30TH ANNUAL REPORT 2017 - 2018

ON THE GROWTH PATH



ONGC
एमआरपीएल
MRPL

Mangalore Refinery and Petrochemicals Limited

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

www.mrpl.co.in

Mangalore Refinery and Petrochemicals Limited

(A Government of India Enterprise and Subsidiary of ONGC)

CIN : L23209KA1988GOI008959

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

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COMPANY SECRETARY

Shri Dinesh Mishra

JOINT STATUTORY AUDITORS

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

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

COST AUDITORS

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

SECRETARIAL AUDITORS

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

REGISTERED OFFICE AND INVESTOR RELATION CELL:

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E-mail : investor@mrpl.co.in

REGISTRARS & SHARE TRANSFER AGENT

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Tel.: 022-49186270 Fax No.: 022-49186060
E-mail: mrplirc@linkintime.co.in

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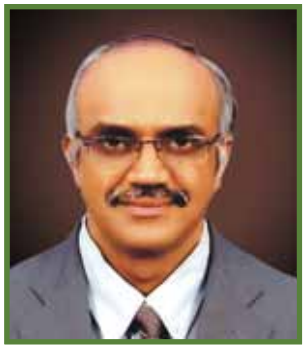
BENGALURU:

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Rajajinagar, Bengaluru – 560010 (Karnataka)
Tel : 080-22642200 Fax : 080-23505501

BOARD OF DIRECTORS



Shri Shashi Shanker
Chairman



Shri M Venkatesh
Managing Director



Shri A K Sahoo
Director (Finance)



Shri Vinod S. Shenoy
HPCL Nominee Director



Shri Subhash Kumar
ONGC Nominee Director



Shri K M Mahesh
Government Nominee Director



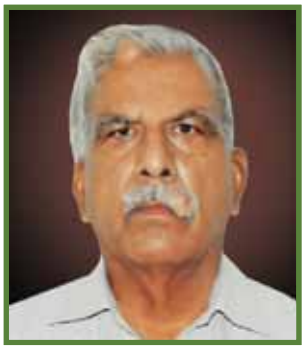
Shri Sanjay Kumar Jain
Government Nominee Director



Dr. G K Patel
Independent Director



Ms. Manjula C
Independent Director



Shri Balbir Singh
Independent Director



Shri Sewa Ram
Independent Director



Shri V P Haran
Independent Director

CHAIRMAN'S MESSAGE TO STAKEHOLDERS



Dear Stakeholders,

It gives me immense pleasure to share my views with our valued stakeholders and present the 30th Annual Report for the year 2017-18.

I am pleased to report that during the year 2017-18, your Company has delivered superior financial and operational performance. Our financial and operational performance in FY 2017-18 was outstanding with strong growth in revenues and record net profit.

Let me highlight some of the major accomplishment during the year 2017-18, which would not have been possible without your support.

- During the year 2017-18, your Company achieved turnover of ₹ 63,067 crore against a turnover of ₹ 59,415 crore during FY 2016-17.
- During the year 2017-18, your Company earned a profit after tax (PAT) of ₹ 2,224 crore against a profit of ₹ 3,644 crore incurred during FY 2016-17 .
- The Board has recommended a dividend of ₹ 3/- per equity share of ₹ 10/- each .
- Highest ever Gross crude processed for FY 2017-18 was 16.31 MMT against the previous highest of 16.27 MMT during FY 2016-17 registering an increase of 0.04 % in throughput. This high performance could be achieved by optimal crude mix, better equipment reliability, timely shutdown adherence and commendable operational discipline.
- The Gross Refining Margin (GRM) for FY 2017-18 was 7.54$/bbl as against 7.75 $/bbl during the FY 2016-17.
- Your Company has achieved 659 cumulative accident free days as on 31st March 2018. It has also achieved 8.51 million man hours worked in the year 2017-18 as against 4.75 million man hours worked during the previous financial year.

The total domestic sales volume of all products during the FY 2017-18 has been 1786 TMT with a sales value of ₹ 5940 crore which is about 15.7% higher than previous year sales value of ₹ 5132 crore. Your company has made in–roads in new geographical areas and has enhanced its sales value in FY 2017-18 to ₹ 2639 crore compared to the previous year sales value of ₹ 2273 crore.

Your company has maintained its leadership position in the Polypropylene market in South India for its MANGPOL brand.

Your company has commenced its retail expansion plan by releasing the advertisement for appointment of dealers for retail outlets in the states of Karnataka & Kerala and process to set up new retail outlets is going on. Letter of Intents have been issued to several shortlisted applicants for time bound commissioning of new retail outlets. Two new outlets were commissioned in the FY 2017-18.

