differs from 'Profit Before Tax' as reported in the Consolidated 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 provided using the Balance Sheet method and is recognized on temporary differences between the carrying amounts of Assets and Liabilities in the Consolidated 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, the carry forward of unused tax credits and any unused tax losses 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 Consolidated Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Current and deferred tax for the year**

Current and Deferred Tax are recognised in Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in Equity respectively.

## 3.16. Property, Plant and Equipment (PPE) and Right of Use Assets (ROU)

Property, Plant and Equipment 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.

Property, Plant and Equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. The cost of an asset comprises its purchase price or its construction cost (net of applicable tax credits) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management and the initial estimated present value of any contractual decommissioning obligation, if any. It includes professional fees and borrowing costs for qualifying assets capitalised in accordance with the Group'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.Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Technical know-how / license fees relating to plants / facilities and specific software that are integral part of the related hardware are capitalized as part of cost of the underlying asset.

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 (after retaining the estimated residual value of up to 5%)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/other assets whose useful lives are determined based on technical evaluation and the useful life considered under Group's policy for the employee's vehicle, computer and furniture scheme.

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

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

Stores and Spares which qualifies as Property, Plant and Equipment for specific machinery are capitalised.

Major capital spares are capitalised as Property, Plant and Equipment. Depreciation on such spares capitalised as Property, Plant and Equipment are depreciated over the period starting when it is brought into service and continuing over the shorter of its useful life and the remaining expected useful life of the asset to which it relates and written down value of the spare is charged to the Consolidated 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:

| SI. 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 – Process Plant | 25-30 |
| 9. | Plant and Equipment – Pipelines/ SPM/ Offshore Component/ Civil Structure | 30 |
| 10. | Plant and Equipment – Power Plant | 25-40 |
| 11. | Railway Siding | 15 |
| 12. | Plant and Equipment – Others | 3-15 |
| 13. | Office Equipment | 3-15 |
| 14. | Furniture and Fixtures | 3-10 |
| 15. | Vehicles | 4-15 |

An item of Property, Plant and Equipment is derecognised upon disposal, replacement, deduction, reclassification or when no future economic benefits are expected to arise from the continued use of the asset. The loss arising on retirement of an item of Property, Plant and Equipment is determined with regard to the WDV value and the net value of after set off of the accumulated depreciation as on date is recognized in Consolidated Statement of Profit and Loss.

The Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

Right-of-Use Assets are depreciated on a straight line basis over the lease term or useful life of the underlying asset, whichever is lower, except leasehold lands where the ownership will be transferred to the Group.

### 3.17. Intangible Assets

#### 3.17.1. Intangible Assets other than Goodwill

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

Technical know-how / license fee relating to production process and process design are recognized as intangible asset and amortized on a straight line basis over the life of the underlying plant / facility.

Expenditure on internally generated intangibles, excluding development costs, is not capitalized and is reflected in Consolidated Statement of Profit and Loss in the period in which such expenditure is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Recognition of costs as an asset is ceased when the project is complete and available for its intended use, or if these criteria are no longer applicable. Where development activities do not meet the conditions for recognition as an asset, any associated expenditure is treated as an expense in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at costless accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its intangible assets as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

### 3.17.2. Derecognition of Intangible Assets

An Intangible Asset is derecognised on disposal, or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an Intangible Asset, measured as the difference between the net disposal proceeds and the carrying amount of the Asset, and are recognised in Consolidated Statement of Profit and Loss when the Asset is derecognised.

### 3.17.3. Useful lives of Intangible Assets

Estimated useful lives of the Intangible Assets are as follows:

| Sl. No. | Particulars | Useful lives( in years) |
|---|---|---|
| 1. | Computer Software | 3-10 |
| 2. | Licence and Franchise | 3 |

### 3.18. Impairment of Non-Financial Assets

The Group reviews the carrying amounts of its Non-Financial assets other than inventories, deferred tax assets, non-current assets classified as held for sale and goodwill at the end of each reporting period to determine whether there is any significant 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 (CGU) 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 inthe Consolidated Statement of Profit and Loss.

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

### 3.19. Consolidated Statement of Cash Flow

Consolidated Statement of 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 Activities. The Cash Flows are segregated into Operating, Investing and Financing Activities.

### 3.20. Earnings Per Share (EPS)

Basic Earnings per Share are calculated by dividing the Net Profit or Loss for the period attributable to Equity Shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of Equity Shares outstanding during the period.

For the purposes of calculating Diluted Earnings per Share, the Net Profit or Loss for the period attributable to Equity Shareholders and the weighted average number of Shares outstanding during the period are adjusted for the effect of all dilutive potential Equity Shares.

### 3.21. Inventories

Inventorie sare 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 Materials (Crude) | On First In First Out (FIFO) basis. |
| Other Raw Materials | On Weighted Average Cost basis |
| Finished Goods | At Raw material and Conversion cost |
| Stock-in-Trade | On Weighted Average Cost basis |
| Stock-in-Process | At Raw Material and Proportionate Conversion Cost |
| Stores and Spares including packing materials | On Weighted Average Cost basis |

Raw Materials are not written down below cost except in case where their prices have declined subsequently and it is estimated that the cost of the finished goods will exceed their net realizable value.

Excise duty on finished stocks lying at manufacturing location is provided for at the assessable value based on applicable duty.

Customs duty on Raw Materials lying in bonded warehouse is provided for at the applicable rates.

Obsolete, Slow Moving, Surplus and Defective Stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

### 3.22. Provisions, Contingent Liabilities, Contingent Assets and Commitments

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

The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.

Contingent assets are disclosed in the Consolidated Financial Statements by way of Notes to Accounts when an inflow of economic benefits is probable.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Group, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are disclosed on the basis of judgment of the management / independent experts in the Consolidated Financial Statements by way of Notes to Accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets and contingent liabilities are reviewed at each balance sheet date to reflect the current management estimate.

Capital and Other Commitments disclosed are in respect of items which in each case are above the threshold limit.

**3.23. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity or a contract that will or may be settled in the entity's own equity instruments and is a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments.

**Initial recognition and measurement**

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 Consolidated Statements of Profit and Loss.

**3.24. Financial Assets**

**Subsequent Measurement**

All recognised Financial Assets are subsequently measured in their entirety at either amortised cost or fair value, based on the business model for managing the financial assets and the contractual cash flow characteristics.

**(i) Financial Assets at Amortised Cost**

Financial Assets are subsequently measured at amortised cost using the effective interest rate method if these Financial Assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest(SPPI) on the principal amount outstanding.

**(ii) Financial Assets at Fair value through Other Comprehensive Income (FVOCI)**

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 (SPPI) on the principal amount outstanding.

**(iii) Financial Assets at Fair value through Profit or Loss (FVTPL)**

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.

After initial measurement, any fair value changes including any interest income, impairment loss and other net gains and losses are recognized in the Consolidated Statement of Profit and Loss.

**(iv) 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.

**(v) Equity Investments :**

**Equity Investments (Other than Subsidiaries, Joint Ventures (JV) and Associates):**

All Equity Investments in the scope of Ind AS 109 are measured at Fair value. Equity Instruments which are held for trading are classified as at FVTPL. For all other such equity investments, the Group decides to classify the same either as FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

**(vi) Impairment of Financial Assets**

The Group assesses at each Consolidated 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.

**(vii) 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 Consolidated Statement of Profit and Loss.

**3.25. Financial Liabilities and Equity Instruments**

**3.25.1 Financial Liabilities**

**Subsequent Measurement**

**(i) Financial liabilities 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 Rate method ("EIR"). Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance Costs' line item.

**(ii) Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include derivatives. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

**(iii) Embedded derivatives**

Derivatives embedded in all other host contract except for an asset are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

**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 Consolidated Statement of Profit and Loss.

**3.25.2 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.

**3.26. 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 Consolidated Statement of Profit and Loss over the period of Financial Guarantee received.

**3.27. Insurance Claims**

(a) All the insurance claims are accounted for on the basis of claims admitted / expected to be admitted to the extent that the amount recoverable can be measured reliably and it is virtually certain by the management to expect ultimate collection.

(b) 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 subject to condition mentioned in para (a) above. In case insurance claim is less than the carrying cost of the asset, the difference is charged to Consolidated Statement of Profit and Loss.

(c) 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 subject to condition mentioned in para (a) above. Insurance Policy deductible excess are expensed in the year in which corresponding expenditure is incurred.

(d) In the eventuality of total loss, partial loss or other losses in any year and where condition of paragraph (a) above does not fulfill, then the losses are charged to the Consolidated Statement of Profit and Loss in the same year.

(e) 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 Consolidated Statement of Profit and Loss.

(f) All other claims and provisions are booked on the merits of each case.

**3.28. Investment Property**

Investment Properties (land or building or part of a building or both) are properties held to earn rentals and/or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment Properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, Investment Properties are measured in accordance with Ind AS 16 requirements for cost model. Free hold Land and Properties under construction are not depreciated.

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

## 4. Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

Inherent in the application of many of the Accounting Policies used in preparing the Financial Statements is the need for management to make judgments, estimates and assumptions that affect the reported amounts of Assets and Liabilities, the disclosure of Contingent Assets and Liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of judgments, assumptions and estimation uncertainty in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of Assets and Liabilities within the next financial year, are in respect of useful lives of Property, Plant and Equipment, Employee Benefit Obligations, Provision for Income Tax and measurement of Deferred Tax Assets.

**4.1. Critical judgments in applying Accounting Policies**

The following are the critical judgements, apart from those involving estimations (Refer note 4.2), that the Management have made in the process of applying the Group's Accounting Policies and that have the significant effect on the amounts recognized in the Consolidated Financial Statements.

**(a) Determination of Functional Currency**

Currency of the primary economic environment in which the Group operates ("the Functional Currency") is Indian Rupee (₹) in which the Group 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 Group'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.

**In relation to Subsidiary**

Subsidiary Company OMPL, has recognized Deferred Tax Asset on unused tax losses as at March 31, 2021. Company has followed the provisions of Ind AS 12 on "Income Taxes" to recognize the Deferred Tax Asset on unused tax losses.

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

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

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

**e) Impairment of Investment in Subsidiary**

As at March 31, 2021, the Company has carrying amount of ₹ 29,595.57 million (As at March 31, 2020:

₹ 17,426.37 million) for equity investment made in ONGC Mangalore Petrochemicals Limited (OMPL). OMPL started its operations in the year 2014-15 as a Greenfield project and had incurred losses in earlier financial years resulting in significant reduction in net worth. However, through improved physical performance and various profitability improvement measures, the Company has overcome initial period challenges.

The management has considered relevant future cash flows, based on assumptions about the future, discounted to their present value. Impairment testing requires long-term assumptions to be made concerning a number of often volatile economic factors such as future market prices, currency exchange rates and future output and discount rate, in order to establish relevant future cash flows.

Based on the aforesaid assessment, the management has concluded that current diminution in the value of investment is due to losses incurred by OMPL is temporary in nature. Accordingly, no impairment exists as at March 31, 2021.

**f) Leases**

**Identifying whether a Contract includes a Lease**

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

**Determining Lease Term (including Extension and Termination Options)**

The Group considers the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. Assessment of extension/ termination options is made on lease by lease basis, on the basis of relevant facts and circumstances. The lease term is reassessed if an option is actually exercised. In case of contracts, where the Group has the option to hire and de-hire the underlying asset on some circumstances (such as operational requirements), the lease term is considered to be initial contract period.

**Identifying Lease Payments for Computation of Lease Liability**

To identify fixed (including in-substance fixed) lease payments, the Group consider the non-operating day rate/standby as minimum fixed lease payments for the purpose of computation of Lease Liability and corresponding Right of Use Assets.

**Low Value Leases**

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

**Determining Discount Rate for Computation of Lease Liability**

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

For leases denominated in Group's Functional Currency, the Group considers the incremental borrowing rate to be Corporate Bond Rates for similar rated Organizations.

***********

## 5. Property, Plant and Equipment

(All amounts are in ₹ million unless otherwise stated)

| Net Carrying Amount | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Freehold Lands | 54.91 | 54.91 |
| Buildings | 4,365.25 | 4,473.95 |
| Plant and Equipment [refer note a below] | 177,697.06 | 185,505.94 |
| Railway Sidings | 1,446.41 | 1,534.70 |
| Furniture and Fixtures | 243.64 | 277.01 |
| Vehicles | 93.52 | 107.04 |
| Office Equipment | 447.10 | 463.38 |
| **Total** | **184,347.89** | **192,416.93** |

| Gross Carrying Amount | Freehold Lands | Leasehold Lands | Buildings | Plant and Equipment | Railway Sidings | Furniture and Fixtures | Vehicles | Office Equipment | Total |
|---|---|---|---|---|---|---|---|---|---|
| Balance as at April 1, 2019 | 17.65 | 271.74 | 5,370.90 | 228,641.35 | - | 466.62 | 165.85 | 659.09 | 235,593.20 |
| Additions / Reclassification / Transfer | 37.26 | - | 64.18 | 5,379.25 | 1,626.75 | 33.10 | 11.10 | 198.36 | 7,350.00 |
| Disposal / Deduction / Reclassification / Transfer to other heads | - | 271.74 | 37.26 | 578.81 | - | 3.23 | 0.69 | 3.85 | 895.58 |
| Balance as at March 31, 2020 | 54.91 | - | 5,397.82 | 233,441.79 | 1,626.75 | 496.49 | 176.26 | 853.60 | 242,047.62 |
| Additions / Reclassification / Transfer | - | - | 35.34 | 3,455.28 | 15.82 | 15.78 | 4.58 | 36.53 | 3,563.33 |
| Disposal / Deduction / Reclassification / Transfer to other heads | - | - | 0.05 | 1,070.39 | - | 5.87 | 4.12 | 6.00 | 1,086.43 |
| **Balance as at March 31, 2021** | **54.91** | **-** | **5,433.11** | **235,826.68** | **1,642.57** | **506.40** | **176.72** | **884.13** | **244,524.52** |

| Accumulated depreciation | Freehold Lands | Leasehold Lands | Buildings | Plant and Equipment | Railway Sidings | Furniture and Fixtures | Vehicles | Office Equipment | Total |
|---|---|---|---|---|---|---|---|---|---|
| Balance as at April 1, 2019 | - | - | 763.80 | 38,155.96 | - | 169.85 | 53.29 | 336.05 | 39,478.95 |
| Depreciation | - | - | 160.07 | 10,226.14 | 92.05 | 52.26 | 16.49 | 57.63 | 10,604.64 |
| Disposal / Deduction / Reclassification / Transfer to other heads | - | - | - | 446.25 | - | 2.63 | 0.56 | 3.46 | 452.90 |
| **Balance as at March 31, 2020** | **-** | **-** | **923.87** | **47,935.85** | **92.05** | **219.48** | **69.22** | **390.22** | **49,630.69** |
| Depreciation | - | - | 143.99 | 10,946.42 | 104.11 | 48.56 | 16.12 | 51.95 | 11,311.15 |
| Disposal / deduction / Reclassification / Transfer to other heads | - | - | - | 752.65 | - | 5.28 | 2.14 | 5.14 | 765.21 |
| **Balance as at March 31, 2021** | **-** | **-** | **1,067.86** | **58,129.62** | **196.16** | **262.76** | **83.20** | **437.03** | **60,176.63** |

a) Plant and Equipment include ₹ 39.15 million (As at March 31, 2020 ₹ 39.15 million) being Company's share of an asset jointly owned with another company.

**5.1 Property Plant and Equipment pledged as security [refer note 23]:**

External Commercial Borrowings are secured by first pari passu charge over immovable Property, Plant & Equipment and first ranking pari passu charge over movable Property, Plant & Equipment (including but not limited to Plant and Machinery, Spares, Tools, Furniture, Fixture, Vehicles and all other Movable Property, Plant & Equipment) both present and future.

Working capital borrowings from consortium banks are secured by way of first ranking pari passu charge by way of hypothecation of Company's stocks of Raw Material, Finished Goods, Stock-in-Process, Stores, Spares, Components, Trade receivables, outstanding Money Receivables, Claims, Bills, Contract, Engagements, Securities both present and future and further secured by second ranking pari passu charge over companies movable and immovable property (all Property, Plant & Equipment) both present and future.

**5.2 Foreign exchange differences capitalised**

Additions/(adjustments) to Property, Plant and Equipment includes ₹ (173.96) million (For the year ended March 31, 2020 ₹ 702.71 million) in relation to foreign exchange differences capitalised as per para D13AA of Ind AS 101. Asset class wise addition / (adjustments) details are disclosed below:

| **Year** | **For the year ended March 31, 2021** | **For the year ended March 31, 2020** |
|---|---|---|
| **Asset class** | **Exchange Differences** | **Exchange Differences** |
| Plant and Equipment | (173.96) | 702.71 |
| **Total** | **(173.96)** | **702.71** |

5.3 The Company was eligible for certain economic benefits such as exemptions from entry tax, custom duty etc. on import/local purchase of capital goods in earlier years. The Company had accounted benefits received for custom duty and entry tax on purchase of Property, Plant and Equipment as Government grants. The Company had adjusted the cost of Property, Plant and Equipment as at April 1, 2017 and credited deferred Government grant amounting to ₹ 3,618.21 million. The deferred Government grant is amortised over the remaining useful life of the Property, Plant and Equipment.

## 6. Right-of-Use Assets

| Net Carrying Amount | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Leasehold lands **[refer note 6.1 and 6.2 below]** | 5,237.51 | 5,392.21 |
| Buildings | 211.26 | 249.60 |
| Others (Right of Use of Assets) | 2,231.30 | 2,306.71 |
| **Total** | **7,680.07** | **7,948.52** |

| Gross Carrying Amount | Leasehold Lands | Buildings | Others (Right of Use of Assets) | Total |
|---|---|---|---|---|
| **Balance as at April 1, 2019** | **5,503.34** | **288.05** | **2,359.17** | **8,150.56** |
| Additions | 11.96 | - | 41.55 | 53.51 |
| Adjustment for Remeasurement/ Completion of Lease Contract | 6.66 | - | (0.40) | 6.26 |
| **Balance as at March 31, 2020** | **5,521.96** | **288.05** | **2,400.32** | **8,210.33** |
| Additions | 26.68 | - | 8.60 | 35.28 |
| Adjustment for Remeasurement/ Completion of Lease Contract | (52.76) | - | 21.72 | (31.04) |
| **Balance as at March 31, 2021** | **5,495.88** | **288.05** | **2,430.64** | **8,214.57** |

| Accumulated depreciation | Leasehold Lands | Buildings | Others (Right of Use of Assets) | Total |
|---|---|---|---|---|
| **Balance as at April 1, 2019** | **-** | **-** | **-** | **-** |
| Additions | 129.75 | 38.45 | 98.53 | 266.73 |
| Adjustment for Remeasurement/ Completion of Lease Contract | - | - | (4.92) | (4.92) |
| **Balance as at March 31, 2020** | **129.75** | **38.45** | **93.61** | **261.81** |
| Additions | 128.62 | 38.34 | 105.73 | 272.69 |
| Adjustment for Remeasurement/ Completion of Lease Contract | - | - | - | - |
| **Balance as at March 31, 2021** | **258.37** | **76.79** | **199.34** | **534.50** |

**6.1** Includes leasehold lands where the ownership will be transferred to the Company at the end of the lease period. These leasehold lands are not depreciated.

**6.2** Right-of-Use Assets includes land amounting to ₹ 1,247.51 million (As at March 31, 2020 ₹ 1,305.60 million), which is in possession of the Company towards which formal lease deeds are yet to be executed

**6.3** An amount of ₹ 37.57 million (Year ended March 31, 2020 ₹ 43.02) for depreciation charged to Right-of-Use Asset has been capitalized as component of cost of Capital Work-in-Progress (CWIP) **[refer note 7.3]**

## 7. Capital Work-in-Progress (CWIP)

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| Buildings | | 399.57 | | 249.97 |
| Plant and Equipment | | 21,616.27 | | 16,215.07 |
| Computer Software | | - | | 15.48 |
| **Project expenditure pending allocation:** | | | | |
| Employee Benefits Expense | 440.49 | | 300.29 | |
| Finance costs **[refer note 7.1 and 7.2 below]** | 1,100.62 | | 621.90 | |
| Depreciation expense **[refer note 7.3 below]** | 80.59 | | 43.02 | |
| Other expenses | 60.14 | | 47.74 | |
| **Less:** Allocated/ Adjusted during the year | 35.28 | 1,646.56 | 33.98 | 978.97 |
| **Total** | | **23,662.40** | | **17,459.49** |

7.1 Additions to CWIP includes borrowing costs amounting to ₹ 478.72 million (For the year ended March 31, 2020 ₹ 366.61 million) and allocated / will be allocated to different class of assets. The rate used to determine the amount of borrowing costs eligible for capitalisation was 7.17% (For the year ended March 31, 2020 was 7.80%) which is the effective interest rate on borrowings.

7.2 An amount of ₹ 89.44 million (Year ended March 31, 2020 101.60) towards Finance cost on lease liability has been capitalized as a component of cost of Capital Work-in-Progress (CWIP).

7.3 An amount of ₹ 37.57 million (Year ended March 31, 2020 ₹ 43.02) towards depreciation charged to Right-of-Use Asset has been capitalized as a component of cost of Capital Work-in-Progress (CWIP).

7.4 Includes loan availed against OIDB, which is secured by way of first ranking pari passu charge by way of hypothecation / mortgage only on Property, Plant & Equipment / projects financed out of loan proceeds of OIDB **[refer note 23.3.2]** and Foreign Currency Term Loan (FCNR) (B) Capex loan availed from State Bank of India which is unsecured **[refer note 23.9].**

## 8 Investment Property

| **Net Carrying Amount:** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Freehold land | 77.96 | 77.96 |
| **Total** | **77.96** | **77.96** |

| **Gross Carrying Amount** | **Amount** |
|---|---|
| **Balance as at April 1, 2019** | **77.96** |
| Additions | - |
| Disposal / Deduction/ Reclassification / Transfer to other heads | - |
| **Balance as at March 31, 2020** | **77.96** |
| Additions | - |
| Disposal / Deduction/ Reclassification / Transfer to other heads | |
| **Balance as at March 31, 2021** | **77.96** |

| **Accumulated depreciation and impairment** | **Amount** |
|---|---|
| **Balance as at April 1, 2019** | **-** |
| Depreciation | - |
| Disposal / Deduction/ Reclassification / Transfer to other heads | - |
| **Balance as at March 31, 2020** | **-** |
| Depreciation | - |
| Disposal / Deduction/ Reclassification / Transfer to other heads | - |
| **Balance as at March 31, 2021** | |

8.1 Includes land measuring 102.31 acres is held for capital appreciation.

8.2 There is no contractual obligation to purchase, construct or develop investment property.

8.3 The net amount recognised in the Statement of Profit and Loss for investment property for current year is ₹ Nil (Year ended March 31, 2020 ₹ Nil).

8.4 No Right-of-Use Asset has been included in the investment property as given above.

8.5 The best evidence of fair value is current prices in an active market for similar properties.

8.6 The Company has considered the fair value of the freehold land amounting to ₹ 409.24 million as at March 31, 2021 (As at March 31, 2020 ₹ 255.80 million) based on the valuation carried out by independent valuer report dated October 30, 2020.

## 9. Goodwill

### 9.1 Goodwill on account of Nitrogen Plant

| Particulars | Amount |
|---|---|
| **Balance as at April 1, 2019** | **4.04** |
| Impairment | - |
| **Balance as at March 31, 2020** | **4.04** |
| Impairment | - |
| **Balance as at March 31, 2021** | **4.04** |

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

### 9.3 Goodwill on consolidation

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Goodwill on consolidation | **3,768.74** | **3,768.74** |
| **Total Goodwill (9.1+9.3)** | **3,772.78** | **3,772.78** |

## 10 Other Intangible Assets

| Net Carrying Amount | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Computer Software | 65.41 | 61.08 |
| License and Franchise | 20.32 | 36.85 |
| **Total** | **85.73** | **97.93** |

| Gross Carrying Amount | Computer Software | License and Franchise | Total |
|---|---|---|---|
| **Balance as at April 1, 2019** | **171.97** | **-** | **171.97** |
| Additions | 19.19 | 49.53 | 68.72 |
| Disposal / Deduction / Reclassification / Transfer to other heads | - | - | - |
| **Balance as at March 31, 2020** | **191.16** | **49.53** | **240.69** |
| Additions | 21.88 | - | 21.88 |
| Disposal / Deduction / Reclassification / Transfer to other heads | 29.87 | - | 29.87 |
| **Balance as at March 31, 2021** | **183.17** | **49.53** | **232.70** |

| Accumulated Amortisation | Computer Software | License and Franchise | Total |
|---|---|---|---|
| **Balance as at April 1, 2019** | **113.20** | **-** | **113.20** |
| Amortisation | 16.88 | 12.68 | 29.56 |
| Disposal / Deduction / Reclassification / Transfer to other heads | - | - | - |
| **Balance as at March 31, 2020** | **130.08** | **12.68** | **142.76** |
| Amortisation | 17.55 | 16.53 | 34.08 |
| Disposal / Deduction / Reclassification / Transfer to other heads | 29.87 | - | 29.87 |
| **Balance as at March 31, 2021** | **117.76** | **29.21** | **146.97** |

## 11. Investments

### 11.1 Investments in Equity Instruments

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Number in million | Amount | Number in million | Amount |
| **Unquoted Investments (all fully paid up)** | | | | |
| **(i) Investments (at fair value)** | | | | |
| (a) Mangalore SEZ Limited (Face value of ₹10 per share) | 0.48 | 4.80 | 0.48 | 4.80 |
| (b) Mangalam Retail Services Limited (Face value of ₹ 10 per share) | 0.02 | 0.28 | 0.02 | 0.28 |
| **(ii) Investment in Joint Venture (Equity method)** | | | | |
| Shell MRPL Aviation Fuels and Services Limited (Face value of ₹ 10 per share) | 15.00 | 249.86 | 15.00 | 287.87 |
| **Total** | | **254.94** | | **292.95** |
| Aggregate carrying value of unquoted investments | | 254.94 | | 292.95 |
| Aggregate amount of impairment in value of investments | | - | | - |

### 11.1.1 Details of Investments

| Name of Company | Principal Activity | Place of incorporation and principal place of business | Proportion of ownership interest / voting rights held by the Company | |
|---|---|---|---|---|
| | | | As at March 31, 2021 | As at March 31, 2020 |
| (a) Mangalore SEZ Limited | Developer of Special Economic Zone | India | 0.96% | 0.96% |
| (b) Mangalam Retail Services Limited (MRSL) | Distribution of petroleum products through retail outlet and transport terminal | India | 18.98% | 18.98% |

**11.1.2** Subsidiary Company 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 Company has considered the fair value (level 3 hierarchy) of such investment equivalent to the carrying amount at each reporting period.

**11.1.3** The investment in MRSL has been measured at fair value through profit or loss. The management has considered the fair value (level 3 hierarchy) of such investment equivalent to the carrying amount as at reporting period.