Exceptionally skilled and dedicated employees have essentially resulted in MRPL achieving successful results in FY 2017-18. They continue to be the backbone of your company for achieving the vision of the company i.e., "To be a world-class Refining & Petrochemicals Company, with a strong emphasis on Productivity, Customer Satisfaction, Safety, Health & Environment Management, Corporate Social Responsibility and Care for Employees".

Your Company has always placed a very high importance regarding focus on employee welfare and employee relations and continues to enjoy cordial and harmonious relationship with all the employees. The company takes pride in reporting that not a single man-hour was lost on account of any industrial disturbance in the year 2017-18.

Your Company is committed towards providing a healthy and safe work environment to employees, contractors and all the visitors to the Refinery, adopting the best industry practices. Robust systems and standards have been built for continuously reducing the risks in the refinery associated with Health, Safety and Environment (HSE).

Safety is an integral part of the culture and a non-negotiable

pillar of the core strategy of MRPL. Several awareness programs are undertaken in the refinery to ensure safety of people, processes and assets. Your Company is committed to continuing excellence in petroleum refining in harmony with Nature. The product portfolio comprises quality products, eco-friendly grades and the processing itself is carried out in an eco friendly and safe environment using sound/ efficient technologies. All efforts have been made for efficient use of resources such as raw material, water and energy. Your Company has reinforced the commitment towards environment by reducing the fresh water intake, maximizing recycle of treated effluent and decreasing Sulphur oxides emissions. Your company had demonstrated resilient management system of Quality and Environment and thus got certified for ISO 2015 Standards and has become one of the pioneers in Indian Oil & Gas fraternity to comply with revised ISO standards.

As part of spreading awareness of environment protection, MRPL has celebrated various awareness programmes among citizens of Mangalore like Cyclathon, competitions for school children and seed-ball distribution.

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

During the year 2017-18, MRPL has contributed ₹ 10.30 crore towards various community development initiatives as against ₹1.45 crore spent in FY 2016-17. Your company focused in the areas of rural transformation, health, education, sanitation and has taken up programs that benefit the communities in and around its operational area which results in enhancing the quality of life & economic well being of the local populace over a period of time. MRPL focuses on such CSR initiatives which results in community goodwill for MRPL and help reinforce a positive & socially responsible image of the Company as a corporate entity. The services of MRPL Hospital are available not only for the employees and their dependents but also for the people from neighboring villages.

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



(Shashi Shanker)
Chairman

Place : New Delhi
Date : 12/07/2018

HIGHLIGHTS

Turnover
₹ 63,067 Crore

Crude Throughput
16.31 MMT

Profit
₹ 2,224 Crore

Dividend
₹ 526 Crore

VISION AND MISSION

Vision	Mission
To be a world-class Refining and Petrochemicals Company, with a strong emphasis on Productivity, Customer Satisfaction, Safety, Health and Environment Management, Corporate Social Responsibility and Care for Employees.	• Sustain Leadership in energy conservation, efficiency, productivity and innovation. • Capitalise on emerging opportunities in the domestic and international market. • Strive to meet customers' requirements to their satisfaction. • Maintain global standards in health, safety and environmental norms with a strong commitment towards community welfare. • Continuing focus on employee welfare and employee relations. • Imbibe highest standards of business ethics and values.





RECEIPT OF FIRST PARCEL OF OVL EQUITY CRUDE.



ARTIFICIAL LIMB CAMP



ARTIFICIAL LIMB CAMP



CELEBRATION OF 4TH INTERNATIONAL DAY OF YOGA



GST OUTREACH PROGRAMME AT MRPL



RECEIPT OF ADNOC CRUDE AT ISPRL CAVERN, MANGALORE



SOLAR POWER PLANT AT MRPL REFINERY









INAUGURATION OF RETAIL OUTLET AT MANGALURU

BOARD'S REPORT 2017-18

Dear Members,

On behalf of the Board of Directors of your Company, it gives me immense pleasure to share with you the highlights, developments and the progress that your Company has made during the financial year ended March 31, 2018 and to present the 30th Annual Report on the business and operations of Mangalore Refinery and Petrochemicals Limited (MRPL) and its audited financial statements together with the Auditors' Report and comments on the financial statements by the Comptroller and Auditor General (CAG) of India. You will be delighted to know that financial year 2017-18 has been yet another year of achievements for your Company. The Company registered the highest ever throughput of 16.31 MMT.