### 11.1.4 Details of Joint Venture

| Name of Joint Venture | Principal Activity | Place of incorporation and principal place of business | Proportion of ownership interest / voting rights held by the Company | |
|---|---|---|---|---|
| | | | As at March 31, 2021 | As at March 31, 2020 |
| Shell MRPL Aviation Fuels and Services Limited | Trading of aviation fuels | India | 50.00% | 50.00% |

**Refer Note 3.6** for method followed for accounting of investment in joint venture.

## 12 Loans

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **(a) Security Deposits** | | | | |
| (Unsecured, considered good) | | | | |
| With Related Party | 40.59 | - | 44.17 | - |
| With vendors | 135.14 | 12.69 | 156.58 | 4.51 |
| **Credit impaired** | | | | |
| - Deposits which are credit impaired | - | 0.71 | - | - |
| **Less :** Impairment for doubtful Deposit | - | 0.71 | - | - |
| | **175.73** | **12.69** | **200.75** | **4.51** |
| **(b) Loans to employees** | | | | |
| Secured, considered good | 1,070.15 | 138.14 | 948.11 | 121.53 |
| Unsecured, considered good | - | 6.34 | - | 6.91 |
| **Credit impaired** | | | | |
| - Loans which are credit impaired | - | - | - | 0.69 |
| **Less**: Impairment for doubtful loans | - | - | - | 0.69 |
| | **1,070.15** | **144.48** | **948.11** | **128.44** |
| **(c) Loans to directors and other officers** | **4.34** | **0.80** | **0.58** | **0.09** |
| (Secured, considered good) | | | | |
| **(d) Loans to Customers** | **4.58** | **0.31** | **1.59** | **0.15** |
| (Secured, considered good) | | | | |
| **[refer note 12.1 below]** | | | | |
| **Total** | **1,254.80** | **158.28** | **1,151.03** | **133.19** |

**12.1** Company has policy of providing financial assistance to Schedule Caste / Schedule Tribe category dealers for Retail Outlets under the Corpus Fund Scheme (CFS). Under this scheme upon written request seeking working capital loan / assistance by dealer, the company provides working capital loan for a full cycle of operation (equivalent to seven days sales volume) of the dealer. This working capital loan as well as the interest at the specified rate thereon will be recovered in hundred equal monthly instalments from the thirteenth month of commissioning of the dealer operated Retail Outlet.

## 13 . Other Financial Assets

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **(Secured, considered good unless otherwise stated)** | | | | |
| **(a)** Interest accrued on loans to employee /directors/ other officers | **275.52** | **3.45** | **198.57** | **3.04** |
| **(b)** Interest accrued but not due on Others | | | | |
| Secured, considered good | - | 2.62 | - | 1.84 |
| Unsecured, considered good | - | - | - | - |
| | **-** | **2.62** | **-** | **1.84** |
| **(c)** Receivable from related party (Unsecured, considered good) | **-** | **0.05** | **-** | **1.68** |
| **Total** | **275.52** | **6.12** | **198.57** | **6.56** |

## 14 . Tax Assets/ (Liabilities) [Net]

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Tax assets | 10,019.31 | 2,969.12 | 10,019.29 | 3,067.90 |
| **Less**: Provision for current tax liabilities | 8,382.75 | 1,084.76 | 8,382.75 | 1,084.76 |
| **Net tax assets / (liabilities) (a)** | **1,636.56** | **1,884.36** | **1,636.54** | **1,983.14** |
| **Income tax paid under dispute (b)** | **-** | **-** | **-** | **-** |
| **Total (a+b)** | **1,636.56** | **1,884.36** | **1,636.54** | **1,983.14** |

**14.1** During the financial year ended March 31, 2020, the Company opted to settle Income Tax Disputes under the Direct Tax Vivad Se Vishwas Act, 2020, and accordingly, a sum of ₹ 1,084.76 million payable under the said scheme was charged as prior year tax in the Statement of Profit and Loss in the financial year ended March 31, 2020. Pursuant to this, the tax assets and liabilities were reclassified for the year ended March 31, 2020. The tax assets of ₹ 2,908.37 million and liabilities of ₹ 1,084.76 million pertaining to assessment years for which the Company exercised the option were considered as current tax assets and current tax liabilities respectively, as the same are expected to be settled within a year. The same treatment is continued in the current financial year as the final orders under the said scheme are awaited.

**14.2** The Taxation Laws (Amendment) Act, 2019 inserted a new section 115BAA in the Income Tax Act, 1961, which gives domestic companies a non-reversible option to pay corporate tax at reduced rate, subject to certain conditions. Such option can be exercised for the financial year 2019-20 or any subsequent financial year. The Company did not exercise the option for the financial year ended March 31, 2020. The financial statements of the Company for the year ended March 31, 2021 have been prepared considering the old Corporate Tax rate. However, the option for the new lower tax rate for the financial year 2020-21 can be exercised by the Company on or before the due date for filing of the return of income.

## 15 Other assets

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **(Unsecured, considered good unless otherwise stated)** | | | | |
| **(a) Capital advances to others** | | | | |
| Secured, considered good | 548.21 | - | 1,061.34 | - |
| Unsecured, considered good | 7,035.68 | - | 7,063.29 | - |
| | **7,583.89** | **-** | **8,124.63** | **-** |
| **(b) Deposits with Government Authorities [refer note 15.1, 15.2 and 15.3 below]** | **378.73** | **2,472.83** | **378.73** | **2,471.87** |
| **(c) Advance recoverable in kind** | | | | |
| From Related Parties | - | 1.96 | - | 1.48 |
| From Others | - | 353.95 | - | 295.11 |
| | **-** | **355.91** | **-** | **296.59** |
| **(d) Balance with government authorities** | **-** | **909.74** | **-** | **1,586.20** |
| **(e) Prepayments** | | | | |
| Related Parties | 0.58 | 0.63 | 1.22 | 0.63 |
| Others | 207.36 | 455.19 | 217.90 | 377.92 |
| | **207.94** | **455.82** | **219.12** | **378.55** |
| **(f) Gold coins** | **-** | **0.91** | **-** | **0.91** |
| **(g) Stock on Returnable Basis** | - | 41.39 | - | 41.39 |
| **Less**: Impairment for Stock | - | 41.39 | - | 41.39 |
| | - | - | - | - |
| **Total** | **8,170.56** | **4,195.21** | **8,722.48** | **4,734.12** |

**15.1** Includes amounts paid under protest.

**15.2** Includes ₹ 2,125.25 million relating to an appeal in the matter of classification of Reformate import pending before Hon'ble CESTAT wherein, basis the Company's early hearing application, Hon'ble CESTAT has ordered for out of turn hearing in this matter. Due to outbreak of Covid-19, presently, the Hon'ble CESTAT has decided to hear the matter through video conferencing platform and the same is expected to be held and concluded with in a year.

**15.3** During the previous year ended March 31, 2020, the Company had exercised option under "Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019" announced under "Finance Act 2019" which was effected from September 1, 2019 to January 15, 2020. During the current financial year ended March 31, 2021, pursuant to the scheme and based on approval of the Designated Authorities, upon receipt of discharge certificate, an amount of ₹ 2.07 million has been offset against pre-deposit. Further, an amount of ₹ 0.24 million has been charged to the Statement of Profit and Loss in the current financial year ended March 31, 2021.

## 16. Inventories

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Amount | Total | Amount | Total |
| **Raw materials** | | | | |
| **(a)** On hand | 20,789.28 | | 8,316.40 | |
| **(b)** In transit | 11,156.50 | 31,945.78 | 6,845.88 | 15,162.28 |
| **Stock-in-process** | | 10,041.22 | | 5,160.98 |
| **Finished goods** | 21,325.60 | | 13,662.03 | |
| **Less**: Provision for stock loss | 5.91 | 21,319.69 | 5.91 | 13,656.12 |
| **Stock in Trade- Lube Oil** | | 0.07 | | 0.07 |
| **Stores and spares** | | | | |
| **(a)** On hand | 7,569.20 | | 8,355.33 | |
| **(b)** In transit | 205.23 | | 86.76 | |
| **Less** : Provision for slow/non-moving inventories | 53.18 | 7,721.25 | 99.33 | 8,342.76 |
| **Total** | | **71,028.01** | | **42,322.21** |

**16.1** The cost of inventories (cost of sales) recognised as an expense during the year is ₹ 3,52,105.37 million (Year ended March 31, 2020 ₹ 588,854.90 million).

**16.2** The cost of inventories recognized as an expense includes ₹ 300.56 million (Year ended March 31, 2020 ₹ 11,212.40 million) in respect of write down of inventories to net realisable value. There has been no reversal of such write down in current year and previous year.

**16.3** The method of valuation of inventories has been stated in **Note 3.21.**

## 17 Trade Receivables

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Secured **[refer note 17.4 below]** | | |
| - Considered good | 1,788.23 | 582.56 |
| Unsecured | | |
| -Considered good | 22,718.48 | 9,589.16 |
| **Credit impaired** | | |
| - Receivable which are credit impaired | 1,094.38 | 1,142.36 |
| **Less**: Impairment for doubtful receivables | 1,094.38 | 1,142.36 |
| **Total** | **24,506.71** | **10,171.72** |

**17.1** Generally, the Company enters into long-term sales arrangement with Oil Marketing Companies for domestic sales besides export of products through term contracts and spot international tenders and supplies to SEZ customers. The average credit period on sales ranges from 7 to 45 days (Year ended March 31, 2020 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 2% per annum (Year ended March 31, 2020 upto 2% per annum) over the applicable bank rate on the outstanding balance.

Subsidiary Company OMPL does export sales through short-term tender arrangements and also through B2B arrangements. Company does domestic sales through long term sales arrangement with Holding Company and short term arrangement with others. The average credit period ranges from 7 to 30 days (Year ended March 31, 2020 ranges from 7 to 30 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.

**17.2** Of the trade receivables, balance as at March 31, 2021 of ₹ 23,856.03 million (As at March 31, 2020 ₹ 9,757.04 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, 2021 | As at March 31, 2020 |
|---|---|---|
| Customer 1 | 1,632.26 | 956.80 |
| Customer 2 | 13,990.09 | 5,809.64 |
| Customer 3 | 1,162.21 | 1,103.79 |
| Customer 4 | 2,135.92 | 393.88 |
| Customer 5 | 552.06 | 679.16 |
| Customer 6 | 1,440.82 | 339.02 |
| Customer 7 | 1,514.73 | 474.75 |
| Customer 8 | 1,427.94 | - |
| **Total** | **23,856.03** | **9,757.04** |

**Note:** Major customers identity are not disclosed on account of market confidentiality.

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

**17.4** Secured by bank guarantees / letter of credit received from customers.

**17.5** The Group has concentration of credit risk due to the fact that the Company has significant receivables from customers mentioned in **note 17.2,** however these customers are reputed and creditworthy.

**17.6** There are no outstanding receivables due from directors or other officers of the Company.

**17.7 Age of Trade Receivables:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Within the credit period | 24,223.50 | 9,550.35 |
| 1-30 days past due | 174.86 | 375.62 |
| 31-90 days past due | 87.64 | 228.40 |
| More than 90 days past due | 1,115.09 | 1,159.71 |
| **Total** | **25,601.09** | **11,314.08** |

**17.8 Movement of Impairment for doubtful receivables**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balance at beginning of the year | 1,142.36 | 985.95 |
| Add: Additions/ (Deletion) in expected credit loss allowance | 8.88 | 158.41 |
| **Less**: Write back during the year | 56.86 | 2.00 |
| **Balance at end of the year** | **1,094.38** | **1,142.36** |

## 18 Cash and Cash Equivalents

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balances with banks | 254.30 | 15.82 |
| Cash on hand | 3.95 | 2.18 |
| **Total** | **258.25** | **18.00** |

## 19. Other Bank Balances

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Other bank deposits under lien | 0.09 | 0.09 |
| Unclaimed interest on debentures account **[refer note 19.1 below]** | - | 0.01 |
| Unclaimed dividend account **[refer note 19.2 below]** | 249.36 | 249.79 |
| Restricted bank balance for employee benevolent fund | 13.16 | 12.26 |
| **Total** | **262.61** | **262.15** |

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

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

## 20 Equity Share Capital

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Authorised share capital:** | | |
| 2,900,000,000 Equity shares of ₹ 10 each | 29,000.00 | 29,000.00 |
| (as at March 31, 2020: 2,900,000,000 Equity shares of ₹ 10 each) | | |
| 100,000,000 Redeemable Preference shares of ₹ 10 each | 1,000.00 | 1,000.00 |
| (as at March 31, 2020: 100,000,000 Preference shares of ₹ 10 each) | | |
| **Issued and Subscribed:** | | |
| 1,752,598,777 Equity shares of ₹10 each | **17,525.99** | **17,525.99** |
| (as at March 31, 2020: 1,752,598,777 Equity shares of ₹ 10 each) | | |
| **Fully paid equity shares:** | | |
| 1,752,598,777 Equity shares of ₹ 10 each | 17,525.99 | 17,525.99 |
| (as at March 31, 2020: 1,752,598,777 Equity shares of ₹ 10 each) | | |
| Add: Shares forfeited **[refer note 20.5 below]** | 0.65 | 0.65 |
| **Total** | **17,526.64** | **17,526.64** |

**Reconciliation of Equity shares outstanding at the beginning and at the end of the reporting period:**

| Particulars | Number of shares in million | Share capital |
|---|---|---|
| **Balance as at April 1, 2019** | **1,752.60** | **17,525.99** |
| Changes during the year | - | - |
| **Outstanding as at March 31, 2020** | **1,752.60** | **17,525.99** |
| Changes during the year | - | - |
| **Outstanding as at March 31, 2021** | **1,752.60** | **17,525.99** |

**20.1 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 (if any) 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.

**20.2 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, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Number in million | % holding | Number in million | % holding |
| Oil and Natural Gas Corporation Limited | 1,255.35 | 71.63 | 1,255.35 | 71.63 |
| Hindustan Petroleum Corporation Limited | 297.15 | 16.96 | 297.15 | 16.96 |

**20.3 Details of shareholders holding more than 5% equity shares in the Company are as under:-**

| Name of equity share holders | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Number in million | % holding | Number in million | % holding |
| Oil and Natural Gas Corporation Limited | 1,255.35 | 71.63 | 1,255.35 | 71.63 |
| Hindustan Petroleum Corporation Limited | 297.15 | 16.96 | 297.15 | 16.96 |

**20.4** Equity shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment: Nil (As at March 31, 2020: Nil).

**20.5** 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.

## 21. Other Equity

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (a) Deemed equity **[refer note 3.26]** | 44.06 | 44.06 |
| (b) Reserves and surplus | | |
| (i) Capital redemption reserve | 91.86 | 91.86 |
| (ii) Securities premium | 3,463.90 | 3,463.90 |
| (iii) Capital reserve | 0.07 | 0.07 |
| (iv) General reserve | 1,192.00 | 1,192.00 |
| (v) Debenture Redemption reserve | - | - |
| (vi) Other reserve | (15,462.94) | - |
| (vii) Cash Flow Hedge Reserve | - | (0.37) |
| (viii) Retained earnings | 35,625.42 | 41,280.04 |
| **Total** | **24,954.37** | **46,071.56** |

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **(a) Deemed equity [refer note 21.1 below]** | | |
| Balance at beginning of the year | 44.06 | 42.17 |
| Addition during the year | - | 1.89 |
| **Balance at end of the year** | **44.06** | **44.06** |
| **(b) Reserves and Surplus** | | |
| **(i) Capital redemption reserve [refer note 21.2 below]** | | |
| Balance at beginning of the year | 91.86 | 91.86 |
| Transfer during the year | - | - |
| **Balance at end of the year** | **91.86** | **91.86** |
| **(ii) Securities premium [refer note 21.3 below]** | | |
| Balance at beginning of the year | 3,463.90 | 3,466.45 |
| Transfer during the year | - | (2.55) |
| **Balance at end of the year** | **3,463.90** | **3,463.90** |
| **(iii) Capital reserve [refer note 21.4 below]** | | |
| 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 21.5 below]** | | |
| Balance at beginning of the year | 1,192.00 | 1,192.00 |
| Transfer from retained earnings | - | - |
| **Balance at end of the year** | **1,192.00** | **1,192.00** |
| **(v) Debenture Redemption Reserve** | | |
| Balance at beginning of the year | - | 228.94 |
| Transfer to/ from retained earnings/ Non controlling interest | - | (228.94) |
| **Balance at end of the year** | **-** | **-** |

| Particulars | | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **(vi)** | **Other reserve [refer note 21.6 below]** | | |
| | Balance at beginning of the year | - | - |
| | Received during the year | - | - |
| | Effect of stake acquired from Non-Controlling Interest | (15,462.94) | - |
| | Transfer during the year | - | - |
| | **Balance at end of the year** | **(15,462.94)** | - |
| **(vii)** | **Cash Flow Hedging Reserve [refer note 21.7 below]** | | |
| | Opening Balance | (0.37) | 0.24 |
| | Reclassification to statement of profit or loss | 0.37 | (0.24) |
| | Change in Fair Value | - | (0.37) |
| | **Balance at end of the year** | - | **(0.37)** |
| **(viii)** | **Retained earnings** | | |
| | Balance at beginning of the year | 41,280.04 | 76,909.40 |
| | Profit / (Loss) after tax for the year | (5,675.13) | (33,546.31) |
| | Other Comprehensive Income for the year, net of income tax | 20.51 | (86.96) |
| | Payment of Dividends | - | (1,752.60) |
| | Tax on Dividends | - | (360.25) |
| | Transfer to / from Debenture Redemption Reserve | - | 116.76 |
| | **Balance at end of the year** | **35,625.42** | **41,280.04** |

**21.1** The amount of ₹ 44.06 million ( As at March 31, 2020 ₹ 44.06 million ) shown as deemed equity denotes the fair value of fees towards financial guarantee received from Oil and Natural Gas Corporation Limited for the company and the fair value of financial guarantee towards backstop for interest on CCDs issued by Subsidiary Company OMPL without any consideration **[refer note 50].**

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

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

**21.4** Capital reserve created on account of consolidation during the year 2014-15

**21.5** The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to Statement of Profit and Loss.

**21.6** Other reserve represents non-controlling interest reserve created on acquisition of additional shares of 48.9981% from non-controlling share holder i.e. from Oil and Natural Gas Corporation Ltd. in ONGC Mangalore Petrochemicals Limited as on January 1, 2021. Subsequently further acquisition of shares from other non controlling shareholders resulting total shareholding to 99.99996%.

**21.7** The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges by Joint Venture, Shell MRPL Aviation Fuels and Services Limited. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

21.8 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.

## 22 Non-Controlling Interest

22.1

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Balance at the beginning of the year** | (1,319.20) | 3,001.36 |
| Share of profit for the year | (1,974.54) | (6,878.86) |
| Share of OCI | - | (1.34) |
| Others | - | 2,559.64 |
| Reduction in Non-Controlling Interest due to Acquisition by Parent | 3,293.74 | - |
| **Balance at end of year** | **-** | **(1,319.20)** |

**22.2 Details of non-wholly owned subsidiary of the Group that has non-controlling interest :-**

Name of subsidiary — ONGC Mangalore Petrochemicals Limited
Place of incorporation and principal place of business — India

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Proportion of ownership interests and voting rights held by non-controlling interests | 0.00004% | 49.00% |
| Total Other Comprehensive Income / (Loss) for the year allocated to non-controlling interests | (1,974.54) | (6,880.20) |
| Accumulated non-controlling interests | - | (1,319.20) |

**22.3 Summarised financial information in respect of the Group's subsidiary that has non-controlling interest is set out below. The summarised financial information below represents amounts before intragroup eliminations.**

| OMPL | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Non-Current Assets | 64,606.11 | 67,148.47 |
| Current Assets | 8,314.57 | 4,754.91 |
| Non-Current Liabilities | 58,246.66 | 53,177.52 |
| Current Liabilities | 21,941.03 | 21,436.51 |
| Equity attributable to owners of the Company | (7,267.01) | (1,391.45) |
| Non-controlling interests | - | (1,319.20) |

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Revenue | 33,986.30 | 49,549.35 |
| Expenses | 39,135.02 | 64,720.89 |
| **Profit (loss) for the year** | **(4,557.25)** | **(14,038.49)** |
| Profit (loss) attributable to owners of the Company | (2,582.71) | (7,159.63) |
| Profit (loss) attributable to non-controlling interests | (1,974.54) | (6,878.86) |
| **Profit (loss) for the year** | **(4,557.25)** | **(14,038.49)** |
| Other comprehensive income attributable to the owners of the Company | 0.89 | (1.39) |
| Other comprehensive income attributable to non-controlling interests | - | (1.34) |
| **Other comprehensive income for the year** | **0.89** | **(2.73)** |
| Total comprehensive income attributable to the owners of the Company | (2,581.82) | (7,161.02) |
| Total comprehensive income attributable to non-controlling interests | (1,974.54) | (6,880.20) |
| **Total comprehensive income for the year** | **(4,556.36)** | **(14,041.22)** |
| Net Cash Inflow (Outflow) from Operating Activities | (7,925.61) | 889.57 |
| Net Cash Inflow (Outflow) from Investing Activities | (23.90) | (1,401.86) |
| Net Cash Inflow (Outflow) from Financing Activities | 7,949.55 | 491.67 |
| **Net Cash Inflow (Outflow)** | **0.04** | **(20.62)** |

**22.4 Transaction with non controlling interests**

The Company had acquired 48.9981% share in ONGC Mangalore Petrochemicals Limited on January 1, 2021. Subsequently the Company has acquired further non controlling 3,356 number of shares. The carrying amount of the existing 48.9981% non controlling interest was ₹ (3,293.74) million at the time of purchase. The group recognized a decrease in non controlling interests of ₹ 3,293.74 million and a decrease in equity attributable to the owner's of the parent of ₹ 15,462.94 million. The effect on the equity attributable to the owners of parent during the year is summarised as follows :

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Carrying amount of non controlling interests acquired | (3,293.74) | - |
| Consideration paid to non controlling interests | 12,169.20 | - |
| Excess of consideration paid recognized in other reserves within equity | 15,462.94 | - |

## 23 Borrowings

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **Secured – at amortised cost** | | | | |
| **Term Loans:-** | | | | |
| **From Banks** | | | | |
| External Commercial Borrowing (ECB ) **[refer note 23.1 below]** | 11,577.78 | - | 23,066.68 | - |
| Foreign Currency borrowing (FCTL) **[refer note 23.2 below]** | 26,300.00 | - | 27,182.19 | - |
| **From others** | | | | |
| Oil Industry Development Board (OIDB) **[refer note 23.3 below]** | 3,925.00 | - | 4,720.00 | - |
| **Deferred Payment Liabilities :-** | | | | |
| Deferred Payment Liabilities : VAT Loan **[refer note 23.4 below]** | 418.09 | - | 360.78 | - |
| **Working capital loan from banks** **[refer note 23.5 below]** | - | - | - | 8,632.30 |
| **Unsecured – at amortised cost** | | | | |
| **Debentures :-** | | | | |
| Non Convertible Debentures (NCD) **[refer note 23.6 below]** | 37,752.25 | - | 25,586.59 | - |
| Compulsorily Convertible Debentures (CCD's) | | | | |
| Related Party | 4,896.57 | - | 4,894.79 | - |
| Others **[refer note 23.7 below]** | 5,096.43 | - | 5,094.58 | - |
| **Term loan :-** | | | | |
| **From Banks** | | | | |
| **Domestic** | | | | |
| Rupee Term Loan from bank **[refer note 23.8 below]** | 9,868.16 | - | - | - |
| **Foreign** | | | | |
| Foreign Currency Term Loan (FCNR) **[refer note 23.9 below]** | 6,214.78 | - | - | - |
| Foreign Currency Borrowings (FCTL) **[refer note 23.10 below]** | 10,962.15 | - | 11,328.69 | - |
| **Working capital loan from Banks** | | | | |
| External Commercial Borrowings (ECB): Working Capital **[refer note 23.11 below]** | 39,981.96 | - | 30,025.03 | - |
| Foreign Currency Term Loan (FCTL) **[refer note 23.12 below]** | - | 11,698.40 | - | 11,866.06 |
| Bills Discounting Facility : SBI **[refer note 23.13 below]** | - | 766.48 | - | 6,324.45 |
| Other Working Capital Loan **[refer note 23.14 below]** | - | 15,405.00 | - | 3,700.00 |
| **Working capital loan from Others** | | | | |
| Commercial Paper **[refer note 23.15 below]** | - | 26,500.00 | - | - |
| **Loan repayable on demand from Banks** | | | | |
| Short Term Rupee Loan **[refer note 23.16 below]** | - | 16,158.32 | - | 4,732.16 |
| **Total** | **156,993.17** | **70,528.20** | **132,259.33** | **35,254.97** |

**23.1 External Commercial Borrowings (ECB):**

**23.1.1** External Commercial Borrowings taken by the Company are USD denominated loans and carries variable rate of interest which is six month Libor plus spread (Interest rate as at March 31, 2021 is 1.24% and interest rate as at March 31, 2020 was 2.90%).

**23.1.2** External Commercial Borrowings are secured by first pari passu charge over immovable Property, Plant & Equipment and first ranking pari passu charge over movable Property, Plant & Equipment (including but not limited to Plant and Machinery, Spares, Tools, Furniture, Fixture, Vehicles and all other Movable Property, Plant & Equipment) both present and future.

**23.1.3** Subsidiary Company OMPL has External Commercial Borrowings are USD denominated Loans and carries variable rate of interest due to fluctuation in Libor rate, which is six month based plus spread. (Interest Rate as at March 31, 2021 is 2.60% and Interest rate as at March 31, 2020 is 4.46%).

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

**23.1.4** ₹ 9,463.91 million (As at March 31, 2020 of ₹ 9,777.57 million) is repayable within one year and the same has been shown as "Current maturities of long term debts (secured)" under **Note 24.**

**23.1.5** Repayment schedule of ECB is as follows:

| Year of repayment [refer note 23.17 below] | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 2020-21 | - | 9,785.66 |
| 2021-22 | 9,466.51 | 11,135.31 |
| 2022-23 | 7,847.54 | 8,112.10 |
| 2023-24 | 3,767.09 | 3,894.09 |
| **Total** | **21,081.14** | **32,927.16** |

**23.2 Foreign Currency Borrowing (FCTL):**

**23.2.1** During the financial year 2019-20 the Subsidiary Company OMPL has availed Medium Term secured Foreign Currency Loan amounting to USD 360 million.

**23.2.2** Foreign Currency Borrowing amounting to USD 360 million is having a tenor of eight years with moratorium of 3 years and is secured by way of first pari passu charge on Fixed Assets of the Company. The loan is repayable in 20 quarterly instalment and carries variable rate of interest which is six month Libor plus spread (Range of Interest rate as at March 31, 2021 is 2.60% to 2.63% and Range of Interest rate as at March 31, 2020 is 3.93% to 4.28%).

**23.2.3 Repayment schedule of FCTL is as follows:**

| Year of repayment [refer note 23.17 below] | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 2022-23 | 2,924.60 | 3,023.20 |
| 2023-24 | 4,942.57 | 5,109.21 |
| 2024-25 | 5,264.28 | 5,441.76 |
| 2025-26 | 5,264.28 | 5,441.76 |
| 2026-27 | 5,995.43 | 6,197.56 |
| 2027-28 | 1,930.24 | 1,995.31 |
| **Total** | **26,321.40** | **27,208.80** |

**23.3 Loan from Oil Industry Development Board (OIDB):**

**23.3.1** Loan from OIDB taken by the Company carries fixed rate of interest (Interest rate as at March 31, 2021 for ₹ 2,010.00 million (7.98%), ₹ 1,840.00 million (7.00%), ₹ 150.00 million (7.50%), ₹ 450.00 million (7.11%) and ₹ 270.00 million (7.03%) and ₹ 552.50 million (6.01%) and interest rate as at March 31, 2020 was 7.00% to 7.98%).

**23.3.2** OIDB loan is secured by way of first ranking pari passu charge by way of hypothecation / mortgage only on Property, Plant & Equipment / projects financed out of loan proceeds of OIDB.

**23.3.3** ₹ 1,347.50 million (As at March 31, 2020 of ₹ 670.00 million) is repayable within one year and the same has been shown as "Current maturities of long term debts (secured)" under **Note 24**.

**23.3.4 Repayment schedule of loan from OIDB is as follows:**

| Year of repayment [refer note 23.17 below] | As at March 31, 2021 | As at March 31, 2020 |
|---|---:|---:|
| 2020-21 | - | 670.00 |
| 2021-22 | 1,347.50 | 1,347.50 |
| 2022-23 | 1,485.62 | 1,347.50 |
| 2023-24 | 1,485.62 | 1,347.50 |
| 2024-25 | 815.63 | 677.50 |
| 2025-26 | 138.13 | - |
| **Total** | **5,272.50** | **5,390.00** |

**23.4 Deferred payment liabilities - VAT Loan:**

**23.4.1** Deferred payment liability against VAT Loan represents amounts payable on account of "Interest free loan" received from Government of Karnataka. This interest free loan against VAT will be repayable from March 31, 2028.

**23.4.2** The benefit of a Government loan at a below-market rate of interest is treated as a government grant (Ind AS 20). The Interest free loan is recognised and measured in accordance with Ind AS 109, Financial Instruments. The benefit of the Interest free loan is measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109, and the proceeds received. The benefit is accounted for in accordance with this Standard.

**23.4.3** Deferred payment liabilities - VAT Loan are secured by bank guarantees given by the company.

**23.4.4 Repayment schedule of Deferred payment liability VAT loan is as follows:**

| Year of repayment [refer note 23.17 below] | As at March 31, 2021 | As at March 31, 2020 |
|---|---:|---:|
| 2027-28 | 132.61 | 132.61 |
| 2028-29 | 155.16 | 155.16 |
| 2029-30 | 197.76 | 197.76 |
| 2030-31 | 208.53 | 208.53 |
| 2031-32 | 322.83 | 322.83 |
| 2032-33 | 74.88 | - |
| **Total** | **1,091.77** | **1,016.89** |

**23.5 Working capital loan from Banks:**

**23.5.1** Working capital borrowings from consortium banks are secured by way of first ranking pari passu charge by way of hypothecation of Company's stocks of Raw Material, Finished Goods, Stock-in-Process, Stores, Spares, Components, Trade receivables, outstanding Money Receivables, Claims, Bills, Contract, Engagements, Securities both present and future and further secured by second ranking pari passu charge over companies movable and immovable property (all Property, Plant & Equipment) both present and future. Working capital borrowings from banks in the form of overdraft facility against fixed deposits are secured by way of hypothecation on original fixed deposits.

The Subsidiary Company OMPL has working capital loan from a bank is secured by way of hypothecation of Company's current assets both present and future and second pari passu charge over immovable property, plant and equipment.

**23.6 Non Convertible Debentures (NCD):**

**Unsecured Redeemable Non-Convertible Fixed Rate Debentures (Privately Placed) :**

| Sl. No. | ISIN | Face Value Per Debenture (₹) | Date of Allotment | As at 31-03-2021 | Coupon Rate | Maturity [refer note 23.17 below] | |
|---|---|---|---|---|---|---|---|
| | | | | | | Amount | Date |
| 1 | INE103A08027 | 1,000,000 | 13-Jan-20 | 4,999.02 | 6.64% | 5,000.00 | 14-Apr-23 |
| 2 | INE103A08019 | 1,000,000 | 13-Jan-20 | 9,997.35 | 7.40% | 10,000.00 | 12-Apr-30 |
| 3 | INE103A08035 | 1,000,000 | 29-Jan-20 | 10,591.92 | 7.75% | 10,600.00 | 29-Jan-30 |
| 4 | INE103A08043 | 1,000,000 | 29-Dec-20 | 12,163.96 | 6.18% | 12,170.00 | 29-Dec-25 |
| **Total** | | | | **37,752.25** | | **37,770.00** | |

**23.7 Unsecured Compulsorily convertible debentures (CCD's):**

**23.7.1** The Subsidiary Company OMPL has allotted 1,000 Compulsorily Convertible Debentures (CCDs) of ₹ 10 million each on March 5, 2020 through private placement. Company has issued CCDs in 3 different series. Series I Debentures consists of ₹ 2,500 million with Coupon Rate of 8.35% p.a., Series II Debentures consists of ₹ 2,500 million with Coupon Rate of 8.50% p.a. and Series III Debentures consists of ₹ 5,000 million with Coupon Rate of 8.75% p.a. Interest for all the three series of debentures to be served on quarterly basis.

**23.7.2** Coupon Rate of Series I Debenture is subject to annual reset with interest rate linked to 364 days Treasury bill. The interest rate has been reset on March 5, 2021 from 8.35% to 6.91% p.a.. Coupon rate for series II and series III CCDs are fixed over the tenure of debentures.

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

**23.7.4** Tenor of CCDs is 36 months from Deemed Date of Allotment, with mandatory Put / Call Option at the end of the 35th month. The Sponsors ( in the ratio of ONGC - 49% and MRPL - 51%) to mandatorily acquire all the CCDs from the investors at the end of 35th month from the date of allotment. The Sponsor (ONGC) will get the 49% equity shares of subsidiary company OMPL against the Compulsorily Convertible Debentures (CCDs) liability which are convertible at the time of settlement.

**23.7.5** The Sponsors ( in the ratio of ONGC - 49% and MRPL - 51%) can also buy out the CCDs at any time prior to the expiry of 35 months from allotment date. Investors have put option at the end of 35th month on sponsors and accelerated put option applicable on sponsors in the event of default. On the basis of same ratio the same is disclosed as transaction with Related Party.

**23.7.6** Company's obligation under option agreement is limited only to the extent of servicing of interest on these debentures. Upon conversion of the CCDs, OMPL would be required to issue equity shares to the sponsors.

**23.7.7 Repayment/Conversion Schedule of CCD is as below :**

| Year of repayment [refer note 23.17 below] | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 2022-23 | 10,000.00 | 10,000.00 |
| **Total** | **10,000.00** | **10,000.00** |

**23.7.8** The interest on one of the CCD Series I was on a floating rate. In March 2021, the interest rate on this CCD Series I was reduced by 144 basis points.

**23.8 Rupee term loan from bank :**

**23.8.1** Term loan from SBI was taken by the Company and carried variable rate of interest which was three months MCLR plus spread (Interest rate as at March 31, 2020 was 7.84%).

Subsidiary company OMPL during the financial year 2020-21 has availed Rupee Term Loan amounting to ₹ 9,875.14 million on unsecured basis having a tenor of 5 years with moratorium period of 3 years. The loan is repayable in 8 quarterly installments and carries a variable interest rate which is G-Sec linked lending rate (Interest rate as at March 31, 2021 is 6.25%) .

**23.8.2** ₹ Nil (As at March 31, 2020 of ₹ 6,856.72 million) is repayable within one year and the same has been shown as "Current maturities of long-term debts (unsecured)" under **Note 24.**

**23.8.3 Repayment schedule of Term Loan from SBI is as follows:**

| Year of repayment [refer note 23.17 below] | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 2020-21 | - | 6,856.72 |
| 2023-24 | 3,703.18 | - |
| 2024-25 | 4,937.57 | - |
| 2025-26 | 1,234.39 | - |
| **Total** | **9,875.14** | **6,856.72** |

**23.9 Foreign Currency Term Loan (FCNR):**

**23.9.1** FCNR (B) Capex Loan from SBI taken by the company carries variable rate of interest which is six months Libor plus spread (Interest rate as at March 31, 2021 is 1.70%).

**23.9.2 Repayment schedule of Foreign Currency Term Loan (FCNR) is as follows:**

| Year of repayment [refer note 23.17 below] | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 2023-24 | 6,214.78 | - |
| **Total** | **6,214.78** | **-** |

**23.10 Foreign Currency Borrowing (FCTL) :**

**23.10.1** During the financial year 2019-20 the Subsidiary Company OMPL has availed Medium Term unsecured Foreign Currency Loan amounting to USD 150 million.

**23.10.2** The Subsidiary Company OMPL has Foreign Currency Borrowing amounting to USD 150 Million is availed on unsecured basis having a tenor of three years and carries variable rate of interest which is six month Libor plus spread (Interest rate as at March 31, 2021 is 2.25% and Interest rate range as at March 31, 2020 is 3.92% to 3.93%) .

**23.10.3 Repayment schedule of FCTL is as follows:**

| Year of repayment [refer note 23.17 below] | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 2022-23 | 10,967.25 | 11,337.00 |
| **Total** | **10,967.25** | **11,337.00** |

**23.11 Working capital Term Loan from Banks - ECB:**

**23.11.1** External Commercial Borrowing taken by the Company are USD denominated loans and carries variable rate of interest which is six month Libor plus spread (Interest rate as at March 31, 2021 is 1.54% and as at March 31, 2020 was 2.37%).

**23.11.2 Repayment schedule of Working Capital loan ECB is as follows:**

| Year of repayment [refer note 23.17 below] | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 2023-24 | 73.12 | 75.58 |
| 2024-25 | 29,172.88 | 30,156.42 |
| 2025-26 | 10,967.25 | - |
| **Total** | **40,213.25** | **30,232.00** |

**23.12 Foreign currency Term loan (FCTL) :**

**23.12.1** Foreign Currency Term Loan from bank are USD denominated loans and carries variable rate of interest which is three month Libor plus spread and is repayable within one year from the date of each disbursement.

**23.13 Bill Discounting Facility :**

**23.13.1** Unsecured Bill discounting facility from State Bank of India (SBI) against Non LC bill drawn on Subsidiary Company "ONGC Mangalore Petrochemicals Limited" (OMPL).

**23.14 Other Working Capital Loan :**

**23.14.1** Unsecured short term working capital loan from bank

**23.15 Commercial Paper**

**23.15.1** The Commercial paper issued is unsecured fixed rate short term debt instrument.

**23.16 Unsecured short term loans repayable on demand:**

**23.16.1** Subsidiary Company OMPL has taken Unsecured short term rupee loan as on March 31, 2021 is for tenor of 6 to 7 months and carries variable rate linked to RBI repo rate and 3 month Treasury bill rate (Range of interest rate as on March 31, 2021 is 4.25% to 4.50% p.a.) and unsecured short term rupee loan as on March 31, 2020 was for tenor of 3 months to 1 year and carried variable interest rate linked to overnight MCLR and one month MCLR (Range of Interest Rate as at March 31, 2020 is 7.50% to 7.60% p.a.).

**23.17** 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.

## 24 Other Financial Liabilities

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Current maturities of long term debt (Secured) **[refer note 23.1.4 and 23.3.3]** | - | 10,811.41 | - | 10,447.57 |
| Current maturities of long term debt (Unsecured) **[refer note 23.8.2]** | - | - | - | 6,856.72 |
| Unclaimed dividends **[refer note 24.1 below]** | - | 249.36 | - | 249.79 |
| Unclaimed interest on matured debentures **[refer note 24.2 below]** | - | - | - | 0.01 |
| Interest accrued but not due | - | 657.73 | - | 653.85 |
| Deposits from suppliers/ contractors/ others | - | 659.03 | - | 791.84 |
| Payable against capital goods **[refer note 24.3 below]** | - | 2,977.47 | - | 3,240.40 |
| Liability for employees | - | 299.36 | - | 882.73 |
| Lease Liability | 2,071.78 | 219.53 | 2,130.68 | 280.92 |
| Other liabilities relating to customers and vendors | - | 1,482.00 | - | 2,233.60 |
| Unspent CSR Liability **[refer note 37.3 (c)]** | - | 216.77 | - | - |
| Bills Payable **[refer note 24.4 below]** | - | 3,258.96 | - | - |
| **Total** | **2,071.78** | **20,831.62** | **2,130.68** | **25,637.43** |

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

**24.2** Represents interest payable towards matured debentures.

**24.3 Price reduction schedule**

Payable against capital goods includes ₹ 242.28 million (As at March 31, 2020 ₹ 234.90 million) relating to amounts withheld from vendors pursuant to price reduction schedule which will be settled on finalisation of proceedings with such vendors. When the withheld amounts are ultimately finalised, the related adjustment is made to the Property, Plant and Equipment prospectively.

**24.4** Towards bills payable in respect of purchases drawn by Holding Company.

## 25 Provisions

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **Provision for employee benefits [refer note 41]** | | | | |
| (a) Leave encashment | 1,133.12 | 90.34 | 926.39 | 81.73 |
| (b) Post retirement medical and other benefits | 128.66 | 3.66 | 108.85 | 3.45 |
| (c) Gratuity | 98.67 | 3.32 | 83.56 | 1.46 |
| Others **[refer note 25.1 below]** | - | 5,441.60 | - | 1,734.53 |
| **Total** | **1,360.45** | **5,538.92** | **1,118.80** | **1,821.17** |

**25.1 Others include provision for Excise duty on closing stock**

**Movement for the year 2020-21**

| Particulars | Excise duty on closing stock |
|---|---|
| Opening Balance as at April 1, 2020 | 1,734.53 |
| **Less**: Reduction on account of provision reversal | 1,734.53 |
| **Add**: Additions during the year | 5,441.60 |
| Closing Balance as at March 31, 2021 | 5,441.60 |

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, 2021 ₹ 5,441.60 million (As at March 31, 2020 ₹ 1,734.53 million) and has included it in other provision. This provision is expected to be settled when the goods are removed from the factory premises.

## 26 Deferred Tax Asset/ (Liabilities) (Net)

Statement showing the movement in Deferred Tax Assets/ (Liabilities):

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Deferred Tax Assets | 54,541.41 | 52,877.83 |
| Deferred Tax Liabilities | (40,765.96) | (40,630.74) |
| **Deferred Tax Asset/ (Liability) - Net** | **13,775.45** | **12,247.09** |

| 2020-21 | Opening balance | Recognised in Profit or Loss | MAT credit entitlement related to previous year | Recognised in Other Comprehensive Income | Closing balance |
|---|---|---|---|---|---|
| **Deferred Tax Liabilities in relation to** | | | | | |
| Property, Plant and Equipment | (40,604.51) | (140.05) | - | - | (40,744.56) |
| Intangible Assets | (14.03) | 4.33 | - | - | (9.70) |
| Others | (12.20) | 0.50 | - | - | (11.70) |
| **Total** | **(40,630.74)** | **(135.22)** | **-** | **-** | **(40,765.96)** |
| **Tax effect of items constituting Deferred Tax Assets** | | | | | |
| Other Liabilities | 71.17 | 184.66 | - | - | 255.83 |
| Brought forward business losses and unabsorbed depreciation | 35,171.22 | 1,480.58 | - | - | 36,651.80 |
| MAT credit entitlement | 17,245.39 | - | 10.86 | - | 17,256.25 |
| Right of Use Assets net of Lease Liability | 27.45 | (7.68) | - | - | 19.77 |
| Financial and Other Assets | 340.47 | (0.24) | - | - | 340.23 |
| Inventories | 22.13 | (4.60) | - | - | 17.53 |
| Remeasurement of the Defined Benefit Plans | - | 11.20 | - | (11.20) | - |
| **Total** | **52,877.83** | **1,663.92** | **10.86** | **(11.20)** | **54,541.41** |
| **Deferred Tax Asset / (Liability) (Net)** | **12,247.09** | **1,528.70** | **10.86** | **(11.20)** | **13,775.45** |

| 2019-20 | Opening balance | Recognised in Profit or Loss | MAT credit entitlement related to previous year | Recognised in Other Comprehensive Income | Closing balance |
|---|---|---|---|---|---|
| **Deferred Tax Liabilities in relation to** | | | | | |
| Property, Plant and Equipment | (38,937.68) | (1,666.83) | - | - | (40,604.51) |
| Intangible Assets | (11.46) | (2.57) | - | - | (14.03) |
| Others | - | (12.20) | - | - | (12.20) |
| **Total** | **(38,949.14)** | **(1,681.60)** | **-** | **-** | **(40,630.74)** |
| **Tax effect of items constituting Deferred Tax Assets** | | | | | |
| Other Liabilities | 60.11 | 11.06 | - | - | 71.17 |
| Brought forward business losses and unabsorbed depreciation | 18,832.30 | 16,338.92 | - | - | 35,171.22 |
| MAT credit entitlement | 17,192.76 | - | 52.63 | - | 17,245.39 |
| Right of Use Assets net of Lease Liability | - | 27.45 | - | - | 27.45 |
| Financial and Other Assets | 340.51 | (0.04) | - | - | 340.47 |
| Inventories | 22.13 | - | - | - | 22.13 |
| Remeasurement of the Defined Benefit Plans | - | (47.52) | - | 47.52 | - |
| **Total** | **36,447.81** | **16,329.87** | **52.63** | **47.52** | **52,877.83** |
| **Deferred Tax Asset / (Liability) (Net)** | **(2,501.33)** | **14,648.27** | **52.63** | **47.52** | **12,247.09** |

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

**26.2** The Board of Directors of the subsidiary company has accorded consent for merger of the company with the holding company, Mangalore Refinery and Petrochemicals Limited. The proposal of merger is under implementation as at end of the Financial Year. Pending the completion of formalities for the merger and the consequent merger of the company with the holding company, the company has considered the carry-forward of tax losses amounting to ₹ 66,994.44 millions for recognition of deferred tax asset. For the recognition of the deferred tax asset, the company has considered the future taxable profit as per the projections adopted in the report of an Independent Professional body and the said projection is on the standalone basis without taking into account the effect of merger. Further the said report has been taken on record by the Board of Directors of subsidiary company in the meeting held on January 13, 2021. The deferred tax asset shown in the balance sheet amounting to ₹ 9,379.63 millions is subject to review and appropriate changes based upon review by the amalgamated company (Holding Company) in the light of Ind AS 103 – Business Combinations on completion of merger proposal.

## 27 Trade Payables

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises | 316.43 | 368.83 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 39,714.88 | 32,396.50 |
| **Total** | **40,031.31** | **32,765.33** |

**27.1** Trade payables include ₹ Nil (As at March 31, 2020 of ₹ 10,268.07 million) for which ONGC has given guarantees on behalf of the Company.

**27.2** The average credit period on purchases of crude, stores and spares, other raw material, services, etc. ranges from 14 to 60 days (Year ended March 31, 2020 ranges from 14 to 60 days). Thereafter, interest is charged upto 6.75% per annum (Year ended March 31, 2020 upto 6.75% per annum) over the relevant bank rate as per respective arrangements on the outstanding balances. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Subsidiary Company OMPL has 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.

**27.3** Disclosure relating to dues to Micro, Small and Medium Enterprises

| | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| i | The principal amount and the interest dues thereon (to be shown separately) remaining unpaid to any supplier at the end of the year | 316.43 | 368.83 |
| ii | The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| iii | The amount of interest dues and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| iv | The amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| v | The amount of further interest remaining dues and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

## 28 Other Liabilities

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Revenue received in advance | - | 1.04 | - | 1.16 |
| Liability for gratuity **[refer note 28.1 below]** | - | 235.84 | - | 151.16 |
| Liability for statutory payments | - | 2,898.45 | - | 1,309.57 |
| Others | - | 671.13 | - | 7,132.02 |
| Deferred Government Grant **[refer note 5.3 & 23.4.2]** | 3,448.43 | 202.86 | 3,596.15 | 196.59 |
| **Total** | **3,448.43** | **4,009.32** | **3,596.15** | **8,790.50** |

**28.1** Net amount payable to Gratuity Trust.

## 29 Revenue from Operations

| | Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|---|
| 29.1 | **Sales** | | |
| | Petroleum Products | 496,456.98 | 565,191.83 |
| | Crude Oil and Other Products | 11,931.73 | 33,502.12 |
| | **Total** | **508,388.71** | **598,693.95** |
| 29.2 | **Other operating revenues** | | |
| | Sale of scrap | 393.67 | 153.21 |
| | Price Reduction Schedule | 26.22 | 22.87 |
| | Export Incentives | 143.72 | 930.01 |
| | **Total** | **563.61** | **1,106.09** |
| | **Grand Total** | **5,08,952.32** | **5,99,800.04** |

## 30 Other Income

| | Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|---|
| 30.1 | **Interest on:** | | |
| | Contractor mobilisation advance | 56.76 | 31.55 |
| | Others | 16.25 | 8.79 |
| | Financial assets measured at amortised cost : | | |
| | - Bank deposits | 0.89 | 151.67 |
| | - Direct marketing customers | 18.18 | 13.15 |
| | - Employee loans | 88.24 | 70.66 |
| | **Total** | **180.32** | **275.82** |
| 30.2 | **Dividend income from:** Investment in mutual funds (measured at FVTPL) | **4.00** | **14.03** |

30.3

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Other non-operating income** | | |
| Royalty income | 8.17 | 11.30 |
| Liability no longer required written back | 184.94 | 125.42 |
| Excess provisions written back | 106.93 | 2.12 |
| Tender form sale | - | 3.77 |
| Hire charges | 11.64 | 8.57 |
| Recoveries from employees | 11.52 | 11.15 |
| Amortisation of Deferred Government Grant | 196.60 | 187.94 |
| Miscellaneous receipts | 264.55 | 179.99 |
| **Total** | **784.35** | **530.26** |
| **Grand Total** | **968.67** | **820.11** |

## 31 Cost of Materials Consumed

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Raw material: Crude oil** | | |
| Imported | 231,491.61 | 383,220.35 |
| Indigenous | 59,759.87 | 76,040.65 |
| **Raw material: Others** | | |
| **Imported** | | |
| Hydrogen | 151.85 | 132.70 |
| Paraffin raffinate | 63.92 | 372.06 |
| De- Ethanizer | 6.06 | - |
| Reformate | - | 3.28 |
| **Indigenous** | | |
| CRMB modifier | 17.73 | 17.56 |
| Regasified Liquefied Natural Gas (RLNG) | 64.00 | - |
| Naphtha / Aromatic Stream | 45.85 | 1,878.94 |
| **Lube Oil - Indigenous** | 0.56 | 0.64 |
| **Total** | **291,601.45** | **461,666.18** |

## 32 Purchases of Stock-in-Trade

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Crude Oil & Other Products | 11,931.73 | 33,520.79 |
| **Total** | **11,931.73** | **33,520.79** |

## 33 Changes in Inventories of Finished Goods and Stock-in-Process

| | Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|---|
| 33.1 | **Closing stock** | | |
| | Finished goods | 21,325.60 | 13,662.03 |
| | Stock-in-process | 10,041.22 | 5,160.98 |
| | **Total closing stock** | **31,366.82** | **18,823.01** |
| 33.2 | **Opening stock** | | |
| | Finished goods | 13,662.03 | 21,420.80 |
| | Stock-in-process | 5,160.98 | 9,998.46 |
| | **Total opening stock** | **18,823.01** | **31,419.26** |
| | **Net (Increase) / Decrease (Opening - Closing)** | **(12,543.81)** | **12,596.25** |

## 34 Employee Benefits Expense

| Particulars [refer note 34.1 below] | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Salaries and wages | 4,282.72 | 4,153.69 |
| Contribution to provident and other funds **[refer note 41.2.2 and 49]** | 1,211.38 | 576.32 |
| Gratuity | 19.79 | 16.78 |
| Post-retirement benefits - medical and others | 14.47 | 13.84 |
| Staff welfare expenses | 233.19 | 243.67 |
| **Total** | **5,761.55** | **5,004.30** |

34.1 The Holding Company during the year has finalized the Long Term Settlement pertaining to wage revision and other related benefits of the Non Management staff which was due for revision effective from January 1, 2017. The effect of same has already been considered in respective financial years.

## 35 Finance Costs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Finance expense for financial liabilities measured at amortised cost** | | |
| - From Banks | 5,287.25 | 8,001.36 |
| - From Others | 2,978.45 | 720.73 |
| | **8,265.70** | **8,722.09** |
| **Finance Cost on Lease Liabilities** | 102.28 | 92.86 |
| **Financial guarantee charges** | 7.41 | 27.47 |
| **Exchange differences regarded as an adjustment to borrowing cost** | (2,830.67) | 3,621.34 |
| **Total** | **5,544.72** | **12,463.76** |

## 36 Depreciation and Amortisation Expense

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Depreciation of Property, Plant and Equipment **[refer Note 5]** | 11,311.15 | 10,604.64 |
| Depreciation Right-of-use assets **[refer Note 6]** | 235.12 | 223.71 |
| Amortisation of intangible assets **[refer Note 10]** | 34.08 | 29.56 |
| **Total** | **11,580.35** | **10,857.91** |

## 37 Other Expenses

| Particulars | Year ended March 31, 2021 | | Year ended March 31, 2020 | |
|---|---|---|---|---|
| Power, utility and fuel charges **[refer note 37.1 below]** | 35,054.33 | | 50,227.97 | |
| **Less** : Consumption of Fuel from own production | 33,053.36 | 2,000.97 | 48,368.29 | 1,859.68 |
| Repairs and maintenance | | | | |
| - Plant and Machinery | 4,384.46 | | 5,404.57 | |
| - Buildings | 0.95 | | 2.90 | |
| - Others | 520.42 | 4,905.83 | 484.83 | 5,892.30 |
| Consumption of Stores, spares and chemicals | | 1,643.77 | | 1,858.56 |
| Consumption of Packing materials | | 225.55 | | 269.89 |
| Rent **[refer note 37.4 below]** | | 40.98 | | 34.27 |
| Insurance | | 445.44 | | 436.33 |
| Rates and Taxes | | 2,322.22 | | 1,027.98 |
| Excise Duty on Stock (Net) **[refer note 37.2 below]** | | 3,511.29 | | (2,493.88) |
| Exchange Rate Fluctuation loss/ (gain) (Net) | | (1,171.56) | | 8,610.51 |
| Director's sitting fees | | 2.02 | | 4.28 |
| Loss on sale/ disposal of Property, Plant and Equipment | | 71.66 | | 129.21 |
| Bank charges | | 32.89 | | 42.93 |
| **Payment to auditors:** | | | | |
| Audit fees | 3.15 | | 3.16 | |
| For taxation matters | 0.68 | | 0.70 | |
| For certification fees | 2.44 | | 2.52 | |
| Reimbursement of expenses | 0.24 | 6.51 | 1.96 | 8.34 |
| Corporate Social Responsibility Expenses (CSR) **[refer note 37.3 below]** | | 470.40 | | 760.89 |
| **Provision/ Impairment for:** | | | | |
| Doubtful Trade Receivables | 8.88 | | 158.41 | |
| Doubtful Advances / Deposits | 0.71 | | - | |
| Slow/non-moving Inventories | 3.23 | 12.82 | 9.90 | 168.31 |
| **Write Offs:** | | | | |
| Doubtful trade receivables | 0.04 | | - | |
| Claims/ Advances | 3.77 | 3.81 | - | - |
| **Miscellaneous expenses** | | 2,341.30 | | 2,453.20 |
| Total | | **16,865.90** | | **21,062.80** |

**37.1** The Holding company has generated a total of 8,005,216 Kwh of Solar power for the year ended March 31, 2021 (Year ended March 31, 2020 a total of 8,229,787 Kwh) and the same are captively consumed. The monetary values of such power generated that are captively consumed are not recognised for the purpose of disclosure in the financial statement.