STATE OF COMPANY'S AFFAIRS

Your Board is reporting the affairs of the Company for the FY 2017-18 as under:

Financial Performance

The standalone / consolidated financial highlights for the year ended 31/03/2018 are summarized below:

(₹ In Crore)

	Standalone		Consolidated	
	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017
Profit Before Tax	**3,350.70**	**5,531.41**	**2,871.40**	**5,053.85**
Less: Current Tax	698.86	1,185.38	698.86	1,185.38
Deferred Tax	427.72	702.35	398.98	575.26
Profit For The Year	**2,224.12**	**3,643.68**	**1,773.56**	**3,293.21**
Add: Other Comprehensive Income	**3.32**	**(5.03)**	**3.51**	**(4.90)**
Total Comprehensive Income For The Year	**2,227.44**	**3,638.65**	**1,777.07**	**3,288.31**
Less: Total Comprehensive Income Attributable to Non Controlling Interest	-	-	(218.95)	(179.55)
Total Comprehensive Income Attributable To Owners Of The Company	**2,227.44**	**3,638.65**	**1,996.02**	**3,467.86**
Add: Balance in Profit and Loss Account (Adjusted)	6,571.69	4,198.67	6,005.70	3,803.47
Sub-Total	**8,799.13**	**7,837.32**	**8,001.72**	**7,271.33**
Appropriation				
Transferred to General Reserve	-	-	-	-
Closing Balance (Including Other Comprehensive Income)	**8,799.13**	**7,837.32**	**8,001.72**	**7,271.33**

Your company achieved turnover of ₹ 63,067 crore during the financial year 2017-18 against ₹ 59,415 crore during the financial year 2016-17. The Company earned a profit after tax (PAT) of ₹ 2,224 crore during the financial year 2017-18 against profit of ₹ 3,644 crore earned during the financial year 2016-17. The Gross Refining Margin (GRM) for financial year 2017-18 was 7.54 $/bbl as against 7.75 $/bbl during the financial year 2016-17.

OPERATIONAL PERFORMANCE

The financial year 2017-18 has been a remarkable year for your Company. Some of the major highlights for the year 2017-18 are as under:

- Highest ever Gross crude processed for FY 2017-18 was 16.31 MMT against the previous highest of 16.27 MMT during FY 2016-17 registering an increase of 0.25% in throughput.
- Company's Polypropylene production was 294.5 Thousand MT (TMT) in the financial year 2017-18 as against 264 TMT in the financial year 2016-17. Company's Polypropylene dispatch was 278.16 TMT in the financial year 2017-18 as against 263.6 TMT in the financial year 2016-17.
- Company's LPG production and dispatch in the financial year 2017-18 was 876.8 TMT and 873.08 TMT respectively as against 857.9 TMT and 855.9 TMT in the financial year 2016-17.
- Company has achieved MS Production of 1374.9 TMT in the financial year 2017-18 as against 1219 TMT in the previous financial year 2016-17.

Your Company continued to include newer crude grades in the processing basket with an aim to diversify crude sourcing. Qarun Blend from Egypt and Southern Green Canyon from United States were processed in the refinery for the first time. Similarly, efforts to establish newer markets were fruitful when MRPL exported approximately 7500 Tonne Polypropylene.

On the energy front, the efforts for increasing efficiency of energy usage reduced the Energy Index MBN from 79.61 in 2016-17 to

77.06 in 2017-18, representing an improvement of 2.5%. Newer initiatives like India's largest refinery site based solar power project commissioned in March 2018, is expected to improve the energy efficiency further.

MARKETING AND BUSINESS DEVELOPMENT

Your company continues to maintain major share of the direct sales segment of petroleum products market in Karnataka and adjoining states. Your Company maintained leadership position in its marketing zone for direct sales products such as Bitumen, Fuel Oil, Diesel, Sulphur, Petcoke, Xylol (Xylenes) etc. The company has commenced Diesel supplies directly to new Railway Consumer Depots during the period and has also expanded its retail network. The total domestic sales volume of all products during the FY 2017-18 has been 1786 TMT with a sales value of ₹ 5940 Crores which is about 15.7% higher than previous year sales value of ₹ 5132 Crores.

Your Company continues to enhance its market share for Polypropylene with introduction of new and niche grades. The company has made in–roads in new geographical areas and has enhanced its sales value in FY 2017-18 to ₹ 2639 Crores compared to the previous year sales value of ₹ 2273Crores. The company has maintained its leadership position in the Polypropylene market of South India for its MANGPOL brand.

Your Company has also successfully marketed its entire production of Petcoke on consistent basis with a sales volumes of 809 TMT. Company also sold about 103 TMT Sulphur in its marketing zone and the surplus Sulphur is being exported in larger parcel sizes.

Your company has also maintained timely supplies to State Trading Corporation, Mauritius which has a long term supply contract with MRPL. The company supplied 1065 TMT of petroleum products to STC Mauritius with a sales value of ₹ 3347 Crores in FY 2017-18.