**37.2** Excise Duty on sale of goods has been included in "Revenue from operations". Despite of decrease in sales from petroleum products, crude oil and other products for the current year, the Excise duty on sale of goods is higher mainly on account of increase in excise duty rates of MS (Petrol) and HSD (Diesel). Excise duty shown above represents the difference between excise duty on opening and closing stock of finished goods.

**37.3** The CSR expenditure comprises the following:

**(a)** Gross amount required to be spent by the Holding Company during the year: ₹ 470.40 million (Year ended March 31, 2020 ₹ 1,226.00 million).

**(b)** Amount spent during the year on:

| Particulars | Year ended March 31, 2021 | | |
|---|---|---|---|
| | In Cash | Yet to be paid in cash | Total |
| i) Construction/acquisition of Assets | 159.42 | 61.57 | 220.99 |
| ii) Purposes other than (i) above | 31.82 | 0.82 | 32.64 |
| **Total** | **191.24** | **62.39** | **253.63** |

| Particulars | Year ended March 31, 2020 | | |
|---|---|---|---|
| | In Cash | Yet to be paid in cash | Total |
| i) Construction/acquisition of Assets | 368.04 | 96.55 | 464.59 |
| ii) Purposes other than (i) above | 280.28 | 16.02 | 296.30 |
| **Total** | **648.32** | **112.57** | **760.89** |

**(c)** Disclosure pursuant to amendments to section 135(5) and 135(6) of Companies Act, 2013 :-

| In case of Section 135(5) unspent amount (other than ongoing projects) | | | | |
|---|---|---|---|---|
| Opening Balance as on 01.04.2020 | Amount deposited in specified Fund of Sch. VII within 6 months | Amount required to be spent during the year 2020-21 | Amount spent during the year 2020-21 | Closing Balance as on 31.03.2021 |
| Nil | Nil | Nil | Nil | Nil |

| In case of Section 135(5) Excess amount spent | | | |
|---|---|---|---|
| Opening Balance as on 01.04.2020 | Amount required to be spent during the year 2020-21 | Amount spent during the year 2020-21 | Closing Balance as on 31.03.2021 |
| Nil | Nil | Nil | Nil |

| In case of Section 135(6) (Ongoing Project) | | | | | | | |
|---|---|---|---|---|---|---|---|
| Year | Opening Balance | | Amount required to be spent during the year | Amount spent during the year | | Closing Balance | |
| | With Company | In separate CSR Unspent A/c | | From Company's bank A/c | From separate CSR Unspent A/c | With Company # | In separate CSR Unspent A/c |
| 2020-21 | Nil | Nil | 216.77 | Nil | Nil | 216.77 | Nil |

# An amount of ₹ 216.77 million representing unspent money on ongoing projects has been transferred to Specified Bank account on April 30, 2021.

**37.4** Rent (Lease expenses) relating to short-term leases, low value leases and variable lease payment are given below:

| Particulars | Year ended March 31, 2021 |
|---|---|
| i) Short Term Leases | 7.85 |
| ii) Leases for Low Value Assets | 0.55 |
| iii) Variable Lease Payments not included in lease liabilities | 32.58 |
| **Total** | **40.98** |

| Particulars | Year ended March 31, 2020 |
|---|---|
| i) Short Term Leases | 6.70 |
| ii) Leases for Low Value Assets | 0.81 |
| iii) Variable Lease Payments not included in lease liabilities | 26.76 |
| **Total** | **34.27** |

## 38 Income Taxes related to Continuing Operations

### 38.1 Income Tax recognised in Statement of Profit and Loss

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Current Tax | (10.86) | 1,037.36 |
| Deferred Tax | (1,528.70) | (14,648.27) |
| **Total** | **(1,539.56)** | **(13,610.91)** |

### 38.2 The Income Tax expenses reconciliations with the accounting profit are as follows:

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Profit before tax from continuing operations** | **(9,189.23)** | **(54,036.08)** |
| Income tax expense calculated at 34.944% (2019-20: 34.944%) | (3,211.08) | (18,882.37) |
| Effect of income exempt from tax | (69.58) | 8.88 |
| Effect of Profit / transaction with Joint venture | 13.29 | (4.13) |
| Effect of investment allowance u/s 32AC of Income Tax Act, 1961 | 4.33 | 2.67 |
| Effect of expenses not deductible in determining taxable profit | 182.99 | 237.27 |
| Effect of recognition of Prior year tax of previous year | (10.86) | 1,037.36 |
| Effect of change in deferred tax balance due to true up adjustments | 344.51 | (139.91) |
| Effect of exemption under section 10AA of Income Tax Act, 1961 | 1,206.87 | 4,126.92 |
| Effect of Others | (0.03) | 2.40 |
| **Income tax expense recognised in profit or loss** | **(1,539.56)** | **(13,610.91)** |

**38.3 Income tax recognised in Other Comprehensive Income**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Arising on income and expenses recognised in Other Comprehensive Income:** | | |
| Remeasurement of the Defined Benefit Plans | (11.08) | 47.47 |
| Effective portion of gains / (losses) on hedging instruments in cash flow hedges | (0.13) | 0.21 |
| **Total income tax recognised in Other Comprehensive Income** | **(11.21)** | **47.68** |
| Bifurcation of the income tax recognised in Other Comprehensive Income into:- | | |
| Items that will not be reclassified to profit or loss | (11.08) | 47.47 |
| Items that will be reclassified to profit or loss | (0.13) | 0.21 |

## 39 Earnings per Equity Share:

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Profit after tax for the year attributable to Equity shareholders | (5,675.13) | (33,546.31) |
| Weighted average number of equity shares (Number in million) | 1,752.60 | 1,752.60 |
| Basic and Diluted earnings per equity share (₹) | (3.24) | (19.14) |
| Face Value per equity share (₹) | 10.00 | 10.00 |

## 40 Leases

### 40.1 Obligations under finance leases

**40.1.1** During the previous year the Company has adopted Ind AS 116 'Leases' effective April 1, 2019. The Company has entered into lease agreements for lands which have been classified as finance leases and the same is now disclosed as Right of Use Assets (ROU). 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 to 44 years.

Financial lease obligation as at March 31, 2021 is immaterial (As at March 31, 2020 : immaterial).

### 40.2 Operating lease arrangements

### 40.2.1 Leasing arrangements

During the previous year the Company has adopted Ind AS 116 'Leases' effective April 1, 2019. The Company has entered into arrangements for right of way for pipelines and lease of land which have been classified as operating leases and the same is now disclosed as Right of Use Assets (ROU). The lease period for right of way ranges from 11 months to 30 years and for leases of land ranges from 5 to 99 years. In case of leasehold land, the Company does not have option to purchase the land at the end of the lease period. Generally, the lease arrangements for land requires Company to make upfront payments at the time of the execution of the lease arrangement with annual recurring charges with escalations in annual lease rentals.

Subsidiary Company 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. Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" using the modified retrospective approach.

Subsidiary Company 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.

**40.2.2 Payments recognized as an expense**

During the previous year the Group has adopted Ind AS 116 'Leases' effective April 1, 2019 and wherever the lease is short term lease, lease for low value assets or having variable lease payments are not included in lease liabilities.

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Minimum Rent (lease expenses) | 40.98 | 34.27 |
| **Total** | **40.98** | **34.27** |

**40.2.3 Non-cancellable operating lease commitments**

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

## 41 Employee Benefit

**41.1 Post-Employment benefits**

**41.1.1 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, 2021 | Year ended March 31, 2020 | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Employer's contribution to Superannuation Fund | 300.82 | 253.56 | 1.28 | 1.34 |

**41.1.2 Defined benefit plans**

**41.1.2.1 Brief Description:** A general description of the type of Defined benefit plans are as follows:

**a) Gratuity:**

15 days salary for every completed year of service. Vesting period is 5 years and the payment is restricted to ₹ 2 million. Besides the ceiling of gratuity increase by 25% whenever IDA rises by 50%

The MRPL Gratuity Fund Trust was formed on 20th April, 2007 and investments of the funds received from the company after actuarial valuation and the investment of the funds upto June 28, 2013 was made in the manner prescribed by Income tax Rule 67(1) of the Income Tax Rules ,1962 as amended from time to time .

The Funds of MRPL Gratuity Fund 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 India 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.

**41.1.2.2** 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, 2021 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. The liabilities for Defined Benefit Plans are recognized and charged to Statement of Profit and Loss.

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

| Sl. No. | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| | **Gratuity(Funded)** | | |
| 1 | Expected return on plan assets | 6.90% | 6.86% |
| 2 | Rate of discounting | 6.90% | 6.86% |
| 3 | Rate of salary increase | 7.50% | 7.50% |
| 4 | Rate of employee turnover | 2.00% | 2.00% |
| 5 | Mortality rate during employment | Indian Assured lives Mortality (2006-08) Ult | Indian Assured lives Mortality (2006-08) Ult |
| | **Post-Retirement Medical Benefits** | | |
| 1 | Rate of discounting | 6.90% | 6.86% |
| 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) Ult | Indian Assured lives Mortality (2006-08) Ult |
| 5 | Mortality rate after employment | Indian Individual AMT (2012-15) | Indian Assured lives Mortality (2006-08) Ult |
| | **Resettlement Allowance** | | |
| 1 | Rate of discounting | 6.90% | 6.86% |
| 2 | Rate of salary increase | 7.50% | 7.50% |
| 3 | Rate of employee turnover | 2.00% | 2.00% |
| 4 | Mortality rate during employment | Indian Assured lives Mortality (2006-08) Ult | Indian Assured lives Mortality (2006-08) Ult |

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.

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

**Gratuity:**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Service Cost :** | | |
| Current service cost | 38.60 | 32.30 |
| Net interest expense | 10.69 | 7.63 |
| Past Service Cost | 237.25 | - |
| **Components of defined benefit costs recognised in employee benefit expenses** | **286.54** | **39.93** |
| **Remeasurement on the net defined benefit liability:** | | |
| Return on plan assets excluding amounts included in net interest cost | (9.52) | (0.76) |
| Actuarial (gains) / losses arising from changes in financial assumptions | 23.94 | 98.10 |
| Actuarial (gains) / losses arising from experience adjustments | (52.03) | 18.63 |
| **Components of Remeasurement** | **(37.61)** | **115.97** |
| **Total** | **248.93** | **155.90** |

**Post-Retirement Medical Benefits:**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Service Cost** | | |
| Current service cost | 5.32 | 5.13 |
| Net interest expense | 6.53 | 6.06 |
| **Components of defined benefit costs recognised in employee benefit expenses** | **11.85** | **11.19** |
| **Remeasurement on the net defined benefit liability:** | | |
| Actuarial (gains) / losses arising from changes in demographic assumptions | 7.16 | - |
| Actuarial (gains) / losses arising from changes in financial assumptions | (0.63) | 11.58 |
| Actuarial (gains) / losses arising from experience adjustments | 1.90 | 4.24 |
| **Components of Remeasurement** | **8.43** | **15.82** |
| **Total** | **20.28** | **27.01** |

**Resettlement Allowance:**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Service Cost** | | |
| Current service cost | 1.44 | 1.48 |
| Net interest expense | 1.17 | 1.16 |
| **Components of defined benefit costs recognised in employee benefit expenses** | **2.61** | **2.64** |
| **Remeasurement on the net defined benefit liability:** | | |
| Actuarial (gains) / losses arising from changes in financial assumptions | (0.10) | 2.21 |
| Actuarial (gains) / losses arising from experience adjustments | (1.43) | (2.22) |
| **Components of Remeasurement** | **(1.53)** | **(0.01)** |
| **Total** | **1.08** | **2.63** |

The current service cost, the net interest expense and past service cost 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 ₹ 30.71 million (previous year ₹ (-) 131.78 million).

**41.1.2.5 Movements in the present value of the defined benefit obligation are as follows:**
**Gratuity:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening defined benefit obligation | 1,123.55 | 934.77 |
| Current service cost | 38.60 | 32.30 |
| Past Service Cost | 237.25 | - |
| Interest cost | 77.08 | 72.82 |
| Remeasurement (gains)/losses: | | |
| Actuarial gains and losses arising from changes in financial assumptions | 23.94 | 98.10 |
| Actuarial gains and losses arising from experience adjustments | (52.03) | 18.63 |
| Benefits paid | (23.65) | (33.07) |
| **Closing defined benefit obligation** | **1,424.74** | **1123.55** |
| Current obligation | 248.93 | 155.90 |

**Post-Retirement Medical Benefits:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening defined benefit obligation | 95.22 | 77.83 |
| Current service cost | 5.32 | 5.13 |
| Interest cost | 6.53 | 6.06 |
| Remeasurement (gains)/losses: | | |
| Actuarial gains and losses arising from changes in demographic assumptions | 7.16 | - |
| Actuarial gains and losses arising from changes in financial assumptions | (0.63) | 11.58 |
| Actuarial gains and losses arising from experience adjustments | 1.90 | 4.24 |
| Benefits paid | (8.53) | (9.62) |
| **Closing defined benefit obligation** | **106.97** | **95.22** |
| Current obligation | 3.11 | 2.95 |
| Non-Current obligation | 103.86 | 92.27 |

**Resettlement Allowance:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening defined benefit obligation | 17.08 | 14.88 |
| Current service cost | 1.44 | 1.48 |
| Interest cost | 1.17 | 1.16 |
| Remeasurement (gains)/losses: | | |
| Actuarial gains and losses arising from changes in financial assumptions | (0.10) | 2.21 |
| Actuarial gains and losses arising from experience adjustments | (1.43) | (2.22) |
| Benefits paid | (1.22) | (0.43) |
| **Closing defined benefit obligation** | **16.94** | **17.08** |
| Current obligation | 0.49 | 0.50 |
| Non-Current obligation | 16.45 | 16.58 |

**41.1.2.6 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, 2021** | **As at March 31, 2020** |
|---|---|---|
| Present value of funded defined benefit obligation | (1,424.74) | (1,123.55) |
| Fair value of plan assets | 1,175.81 | 967.65 |
| Funded status | **(248.93)** | **(155.90)** |
| Net liability arising from defined benefit obligation | **(248.93)** | **(155.90)** |

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, 2020 ₹ Nil)

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

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

**Gratuity:**

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Opening fair value of plan assets | 967.65 | 836.79 |
| Interest income | 66.38 | 65.19 |
| Return on plan assets (excluding amounts included in net interest expense | 9.52 | 0.76 |
| Contributions by the employer | 155.91 | 97.98 |
| Benefits paid | (23.65) | (33.07) |
| **Closing fair value of plan assets** | **1,175.81** | **967.65** |

Expected Contribution (Net) in respect of Gratuity for next year will be ₹ 235.84 million (For the year ended March 31, 2020 ₹ 151.16 million)

The Company has recognized a gratuity liability of ₹ 248.93 million as at March 31, 2021 (As at March 31, 2020 ₹ 155.90 million).

**41.1.2.8 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, 2021** | **As at March 31, 2020** |
|---|---|---|
| Cash and Cash equivalents | 0.03 | 22.92 |
| Mutual Fund-UTI Treasury Fund | 20.34 | 19.21 |
| **Debt investment categorised by issuer's credit rating** | | |
| AAA | 10.08 | 31.12 |
| AA+ | 1.02 | 0.30 |
| AA | 18.03 | - |
| AA- | 1.00 | - |
| A+ | 2.00 | 7.01 |
| D | 2.00 | - |

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Group Gratuity Cash Accumulation Scheme (Traditional Fund)** | | |
| Life Insurance Corporation of India | 230.27 | 186.84 |
| Bajaj Allianz | 215.68 | 167.93 |
| HDFC Standard Life Insurance Co | 216.74 | 169.01 |
| Birla Sunlife Insurance Co. | 134.99 | 93.29 |
| India First Life Insurance Co. | 134.17 | 93.34 |
| Investment in Government Securities | 120.63 | 121.13 |
| Other current assets - Interest Accrued | 68.83 | 55.55 |
| **Total** | **1,175.81** | **967.65** |

The actual return on plan assets of gratuity was ₹ 66.38 million (As at March 31, 2020 ₹ 65.19 million).

Significant actuarial assumptions for the determination of the defined benefit obligations 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.

**41.1.2.9 Sensitivity Analysis as at March 31, 2021**

| Significant actuarial assumptions | Gratuity | Post-Retirement Medical Benefits | Resettlement Allowance |
|---|---|---|---|
| Rate of discounting | | | |
| - Impact due to increase of 50 basis points | (72.76) | (7.41) | (1.19) |
| - Impact due to decrease of 50 basis points | 79.05 | 8.27 | 1.32 |
| Rate of salary increase | | | |
| - Impact due to increase of 50 basis points | 76.70 | - | 1.31 |
| - Impact due to decrease of 50 basis points | (73.31) | - | (1.19) |
| Rate of Employee turnover | | | |
| - Impact due to increase of 50 basis points | 3.70 | (3.00) | - |
| - Impact due to decrease of 50 basis points | (3.80) | 2.76 | - |

**Sensitivity Analysis as at March 31, 2020**

| Significant actuarial assumptions | Gratuity | Post-Retirement Medical Benefits | Resettlement Allowance |
|---|---|---|---|
| Rate of discounting | | | |
| - Impact due to increase of 50 basis points | (54.57) | (6.51) | (1.24) |
| - Impact due to decrease of 50 basis points | 59.25 | 7.26 | 1.38 |
| Rate of salary increase | | | |
| - Impact due to increase of 50 basis points | 18.71 | - | 1.36 |
| - Impact due to decrease of 50 basis points | (18.99) | - | (1.24) |
| Rate of Employee turnover | | | |
| - Impact due to increase of 50 basis points | 15.18 | (2.76) | - |
| - Impact due to decrease of 50 basis points | (16.10) | 2.51 | - |

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.

**41.1.2.10 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, 2021 | As at March 31, 2020 |
|---|---|---|
| Number of active members | 1,939 | 1,939 |
| Per month salary for active members | 185.30 | 178.89 |
| Weighted average duration of the Projected Benefit Obligation (years) | 12 | 12 |
| Average Expected future service (years) | 16 | 16 |
| Projected benefit obligation | 1,424.74 | 1123.55 |
| Contribution to the defined benefit plan during the next financial year | 185.30 | 178.89 |

**Post-Retirement Medical Benefits:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Number of active members | 1,939 | 1,939 |
| Number of retired employees | 138 | 126 |
| Weighted average duration of the Projected Benefit Obligation (years) | 16 | 15 |
| Average expected future service (years) | 18 | 17 |
| Projected benefit obligation | 106.99 | 95.22 |

**Resettlement Allowance:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Number of active members | 1,939 | 1,939 |
| Weighted average duration of the Projected Benefit Obligation (years) | 16 | 5 |
| Average expected future service (years) | 16 | 16 |
| Projected benefit obligation | 16.94 | 17.08 |

**41.1.2.11 Maturity Profile for Defined Benefit Obligations**

| Defined Benefit | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Gratuity** | | |
| Less than one year | 66.73 | 66.61 |
| One to Three years | 129.49 | 116.46 |
| Three to Five years | 149.23 | 134.14 |
| Five years to Ten years | 610.84 | 462.47 |
| **Post-Retirement Medical Benefits** | | |
| Less than one year | 3.11 | 2.95 |
| One to Three years | 6.72 | 6.27 |
| Three to Five years | 7.79 | 7.12 |
| Five years to Ten years | 28.74 | 25.25 |
| **Resettlement Allowance** | | |
| Less than one year | 0.49 | 0.50 |
| One to Three years | 0.91 | 0.92 |
| Three to Five years | 1.00 | 0.97 |
| Five years to Ten years | 3.22 | 3.05 |

### 41.2 Other long term employee benefits

#### 41.2.1 Leave encashments

A brief description on Leave encashments are as follows:

a) **Earned Leave Benefit (EL):**

Accrual – 32 days per year

Accumulation up to 300 days allowed

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

b) **Half Pay Leave (HPL)**

Accrual – 20 days per year

Encashment while in service is not allowed

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

The liability for above leaves (a & b) are recognized on the basis of actuarial valuation.

#### 41.2.2 Provident Fund :

A brief description on Provident Fund is as follows:

**(a)** Provident Fund is governed through a separate trust. The board of trustees of the Trust functions in accordance with any applicable guidelines or directions that may be issued in this behalf from time to time by the Central Government or the Central Provident Fund Commissioner. The board of trustees have the following responsibilities :

**i.** The investments shall be made in accordance with the pattern of investment prescribed by the Government of India in Rule 67 of Income Tax Rules, 1962, and /or directions given by the Central Government, from time to time.

**ii.** The Board of Trustees may raise such sum or sums of money as may be required for meeting obligatory expenses such as settlement of claims, grant of advances as per rules, and transfer of member's P.F. accumulations in the event of his / her leaving service of the Employer and any other receipts by sale of the securities or other investments standing in the name of the Fund subject to the prior approval of the Regional Provident Fund Commissioner.

**iii.** Fixation of rate of interest to be credited to members' accounts.

**(b)** The long term employee benefit of Provident Fund is administered through a separate Trust, established for this purpose in accordance with The Employee Provident Fund and Miscellaneous Provisions Act, 1952. The Company's contribution to the Provident Fund is remitted to this trust based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. During the year, the Company has recognized Employer's contribution to Provident Fund in the Statement of Profit and Loss are given below:

| Particulars | Amount recognized during the year | | Contribution for Key Management Personnel | |
|---|---|---|---|---|
| | Year ended March 31, 2021 | Year ended March 31, 2020 | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Employer's contribution to Provident Fund | 293.02 | 232.98 | 1.41 | 1.24 |

**(c)** Under the Statute, the shortfall, if any, in the interest obligation, in comparison to minimum rate of return, declared by Government of India will have to be made good by the Employer and therefore, for the financial year 2020-21, an amount of ₹ 28.72 million (Year ended March 31, 2020 ₹ Nil) has been provided and charged to Statement of Profit and Loss. The shortfall has arisen primarily due to default over interest obligations on Non-convertible Debentures (NCD) of certain Companies wherein the Trust has made its investments at a time when these Companies were having highest credit rating. In anticipation of probable principal default as well in these NCDs amounting to ₹ 347.30 million, basis best available estimate, the Provident Fund Trust has marked down the investments by 70% in its books to reflect the true & fair valuation. Correspondingly, considering the Employer's obligation to make good the loss in value of these investments under the Provident Fund regulations, the Company determined its probable liability in the future amounting to ₹ 243.11 million (Year ended March 31, 2020 ₹ Nil), which has been provided during the year and charged to Statement of Profit and Loss.

**(d)** The fair value of the assets of Provident Fund Trust as of Balance Sheet date is greater than the present value of benefit obligation which is given below.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Present value of obligation at the end of the year | 5,472.05 | 4,772.87 |

**41.3 Termination Benefits :**

**41.3.1 Premature Retirement on Medical Grounds**

The Company has an approved scheme of Premature Retirement on Medical Grounds. Ex gratia payment equivalent 60 days emolument for each completed year of service or the monthly emoluments at the time of retirement multiplied by the balance months of service left before normal date of retirement, whichever is less is payable apart from Superannuation Benefits.

**41.3.2 Scheme for Self Insurance for providing lump-sum monetary compensation**

Under the scheme of 'Post Retirement Benefit and Benefit on Separation', in case of employee suffering death or permanent total disablement due to an accident arising out of and in the course of employment, a compensation equivalent to 100 months Basic Pay plus Dearness Allowance (DA) without laying down any minimum amount is payable.

**41.3.3 Benefits of Separation under SABF (re-nomenclatured now as MDCPS)**

In case of death / permanent disablement of an employee while in service in the Company, the beneficiary has to exercise desired options available within 6 months from the date of death / permanent total disablement.

**41.3.4** Terminal benefits are unfunded plans, and no plan assets are involved.

**41.3.5** Termination Benefits are charged to Statement of Profit and Loss as and when incurred.

**Employee benefit disclosure of Subsidiary OMPL**

**41.4 Defined benefit plans**

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

**41.4.2 Gratuity:**

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

**41.4.3 Post-Retirement Medical Benefits:**

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

**41.4.4** 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, 2021 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.

**41.4.5 The principal assumptions used for the purposes of the actuarial valuations were as follows:**

| Sl. No. | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| | **Gratuity** | | |
| 1 | Discount rate | 6.96% | 6.82% |
| 2 | Annual increase in salary | 8.00% | 8.00% |
| 3 | Employee turnover | 2.00% | 2.00% |
| | **Post-Retirement Medical Benefits** | | |
| 4 | Discount rate | 6.91% | 6.81% |
| 5 | Medical cost inflation | 0.00% | 0.00% |
| 6 | Rate of employee turnover | 2.00% | 2.00% |

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

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

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Gratuity:** | | |
| Current service cost | 13.99 | 12.30 |
| Past service cost | - | - |
| Net interest expense | 5.80 | 5.00 |
| **Components of defined benefit costs recognised in employee benefit expenses** | **19.79** | **17.30** |
| Re-measurement on the net defined benefit liability: | | |
| Actuarial (gains)/losses arising from experience adjustments | (1.57) | 4.20 |
| **Components of remeasurment recognised in the othet comprehensive income** | **(1.57)** | **4.20** |
| **Total** | **18.22** | **21.50** |

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Post-Retirement Medical Benefits:** | | |
| Current service cost | 0.87 | - |
| Past service cost | 6.85 | - |
| Net interest expense | 0.47 | - |
| **Components of defined benefit costs recognised in employee benefit expenses** | **8.19** | **-** |
| Re-measurement on the net defined benefit liability: | | |
| Actuarial (gains)/losses arising from experience adjustments | 0.21 | - |
| **Components of remeasurment recognised in the othet comprehensive income** | **0.21** | **-** |
| **Total** | **8.40** | **-** |

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

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Gratuity:** | | |
| Opening defined benefit obligation | 85.02 | 64.32 |
| Current service cost | 13.99 | 12.30 |
| Past service cost | - | - |
| Interest cost | 5.80 | 5.00 |
| Benefit paid directly by the employer | (1.25) | (0.81) |
| Re-measurement (gains)/losses: | | |
| Actuarial gains and losses arising from changes in financial | (2.26) | 12.02 |
| Actuarial gains and losses arising from experience adjustments | 0.69 | (7.81) |
| **Closing defined benefit obligation** | **101.99** | **85.02** |
| Current obligation | 3.32 | 1.46 |
| Non-Current obligation | 98.67 | 83.56 |

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Post-Retirement Medical Benefits:** | | |
| Opening defined benefit obligation | - | - |
| Current service cost | 0.87 | - |
| Past service cost | 6.88 | - |
| Interest cost | 0.47 | - |
| Benefit paid directly by the employer | (0.03) | - |
| Re-measurement (gains)/losses: | | |
| Actuarial gains and losses arising from changes in financial | (0.17) | - |
| Actuarial gains and losses arising from experience adjustments | 0.38 | - |
| **Closing defined benefit obligation** | **8.40** | **-** |
| Current obligation | 0.06 | - |
| Non-Current obligation | 8.34 | - |

**41.4.8 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, 2021 | As at March 31, 2020 |
|---|---|---|
| **Gratuity:** | | |
| Present value of defined benefit obligation | (101.99) | (85.02) |
| Fair value of plan assets | - | - |
| Funded Status (Surplus/(Deficit)) | (101.99) | (85.02) |
| Net liability arising from defined benefit obligation | (101.99) | (85.02) |

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Post-Retirement Medical Benefits:** | | |
| Present value of defined benefit obligation | (8.40) | - |
| Fair value of plan assets | - | - |
| Funded Status (Surplus/(Deficit)) | (8.40) | - |
| Net liability arising from defined benefit obligation | (8.40) | - |

Gratuity and Post-Retirement Medical Benefits are unfunded plans, and no plan assets are involved.

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

**Sensitivity analysis as on March 31, 2021**

| Significant actuarial assumptions | Gratuity |
|---|---|
| Discount Rate | |
| - Impact due to increase of 50 basis points | (7.53) |
| - Impact due to decrease of 50 basis points | 8.38 |
| Salary increase | |
| - Impact due to increase of 50 basis points | 6.61 |
| - Impact due to decrease of 50 basis points | (6.45) |
| Employee turnover | |
| - Impact due to increase of 50 basis points | (0.65) |
| - Impact due to decrease of 50 basis points | 0.69 |

**Sensitivity analysis as on March 31, 2020**

| Significant actuarial assumptions | Gratuity |
|---|---|
| Discount Rate | |
| - Impact due to increase of 50 basis points | (6.57) |
| - Impact due to decrease of 50 basis points | 7.34 |
| Salary increase | |
| - Impact due to increase of 50 basis points | 6.18 |
| - Impact due to decrease of 50 basis points | (6.00) |
| Employee turnover | |
| - Impact due to increase of 50 basis points | (0.81) |
| - Impact due to decrease of 50 basis points | 0.87 |

**41.4.10 Sensitivity analysis as on March 31, 2021**

| Significant actuarial assumptions | Post-Retirement Medical Benefits |
|---|---|
| Discount Rate | |
| - Impact due to increase of 100 basis points | (0.79) |
| - Impact due to decrease of 100 basis points | 0.90 |

**Sensitivity analysis as on March 31, 2020**

| Significant actuarial assumptions | Post-Retirement Medical Benefits |
|---|---|
| Discount Rate | |
| - Impact due to increase of 100 basis points | - |
| - Impact due to decrease of 100 basis points | - |

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.

## 42 Segment Reporting

The Group has "Petroleum Products" as single reportable segment.

### 42.1 Information about major customers

Company's significant revenues are derived from sales to oil marketing companies which is 70% and 57% of the Company's sales related to petroleum products for the year ending March 31, 2021 & March 31, 2020 respectively. The total sales to such companies amounted to ₹ 350,501.95 million for the year ended March 31, 2021 and ₹ 328,952.62 million for the year ended March 31, 2020.

No customer (excluding oil marketing companies mentioned above) for the years ended March 31, 2021 and March 31, 2020 contributed 10% or more to the Company's revenue.

Subsidiary Company OMPL's significant revenues are derived from sales to export customers which is 92% (Year ended March 31, 2020 - 87%) of the Company's total revenue. The total sales to such customers amounted to ₹ 30,966.61 million for the period ended March 31, 2021 and ₹ 42,352.65 million for the year ended March 31, 2020.

Subsidiary Company OMPL's three customers for the period ended March 31, 2021 (Year ended March 31, 2020 Three Customers) contributed 10% or more to the Company's revenue. The total sales to such customers amounted to ₹ 25,350.65 million for the period ended March 31, 2021 and ₹ 42,348.10 million for the year ended March 31, 2020.

**42.2 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, 2021 | Year ended March 31, 2020 |
|---|---|---|
| India | 421,929.09 | 397,339.93 |
| Other Countries | 86,459.62 | 201,354.02 |
| **Total** | **508,388.71** | **598,693.95** |

b) Non-current assets (excluding financial assets and deferred tax assets) broken down by location of customers is tabulated below:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| India | 229,433.95 | 232,132.63 |
| Other Countries | - | - |
| **Total** | **229,433.95** | **232,132.63** |

**42.3 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, 2021 | Year ended March 31, 2020 |
|---|---|---|
| High speed Diesel (HSD) | 296,199.50 | 303,698.47 |
| Motor Spirit (MS) | 71,457.67 | 75,719.55 |
| **Total** | **367,657.17** | **379,418.02** |

Threshold limit of 10% of total turnover of each product is considered for reporting revenue from major products.

## 43 Related Party Disclosures

### 43.1 Name of related parties and description of relationship:

**A Entity having control over the Company (Holding Company)**

Oil and Natural Gas Corporation Limited (ONGC)

**B Entity having significant influence over the Company**

Hindustan Petroleum Corporation Limited (HPCL)

**C Joint Ventures**

Shell MRPL Aviation Fuels and Services Limited (SMAFSL)

**D Trusts (including post retirement employee benefit trust) where in MRPL is having control**

1 MRPL Gratuity Fund Trust
2 MRPL Provident Fund Trust

**E.1 Non-Executive Director**

Shri Shashi Shanker, Chairman

**E.2 Other Non-Executive Directors**

1 Shri Subhash Kumar, Nominee Director (ONGC)
2 Shri Vinod S. Shenoy, Nominee Director (HPCL)
3 Shri Rohit Mathur, Director (Govt. Nominee), from December 10, 2020
4 Ms. Esha Srivastava, Director (Govt. Nominee), from December 10, 2020
5 Shri R T Agarwal, Independent Director
6 Shri Vijay Sharma, Government Nominee, till August 04, 2020
7 Shri V.P. Haran, Independent Director, till September 07, 2020
8 Shri Sewa Ram, Independent Director, till September 07, 2020
9 Dr. G. K. Patel, Independent Director, till September 07, 2020
10 Shri Balbir Singh Yadav, Independent Director, till September 07, 2020
11 Shri Sunil Kumar, Director (Government Nominee), till December 10, 2020

**F Key Management Personnel**

**F.1 Executive Directors**

1 Shri M. Venkatesh, Managing Director
2 Smt. Pomila Jaspal, Director (Finance)
3 Shri Sanjay Verma, Director (Refinery), from June 09, 2020.

**F.2 Chief Financial Officer**

Smt. Pomila Jaspal, Director (Finance) & CFO

**F.3 Company Secretary**

Shri Dinesh Ranjan Mishra, Company Secretary

**43.2 Details of Transactions:**

**43.2.1 Transactions with Holding Company**

| Oil and Natural Gas Corporation Limited (ONGC) | Nature of Transactions | Year ended March 31, 2021 | Year ended March 31,2020 |
|---|---|---|---|
| **Sales of products** | Sale of products and associated services | 10,243.33 | 5,649.26 |
| **Purchases of Crude** | Purchase of Crude Oil etc. | 39,254.75 | 41,538.37 |
| **Services received** | a) Deputation of ONGC Employees | - | 2.53 |
| | b) Rent and Electricity Charges for Mumbai and Delhi Office & reimbursement of expenses & bill discounting charges | 129.24 | 74.32 |
| **Guarantee Fees** | Charges for Guarantee given to Saudi Aramco | 9.73 | 34.24 |
| **Deemed Equity** | Deemed Equity on towards guarantee | - | 1.89 |
| **Compulsorily Convertible Debentures (CCD's) [refer note no. 50.1]** | CCD - Share of ONGC | - | 4,894.79 |
| **Dividend** | Dividend Paid | - | 1,255.35 |
| **OMPL Share stake purchase** | OMPL share stake purchase by MRPL from ONGC | 12,167.34 | - |

**43.2.2 Outstanding balances with Holding Company**

| Oil and Natural Gas Corporation Limited (ONGC) | Nature of Transactions | As at March 31, 2021 | As at March 31,2020 |
|---|---|---|---|
| **Amount receivable** | Sale of products & associated services | 552.06 | 679.16 |
| **Amount payable** | Purchase of Crude Oil | 2,904.94 | 1,746.97 |
| **Amount payable** | Others for expenses | 13.69 | 18.22 |
| **Prepayment towards guarantee** | Guarantee Liability for interest on CCDs | 1.21 | 1.85 |
| **Compulsorily Convertible Debentures (CCD's) [refer note 23.7.4]** | CCD - Share of ONGC | 4,896.57 | 4,894.79 |
| **Commitments** | On account of bill discounting of invoices raised by ONGC on MRPL with recourse to ONGC | 3,258.96 | - |

### 43.2.3 Transactions with Entity having significant influence over the Company

| Hindustan Petroleum Corporation Limited (HPCL) | Nature of Transactions | Year ended March 31, 2021 | Year ended March 31,2020 |
|---|---|---|---|
| **Sales** | Sale of Oil products etc. | 247,324.63 | 148,663.53 |
| **Services provided** | a) Loading arm, pipeline charges etc. | - | 1.64 |
| | b) Reimbursement of Expenses, facilitation charges | 5.66 | 8.01 |
| | c) Receipts of contaminated products, Hospitality Charges, Wharfage etc. | 6.64 | 10.24 |
| **Dividend** | Dividend Paid | - | 297.15 |

### 43.2.4 Outstanding balances with Entity having significant influence over the Company

| Hindustan Petroleum Corporation Limited (HPCL) | Nature of Transactions | As at March 31, 2021 | As at March 31,2020 |
|---|---|---|---|
| **Amount receivable** | Sale of Oil products etc. | 13,956.40 | 5,769.37 |
| | Others reimbursements | 22.19 | 40.27 |
| **Amount payable** | Others for expenses | 0.27 | 4.94 |

### 43.2.5 Transactions with Joint Ventures:

| Shell MRPL Aviation Fuels and Services Ltd (SMAFSL) | Nature of Transactions | Year ended March 31, 2021 | Year ended March 31,2020 |
|---|---|---|---|
| **Sales of products** | Petroleum Products | 2,226.71 | 7,409.25 |
| **Purchase of products** | Contaminated Petroleum Products & reimbursement of expenses | 0.14 | |
| **Services provided** | a) Reimbursement of Expenses | - | 0.07 |
| | b) Royalty Income | 9.15 | 12.65 |
| **Dividend Income** | Dividend received | 37.50 | 6.00 |

### 43.2.6 Outstanding balances with Joint Ventures:

| Shell MRPL Aviation Fuels and Services Ltd (SMAFSL) | Nature of Transactions | As at March 31, 2021 | As at March 31,2020 |
|---|---|---|---|
| **Amount receivable** | Royalty and Terminalling Charges etc | 342.32 | 318.56 |

**43.2.7 Transactions with Other Related Parties Associates :**

| Name of Associates | Nature of Transactions | Year ended March 31, 2021 | Year ended March 31,2020 |
|---|---|---|---|
| **a) Services received from:** | | | |
| 1. Mangalore SEZ Limited | River Water, STP Water & Road Repairs | 710.22 | 692.69 |
| 2. Petronet MHB Limited | Pipeline Transportation Charges & other expenses | 23.57 | 110.95 |
| 3. ONGC Nile Ganga BV | Purchase of Crude Oil etc. | - | 0.11 |
| 4. ONGC Videsh Ltd. | Purchase of Crude Oil etc. | 3,197.02 | - |
| **b) Services provided to:** | | | |
| 1. ONGC Nile Ganga BV | Tendering services | - | 0.70 |
| 2. Petronet MHB Limited | Reimbursement of Electricity Charges etc. | 18.14 | 28.78 |

**43.2.8 Outstanding balances with Other Related Parties Associates :**

| Name of Associates | Nature of Transactions | As at March 31, 2021 | As at March 31,2020 |
|---|---|---|---|
| **Amount receivable:** | | | |
| 1. Petronet MHB Limited | Reimbursement of Electricity Charges etc. | 0.01 | - |
| 2. ONGC Nile Ganga BV | Outstanding on account of services | 0.12 | 0.12 |
| 3. ONGC Campos Ltda | Outstanding on account of services | 0.10 | 0.10 |
| 4. Mangalore SEZ Limited | River Water, STP Water and Road Repairs | - | 129.30 |
| **Amount payable:** | | | |
| 1. Mangalore SEZ Limited | River Water, STP Water and Road Repairs etc. | 65.62 | - |
| 2. Petronet MHB Limited | Pipeline Transportation Charges and other expenses | 2.46 | 15.38 |
| 3. ONGC Videsh Ltd. | Balance Outstanding on account of Crude procurement etc. | 0.14 | - |

**43.2.9 Transactions with Trusts**

| Name of Trusts | Nature of Transactions | Year ended March 31, 2021 | Year ended March 31,2020 |
|---|---|---|---|
| **Remittance of payments:** | | | |
| Provident Fund of MRPL | Contributions | 684.86 | 525.98 |
| Provident Fund of MRPL | Contribution to the Provident Fund based the shortfall | 271.83 | - |
| MRPL Gratuity Fund Trust | Reimbursements from Trust to MRPL | 23.65 | 33.07 |
| MRPL Gratuity Fund Trust | Contributions from MRPL to Trust | 248.93 | 159.90 |

**43.2.10 Outstanding balances with Trusts**

| Name of Trusts | Nature of Transactions | As at March 31, 2021 | As at March 31,2020 |
|---|---|---|---|
| **Amount Payable:**<br>Provident Fund of MRPL | Amount payable to PF Trust towards shortfall | 271.83 | - |
| MRPL Gratuity Fund Trust | Contribution payable to Trust (Net) | 235.84 | 151.16 |

**43.2.11 Compensation to Key Management Personnel:**

| Whole Time Directors/ Company Secretary/ Chief Financial Officer | Year ended March 31, 2021 | Year ended March 31,2020 |
|---|---|---|
| **Particulars** | | |
| Short Term employee benefits | 22.86 | 15.86 |
| Post-employment benefits (includes provision for leaves, gratuity and other post retirement benefits) | 15.15 | 16.72 |
| Other long-term benefits (includes contribution to provident fund) | 3.81 | 2.59 |
| **Total** | **41.82** | **35.17** |

**Loans / Accrued Interest on Loan to directors and other officers:**

| Whole Time Directors and Company Secretary | As at March 31, 2021 | As at March 31,2020 |
|---|---|---|
| **Particulars** | | |
| Loans to Director and Company Secretary | 5.14 | 0.67 |
| Accrued interest on Loans to Director and Company Secretary | 0.47 | 0.12 |
| **Total** | **5.61** | **0.79** |

**Independent Directors**

| Particulars | Year ended March 31, 2021 | Year ended March 31,2020 |
|---|---|---|
| Sitting Fees | 2.02 | 4.28 |

**43.3 Disclosure in respect of Government related entities [refer note 43.3.4 below]:**

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

| | Government related entities | Relation |
|---|---|---|
| 1 | Bharat Petroleum Corporation Ltd (BPCL) | Central PSU |
| 2 | Indian Oil Corporation Limited (IOCL) | Central PSU |
| 3 | Bharat Heavy Electrical Limited (BHEL) | Central PSU |
| 4 | Oriental Insurance Co. Limited | Central PSU |
| 5 | Bridge & Roof Co (India) Limited | Central PSU |
| 6 | Engineers India Limited | Central PSU |
| 7 | The Shipping Corporation of India Limited | Central PSU |
| 8 | Konkan Railway Corporation Limited | Central PSU |
| 9 | Indian Strategic Petroleum Reserves Limited (ISPRL) | Central Government |
| 10 | Centre for High Technology | Central Government |
| 11 | Indian Railways | Central Government |
| 12 | Karnataka Power Transmission Corporation Limited | State Government |
| 13 | Karnataka Industrial Area Development Board | State Government |
| 14 | New Mangalore Port Trust | Central Port Trust |

**43.3.2 Transactions with Government related Entities [refer note 43.3.4 below]:**

| | Name of entity | Nature of Transactions | Year ended March 31, 2021 | Year ended March 31,2020 |
|---|---|---|---|---|
| **A** | **Sale of products, others during year to:** | | | |
| 1 | Indian Oil Corporation Limited (IOCL) | Sale of Crude Oil, Petroleum products | 57,178.30 | 1,13,002.64 |
| 2 | Bharat Petroleum Corporation Ltd (BPCL) | Sale of petroleum products | 28,814.32 | 49,974.93 |
| 3 | New Mangalore Port Trust | Sale of petroleum products | 0.82 | 2.99 |
| 4 | Indian Strategic Petroleum Reserves Limited (ISPRL) | Sale of Crude oil, petroleum products | 22,042.85 | 11,931.73 |
| 5 | Indian Railways | Sale of petroleum products | 3,097.00 | 1,077.89 |
| **B** | **Purchase of product during year from:** | | | |
| 1 | Bharat Heavy Electrical Ltd | Other supplies | 84.11 | 101.94 |
| 2 | Indian Oil Corporation Limited (IOCL) | Purchase of Naphtha, Contaminated Product, Lubes etc. | 135.96 | 17.05 |
| 3 | Bharat Petroleum Corporation Ltd (BPCL) | Purchase of Contaminated Product etc. | 2.08 | 1.00 |
| 4 | Indian Strategic Petroleum Reserves Limited (ISPRL) | Purchase of Crude Oil etc. | 988.45 | 28,766.70 |
| **C** | **Service Provided** | | | |
| 1 | Indian Strategic Petroleum Reserves Limited (ISPRL) | Deputation of MRPL Employees | 8.73 | 8.03 |
| 2 | Indian Oil Corporation Limited (IOCL) | On account of Pipeline, loading arm charges etc. | - | 1.08 |
| **D** | **Services Received from:** | | | |
| 1 | Karnataka Power Transmission Corporation Ltd | Purchase of electricity | 196.48 | 207.34 |
| 2 | Oriental Insurance Co. Ltd | Insurance premium | 400.89 | 378.24 |
| 3 | New Mangalore Port Trust | Port Services others | 1,072.83 | 1,273.29 |
| 4 | Bridge & Roof Co (India) Ltd | Job Work Service | 925.14 | 1,304.88 |
| 5 | Engineers India Ltd | Technical Services | 92.20 | 288.56 |
| 6 | The Shipping Corporation of India Ltd | Service | 2,204.37 | 3,034.08 |
| 7 | Konkan Railway Corporation Ltd | Railway Siding Freight Charges | 617.34 | 177.27 |
| 8 | Bharat Petroleum Corporation Ltd (BPCL) | PT Programme Services | 0.12 | 0.18 |
| 9 | Bharat Heavy Electrical Ltd | Other services | 24.06 | 67.80 |
| **E** | **Advance for Acquisitionfor Land** | | | |
| 1 | Karnataka Industrial Area Development Board | Purchase of Land | 7.24 | - |

**43.3.3 Outstanding balances with Government related entities [refer note 43.3.4 below]:**

| | Name of entity | Nature of Transactions | As at March 31, 2021 | As at March 31,2020 |
|---|---|---|---|---|
| | **Amount Receivable:** | | | |
| 1 | Indian Oil Corporation Limited | Trade and other receivable | 1,580.07 | 935.79 |
| 2 | Bharat Petroleum Corporation Ltd | Trade and other receivable | 1,143.19 | 1,084.60 |
| 3 | Indian Strategic Petroleum Reserves Limited (ISPRL) | Trade and other receivable | 1.42 | 6.78 |
| 4 | New Mangalore Port Trust | Trade and other receivable | 220.78 | 300.18 |
| 5 | Indian Railways | Trade and other receivable | 415.82 | 356.02 |
| | **Advance to Vendors :** | | | |
| 1 | Centre for High Technology | Advance | 29.82 | 28.57 |
| 2 | Karnataka Industrial Area Development Board | Advance & Security Deposit for Land etc. | 6,955.25 | 6,951.99 |
| 3 | Indian Strategic Petroleum Reserves Limited (ISPRL) | Advance | - | 0.39 |
| | **Amount payable:** | | | |
| 1 | Bridge & Roof Co (India) Ltd | Trade and other payable | 54.12 | 135.95 |
| 2 | Engineers India Ltd | Trade and other payable | 154.95 | 143.69 |
| 3 | Bharat Heavy Electrical Ltd | Trade and other payable | 882.59 | 883.41 |
| 4 | The Shipping Corporation of India Ltd | Trade and other payable | - | 131.41 |
| 5 | Konkan Railway Corporation Ltd | Trade and other payable | 16.87 | 16.85 |
| 6 | Karnataka Power Transmission Corporation Ltd | Trade and other payable | 19.26 | 17.62 |
| 7 | Indian Oil Corporation Limited | Trade and other payable | 106.81 | 0.08 |
| 8 | Indian Strategic Petroleum Reserves Limited (ISPRL) | Trade and other payable | - | 6,462.22 |

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

43.3.4 Relationship, transactions and outstanding balances with ONGC, HPCL, PMHBL, ONGC Nile Ganga BV and ONGC Videsh Ltd. have been disclosed in Note 43.2.1 to 43.2.8 above.

**43.4 Related party disclosures of Subsidiary OMPL**

**43.4.1 Name of related parties and description of relationship:**

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

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

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

**D Key Management Personnel**

**D.1 Non-Executive directors**

Shri Shashi Shanker (Chairman) (up to 31st March 2021)
Shri M. Venkatesh Director (w.e.f. 01st April 2015)
Shri Rajesh Shyamsunder Kakkar (w.e.f. 15th May 2018)
Shri Sanjay Kumar Moitra (up to 31st May 2020)
Smt Alka Mittal, Director (w.e.f 28th February 2015)
Shri Vinayakumar, Director (up to 31st May 2020)
Smt Pomila Jaspal, Director (w.e.f. 26th November 2019)
Shri Anurag Sharma, Director (w.e.f 05th June 2020)
Shri Sanjay Varma, Director (w.e.f 26th June 2020)

**D.2** Shri. Sujir S Nayak, Chief Executive Officer (w.e.f. 1st October, 2018)

**D.3** Shri. Surendra Nayak, Chief Financial Officer (Deputation from holding company upto 30th September, 2020)

**D.4** Shri. K.B. Shyam Kumar, Company Secretary (w.e.f. 13th August, 2014)

**D.5** Shri. Surinder Pal Singh Chawla, Chief Financial Officer (Deputation from holding company w.e.f. 23rd October, 2020)

**43.5 Details of transactions:**

**43.5.1 Transactions with ultimate holding company and joint venture and subsidiary of ultimate holding company -**

| Name of related party | Nature of Transactions | Year ended March 31, 2021 | Year ended March 31,2020 |
|---|---|---|---|
| Oil and Natural Gas Corporation Limited* | Infusion of Equity | - | 2,449.90 |
| | Services rendered | - | 0.32 |
| Mangalore SEZ Limited** | Supplies and services received | 432.05 | 386.83 |
| | Security deposit for Zone O&M power | - | 9.38 |
| | Lease rent | 23.40 | 23.40 |
| Hindustan Petroleum Corporation Limited | Purchase of products | 1.23 | 361.26 |

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

** An amount of ₹ 62.76 million earmarked by MSEZL as third party share payable to the company towards pipeline-cum-road corridor usage which is not considered in the current period as the same has not been finalized pending freezing of the project cost of pipeline corridor project. An amount of ₹ 3.02 million claimed by MSEZL towards stipend and sustenance allowance paid has not been considered in the current period as the same has also not been finalised.

**43.5.2 Outstanding balances with ultimate holding company and joint venture and subsidiary of ultimate holding company -**

| Name of related party | Nature of Transactions | As at March 31, 2021 | As at March 31,2020 |
|---|---|---|---|
| **A. Amount payable:** | | | |
| Mangalore SEZ Limited | Trade and other payables | 53.54 | 126.63 |
| Hindustan Petroleum Corporation Limited | Trade and other payables | 0.05 | 0.05 |
| **B. Amount receivable:** | | | |
| Mangalore SEZ Limited | Trade and other receivables | - | 52.72 |
| Oil and Natural Gas Corporation Limited | Trade and other receivables | 0.05 | 0.37 |
| **C. Loans and other assets:** | | | |
| Mangalore SEZ Limited | Security deposit (Power) | - | 3.59 |
| | Security deposit (Power) | 15.40 | 15.40 |
| | Security deposit (Water) | 3.13 | 3.13 |
| | Security deposit (Zone O&M) | 9.38 | 9.38 |

**43.5.3 Compensation of key management personnel**

**A. Chief Executive Officer**

| Particulars | Year ended March 31, 2021 | Year ended March 31,2020 |
|---|---|---|
| Short term employee benefits | 6.13 | 4.85 |
| Post-employment benefits (Gratuity & PRMB) & long-term benefit (Compensated absences) | 3.23 | 2.43 |
| Contribution to provident fund | 0.59 | 0.54 |
| **Total** | **9.95** | **7.82** |

**B. Chief Financial Officer**

The Company has reimbursed ₹ 2.79 million (As at 31st March 2020 ₹ 4.79 million) during the year towards deputation of Shri Surendra Nayak as Chief Financial Officer from holding company upto 30.09.2020.

Further, the Company has reimbursed ₹ 3.09 million (As at 31st March 2020 ₹ Nil) during the year towards secondment of Shri Surinder Pal Singh Chawla as Chief Financial Officer from holding company w.e.f. 23.10.2020.