Your Company Shell MRPL Aviation Fuel & Services Limited has steadily acquired business for sale of Aviation Turbine Fuel (ATF) at Indian airports. The company achieved a turnover of ₹ 543.29 Crores during FY 2017-18 against turnover of ₹ 554.29 Crores in the previous FY 2016-17.

Your company has commenced its retail expansion plan by releasing the advertisement for appointment of dealers for retail outlets in the state of Karnataka & Kerala and process to set up new retail outlets is going on. Letter of Intents have been issued to several shortlisted applicants for time bound commissioning of new retail outlets. Two new outlets were commissioned in the FY 2017-18.

RECOGNITIONS

- Won the prestigious BML Munjal Award for Business Excellence through Learning and Development. It won the Runner Up trophy in the PSU-Manufacturing category.
- Recognized with Silver Medal by International Research Institute for Manufacturing (IRIM) as part of India Green Manufacturing Challenge (IGMC) for the year 2017.
- Conferred an award under Employee Productivity Category at 5th PSU Awards ceremony organized by 'Governance Now' magazine of SAB group.
- In recognition of the excellent services provided by MRPL in the supplier category, Rashtriya Chemicals and Fertilizers Ltd. (RCFL) felicitated MRPL by awarding Performance Award 2017 & excellent support and timely supplies by MRPL helped RCFL Trombay Unit in achieving operational excellence during the year 2017.
- Bagged Srishti - Good Green Governance (G-Cube), Winners trophy under Manufacturing Sector on auspicious occasion of Earth Day- April 22nd 2018 at New Delhi.
- Recognized with Platinum Trophy at the 18th Annual Greentech Environment Award 2018.

PROCUREMENT OF GOODS AND SERVICES FROM MSES

In line with the Public Procurement Policy, 2012 issued by Ministry of Micro, Small and Medium Enterprises for the year 2017-18, against the set target of 20%, your Company has achieved 27% procurement of goods and services from Micro and small Enterprises.

PROJECTS

Existing Projects

BS VI Upgradation

As per Auto Fuel Policy and directives for MoP&NG, the entire country is moving towards BS VI quality specifications for MS and HSD by 1st April, 2020. Products from the Refineries have to meet BS VI quality specifications from 1st January, 2020. Further MoP&NG has directed the refineries to complete necessary modifications and construction activities and attain mechanical completion by July, 2019 and roll out the products to Oil marketing companies from 1st January, 2020. MRPL requires additional units for MS and Revamp/Catalyst changes for HSD. As part of this project, new FCC Gasoline Treatment Facility, Sulphur Recovery Unit, Nitrogen and Utilities and Revamps of CHTU and DHDT is being carried out.

Axens, EIL, UOP are the licensors for the various units and EIL has been appointed as EPCM Consultant for the job. Environment Clearance for the project has been obtained. All long lead items ordering completed. Balance items ordering and Site grading job under progress. The project has a scheduled completion of Q3 of FY 2019-20.

CCR2 Unit Revamp

MRPL currently has two numbers of NHT/ Plat former Unit. Both the units are of identical capacity and licensed by M/s UOP. The feedstock to the unit is heavy naphtha from crude

distillation units and Hydrocracker units. The objective of the unit is to upgrade the low octane heavy naphtha to High octane reformate. The existing CCR-2 unit is being revamped to produce higher quantity of Reformate, yielding higher quantity of MS.

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

The Project execution time is 26 months from the date of all necessary approvals in place including environment clearance (23 months for Mechanical completion and 3 months for pre-commissioning /commissioning activities).

Engineering and procurement completed. Ordering of all Equipments and Tenders completed. Project is under execution and is expected to get completed by September, 2018.

Railway Siding for Pet Coke

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

For Railway Siding, agreement with Konkan Railway (KRCL) on deposit mode has been signed. All orders and contracts have been placed and execution is under full swing. The Project is expected to get completed by December, 2018.

2G Ethanol

Company is also setting up a 2G Ethanol project. Land for the same has been identified and is being acquired through KIADB. Licensor selection for the technology is in progress. Project is expected to get commissioned by 2021.

Desalination Plant

To mitigate the risk of river water as a single source of water, an alternate source of water is being planned through the installation of desalination plant. This plant of current capacity of 30MLD expandable to 70MLD will cater to the immediate and future water requirement of the company. The Project has obtained permission from the Government of Karnataka. PMC has been placed and LSTK is being awarded. Project is expected to be completed by 2020.