**C. Company secretary**

| Particulars | Year ended March 31, 2021 | Year ended March 31,2020 |
|---|---|---|
| Short term employee benefits | 3.52 | 3.06 |
| Post-employment benefits (Gratuity and PRMB) & long-term benefit (Compensated absences) | 0.93 | 0.97 |
| Contribution to provident fund | 0.37 | 0.34 |
| **Total** | **4.82** | **4.37** |

## 43.6 Disclosure in respect of Government related entities :

### 43.6.1 Name of Government related entities and description of relationship wherein significant amount of transactions were carried out: ( Other than those which are disclosed in 43.5)

| S.No. | Government related entities | Relation |
|---|---|---|
| i | Bridge and Roof Co. (India) Ltd. | Central PSU |
| ii | Engineers India Limited | Central PSU |
| iii | National Insurance Company Limited | Central PSU |
| iv | Karnataka State Pollution Control Board | State Govt |
| v | New Mangalore Port Trust | Trust |
| vi | Balmer Lawrie & Co. Ltd. | Central PSU |
| vii | The New India Assurance Company Limited | Central PSU |
| viii | Central Warehousing Corporation | Central Govt. |
| ix | Bharat Petroleum Corporation | Central PSU |
| x | Gail India Ltd. | Central PSU |
| xi | Stock Holding Corporation of India | Central Govt. |
| xii | Ministry of Corporate Affairs | Central Govt. |
| xiii | National Informatics Centre | Central Govt. |
| xiv | United India Insurance Co. Ltd. | Central PSU |

### 43.6.2 Transaction with Government related Entities ( Other than those which are disclosed in 43.5.1)

| Name of related party | Nature of Transactions | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|---|
| Engineers India Limited | Services | 0.68 | 21.27 |
| National Insurance Company Limited | Services | 0.23 | 0.43 |
| Karnataka State Pollution Control Board | Services | 0.14 | 0.00 |
| New Mangalore Port Trust | Port Services | 52.23 | 53.56 |
| Balmer Lawrie & Co. Ltd. | Services | 0.71 | 12.44 |
| New India Assurance Company Limited | Services | 179.70 | 117.18 |
| Bharat Petroleum Corporation Limited | Supply of goods | - | 0.56 |
| Gail India Ltd. | Supply of goods & services | 432.83 | 11.20 |
| Ministry of Corporate Affairs | Services | - | 5.00 |
| National Informatics Centre | Services | - | 1.61 |
| Stock Holding Corporation of India Ltd. | Services | 0.00 | 5.00 |
| United India Insurance Co. Ltd. | Services | 0.38 | 15.30 |

**43.6.3 Outstanding balances with Government related entities (Other than those which are disclosed in 43.5.2):**

| Name of related party | Nature of Transactions | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **Amount (payable)/ receivable:** | | | |
| New Mangalore Port Trust | Trade and other payable | 0.91 | 0.96 |
| National Insurance Company Ltd | Services | 0.01 | 0.25 |
| Engineers India Limited | Services | (3.21) | (2.60) |
| Gail India Ltd. | Supply of goods | (145.42) | 9.28 |
| National Informatics Centre | Services | 0.47 | 1.61 |

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

## 44 Financial instruments

### 44.1 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 23 and 24 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.

### 44.1.1 Gearing Ratio

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

| Particulars | As at 31March, 2021 | As at 31 March, 2020 |
|---|---|---|
| i) Debt * | 238,332.78 | 184,818.59 |
| ii) Total cash and bank balances | 520.86 | 280.15 |
| **Less :** cash and bank balances required for working capital | 520.62 | 279.95 |
| Net cash and bank balances | 0.24 | 0.20 |
| **iii) Net Debt** | 238,332.54 | 184,818.39 |
| **iv) Total equity** | 42,481.01 | 62,279.00 |
| **v) Net Debt to equity ratio** | 5.61 | 2.97 |
| *** Debt is defined as long-term and short term borrowings as described in note 23 and note 24.** | | |

## 44.2 Categories of financial instruments

| Particulars | As at 31March, 2021 | As at 31 March, 2020 |
|---|---|---|
| **Financial assets** | | |
| **Measured at amortised cost** | | |
| (a) Trade receivables | 24,506.71 | 10,171.72 |
| (b) Cash and cash equivalents | 258.25 | 18.00 |
| (c) Other bank balances | 262.61 | 262.15 |
| (d) Loans | 1,413.08 | 1,284.22 |
| (e) Other financial assets | 281.64 | 205.13 |
| **Measured at fair value through profit and loss** | | |
| (a) Investments | 5.08 | 5.08 |
| **Financial liabilities** | | |
| **Measured at amortised cost** | | |
| (a) Borrowings | 227,521.37 | 167,514.30 |
| (b) Trade payables | 40,031.31 | 32,765.33 |
| (c) Other financial liabilities | 22,903.40 | 27,768.11 |

## 44.3 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.

## 44.4 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.

## 44.5 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies, primarily for purchases of crude oil and exports sales and has borrowings denominated in foreign currency; consequently, exposures to exchange rate fluctuations arise. Significant carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

| Transaction Currency | Liabilities | | Assets | |
|---|---|---|---|---|
| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2021 | As at March 31, 2020 |
| USD | 151,844.56 | 142,114.17 | 7,085.94 | 2,903.95 |
| EURO | 0.13 | 1.10 | - | - |
| CAD | 0.19 | - | - | 0.76 |

### 44.5.1 Foreign currency sensitivity analysis

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

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

| USD sensitivity at year end | Year ended March 31, 2021 | Year ended March 31,2020 |
|---|---|---|
| **Receivables:** | | |
| Weakening of INR by 5% | 354.30 | 145.20 |
| Strengthening of INR by 5% | (354.30) | (145.20) |
| **Payables:** | | |
| Weakening of INR by 5% | (7,451.81) | (6,781.67) |
| Strengthening of INR by 5% | 7,451.81 | 6,781.67 |

**44.5.2 Forward foreign exchange contracts**

The Company books short term forward contracts upto a maximum period of 30 days to the limited extent when export receivables date and import payments date do not fall within the spot date.

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

**44.6 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 analysis 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, 2021 would decrease/increase by ₹ 728.98 million (for the year ended March 31, 2020 : decrease/increase by ₹ 669.11 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings (considered on closing balance of borrowings as at year end).

**44.7 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 etc.).

Major customers, being public sector undertakings oil marketing companies having highest credit ratings, carry negligible credit risk. Concentration of credit risk to any other counterparty did not exceed 10% of total monetary assets at any time during the year.

Subsidiary Company OMPL makes sales to its customer which are secured by letter of credit other than sales made to Holding Company and reputed international customers.

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

**44.8 Liquidity risk management**

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

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

| Particulars As at March 31, 2021 | Weighted average effective interest rate | Less than 1 month | 1 month - 1 year | 1 year - 3 years | More than 3 years | Total | Gross Carrying Value |
|---|---|---|---|---|---|---|---|
| (i) Borrowings * | Long term - 3.94% Short Term - 3.18% Subsidiary OMPL Long term - 4.29% Short Term - 5.82% | 18,245.14 | 52,283.06 | 58,411.37 | 99,581.86 | 228,521.43 | 227,521.37 |
| (ii) Trade payables | Refer note 27.2 | 30,773.88 | 9,257.43 | - | - | 40,031.31 | 40,031.31 |
| (iii) Other financial liabilities | | 6,093.36 | 14,764.64 | 516.80 | 4,878.88 | 26,253.68 | 22,903.40 |

| Particulars As at March 31, 2020 | Weighted average effective interest rate | Less than 1 month | 1 month - 1 year | 1 year - 3 years | More than 3 years | Total | Gross Carrying Value |
|---|---|---|---|---|---|---|---|
| (i) Borrowings* | Long term - 4.80% Short Term - 7.74% Subsidiary OMPL Long term - 4.61% Short Term - 8.22% | 2,470.32 | 32,792.76 | 46,302.62 | 86,953.57 | 168,519.27 | 167,514.30 |
| (ii) Trade payables | Refer note 27.2 | 27,570.92 | 5,194.41 | - | - | 32,765.33 | 32,765.33 |
| (iii) Other financial liabilities | | 6,679.39 | 19,171.13 | 485.88 | 5,218.16 | 31,554.56 | 27,768.11 |

*** Refer note 23.7**

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

| Particulars As at March 31, 2021 | Weighted average effective interest rate | Less than 1 month | 1 month -1 year | 1 year – 3 years | More than 3 years | Total | Gross Carrying Value |
|---|---|---|---|---|---|---|---|
| (i) Investments | | - | - | - | 254.94 | 254.94 | 254.94 |
| (ii) Loans | | | | | | | |
| Loans to Employee | 7.74% | 17.61 | 127.67 | 271.01 | 803.48 | 1,219.77 | 1,219.77 |
| Loan to Customers | 8.39% | - | 0.31 | 1.00 | 3.58 | 4.89 | 4.89 |
| Others | | 11.74 | 0.95 | 0.11 | 366.93 | 379.73 | 188.42 |
| (iii) Trade receivables | Refer note 17.1 | 24,300.05 | 206.66 | - | - | 24,506.71 | 24,506.71 |
| (iv) Cash and cash equivalents | | 258.25 | - | - | - | 258.25 | 258.25 |
| (v) Bank balances other than (iv) above | | 262.52 | 0.09 | - | - | 262.61 | 262.61 |
| (vi ) Other financial assets | | 2.91 | 3.21 | 16.11 | 259.41 | 281.64 | 281.64 |

| Particulars As at March 31, 2020 | Weighted average effective interest rate | Less than 1 month | 1 month -1 year | 1 year – 3 years | More than 3 years | Total | Gross Carrying Value |
|---|---|---|---|---|---|---|---|
| (i) Investments | | - | - | - | 292.95 | 292.95 | 292.95 |
| (ii) Loans | | | | | | | |
| Loans to Employee | 7.40% | 15.43 | 113.10 | 246.99 | 701.70 | 1,077.22 | 1,077.22 |
| Loan to Customers | 9.55% | 0.01 | 0.14 | 0.35 | 1.24 | 1.74 | 1.74 |
| Others | | 3.40 | 1.11 | 0.10 | 394.37 | 398.98 | 205.26 |
| (iii) Trade receivables | Refer note 17.1 | 10,095.35 | 76.37 | - | - | 10,171.72 | 10,171.72 |
| (iv) Cash and cash equivalents | | 18.00 | - | - | - | 18.00 | 18.00 |
| (v) Bank balances other than (iv) above | | 262.06 | 0.09 | - | - | 262.15 | 262.15 |
| (vi ) Other financial assets | | 3.70 | 2.86 | 13.30 | 185.27 | 205.13 | 205.13 |

The Group has access to financing facilities as described below, of which ₹ 5,000.00 million were unused at the end of the reporting period (As at March 31, 2020 ₹ 3,838.02 million. The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Secured bank overdraft facility payable at call : | 5,000.00 | 10,000.00 |
| - amount used | - | 6,161.98 |
| - amount unused | 5,000.00 | 3,838.02 |

### 44.9 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. The financial liabilities are measured as amortized cost and are classified as Level II from a fair value hierarchy perspective.

## 45. The Financial position of the Joint Venture is as under:

| Particulars (As at March 31, 2021) | 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 Comprehensive Income | Total Comprehensive Income |
|---|---|---|---|---|---|---|---|---|---|
| Shell MRPL Aviation Fuels and Services Limited | 1,984.11 | 91.79 | 1,563.43 | 5.87 | 2,604.95 | 8.00 | - | 0.03 | 8.03 |
| **Total** | **1,984.11** | **91.79** | **1,563.43** | **5.87** | **2,604.95** | **8.00** | **-** | **0.03** | **8.03** |

| Particulars (As at March 31, 2020) | 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 Comprehensive Income | Total Comprehensive Income |
|---|---|---|---|---|---|---|---|---|---|
| Shell MRPL Aviation Fuels and Services Limited | 2,405.41 | 98.63 | 1,921.35 | 9.12 | 8,307.54 | 15.19 | - | (0.91) | 14.28 |
| **Total** | **2,405.41** | **98.63** | **1,921.35** | **9.12** | **8,307.54** | **15.19** | **-** | **(0.91)** | **14.28** |

## 45.1 Additional Financial information related to Joint venture is as under:

| Particulars (As at March 31, 2021) | Cash and Cash Equivalents | Current Financial Liabilities | Non-Current Financial Liabilities | Depreciation and Amortisation | Interest Income | Interest Expense | Income Tax Expense on Income |
|---|---|---|---|---|---|---|---|
| Shell MRPL Aviation Fuels and Services Limited | 87.95 | 1,444.32 | 5.59 | 15.02 | 76.18 | 27.00 | 4.48 |
| **Total** | **87.95** | **1,444.32** | **5.59** | **15.02** | **76.18** | **27.00** | **4.48** |

| Particulars (As at March 31, 2020) | Cash and Cash Equivalents | Current Financial Liabilities | Non-Current Financial Liabilities | Depreciation and Amortisation | Interest Income | Interest Expense | Income Tax Expense on Income |
|---|---|---|---|---|---|---|---|
| Shell MRPL Aviation Fuels and Services Limited | 533.12 | 1,836.11 | 9.12 | 15.31 | 41.50 | 12.04 | 1.60 |
| **Total** | **533.12** | **1,836.11** | **9.12** | **15.31** | **41.50** | **12.04** | **1.60** |

### 45.2 Summarised financial information of Group's Joint Venture

| Particulars | Shell MRPL Aviation Fuels and Services Limited | |
|---|---|---|
| | As at March 31, 2021 | As at March 31, 2020 |
| Net assets of the Joint Venture | 506.60 | 573.76 |
| Proportion of the Group's ownership interest in JV (%) | 50% | 50% |
| Proportion of the Group's ownership interest in JV (INR) | 253.30 | 286.88 |
| Less : Unrealized Profit and other adjustment | 3.44 | (0.99) |
| Carrying amount of the Group's interest in JV after adjustment | 249.86 | 287.87 |

## 46 Contingent liabilities

### 46.1 Claims against the Company/ disputed demands not acknowledged as debt:-

| Sl. No. | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 1. | Claims of Contractors / vendors in Arbitration / Court | | |
| a) | Some of the contractors for supply and installation of equipment have lodged claims on the Company seeking revision of time of completion without liquidated damages, extended stay compensation and extra claims etc., which are contested by the Company as not admissible in terms of the provisions of the respective contracts. In case of unfavourable awards the amount payable that would be capitalised is ₹ 1,258.72 million / charged to revenue account would be ₹ 10.88 million (Year ended March 31, 2020 ₹ 1,248.03 million and ₹ 35.86 million). | 1,269.60 | 1,283.89 |
| b) | Subsidiary Company OMPL - Some of the contractors have lodged claims on the Company seeking revision of time of completion without price adjustment, extended stay compensation, extra claims etc., which are contested by the Company as not admissible as per the facts and contract terms. Since disclosure of some or all of the information required under Ind AS 37 are expected to prejudice seriously the position of the Company in a dispute with parties on the subject matter of the contingent liability the amount of such alleged claims have not been disclosed for the current year. | 3,548.26 | 2,958.38 |
| 2. | **Others** | | |
| a) | The claim of Mangalore SEZ Ltd. over and above the advance paid for land and rehabilitation & resettlement work. | 20.05 | 20.05 |
| | **Total** | **4,837.91** | **4,262.32** |

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

**46.2 Disputed tax / Duty demands pending in appeal as on 31st March, 2021**

**46.2.1** Income Tax: ₹ 228.76 million as at March 31,2021 (As at March 31, 2020 ₹ 116.52 million). Against this ₹ Nil as at March 31,2021 (As at March 31, 2020 ₹ Nil) is adjusted / paid under protest and is included under tax assets/ liability **[refer note 14]**.

**46.2.2** Excise Duty: ₹ 7,633.38 million as at March 31,2021 (As at March 31, 2020 ₹ 7,310.93 million). Against this ₹ 186.39 million as at March 31,2021 (As at March 31, 2020 ₹ 182.10 million) is predeposit / paid under protest and is included under other assets **[refer note 15].**

**46.2.3** Customs Duty: ₹ 956.02 million as at March 31,2021 (As at March 31, 2020 ₹ 916.31 million). Against this ₹ 379.48 million as at March 31,2021 (As at March 31, 2020 ₹ 379.48 million) is adjusted / paid under protest and is included under other assets [**refer note 15**].

**46.2.4** There is a claim from the custom department for customs duty amounting to ₹ 2,121.14 million along with applicable interest and penalties totally amounting to ₹ 6,168.37 million in respect of classification of tariff of the reformate for the purpose of payment of import duty. An appeal has been filed before the Appellate Authority contesting the entire demand. Pending outcome of the appeal proceedings, no provision for the said demand has been made in the books.

**47 Commitments**

**47.1 Capital Commitments:**

**47.1.1** The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at March 31, 2021 ₹ 6,464.09 million (As at March 31, 2020 ₹ 10,786.69 million).

**47.1.2** The Company has requested KIADB for an allotment of 1,050 acres of land for Phase IV expansion. The balance capital commitment in this regard is around ₹ 6,407.14 million (As at March 31,2020 ₹ 6,407.14 million).

**47.2 Other Commitments**

**47.2.1** Pending commitment on account of Refinery-MRPL is in possession of certain land provisionally measuring 36.69 acres ceded by HPCL for use by MRPL Phase III expansion and upgradation work .The consideration for such land is mutually agreed to be by way of swapping of land in possession of MRPL/ HPCL. The final documentation in this regard is pending to be executed.

**47.2.2** Pending commitment on account of Refinery performance improvement programme by M\s.Shell Global International Solution (M\s.Shell GIS) as at March 31, 2021 USD 1.46 million net of advance (As at March 31, 2020 USD 1.46 million net of advance).

## 48 Reconciliation of liabilities arising from financing activities.

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

| Sl. No. | Particulars | Opening balance as at 01/04/2020 | Financing cash Flows | Non-cash changes | Closing balance as at 31/03/2021 |
|---|---|---|---|---|---|
| I | **Borrowing - Long Term** | | | | |
| | 1 External commercial borrowing (ECB ) | 32,844.25 | (11,135.30) | (667.26) | 21,041.69 |
| | 2 Loan from Oil Industry Development Board (OIDB) | 5,390.00 | (117.50) | - | 5,272.50 |
| | 3 Non Convertible Debentures | 25,586.59 | 12,170.00 | (4.34) | 37,752.25 |
| | 4 Deferred payment liabilities - VAT Loan | 360.78 | 74.88 | (17.57) | 418.09 |
| | 5 Working capital loan from banks (ECB) | 30,025.03 | 11,165.63 | (1,208.70) | 39,981.96 |
| | 6 Foreign Currency Term Loan (FCTL) | 38,510.88 | 6,167.23 | (1,201.18) | 43,476.93 |
| | 7 Rupee Term Loan | 6,856.72 | 3,010.92 | 0.52 | 9,868.16 |
| | 8 Compulsorily Convertible Debentures (CCDs) # | 9,989.37 | - | 3.63 | 9,993.00 |
| | **Total** | **149,563.62** | **21,335.86** | **(3,094.90)** | **167,804.58** |

| Sl. No. | Particulars | Opening balance as at 01/04/2020 | Financing cash Flows | Non-cash changes | Closing balance as at 31/03/2021 |
|---|---|---|---|---|---|
| II | **Borrowing - Short Term** | | | | |
| | 1 Working capital loan from banks | 8,632.30 | (8,632.31) | 0.01 | - |
| | 2 Foreign currency non repatriable loan (FCNR) | 11,866.06 | (215.70) | 48.04 | 11,698.40 |
| | 3 Commercial Papers | - | 26,500.00 | - | 26,500.00 |
| | 4 Short Term Rupee Loan | 4,732.16 | 11,426.16 | - | 16,158.32 |
| | 5 Bill Discounting Facility | 6,324.45 | (5,557.97) | - | 766.48 |
| | 6 Other Working Capital Loan | 3,700.00 | 11,705.00 | - | 15,405.00 |
| | **Total** | **35,254.97** | **35,225.18** | **48.05** | **70,528.20** |

| Sl. No. | Particulars | Opening balance as at 01/04/2019 | Financing cash Flows | Non-cash changes | Closing balance as at 31/03/2020 |
|---|---|---|---|---|---|
| I | **Borrowing - Long Term** | | | | |
| | 1 External commercial borrowing (ECB) | 34,500.76 | (4,349.10) | 2,692.59 | 32,844.25 |
| | 2 Loan from Oil Industry Development Board (OIDB) | 2,680.00 | 2,710.00 | - | 5,390.00 |
| | 3 Non Convertible Debentures | 19,999.61 | 5,600.00 | (13.02) | 25,586.59 |
| | 4 Deferred payment liabilities - VAT Loan | 225.56 | 423.85 | (288.63) | 360.78 |
| | 5 Working capital loan from banks (ECB) | 68.52 | 27,752.88 | 2,203.63 | 30,025.03 |
| | 6 Deferred payment liabilities - CST | 218.63 | (218.63) | - | - |
| | 7 Foreign Currency Term Loan (FCTL) | 3,458.00 | 32,399.92 | 2,652.96 | 38,510.88 |
| | 8 Rupee Term Loan | 11,999.70 | (5,142.98) | - | 6,856.72 |
| | 9 Compulsorily Convertible Debentures (CCDs) *# | - | 9,989.10 | 0.27 | 9,989.37 |
| | **Total** | **73,150.78** | **69,165.04** | **7,247.80** | **149,563.62** |
| II | **Borrowing - Short Term** | | | | |
| | 1 Working capital loan from banks | 4,654.87 | 3,977.44 | (0.01) | 8,632.30 |
| | 2 Foreign currency non repatriable loan (FCNR) | 49,795.20 | (38,169.83) | 240.69 | 11,866.06 |
| | 3 Commercial Papers | 4,000.00 | (4,000.00) | - | - |
| | 4 Buyers Credit & Pre/Post Shipment Export Credit | 24,206.00 | (24,206.00) | - | - |
| | 5 Short Term Rupee Loan | 370.00 | 4,362.16 | - | 4,732.16 |
| | 6 Bill Discounting Facility | - | 6,324.45 | - | 6,324.45 |
| | 7 Other Working Capital Loan | - | 3,700.00 | - | 3,700.00 |
| | **Total** | **3026.07** | **(48,011.78)** | **240.68** | **35,254.97** |

*** Restated, refer Note no. 50**

# The Sponsor (ONGC) will get the 49% equity shares of subsidiary company OMPL against the Compulsorily Convertible Debentures (CCDs) liability which are convertible at the time of settlement.

The cash flows from bank loans, loans from related parties and other borrowings make up the net amount of proceeds from borrowings and repayments of borrowings in the Statement of Cash Flows.

**49 Disclosure as per Ind AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 'Presentation of Financial Statements'.**

The Holding Company during the year has reclassified Employee Benefits related to contribution for Provident Fund from Defined Contribution Plan to Other Long Term Employee Benefits. In accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' the application of accounting policy for transactions, other events or conditions that differs in substance from those previously occurring are not changes in accounting policy. The effect of same on Statement of Profit and Loss for the year ended March 31, 2021 is ₹ 271.83 million and for previous years the same is ₹ Nil.

Certain minor improvements / changes in some polices for improved disclosures, understandability and clarity have also been made in the Significant Accounting Policy **[refer note 3]**. However, such improvements / changes have no impact on the Consolidated Ind AS financial statements.

**50 Disclosure as per Ind AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 'Presentation of Financial Statements'.**

**Reconciliation of Financial Statement line items which are retrospectively restated are as under (to the extent practicable):**

**50.1** The Subsidiary Company OMPL has issued ₹10,000 Million Compulsorily Convertible Debentures (CCDs) on March 05, 2020 (1000 Nos. of ₹ 10 Million each). It was treated as Compound Financial Instrument (CFI) and accordingly classified into Equity and Debt component adopting accounting treatment as per Ind AS 32. Correspondingly the company has disclosed only the backstopping arrangement by way of notes in Standalone Financial Statement. The Comptroller & Auditor General (C&AG) of India observed deficiencies in this regard and suggested for corrective and remedial action (if any) for treatment adopted by the Subsidiary Company "OMPL" in FY 2019-20 along with treatment made in the books of holding company. The company along with subsidiary had given assurance to refer the matter to the Expert Advisory Committee (EAC) of The Institute of Chartered Accountants of India (ICAI). Accordingly, the Company along with Subsidiary has referred this matter to EAC on above issue. EAC opined on the said matter on May 5, 2021 that the accounting treatment of CCDs issued by the Subsidiary Company is not in line with the requirements of Ind AS 32 and the CCDs shall be classified as financial liabilities ( the equity conversion feature can only be settled through the issue of equity shares, however, there is an obligation to issue a variable number of shares, the number of shares to be issued is based on the share price on conversion. In other words, the conversion price and, hence, the conversion ratio of CCDs into ordinary equity shares of the Company is not fixed at the point of initial recognition of the CCDs. Therefore, the conversion component within the instrument would not meet the criteria laid down in Ind AS 32 for the purpose of classifying as equity) in entirety and opined to correct the accounting treatment as a prior period error retrospectively. Accordingly, considering the EAC opinion, the subsidiary Company has treated the CCDs as financial liability. Further to that the company has also received opinion for their standalone Financial statement that the current accounting treatment in the financial statements of the Company is not in line with the requirements of Ind AS 32 and the Company shall comply with the relevant presentation and disclosure requirements of Ind AS 107 and Division II of Schedule III to the Companies Act, 2013. The Group shall correct the accounting treatment of the CCDs as a prior period error retrospectively. The company has now corrected the accounting treatment by restating the Financial Statement for the year ending 31$^{st}$ March 2020.

**50.2 Reconciliation of restated items of Balance Sheet as at March 31, 2020 :**

| Particulars | Note No. | As at March 31, 2020 | | |
|---|---|---|---|---|
| | | As previously reported | Adjustment | As Restated |
| Deferred Tax Assets **[refer note a below]** | 26 | 13,014.62 | (767.53) | 12,247.09 |
| Other Non-Current Assets **[refer note b below]** | 15 | 8,721.26 | 1.22 | 8,722.48 |
| Other Current Assets **[refer note b below]** | 15 | 4,733.49 | 0.63 | 4,734.12 |
| Others | | 279,949.67 | - | 279,949.67 |
| **Total Assets** | | **306,419.04** | **(765.68)** | **305,653.36** |
| Other Equity **[refer note c below]** | 21 | 50,820.47 | (4,748.91) | 46,071.56 |
| Non-Controlling Interest **[refer note d below]** | | 2,490.48 | (3,809.68) | (1,319.20) |
| Borrowings (Non-Current) **[refer note e below]** | 23 | 123,777.55 | 8,481.78 | 132,259.33 |
| Borrowings (Current) **[refer note e below]** | 23 | 35,943.84 | (688.87) | 35,254.97 |
| Others | | 93,386.70 | - | 93,386.70 |
| **Total Equity & Liabilities** | | **306,419.04** | **(765.68)** | **305,653.36** |

**50.3 Reconciliation of restated items of Statement of Profit and Loss for the year ended March 31, 2020 :**

| Particulars | Note No. | Year ended March 31, 2020 | | |
|---|---|---|---|---|
| | | As previously reported | Adjustment | As Restated |
| Finance Cost **[refer note f below]** | 35 | 12,411.48 | 52.28 | 12,463.76 |
| Share of Profit of Joint Venture **[refer note g below]** | | 11.58 | 0.24 | 11.82 |
| Deferred Tax Expense **[refer note h below]** | 26 | (14,630.11) | (18.16) | (14,648.27) |
| **Profit / (Loss) for the year** | | **(40,391.29)** | **(33.88)** | **(40,425.17)** |
| **Other Comprehensive Income [refer note g below]** | | (88.67) | (0.24) | (88.91) |
| **Total Comprehensive Income for the year** | | **(40,479.96)** | **(34.12)** | **(40,514.08)** |
| **Earnings Per Share** | | | | |
| Basic and diluted (in ₹) | 39 | (19.13) | (0.01) | (19.14) |

**50.4 Reconciliation of Statement of Cash Flows for the year ended March 31, 2020 [refer note i below]:**

| Particulars | Year ended March 31, 2020 | | |
|---|---|---|---|
| | As previously reported | Adjustment | As Restated |
| Profit / (Loss) After Tax | (40,391.29) | (33.88) | (40,425.17) |
| Tax Expense | (13,592.75) | (18.16) | (13,610.91) |
| Share of Profit/ (Loss) of Joint Venture | (5.58) | (6.24) | (11.82) |
| Exchange Rate Fluctuation (net) | 8,287.25 | (2,648.74) | 5,638.51 |
| Finance Costs | 12,411.48 | 52.28 | 12,463.76 |
| Dividend Income | (20.03) | 6.00 | (14.03) |
| - (Increase)/ Decrease in Other Assets | 5,519.92 | 1,900.57 | 7,420.49 |
| - Increase/ (Decrease) in Trade Payables and Other Liabilities | (12,089.61) | (24.58) | (12,114.19) |
| Income Taxes paid, net of refunds | 252.82 | (1,114.89) | (862.07) |
| Proceeds from Equity Component of Compound Financial Instrument | 8,526.36 | (8,526.36) | - |
| Proceeds / Repayment from / of Long Term Borrowings | 61,372.39 | 7,792.65 | 69,165.04 |
| Finance Costs Paid | (12,258.87) | 2,621.35 | (9,637.52) |

**a.** Impact on Deferred Tax due to derecognition of CCDs as equity.
**b.** Recognition of prepaid guarantee Charges (Current and non current portion).
**c.** Reclassification of CCDs from equity to borrowings, guarantee commission and effect of deferred tax on it.
**d.** Reclassification of CCDs from NCI to borrowings.
**e.** Reclassification of CCDs from equity to borrowings and reclassification of same in current and non current liability. **[refer note 23.7.4]**.
**f.** Change in treatment of interest pay-out with respect to CCD including guarantee charges.
**g.** Reclassification on account effective portion of gains/ (Losses) on hedging instrument in Cash Flow Hedges.
**h.** Impact on Deferred Tax due to derecognition of CCDs as equity.
**i** Impact on Statement of Cash Flows can be ascertained from changes in Balance Sheet and Statement of Profit and loss as referred above.