USING INFORMATION AND COMMUNICATION TECHNOLOGY FOR PRODUCTIVITY ENHANCEMENT

MRPL has taken many initiatives to leverage on Information Technology for improving business productivity. SAP (Systems and Application Products for Data processing) was implemented in the year 2010 for all major business processes. To run these SAP applications, a state of the art Data Centre has been functioning at Mangalore site for supporting 24 x 7 business operations.

GST, an indirect tax on the sale of goods and services, was successfully implemented in MRPL on 1st July, 2017. The migration from SAP ECC to SAP HANA (High-performance Analytic Appliance), an application that uses in-memory database technology that allows the processing of massive amounts of real-time data in a short time, is planned during the year 2018.

With a strong focus on moving towards digitization, MRPL successfully implemented paperless E-Office system, a digital workplace solution that replaces the existing manual handling of files and documents with efficient electronic system to achieve objectives like transparency, efficiency and paperless office.

Digital Signature issued by an accredited Certificate Authority (CA), the advanced and secure type of electronic signature, is implemented for the Sales Invoices generated through SAP System.

MRPL is continuously upgrading its IT security to meet the new challenges of information threat thereby protecting all important information from any type of cyber threat. As a part of this, MRPL is under the process of obtaining ISO-27001:2013 certification for its SAP Data Center and Disaster Recovery Center.

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 FY 2017-18.

HEALTH, SAFETY & ENVIRONMENT PERFORMANCE

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

A) Environment

- Environmental Clearance obtained from Ministry of Environment, Forest & Climate Change (MoEF&CC), New Delhi for proposed BS-VI (Stage-1) Auto Fuel Quality Compliance & Associated Projects Facilities at MRPL, Mangalore.
- As a part of MRPL's commitment to Sustainable Development with a focus on reduction in carbon emissions and renewable energy generation, largest solar power project in a Refinery site with a total capacity of 6.06MWp spread across 34 roof tops within the Refinery premises Installed.
- Carbon Foot Printing (CFP) Study is undertaken in the Refinery by M/s. Emergent Ventures for GHG accounting and deriving roadmap for carbon neutrality.

- Feasibility Study for Zero Liquid Discharge (ZLD) concept is carried out by M/s. Engineers India Limited (EIL).
- A Memorandum of Understanding (MoU) is made with M/s. Pilikula Nisarga Dhama for development of Greenbelt in another 30 acres land at Pilikula Biological Park as a part of compensatory afforestation. Total project is covered across 50 acres in two stages. First stage i.e. plantation in 20 acres completed and second stage in 30 acres is in progress.
- Efforts are taken to maximize the utilization of Hazardous and Non-hazardous Solid Waste via Co-processing, Recycling & Reprocessing.
- 1500 MT of Oily sludge, 110 MT of Spent Adsorbent and 43 MT of Waste Insulation is Co-processed in SPCB Authorized Cement Industry.
- 764 MT of Spent Catalyst was disposed through SPCB Authorized Recyclers/Reprocessors.
- 35,33,006 m^3 Tertiary Municipal Sewage Water received in MRPL during FY 17-18 and after proper disinfection treatment, it has been taken to cooling towers as make-up water.
- Work Environment Monitoring carried out in the Refinery by M/s. Shiva Analyticals, Bengaluru to assess the impact of air borne chemicals in the work zone area.

B) Safety

- External Safety Audit (ESA) of Single Mooring Point(SPM) and associated facilities was carried out by OISD during October, 2017.
- Safety Training KIOSK (STK) installed and commissioned at seven locations in Refinery.
- MRPL was certified for OHSAS Management System by certifying agency M/s. Bureau Veritas.
- 659 days without Reportable Lost Time Injuries (RLTI) achieved as on 31/03/2018.
- 8.51 Million Man Hours worked as on 31/03/2018.
- Fire & Safety training imparted to all employees including contract work force.

C) Health

- Annual Medical Checkup of employees was carried out in three categories in compliance with the Rules under Factories Act and Karnataka Factories Rules. One below 40 years of age, second for age group between 40 to 45 years and third for age above 45 years. Different groups have to undergo different medical tests such as Tread Mill Test etc. The employees were also subject to Hearing Loss test for those employees who are working in high noise areas. Lung Function Test, Colour Blindness Test, Blood Test etc. are some of the general medical tests which the employees have undergone.
- Two Occupational Health Centres (OHC) with 24x7 availability of Medical Staff are functional.
- The services of MRPL Hospital is available not only for the employees and their dependents but also for the people from neighboring villages.
- Occupation Health Hazard Profiling Study was carried out in the Refinery by M/s National Safety Council, Mumbai from 15/11/2017 to 18/11/2017

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.

MRPL has spent ₹ 10.30 Crore (previous year ₹ 1.45 Crore) for various CSR activities during the year 2017-18. Pursuant to Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 the Annual Report on CSR activities for FY 2017-18 is annexed herewith as **'Annexure A'**.

There have been no changes in the CSR/SD policy of the Company during the financial year 2017-18.

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

The Company has identified following focus areas for CSR engagement:

Shiksha Samrakshan

Activities that promote education, especially in Anganwadis, government and government aided schools.

Arogya Samrakshan

Health Care, by way of running Primary Health Centres in rural areas.

Bahujana Samrakshan

Infrastructure support to community halls near our operational areas, women empowerment, girl child development, gender sensitive projects, initiatives for physically and mentally challenged, initiatives for SC/ST communities, "Preparedness

and Capacity Building" in Disaster Management, activities in support of the PDF communities in MRPL Rehab colony.

Prakriti Samrakshan

Providing infrastructural support for Drinking water supply to neighbouring villages.

Sanskriti Samrakshan

Protection of local historical and cultural artifacts and historical monuments, heritage sites etc. Promotion of local artisans, craftsman, musicians, artists and their art forms etc. for preservation of local heritage, art and culture.

The CSR Policy may be accessed on the Company's website at http://www.mrpl.co.in/csr.

Sustainability Development and Performance

Sustainability approach of your company in the bygone year was envisioned for permanence of the business and to attain a composed score of eco-friendly frontage and performance parameters. Your company has beheld a commanding performance in the core business by achieving highest capacity utilization among all Indian Public sector refineries in FY 2017-18. Also, the improvement obtained in sustainable approach in attaining core business excellence is the quintessence of preceding FY 2017-18.

Your company had derived Carbon Foot Print of the refining operations and has derived action plan to improve the carbon intensity of the refinery and thus mitigating Global Warming Menace to possible extent. Your company had commissioned largest solar project of 6.063 MWp in a refinery site in India. The solar power project with a total capacity of 6.063 MWp is spread across 34 roof-tops within the refinery premises comprising both RCC and sloping sheet steel roofs. Built at a cost of ₹27 Crores by M/s Tata Power Solar Systems Limited, these solar plants generate more than 24,000 units per day amounting to more than 8.8 million units per annum.

Your company has fortified the commitment towards environment by reducing the fresh water intake, Maximizing recycle of Treated effluent and decrease Sulphur oxides emissions.

Your company has implemented Reduce, Reuse and Recycle (3R) hierarchy for its Solid and Liquid Waste Management. It has derived an enduring strategy to reduce our dependence on fresh water from water bodies through the minimization of effluent generation, utilization of Mangalore City Municipal Sewage and maximization of treated effluent recycle. When it comes to the management of Hazardous and Other Wastes, your Company has been striving continuously towards our goal of achieving Zero Waste Disposal to Land fill. As a matter of fact, we are proud that during FY 2018 we did achieve zero disposals to land fill facility. A combination of processes such as In-situ and Ex-situ regeneration, in-house utilization (reprocessing), Cement Kiln Co-processing for resource recovery and Recycling has helped us in our endeavour.

Your company had improved its energy intensity and registered a Mean Barrel Number of 77.06 in FY 2017-18 Vs 79.61 in FY 2016-17.Your company had commissioned Flare Gas Recovery System (FGRS) for recovering valuable Hydrocarbons from flaring and FGRS reduces flaring noise; thermal radiation; operating and maintenance costs; air pollution and emissions; and fuel gas and steam consumption while increasing process stability and flare tip life without any impact on the existing safety relief system.

Your company had celebrated various awareness programmes among citizens of Mangalore like Cyclathon to endorse sustainable life style at Mangalore Corporation.

MRPL has installed an additional RO of 3.4 MGD capacity with a financial implication of ₹10.30 Crores for processing the Municipal Sewage. This has opened up a new avenue to extract additional DM plant feed (2.72 MGD i.e. 80 % of 3.4 MGD) out of the Municipal Sewage which otherwise is being utilized only as cooling tower and firewater makeup. This in turn will enable MRPL to replace equivalent fresh river water with recycled water. Commissioned in April 2018, this RO plant has so far processed 3, 74,125 m^3 of Municipal Sewage and produced 2, 79,130 m^3 Permeate.

Further, with a vision of achieving Zero Effluent Discharge to Sea (except for monsoon) MRPL is undertaking an ambitious ZLD project of 400 m^3/h capacity with a Capital Expenditure requirement of ₹339 Crores). The feasibility study for the project has already been completed by M/s. Engineers India Limited. Post implementation of ZLD plant, the specific fresh water requirement of MRPL is expected to reduce by 15 %.