## 51 Disclosure of interest in Subsidiary and Joint Venture:

The consolidated financial statements represents consolidation of accounts of "Mangalore Refinery and Petrochemical Limited", its subsidiary and Joint Venture as details below **[refer note no 11 and 45]**:

| Sl. No. | Name of the Subsidiary Company | County of Incorporation | Proportion of ownership interest | | Status of Audit as on March 31, 2021 |
|---|---|---|---|---|---|
| | | | As at March 31, 2021 | As at March 31, 2020 | |
| 1 | ONGC Mangalore Petrochemicals Limited | India | 99.99996% | 51.00% | Audited |

| Sl. No. | Name of the Joint Venture | County of Incorporation | Proportion of ownership interest | | Status of Audit as on March 31, 2021 |
|---|---|---|---|---|---|
| | | | As at March 31, 2021 | As at March 31, 2020 | |
| 1 | Shell MRPL Aviation Fuels and Services Limited | India | 50.00% | 50.00% | Audited |

**52** 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 Company OMPL has a periodic system of physical verification of inventory, property and equipment and Capital stores in a phased manner to cover all items over a period of three years. Adjustment differences, if any is carried out on completion of reconciliation.

**53** The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

**54** 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.

**55** The outbreak of COVID-19 pandemic globally and resultant lockdown in many countries and has impacted the business of the Group. Consequently lower demand for crude oil, petroleum and petrochemical products has impacted the prices and refining margin globally during the part of the year and resulted in reduction in sales for the Group. The capacity utilisation gradually improved subsequently. Management has assessed the potential impact of COVID 19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long term basis/ on useful life of the assets/ on long term financial position etc. though there may be lower revenues and refinery throughput in the near future.

**56** Subsidiary Company OMPL operates in special economic zone (SEZ) in Mangalore, accordingly is eligible for certain economic benefits such as exemptions from GST, custom duty, excise duty, service tax , value added tax, entry tax, etc. which are in the nature of Government assistance. These benefits are subject to fulfilment of certain obligations by the Company.

**57** The Board had accorded consent for amalgamation of the subsidiary ONGC Mangalore Petrochemicals Limited with the Mangalore Refinery and Petrochemicals Limited (MRPL), subject to necessary approvals. The Company had received “No Objection” vide letter dated April 18, 2018 from Ministry of Petroleum & Natural Gas. No effect is considered towards the same in the financial statements as it is still at a preliminary stage.

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

**59 Approval of financial statements**

The financial statements were approved for issue by the Board of Directors on May 17, 2021.

# TEN YEAR PERFORMANCE AT A GLANCE

(₹ in million unless otherwise stated)

| | Ind AS 2020-21 | Ind AS 2019-20 * | Ind AS 2018-19 | Ind AS 2017-18 | Ind AS 2016-17 | IGAAP 2015-16 | IGAAP 2014-15 | IGAAP 2013-14 | IGAAP 2012-13 | IGAAP 2011-12 |
|---|---|---|---|---|---|---|---|---|---|---|
| **What We Owe** | | | | | | | | | | |
| Equity Share Capital | 17,526.64 | 17,526.64 | 17,526.64 | 17,526.64 | 17,526.64 | 17,526.64 | 17,526.64 | 17,526.64 | 17,526.64 | 17,572.57 |
| Other Equity | 57,757.02 | 60,141.61 | 89,743.65 | 92,804.09 | 83,178.11 | 46,677.80 | 35,522.95 | 53,162.08 | 47,150.26 | 54,719.37 |
| Net Worth | 75,283.66 | 77,668.25 | 1,07,270.29 | 1,10,330.73 | 1,00,704.75 | 64,204.44 | 53,049.59 | 70,688.72 | 64,676.90 | 72,291.94 |
| Borrowings | 1,62,251.36 | 1,18,960.72 | 91,310.39 | 79,501.65 | 85,409.61 | 81,028.40 | 90,324.65 | 97,927.21 | 75,576.54 | 61,831.10 |
| Deferred Tax Liability/(Asset) (Net) | (4,187.80) | (3,152.13) | 10,155.44 | 9,061.70 | 4,766.63 | 806.31 | - | 4,702.69 | 7,343.28 | 4,531.40 |
| **TOTAL** | **2,33,347.22** | **1,93,476.84** | **2,08,736.12** | **1,98,894.08** | **1,90,880.99** | **1,46,039.15** | **1,43,374.24** | **1,73,318.62** | **1,47,596.72** | **1,38,654.44** |
| | | | | | | | | | | |
| **What We Own** | | | | | | | | | | |
| PPE, ROU assets,Intanglibles and Goodwill (Including Capital WIP) | 2,03,472.91 | 1,94,716.12 | 1,77,357.71 | 1,67,426.17 | 1,57,688.90 | 2,26,935.30 | 2,23,190.91 | 2,08,025.23 | 1,88,929.44 | 1,61,134.49 |
| Less : Depreciation and Amortisation | 42,884.31 | 35,099.46 | 27,649.10 | 20,445.65 | 13,884.30 | 75,889.89 | 68,323.33 | 62,595.55 | 55,578.31 | 49,644.32 |
| Net Carrying Amount | 1,60,588.60 | 1,59,616.66 | 1,49,708.61 | 1,46,980.52 | 1,43,804.60 | 1,51,045.41 | 1,54,867.58 | 1,45,429.68 | 1,33,351.13 | 1,11,490.17 |
| Investments | 33,948.43 | 21,779.23 | 15,026.47 | 13,496.42 | 13,496.42 | 13,496.73 | 13,496.73 | 150.02 | 150.02 | 422.80 |
| Current and Non Current Assets/ (Liability) (Net) | 38,810.19 | 12,080.95 | 44,001.04 | 38,417.14 | 33,579.97 | (18,502.99) | (24,990.07) | 27,738.92 | 14,095.57 | 26,741.47 |
| **TOTAL** | **2,33,347.22** | **1,93,476.84** | **2,08,736.12** | **1,98,894.08** | **1,90,880.99** | **1,46,039.15** | **1,43,374.24** | **1,73,318.62** | **1,47,596.72** | **1,38,654.44** |
| | | | | | | | | | | |
| **Income** | | | | | | | | | | |
| Sales (Net Of Excise Duty) | 3,21,370.55 | 5,09,786.40 | 6,20,301.12 | 4,84,340.12 | 4,31,924.35 | 3,96,320.40 | 5,74,381.45 | 7,18,104.96 | 6,56,915.16 | 5,37,633.43 |
| Other Income | 1,638.14 | 1,283.38 | 1,872.90 | 2,211.39 | 4,386.38 | 8,725.24 | 8,101.56 | 3,244.67 | 1,160.36 | 3,543.09 |
| Changes in inventories of finished goods, stock-in-process and stock-in-trade | 12,028.15 | (13,474.20) | 5,616.39 | 7,667.19 | 2,883.03 | (6,831.66) | (18,861.34) | 6,740.75 | 11,161.53 | 1,502.05 |
| **TOTAL** | **3,35,036.84** | **4,97,595.58** | **6,27,790.41** | **4,94,218.70** | **4,39,193.76** | **3,98,213.98** | **5,63,621.67** | **7,28,090.38** | **6,69,237.05** | **5,42,678.57** |
| | | | | | | | | | | |
| Expenditure | | | | | | | | | | |
| Cost of Materials Consumed | 2,94,072.61 | 4,66,242.67 | 5,85,137.08 | 4,32,481.63 | 3,74,887.61 | 3,46,504.26 | 5,58,860.55 | 7,07,406.32 | 6,54,001.82 | 5,12,367.50 |
| Purchase of Stock-in-trade | 11,931.73 | 33,520.79 | 5,260.88 | - | - | - | - | - | - | - |
| Sales Tax & Excise Duty on Stocks (net) | 3,511.29 | (2,493.88) | 455.39 | 1,141.16 | (675.16) | 1,588.96 | 916.85 | 199.63 | 217.99 | (606.16) |
| Employee Benefits Expense | 5,109.39 | 4,401.22 | 4,286.56 | 4,173.45 | 3,520.06 | 3,061.41 | 2,407.42 | 2,154.74 | 1,845.60 | 1,606.42 |
| Exchange Fluctuation (net) : Loss/ (Income) | (1,078.76) | 6,872.12 | 2,919.37 | (128.43) | (15,379.74) | 11,902.67 | 6,835.01 | 19.03 | 5,364.91 | 6,482.20 |
| Other Expenses | 12,891.12 | 13,348.96 | 11,638.47 | 11,926.07 | 9,575.86 | 10,519.18 | 7,103.78 | 3,935.12 | 3,245.56 | 3,221.08 |
| Finance Costs | 3,520.46 | 7,446.61 | 4,717.49 | 4,404.57 | 5,171.74 | 5,778.35 | 4,070.88 | 3,214.41 | 3,285.53 | 2,066.77 |
| Depreciation & Amortisation expense | 8,529.97 | 7,832.08 | 7,567.52 | 6,713.21 | 6,779.19 | 7,124.05 | 4,986.10 | 7,064.17 | 6,044.10 | 4,338.73 |
| **TOTAL** | **3,38,487.81** | **5,37,170.57** | **6,21,982.76** | **4,60,711.66** | **3,83,879.56** | **3,86,478.88** | **5,85,180.59** | **7,23,993.42** | **6,74,005.51** | **5,29,476.54** |
| | | | | | | | | | | |
| **Profit Before Tax** | **(3,450.97)** | **(39,574.99)** | **5,807.65** | **33,507.04** | **55,314.20** | **11,735.10** | **(21,558.92)** | **4,096.96** | **(4,768.46)** | **13,202.03** |
| **Tax Expense** | **(1,046.40)** | **(12,171.53)** | **2,488.09** | **11,265.81** | **18,877.33** | **253.51** | **(4,436.58)** | **(1,914.86)** | **2,800.65** | **4,116.25** |
| **Profit After Tax** | **(2,404.57)** | **(27,403.46)** | **3,319.56** | **22,241.23** | **36,436.87** | **11,481.59** | **(17,122.34)** | **6,011.82** | **(7,569.11)** | **9,085.78** |
| **Total Comprehensive Income** | **(2,384.59)** | **(27,489.19)** | **3,274.35** | **22,274.43** | **36,386.53** | | | | | |
| **Dividend (Refer Note below)** | - | - | **1,752.60** | **5,257.80** | **10,515.59** | - | - | - | - | **1,752.60** |
| **Dividend Distribution Tax** | - | - | **360.25** | **1,080.76** | **2,140.73** | - | - | - | - | **284.32** |
| **GRM ($/bbl)** | **3.71** | **(0.23)** | **4.06** | **7.54** | **7.75** | **5.20** | **(0.64)** | **2.67** | **2.45** | **5.60** |

**(Figures are regrouped and rearranged wherever required)**

*** Figures for FY 2019-20 are restated.**

**Note: During the year 2020-21 No dividend has been recommended by Board of Directors .**

# THREE YEAR PERFORMANCE AT A GLANCE

($ in million unless otherwise stated)

| | 2020-21 | 2019-20 * | 2018-19 |
|---|---|---|---|
| **What We Owe** | | | |
| Equity Share Capital | 239.70 | 231.90 | 253.42 |
| Other Equity | 789.89 | 795.73 | 1,297.62 |
| **Net Worth** | **1,029.59** | **1,027.63** | **1,551.04** |
| Borrowings | 2,218.97 | 1,573.97 | 1,320.28 |
| Deferred Tax Liability/(Asset) (Net) | -57.27 | (-41.71) | 146.84 |
| **TOTAL** | **3,191.29** | **2,559.89** | **3,018.16** |
| | | | |
| **What We Own** | | | |
| PPE, ROU assets,Intangibles and Goodwill (Including Capital WIP) | 2,782.73 | 2,576.29 | 2,564.46 |
| Less : Depreciation and Amortisation | 586.49 | 464.40 | 399.78 |
| **Net Carrying Amount** | **2,196.24** | **2,111.89** | **2,164.68** |
| | | | |
| Investments | 464.28 | 288.16 | 217.27 |
| Current and Non Current Assets / (Liability) (Net) | 530.77 | 159.84 | 636.21 |
| **TOTAL** | **3,191.29** | **2,559.89** | **3,018.16** |
| | | | |
| **Income** | | | |
| Sales (Net Of Excise Duty) | 4,330.56 | 7,192.25 | 8,877.93 |
| Other Income | 22.07 | 18.11 | 26.81 |
| Changes in inventories of finished goods, stock-in-process and stock-in-trade | 162.08 | (190.10) | 80.38 |
| **TOTAL** | **4,514.71** | **7,020.26** | **8,985.12** |
| | | | |
| **Expenditure** | | | |
| Cost of Materials consumed | 3,962.71 | 6,577.92 | 8,374.65 |
| Purchase of Stock-in-trade | 160.78 | 472.92 | 75.30 |
| Sales Tax & Excise Duty on Stocks (net) | 47.32 | (35.18) | 6.52 |
| Employee Benefits Expense | 68.85 | 62.09 | 61.35 |
| Exchange Fluctuation (net) : Loss/ (Income) | (14.54) | 96.95 | 41.78 |
| Other Expenses | 173.71 | 188.33 | 166.57 |
| Finance Costs | 47.44 | 105.06 | 67.52 |
| Depreciation & Amortisation Expense | 114.94 | 110.50 | 108.31 |
| **TOTAL** | **4,561.21** | **7,578.59** | **8,902.00** |
| | | | |
| **Profit Before Tax** | **(46.50)** | **(558.33)** | **83.12** |
| Tax Expense | (14.10) | (171.72) | 35.61 |
| **Profit After Tax** | **(32.40)** | **(386.61)** | **47.51** |
| **Total Comprehensive income** | **(32.13)** | **(387.83)** | **46.86** |
| Dividend (Refer Note below) | - | - | 25.08 |
| Dividend Distribution Tax | - | - | 5.16 |
| GRM ($/bbl) | 3.71 | (0.23) | 4.06 |

(Figures are regrouped and rearranged wherever required)
* Figures for FY 2019-20 are restated.
Note: During the year 2020-21 No dividend has been recommended by Board of Directors .

# Mangalore Refinery and Petrochemicals Limited

(A subsidiary of Oil and Natural Gas Corporation Limited)
CIN: L23209KA1988GOI008959
Regd. office: Mudapadav, Post Kuthethoor, Via Katipalla, Mangaluru - 575030
Website: www.mrpl.co.in, Email : investor@mrpl.co.in

## NOTICE OF 33$^{RD}$ ANNUAL GENERAL MEETING (AGM)

**NOTICE** is hereby given that the Thirty Third Annual General Meeting of the Members of Mangalore Refinery and Petrochemicals Limited will be held on **Saturday, 4$^{th}$ September, 2021 at 4 PM (IST)** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS

1. **To receive, consider and adopt the audited financial statements including consolidated financial statements of the Company for the financial year ended on 31$^{st}$ March, 2021 together with the Board's Report, the Auditor's Report thereon and comments of the Comptroller and Auditor-General of India in terms of Section 102(2)(i), 143(6) and other applicable provisions of the Companies Act, 2013 and Rules thereunder and to pass the following resolution as an Ordinary Resolution:**

   **"RESOLVED THAT** the audited financial statements including consolidated financial statements of the Company for the financial year ended on 31$^{st}$ March, 2021, together with the Board's Report, the Auditor's Report thereon and comments of the Comptroller and Auditor-General of India, be and are hereby considered and adopted."

2. To appoint a Director in place of Shri Subhash Kumar (DIN: 07905656), who retires by rotation and being eligible offers himself for re-appointment as a Director and in this regard, pass the following resolution as an Ordinary Resolution:

   **"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Subhash Kumar (DIN: 07905656),who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. **To appoint a Director in place of Shri Vinod S. Shenoy (DIN: 07632981), who retires by rotation and being eligible offers himself for re-appointment as a Director and in this regard, pass the following resolution as an Ordinary Resolution:**

   **"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Vinod S. Shenoy (DIN: 07632981), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

4. **To authorize Board of Directors of the Company to fix the remuneration of the Joint Statutory Auditors of the Company for the Financial Year 2021-22, in terms of the provisions of Section 139(5) read with Section 142 of the Companies Act, 2013 and to pass the following resolution as an Ordinary Resolution:**

   **"RESOLVED THAT** pursuant to Section 139(5) read with Section 142 of the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorised to decide and fix the remuneration and other terms and conditions, including reimbursement of out of pocket expenses in connection with the audit work, to the Joint Statutory Auditors to be appointed by Comptroller and Auditor General of India for the Financial Year 2021-22."

## SPECIAL BUSINESS:

5. **To appoint Shri Rohit Mathur (DIN: 08216731), as Director of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, Shri Rohit Mathur (DIN: 08216731), who was appointed as a Government Nominee Director by the Ministry of Petroleum & Natural Gas (MoP&NG), Government of India, vide its letter No. C-31033/1/2016-CA/FTS:42979 dated 11/12/2020 and subsequently appointed as an additional Director by the Board of Directors with effect from 10/12/2020 to hold office upto the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Shri Rohit Mathur (DIN: 08216731), as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

6. **To appoint Ms. Esha Srivastava (DIN:08504560), as Director of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, Ms. Esha Srivastava (DIN: 08504560), who was appointed as a Government Nominee Director by the Ministry of Petroleum & Natural Gas (MoP&NG), Government of India, vide its letter No. C-31033/1/2016-CA/FTS:42979 dated 11/12/2020 and subsequently appointed as an additional Director by the Board of Directors with effect from 10/12/2020 to hold office upto the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Ms. Esha Srivastava (DIN: 08504560), as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

7. **To appoint Shri Om Prakash Singh (DIN: 08704968), as Director of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 Rules made thereunder, Shri Om Prakash Singh (DIN: 08704968) who was nominated as a Nominee Director by the Oil and Natural Gas Corporation Limited (ONGC), vide its e-mail dated 25/05/2021 and subsequently appointed as an additional Director by the Board of Directors with effect from 07/06/2021 to hold office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Shri Om Prakash Singh (DIN: 08704968), as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."

8. **To ratify the remuneration of the Cost Auditors for the Financial Year 2021-22 and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolutions:**

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies

Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof) the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2021-22, be paid the remuneration of ₹ 1,75,000/- plus applicable taxes and ₹ 20,000/- towards e-filling of Cost Audit Report plus applicable taxes. Fees payable to MCA for e-filling, travel cost, lodging, boarding and other expenses are to be paid at actual plus applicable taxes, as set out in the statement annexed to the notice convening this meeting."

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and delegate to any other officer of the Company."

9. **To enhance the Borrowing powers of Board from ₹ 25,000 crore to ₹ 33,500 crore and in this regard, to consider and if thought fit, to pass, with or without modifications, the following resolutions as Special Resolutions:**

"**RESOLVED THAT** considering the business requirement, expansion and modernization plans of the Company and in supersession of the earlier resolution passed under Section 180(1)(c) of the Companies Act, 2013, at the 27th Annual General Meeting held on 08/08/2015, the consent of the Company be and is hereby accorded to the Board of Directors under the provision of section 180(1)(c) of Companies Act, 2013 and Articles of Association of the Company to borrow from time to time, any sum or sums of monies which together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) either by way of rupee loans or by way of foreign currency loans or by way of issue of debentures or by issue of other instruments, and either from the Company's Bankers or from any other Banks/Financial Institutions or any other lending institutions or bodies corporate or other persons on such terms, conditions and covenants as are stipulated and as may be considered appropriate by the Board of Directors, provided that the total amount so borrowed shall not at any time exceeding in aggregate at any point of time ₹ 33,500 Crore (Rupees Thirty Three Thousand Five Hundred Crore) not withstanding that the monies to be borrowed by the Company apart from the temporary loan obtained from the Company's banker in the Ordinary course of business will exceed the aggregate of the paid-up capital of the Company and its free reserve that is to say reserve not set apart for any specific purposes."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to the resolution, the Board of Directors of the Company be and is hereby authorized to finalise, settle and execute all documents/deeds/agreements as may be required, and generally to take all other necessary steps and to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, proper or desirable, and to settle any question, difficulty or doubt that may arise in regard to the creation of the aforesaid mortgages, charges, or otherwise considered by the Board of Directors to be in the best interest of Company."

10. **To create charge on the movable and immovable properties of the Company, both present and future, in respect of borrowings and in this regard, to consider and, if thought fit, to pass with or without modification the following resolutions as Special Resolutions:**

"**RESOLVED THAT** in supersession of the earlier resolutions passed under Section 180(1)(a) of the Companies Act, 2013 for creation of charges, mortgage and hypothecation for the borrowings made under Section 180(1)(c) of the Companies Act, 2013, the consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) in terms of Section 180(1)(a) of the Companies Act, 2013 as amended from time to time, to create such charges, mortgages and hypothecations, in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit to secure the borrowings of the Company together with interest at the respective agreed rates, additional interest, commitment charges, premia on prepayment or on redemption, remuneration of Agent(s)/ Trustee(s) and all other costs, charges and expenses, including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other monies payable by the Company in terms of loan agreements/debenture trust deeds or any other document entered into/to be between the Company and the Lender(s) Agent(s) Trustee(s) in respect of the said loans/borrowings/debentures either by way of mortgage (including equitable mortgage), hypothecation, pledge, and/or lien in addition to the mortgages/ charges created/ to be created by Company on such terms and conditions, in such form and manner and with such ranking for priority and at such times as the Board of Directors may determine, on all or any of the properties of the Company including land, building, plant, machinery, other fixed assets, stock in trade, book debts, bank deposits, shares, securities and any other assets as held presently and/or to be acquired in future and by giving guarantees, indemnities, undertakings for and on behalf of the Company provided that the total amount of Loans together with interest thereon, liquidated damages, commitment charges, expenses and all other monies payable by the Company in respect of the said Loans for which the charge is to be created, shall not, at any time exceed ₹ 33,500 crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to the resolution, the Board of Directors of the Company be and is hereby authorized to finalise, settle and execute all documents/deeds/agreements as may be required, and generally to take all other necessary steps and to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, proper or desirable, and to settle any question, difficulty or doubt that may arise in regard to the creation of the aforesaid mortgages, charges, or otherwise considered by the Board of Directors to be in the best interest of Company"

11. **To raise funds upto ₹ 5,000 crore through issue of non-convertible debentures (NCDs)/ Bonds and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions:**

"**RESOLVED THAT** pursuant to Section 42 and other applicable provisions of the Companies Act, 2013 read with Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and any other applicable statutory provisions (including any statutory modifications or re-enactments thereof) the Board of Directors of the Company (the "Board") be and is hereby authorised to make offer(s) or invitation(s) to subscribe to the non-convertible debentures (NCDs)/ Bonds upto ₹ 5,000 Crore, in one or more tranches / series, in domestic market, during the period commencing from the date of passing of Special Resolution till completion of one year thereof or the date of next Annual General meeting in the financial year 2022-23 whichever is earlier, in conformity with rules, regulations, notifications and enactments as may be applicable from time to time, subject to the total borrowing powers of the Company, approved by shareholders under Section 180(1) (c) of the Companies Act, 2013."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do or delegate from time to time, all such acts, deeds and things as may be deemed necessary to give effect to private placement of such bonds including but not limited to determining the face value, issue price, issue size, tenor, timing, amount, security, coupon/interest rate, yield, listing, allotment and other terms and conditions of issue of NCDs/Bonds as it may, in its absolute discretion, consider necessary."

By Order of the Board of Directors

Sd/-
**K B Shyam Kumar**
**Company Secretary**

Place : Mangaluru
Date : 29/07/2021

## ANNEXURE TO THE NOTICE

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**Item No. 5:**

Shri Rohit Mathur (DIN:08216731), who was appointed as a Government Nominee Director by the Ministry of Petroleum and Natural Gas (MoP&NG), Government of India, vide its letter No C-31033/2016-CA/FTS:42979 dated 11/12/2020 and subsequently appointed as an Additional Director by the Board of Directors with effect from 10/12/2020 to hold office upto the date of this Annual General Meeting, in terms of section 161 of the companies Act,2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intension to propose Shri Rohit Mathur (DIN:08216731), as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation.

His Brief resume, Inter- alia, giving nature of expertise in specific functional areas, shareholding in the Company, other Directorship, Membership/Chairmanship of Committees and other particulars are provided elsewhere which forms a part of this notice. Shri Rohit Mathur is not related to any of the Directors of the Board. He doesn't hold any equity shares of the Company.

None of the Directors, Key Managerial Personnel and their relatives except Shri Rohit Mathur is concerned or interested in this resolution.

The board recommends the resolution for your approval.

**Item No. 6:**

Ms. Esha Srivastava (DIN: 08504560)who was appointed as a Government Nominee Director by the Ministry of Petroleum and Natural Gas (MoP&NG), Government of India, vide its letter No C-31033/2016-CA/FTS:42979 dated 11/12/2020 and subsequently appointed as an Additional Director by the Board of Directors with effect from 10/12/2020 to hold office upto the date of this Annual General Meeting, in terms of section 161 of the companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intension to propose Ms. Esha Srivastava (DIN: 08504560), as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation.