In order to reduce reliance on Fresh water further and to enable MRPL with the flexibility for future expansions, it is proposed that a Reverse Osmosis (RO) based Desalination Plant of 13 MGD capacity be set up by MRPL at a cost of ₹595 Crores (₹550.4 Crores with an IDC of ₹44.5 Crores) on 15 Acre land provided by New Mangalore Port Trust (NMPT). Out of this around 2 MGD water will be supplied to our neighbour Mangalore Chemicals & Fertilizers (MCF) and thus anchoring the sustainable efforts in and around the Mangalore Zone.

Your company had demonstrated resilient management system of Quality and Environment and thus certified for ISO 2015 Standards and has become one of the pioneers in Indian Oil & Gas fraternity to comply with revised ISO standards.

Your company had reiterated its incessant support to Greenery in around premises and went on sponsoring 2nd Phase of Tree plantation at Pilikula Nisarga Dhama in additional 30 acres in addition to previous 20 acres and thus making 50 acres of area to flourish with Western Ghats Endemic species. Your company had spread awareness of Novel Reforestation technique of "Seed Ball" among Schools and colleges in the geographical presence of company.

Your company efforts to embark on longstanding sustainable efforts were bedecked with receipt of Greentech Award as

winners in Oil & Gas sector, India Green Manufacturing Challenge Silver medal and Sristhi Good Green Governance (G3) awards.

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARY/ JOINT VENTURES/ ASSOCIATE

The details on the performance and financial position of Subsidiary, Associate and Joint Venture Companies are given in Management Discussion and Analysis (MDA) Report. Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule (5) of the Companies (Accounts) Rules, 2014, a statement on the performance and financial position of the subsidiary and Joint Venture Companies is provided as an Annexure to the Consolidated Financial Statements.

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

Your company has one subsidiary i.e. ONGC Mangalore Petrochemicals Limited (OMPL). As per the Material Subsidiary Policy, OMPL is not a material subsidiary of the Company.

ANNUAL REPORT OF SUBSIDIARY AND CONSOLIDATED FINANCIAL STATEMENT

The Audited Consolidated financial statements for the year ended 31st March, 2018 of the Company and its subsidiaries form part of the Annual Report in accordance with Section 129 of the Companies Act, 2013 and the Ind AS 110 on "Consolidated Financial Statements" read with Ind AS 28 on "Investments in Associates and Joint Ventures". In accordance with section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of the subsidiary Company are available on the Company's website. These documents will also be available for inspection during business hours at the registered office of the Company at Mangalore.

INDIAN ACCOUNTING STANDARDS (IND AS) – IFRS CONVERGED STANDARDS

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

TRANSFER TO RESERVES

No amount has been transferred to General Reserves for the financial year 2017-18.

DIVIDEND

The Board of Directors has recommended a dividend of ₹ 3 per equity share for the FY 2017-18. The dividend shall be paid after the approval of members at the Annual General Meeting. The dividend has been recognized in accordance with Company's Policy on Dividend Distribution. The Dividend Distribution Policy of the Company is annexed herewith as **'Annexure B'** to this report.

DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There have been no loans / guarantees given or securities provided during the FY 2017-18 under the provisions of Section 185 / 186 of the Companies Act, 2013. The details of investments covered under the provisions of Section 186 of the Act are given in notes to financial statements provided in this Annual Report.

SHARE CAPITAL

The company has not issued any shares during the FY 2017-18. The Issued, Subscribed and Paid up Equity Share Capital of your Company as on 31/03/2018 was ₹ 1,753 Crore.

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

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

HUMAN RESOURCES

Your company values its human resources the most. To keep their morale high, your company extends several welfare benefits to the employees and their families by way of compensative medical care, education, housing and social security. During the financial year 2017-18, various welfare related policies have been implemented by the Company for its employees. The welfare policies of the company are being revised as and when revisions take place in welfare policies of downstream companies to enable the employees to get enhanced benefits.

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

Your Company continues to enjoy cordial and harmonious relations and not a single man-hour was lost on account of any industrial disturbance during the year 2017-18.

MRPL has one trade union of non-management employees viz. MRPL Employees Union affiliated with Petroleum & Gas Workers Federation of India (PGWFI). Contract workers have union viz. MRPL ONGC Karamchari Sangha affiliated to MRPL Employees Union & PGWFI. MRPL also has MRPL Management Staff Association, MRPL-ONGC SC ST Employee's Welfare Association and Forum of Women in Public Sector.

MRPL engages with its collectives in bilateral discussions before implementing any significant operational changes that could substantially affect them. MRPL also coordinates with Government Central & State Officials like Assistant Labour Commissioner (C) & Dy. Chief Labour Commissioner (C), Dy. Director of Factories etc. to its Industrial Relations related discussions which are always cordial.