Her brief resume, Inter- alia, giving nature of expertise in specific functional areas, shareholding in the Company, other Directorship, Membership/Chairmanship of Committees and other particulars are provided elsewhere which forms a part of this notice. Ms. Esha Srivastava is not related to any of the Directors of the Board. She doesn't hold any equity shares of the Company.

None of the Directors, Key Managerial Personnel and their relatives except Ms. Esha Srivastava is concerned or interested in this resolution.

The Board recommends the resolution for your approval.

**Item No. 7:**

Shri Om Prakash Singh (DIN: 08704968) who was appointed as a Nominee Director by Oil and Natural Gas Corporation Limited (ONGC), vide its e-mail dated 25/05/2021 and subsequently appointed as an Additional Director by the Board of Directors with effect from 07/06/2021 to hold office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Shri Om Prakash Singh (DIN: 08704968), as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation

His brief resume, Inter- alia, giving nature of expertise in specific functional areas, shareholding in the Company, other Directorship, Membership/Chairmanship of Committees and other particulars are provided elsewhere which forms a part of this notice. Shri Om Prakash Singh is not related to any of the Directors of the Board. He doesn't hold any equity shares of the Company.

None of the Directors, Key Managerial Personnel and their relatives except Shri O.P. Singh is concerned or interested in this resolution.

The Board recommends the resolution for your approval.

**ITEM No. 8:**

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a Cost Auditor to audit the cost records of the Company for the financial year 2021-22. On the recommendation of the Audit Committee, the Board approved the appointment of M/s Musib & Co, Cost Accountant as the Cost Auditor of the Company for the financial year 2021-22 at remuneration of ₹ 1,75,000/- plus applicable taxes and ₹ 20,000/ towards e-filling of Cost Audit Report plus applicable taxes. Fees payable to MCA for e-filling, travel cost, lodging, boarding and other expenses are to be paid at actual plus applicable taxes.

As per Rule 14 of the Companies (Audit and Auditors) Rule, 2014 read with Section 148 (3) of the Companies Act, 2013, the remuneration approved by the Board of Directors shall be ratified by the shareholders. Accordingly, members are requested to ratify the remuneration payable to the Cost Auditors for the financial year 2021-22.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in this Resolution. The Board recommends the Resolutions for ratification of the members.

**ITEM No. 9 & 10:**

At the 27th Annual General Meeting of the Company held on 08/08/2015 the members had approved the borrowing powers of the Company upto ₹ 25,000 crores. With a view to meet the funds requirements of the Company and its expansion and modernization plans, the Company may require to borrow monies from time to time either by way of rupee loan or by way of foreign current loan or by way of issue of debenture or by issue of any other instruments and the existing approved limit may likely to be exhausted in the near future and it is therefore recommended to enhance the borrowing limits of the Company not exceeding in aggregate at any point of time ₹ 33,500 crore (Rupees Thirty Three Thousand Five Hundred crore).

As per Section 180(1)(c ) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the Company and its free reserve requires approval from the shareholders of the Company. It is, therefore, proposed to seek the approval of the shareholder for enhancing the borrowing limits upto ₹ 33,500 crore (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by way of a Special Resolution.

Section 180(1)(a) of the Companies Act, 2013, inter alia, provides that the Board of Directors of a public Company shall not without the consent of members sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where a Company owns more than one undertaking, the whole or substantially the whole of any such undertaking. Since the creation of a mortgage and/or charge by the Company on its movable and/or immovable assets in favour of the lender(s) may be regarded as disposal of the Company's undertaking within the meaning of Section 180(1)(a) of the Companies Act, 2013, it is desirable to pass Special resolution under Section 180(1)(a) of the Companies Act, 2013. Accordingly, the Directors recommend the resolution set out in this item of the accompanying notice for your approval.

The Board of Directors of the Company recommends the Special Resolutions pursuant to Section 180 (1) (c) and 180 (1)(a) of the Companies Act, 2013 of the accompanying Notice for the approval of the members of the Company.

**Item No. 11:**

As per provisions of Section 42 of the Companies Act, 2013 read with Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company shall not make private placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by shareholders of the Company by a Special Resolution for each of the offers or invitations. However, in case of offer or invitation for non-convertible debentures, it shall be sufficient if the Company passes a Special Resolution once a year for all the offers or invitations for such debenture during the year.

In view of the above, approval of the members of the Company is being sought to authorize the Board of Directors to make offer(s) or invitation(s) to subscribe to the non-convertible debentures (NCDs)/ Bonds upto ₹ 5,000 crore, from the date of passing special Resolution till completion of one year thereof or the date of next Annual General Meeting in the financial year 2022-23 whichever is earlier, subject to ceiling approved by the shareholders under Section 180(1)(c) of Companies Act, 2013.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolutions either financially or otherwise, except to the extent of their equity holding in the Company.

The Board of Directors of the Company had approved the proposal and recommends the passing of proposed Special Resolution.

## ANNEXURE 'A'

## DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE 33rd ANNUAL GENERAL MEETING

| Name of Director | Shri Subhash Kumar | Shri Vinod S. Shenoy | Shri Rohit Mathur | Ms. Esha Srivastav | Shri Om Parkash Singh |
|---|---|---|---|---|---|
| DIN | 07905656 | 07632981 | 08216731 | 08504560 | 08704968 |
| Date of Birth | 01-01-1962 | 09-09-1962 | 20-09-1968 | 09-06-1980 | 15-12-1964 |
| Date of Appointment on the Board | 15-05-2018 | 08-11-2016 | 10-12-2020 | 10-12-2020 | 07-06-2021 |
| Qualifications & Expertise | Shri Subhash Kumar is Chairman and Managing Director (Additional Charge) and Director (Finance), ONGC.<br>Shri Kumar is Fellow Member of ICMAI and also Associate Member of ICSI. He is an alumni of Panjab University, Chandigarh, where he obtained his Bachelors degree and Masters degree in Commerce with Gold Medal.<br>Prior to joining as Director (Finance), ONGC, Shri Kumar served a brief stint with Petronet LNG Limited where he joined as Director (Finance) in August 2017.<br>Shri Kumar worked as Head Business Development, Finance & Budget and also as Head Treasury Planning & Portfolio Management Group at ONGC Videsh from April 2010 to March 2015. He then went on to serve as | Shri Vinod S Shenoy is a Bachelor in Chemical Engineering from IIT Bombay and started his career with HPCL in June 1985.<br>During his career spanning over three decades, he has held various positions in the Refinery Divisions and Corporate Departments of Hindustan Petroleum Corporation Limited and has wide exposure to the Petroleum Industry. | Shri Rohit Mathur, Joint Secretary (General), Ministry of Petroleum and Natural Gas (MOP & NG) is a Mechanical Engineer from Thapar College of Engineering, Patiala and has also completed Master of Finance and Control (MFC) from Delhi University. Prior to this assignment he was Director (S, CC & FP), MOP&NG handling matters relating to Refineries Sector, Biofuels, Petrochemicals, crude oil supply and flagship programmes.He has also worked in various capacities in other Ministries viz. Ministry of Agriculture, Food Processing Industries, Ministry of Finance (Department of Economic Affairs), Department of Biotechnology and Ministry of Health & Family Welfare. | Ms. Esha Srivastava (IFS), is Director (I/c), Ministry of Petroleum and Natural Gas (MoP&NG) since March, 2019. Ms. Srivastava had served in the Ministry of External Affairs as Deputy Chief of Mission in Thimphu, Third Secretary at Paris. Ms. Srivastava was also on the Board of Bharat Petro Resources Limited and GAIL (India) Limited. | Shri Om Prakash Singh is Director (T & FS), ONGC.<br>Shri Om Prakash Singh a Mechanical Engineer with more than 32 years of experience. Shri Singh has built a deep industry understanding and proven management experience across the technical and Commercial roles he undertook during his career.<br>Shri Singh has a distinguished track record as a drilling engineer and has demonstrated dynamic leadership and vision, as he progressed through various roles within the company. He is well-versedwith national and international Exploration & Production business and carries an extensive experience of offshore and onshore operations. |

| | | | | | |
|---|---|---|---|---|---|
| | Chief Financial Officer of Mansarovar Energy Colombia Limited, a 50:50 joint venture of ONGC Videsh and Sinopec of China, from September 2006 to March 2010.<br>Shri Kumar joined back ONGC as Chief Commercial & Head Treasury of ONGC in July, 2016 where he played a key role in evaluation, negotiation, and concluding outstanding issues pertaining to the organization. | | | | He has a vast, industry knowledge and global business experience. He has played major roles in handling the challenging deepwater drilling project in India and overseas projects in Vietnam, Iran, Qatar and Brazil. |
| **Directorship held in other Public Companies (excluding foreign private and Section 8 of Companies Act.)** | 1. Oil and Natural Gas Corporation Limited.<br>2. ONGC PetroAdditions Limited<br>3. ONGC Tripura Power Company Limited.<br>4. Mangalore SEZ Limited<br>5. Petronet MHB Limited.<br>6. ONGC Mangalore Petrochemicals Limited. | 1. Hindustan Petroleun Corporation Limited<br>2. HPCL - Mittal Energy Limited<br>3. Prize Petroleum Company Limited<br>4. Ratnagiri Refinery and Petrochemicals Ltd.<br>5. HPCL Rajasthan Refinery Limited<br>6. HPCL Biofuels Limited | NIL | NIL | 1. Oil and Natural Gas Corporation Limited<br>2. ONGC Tripura Power Company Limited.<br>3. North East Transmission Company Limited<br>4. ONGC Mangalore Petrochemicals Limited. |
| **Chairman/ Member of the committees** | 1. Stakeholders Relationship Committee – Member, ONGC. | Member (MRPL)<br>1. Audit Committee<br>2. Nomination & Remuneration Committee | Member (MRPL)<br>1. Audit Committee<br>2. Nomination & Remuneration Committee<br>3. Stakeholders Relationship Committee | Member (MRPL)<br>1. Audit Committee<br>2. Nomination & Remuneration Committee | 1. Audit Committee-Member, ONGC Tripura Power Company Limited.<br>2. Nomination & Remuneration Committee - Member, North East Transmission Company Limited |

| | | | | | |
|---|---|---|---|---|---|
| | | | | | 3. Member (MRPL)<br>a) Audit Committee<br>b) Nomination & Remuneration Committee |
| **Shareholding of Directors** | NIL | NIL | NIL | NIL | NIL |
| **Relationship between Directors inter-se** | NIL | NIL | NIL | NIL | NIL |
| **Remunaration last drawn** | NIL<br>being the nominee Director of ONGC | NIL<br>being the nominee Director of HPCL | NIL<br>being the Government nominee Director | NIL<br>being the Government nominee Director | NIL<br>being the nominee Director of ONGC |
| **Remunaration paid** | NIL | NIL | NIL | NIL | NIL |
| **Number of Board Meetings attended** | As mentioned in the Corporate Governance Report | | | | |

**Notes:**

1. Membership/Chairmanship pertaining only to Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee has been considered.

**NOTES:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular numbers 14/2020 and 17/2020 dated 08/04/2020 and 13/04/2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19", circular no. 20/2020 dated 05/05/2020 in relation to "Clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)" and Circular no. 02/2021 dated 13/01/2021 in relation to "Clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12/05/2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 - COVID-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15/01/2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the COVID -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the Annual General Meeting (AGM) of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

2. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This rule will not apply to participation of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

3. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Businesses, as set out above is annexed hereto.

4. The Notice of 33rd Annual General Meeting along with instructions for remote e-voting is sent to Members, Directors, Auditors and others entitled to, by permitted mode.

5. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Member will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

6. Institutional / Corporate Members (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of their respective Board or governing body Resolution / Authorization etc., authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-Voting. The said Resolution /Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to e-voting@rmgcs.com with a copy marked to evoting@nsdl.co.in.

7. The relevant details, pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice. None of the Directors of the Company are in any way related to each other.

8. The Company has announced Book Closure from 27/08/2021 to 04/09/2021 (both days inclusive) for the purpose of Annual General Meeting.

9. All correspondence should be addressed to the Registrar and Share Transfer Agent of the Company - M/s. Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400 083, email : mrplirc@linkintime.co.in

10. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 01/04/2019, except in case of request received for transmission or transposition and relodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated 02/12/2020 had fixed 31/03/2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s Link Intime India Private Limited (LIIPL), Mumbai for assistance in this regard.

11. Members desirous of obtaining any information on any item of business of this meeting are requested to forward the same before 28/08/2021 to the Company Secretary at the Registered Office of the Company or email at investor@mrpl.co.in, so that the same may be attended appropriately. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered Office of the Company on all working days i.e., Monday to Friday, between 3:30 pm and 5:00 p.m. up to 04/09/2021, the date of the 33rd Annual General Meeting.

12. In support of the "Green Initiative" measure taken by Ministry of Corporate Affairs (MCA), Government of India, New Delhi, enabling electronic delivery of documents and also in line with circular Ref. No. CIR/CFD/DIL/7/2011 dated 05/11/2011 issued by Securities and Exchange Board of India (SEBI) and as prescribed under the relevant provisions under the Companies Act, 2013 and the Rules made thereunder, Company has sent Annual Reports in Electronic Mode to the shareholders who have registered their E-mail IDs either with the Registrar and Transfer Agents or with the depositories. Members who have not registered their email address with Company can register the same by submitting a duly filled-in E-Communication Registration Form available on the website of the Company www.mrpl.co.in to M/s. Link Intime India Private Limited, or Investor Relation Cell of the Company at investor@mrpl.co.in. Members holding shares in demat form are requested to register their email address with their Depository Participant(s) only. Members who have registered their email address are also entitled to receive such communication in physical form, upon request.

13. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, remote e-voting facility is being provided to Members to exercise their right to vote on the resolutions proposed to be passed at the 33rd AGM by electronic means. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on the cut-off date of 28/08/2021, are entitled to vote on the Resolutions set forth in this Notice. The Members may cast their

votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 01/09/2021 and will end at 03/09/2021. Members attending the 33rd AGM who have not cast their vote by remote e-voting shall also be eligible to cast their vote during the 33rd Annual General Meeting.

14. Pursuant to the provisions of Investor Education and Protection Fund (IEPF) Rules and the applicable provisions of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend for the years 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 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 18/09/2020 (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.

15. 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, 2017on 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, individual shareholders who haven't claimed dividend for the last 7 years are requested to send an application to the Company/RTA for claiming unclaimed dividend for the year 2015-16 onwards as the Company has not declared any dividend for the FY 2012-13, 2013-14 and 2014-15. 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 (e-IEPF-5) available on the website of Ministry of Corporate Affairs at www.iepf.gov.in.

16. Members holding shares in physical form may avail the facility of nomination in terms of Section 72 of the Companies Act, 2013 by executing Form SH-13 as prescribed in the Companies (Share Capital & Debenture) Rules, 2014 in favour of any person to whom their shares in the Company shall vest on occurrence of events stated in the Form. Those holding shares in physical form may download the Form SH-13 from the website of the Company i.e. www.mrpl.co.in and send Form in duplicate to RTA of the Company. In case of shares held in dematerialized form, the nomination has to be lodged with the respective DP.

17. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or LIIPL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

18. Members are requested to notify immediately any change of address :

    i) To the DP in respect of shares held in dematerialized form, and

    ii) To the Company at its registered office or to its RTA in respect of their physical shares, quoting their folio number.

    Non-Resident members are requested to inform the RTA about:

i) Change in their residential status on return to India for permanent settlement.

ii) Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC Code, MICR No. and address of the Bank with pin code number, if not furnished earlier, to enable Company to remit dividend to the said Bank Account directly.

19. In terms of Regulation 12 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI has advised all the concerned to use electronic mode of payment facility approved by the Reserve Bank of India for making cash payment viz. dividends, interest, redemption or repayment amounts to the investors. Provided that where it is not possible to use electronic mode of payment, payable-at-par warrants or cheques or Demand Drafts may be issued. In the cases of shareholder(s), where it is not possible to effect electronic payment, SEBI has advised to print bank details on the dividend warrant instruments issued to them. However, in case of those shareholders, whose bank details are not available, the Company shall mandatorily print the address of the investors on such payment instruments.

    In order to facilitate the shareholders who are holding the shares in Physical Form, the Company has hosted various Forms including e-payment mandate form, on its website www.mrpl.co.in under the menu "Investors" & Sub-Menu "Shareholders". Shareholders can download the requisite form, fill it as per the direction given therein and forward the same to the R&T Agent with attachments. Form can also be obtained from our R&T Agents.

    Shareholders who are holding shares in Electronic Form are requested to contact their respective Depository Participants (DP) only, for updating their bank details. They are also advised to seek 'Client Master Advice' from their respective DP to ensure that correct updation has been carried out in their record. It may be noted that the bank details provided by the Depositories is solely used by the Company to effect the payment of dividend. Hence, it is utmost necessary for shareholders to ensure that the correct Bank details are updated with DPs.

20. The Company has appointed Shri Manish Gupta, Practicing Company Secretary, New Delhi to act as the Scrutinizer, to scrutinize the remote e-voting. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

21. Detailed procedure for "Remote e-voting" is annexed which forms part of this notice.

22. In case of joint holders, attending the meeting, only such joint holder, who is higher in the order of names, will be entitled to vote at the Meeting.

23. The Register of Directors and Key Managerial Personnel and their Shareholdings maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will be made accessible for inspection at the 33rd Annual General Meeting through electronic mode and shall remain open and accessible to any member during the continuance of the meeting.

24. Pursuant to Section 139 of the Companies Act, 2013, the Auditors of a Government Company are appointed by the Comptroller and Auditor General of India (C&AG) and in pursuance to Section 142 of the Companies Act, 2013, their remuneration is to be fixed by the Company in the Annual General Meeting or in such manner as the Company in general meeting may determine. The Members of the Company in 32nd Annual General Meeting held on 18/09/2020, authorized the Board of Directors to fix the remuneration of Auditors appointed for the financial year 2020-21. Accordingly, the Board of Directors fixed remuneration of ₹ 25,00,000/- (Rupees Twenty Five Lakh only) for the Statutory Auditor for the financial year 2020-21 in

addition to applicable service tax, education cess and reimbursement of actual traveling and out-of-pocket expenses. The appointment of Statutory Auditors of the Company for the year 2021-22 is yet to be approved by the C&AG. Accordingly, the Members may authorise the Board to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board for the financial year 2021-22.

25. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those members whose email address are registered with the Company/ Depositories. Member may note that the Notice and Annual Report for FY 2020-21 will also be available on the Company's Website www.mrpl.co.in, website of the Stock Exchange i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL www.evoting.nsdl.com.

26. Member attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.

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

## A. VOTING THROUGH ELECTRONIC MEANS

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09/12/2020 in relation to e-Voting Facility provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below:

ii. The remote e-Voting period commences on Wednesday, 01/09/2021 (9:00 a.m. IST) and ends on Friday, 03/09/2021 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Saturday 28/08/2021 i.e. cut-off date, may cast their vote electronically. The Voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-Voting facility either during the period commencing 01/09/2021 to 03/09/2021 or e-Voting during the AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.

iii. The Members who have cast their vote by remote e-Voting prior to the AGM may attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote on such resolution again.

iv. The Board of Directors have appointed Shri Manish Gupta (Membership No.5123), Practicing Company Secretaries, New Delhi, as the Scrutinizer, to scrutinize the remote e-Voting and e-voting process in a fair and transparent manner.

v. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at investor@mrpl.co.in on or before 30/08/2021 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

vi. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

vii. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote. In case of Individual Shareholders holding shares in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under **"Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."**

viii. The details of the process and manner for remote e-Voting are explained herein below:

Step 1: Access to NSDL e-Voting system

Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system.

**Details on Step (i) are mentioned below:**

**I) Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09/12/2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

Members are requested to join the Meeting through Laptops for better experience. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

| Type of shareholders | Login Method |
|---|---|
| **Individual Shareholders holding securities in demat mode with NSDL** | **A. NSDL IDeAS facility If you are already registered, follow the below steps:**<br>1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile.<br>2. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under **"Login"** which is available under **"IDeAS"** section.<br>3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.<br>4. Click on "Access to e-Voting" appearing on the left hand side under e-Voting services and you will be able to see e-Voting page. |

| | |
|---|---|
| | 5. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting.<br>**If you are not registered, follow the below steps:**<br>1. Option to register is available at https://eservices.nsdl. com.<br>2. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>3. Please follow steps given in points 1-5.<br>**B. e-Voting website of NSDL**<br>1. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile phone.<br>2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. Type of shareholders Login Method<br>3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.<br>4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting. |
| **Individual Shareholders holding securities in demat mode with CDSL** | 1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest is https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.<br>2. After successful login of Easi / Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of ESP i.e. NSDL portal. Click on NSDL to cast your vote.<br>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/ EasiRegistration. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |

| | |
|---|---|
| **Individual Shareholders (holding securities in demat mode) logging through their depository participants** | 1. You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-Voting facility.<br>2. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.<br>3. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting. |

**Important note:**
Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

| Login type | Helpdesk details |
|---|---|
| Securities held with NSDL | Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Securities held with CDSL | Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

II) **Login method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholders / Member" section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.
5. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12****** |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12************** |
| c) For Members holding shares in Physical Form | EVEN Number followed by Folio Number registered with the company For example, if EVEN is 123456 and folio number is 001*** then user ID is 123456001*** |

6. Your password details are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

   i) If your e-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL in your mailbox from evoting@nsdl.com. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

   ii) In case you have not registered your e-mail address with the Company / Depository, please follow instructions mentioned below in this notice.

7. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

   a) Click on "**Forgot User Details / Password**?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) "**Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address.

   d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.

   8. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.

   9. Now, you will have to click on "Login" button.

   10. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 are mentioned below:**

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting". The EVEN of MRPL is: 116635.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number from depository.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password.

   In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on https://www.evoting.nsdl.com to reset the password.
2. In case of any queries relating to e-Voting you may refer to the FAQs for Shareholders and e-Voting user manual for Shareholders available at the download section of https://www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in.
3. Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing demat account number / Folio number, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained above.
4. The instructions for members for e-Voting on the day of the AGM are mentioned in point number 27 (A).
5. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800 1020 990 and 1800 22 44 30 or contact Amit Vishal, Assistant Vice President – NSDL at evoting@nsdl.co.in / or Ms Sarita Mote, Assistant Manager- NSDL at evoting@nsdl.co.in.

**Process for those shareholders whose Email ids are not registered with the Depositories/Company for procuring User Id and Password and registration of E mail ids for e-voting for the resolutions set out in this notice**:

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@mrpl.co.in.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@mrpl.co.in . If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholders/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGHVC / OAVM ARE AS UNDER:**

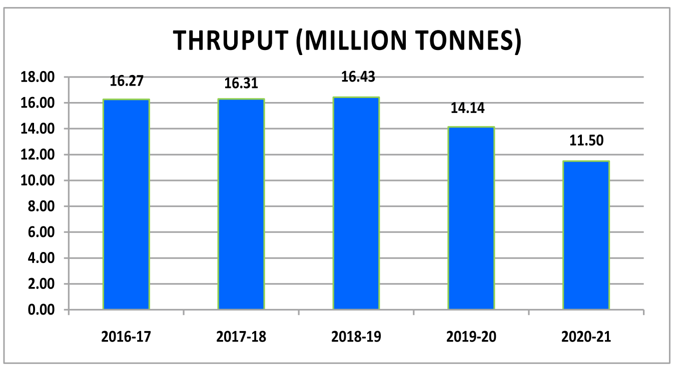
1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of the AGM provided by NSDL at https://www.evoting.nsdl.com following the steps mentioned above for access to NSDL e-Voting system. After successful login, you can see link of VC / OAVM placed under Join General meeting menu against company name. You are requested to click on VC / OAVM link placed under Join General Meeting menu. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM.
3. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800 1020 990 and 1800 22 44 30 or Amit Vishal, Assistant Vice President – NSDL at evoting@nsdl.co.in / or Ms Sarita Mote, Assistant Manager- NSDL at evoting@nsdl.co.in .
4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at investor@mrpl.co.in on or before 29/08/2021. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

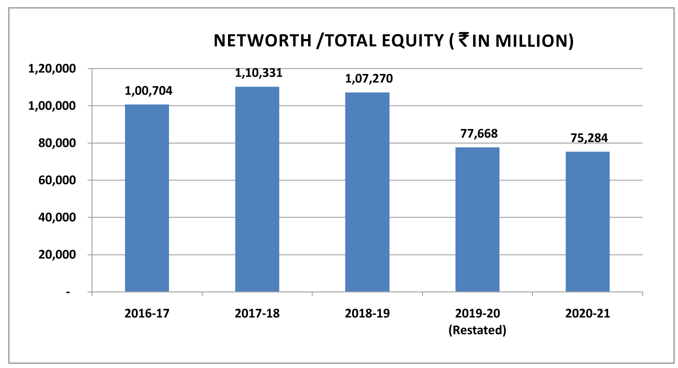
**Other Instructions**

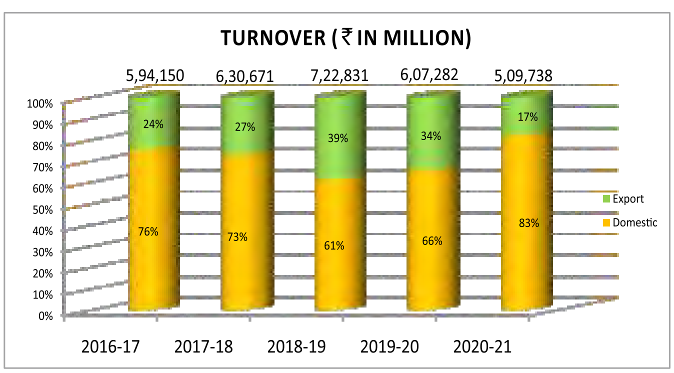
1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast through remote e-Voting) and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.mrpl.co.in and on the website of NSDL https://www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

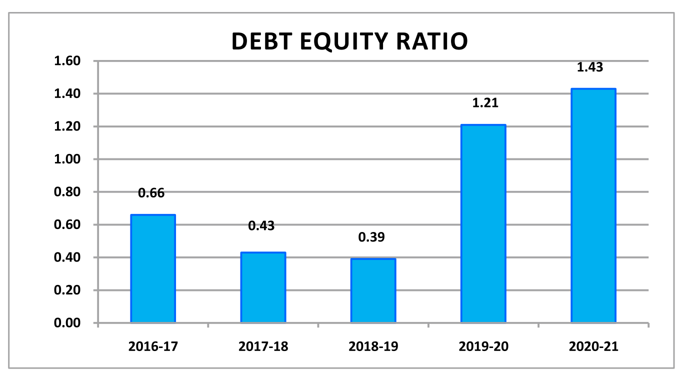
# NOTES

# MRPL PERFORMANCE



Book - Post

**M/S LINK INTIME INDIA PVT. LTD**

C-101, 247 Park, L.B.S. Marg

Vikhroli (W) Mumbai - 500 083

Tel : 022 - 49186060 | Fax : 022- 4912 86270

Email Z: mrplirc@linkintime.com.in

Website : www.linkintime.co.in