MRPL also has statutory Works Committee (headed by GGM and having members from management employees and nominees of collective of non-management).

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 31/03/2018, there are 28 permanent employees with disabilities on the roll of MRPL.

During the year, your Company has recruited 21 employees comprising of 7 Schedules Caste (SC) / Schedule Tribe (ST) employees. Total employee strength as on 31/03/2018 was 1916 including 129 women employees, 256 SC/ST employees and 28 employees belonging to persons with disability category (PWD). 823 employees belong to Management cadre whereas 1093 employees belong to Non-Management cadre. During the Year 2017-18, the Company devoted 3552.68 Mandays for training, development and learning, which amounts to 2.80 Mandays per employee for Management staff and 1.15 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 – C'** to the report.

Skill Development Centre

As a part of National Skill Development Mission of the Government of India, MRPL has set up "MRPL Kaushal Vikas Kendra" (MRPL KVK) on 12/02/2017. The first batch of 57 candidates of MRPL KVK have undergone skill development training in "CNC Operator-Turning" and "Industrial Electrician" course at Nettur Technical Training Foundation (NTTF), Bangalore and second batch of 20 candidates of MRPL KVK have under gone skill development training in "CNC Vertical Machining centre" course at Nettur Technical Training Foundation (NTTF), Bangalore. Placement assistance was offered to all the candidates willing for relocation.

WOMEN EMPOWERMENT

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

Your Company has an Internal Complaints Committee (ICC) required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There have been no cases reported to the Committee, for the financial year 2017-18.

OFFICIAL LANGUAGE

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

Hindi Fortnight was celebrated and many Hindi competitions such as Hindi letter writing, Handwriting, Admin. Glossary, Hindi solo song, News reading etc. were conducted for the employees and their family members in the month of September 2017. In addition, one more Hindi competition (Admin. Glossary) was conducted in January, 2018 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 was activated on all computers used for daily office work.

Special awards were given to 45 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 Nine prizes and stood Second at the TOLIC level competitions. Official Language Knowledge competition was conducted for employees of TOLIC member organizations at MRPL. Hindi Essay competition was also organized for Degree College students of Mangalore University as a part of Hindi month celebrations under the auspices of TOLIC Mangalore. In addition to the above, a Hindi seminar was organized on 26/3/2018 wherein all the TOLIC member organizations along

with Hindi Lecturers of various Degree colleges of Mangalore university took part in the seminar.

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

RIGHT TO INFORMATION ACT, 2005

The RTI manual of the Company is available on its website which discloses all required information. During the year, 181 applications were received, out of which 8 applications were transferred to other Public Authority and balance 173 were disposed off as per the provisions of RTI Act.

SECURITY MEASURES

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

Physical Protection of the Refinery is handled by Central Industrial Security Force (CISF). MHA has recently sanctioned additional CISF manpower for strengthening the physical security of the Refinery.

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

A major revamp of electronic surveillance of the Refinery through an integrated CCTV cum Electronic Intrusion Detection system project is under progress and it is likely to be completed by end of 2018.

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 and assisted by a dedicated team.

In compliance with CVC instructions, your company has implemented a complaint handling policy in which all complaints received from various sources are recorded and can be examined by vigilance. MRPL corporate website has been revamped by including the system for registering the online complaints. The details on the best vigilance practices and links to various useful websites is also provided in the MRPL Corporate website. Your company has achieved highest compliance level with regard to e-procurement, e-tender and e-payment.

In line with instructions of CVC, your company had conducted Vigilance Awareness programs for spreading awareness on evil effects of corruption. For popularizing the "Integrity Pledge" developed by central vigilance Commission, MRPL installed 4 integrity pledge kiosk in Mangalore City during Vigilance Awareness Week. More than 10,000 college students took the integrity pledge. To incite the development of ethics and honesty among school children, MRPL started Integrity clubs in 18 schools. E-office concept which is currently under implementation in the company is aimed at improving efficiency in the working of MRPL.

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

Whistle Blower Policy

The Whistle Blower Policy is formulated to provide a vigil mechanism for Directors and Employees to raise genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. It also provides for adequate safeguard against victimisation of persons who use such mechanism. The Policy provides necessary safeguards for protection of Directors and Employees who avail the vigil mechanism from reprisals or victimization, for whistle blowing in good faith and to provide opportunity to Directors and Employees for direct access to the Chairperson of the Audit Committee in exceptional cases. The policy is available on the Company's website. During the year, no complaints were received under Whistle Blower Policy.

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

Information required to be disclosed pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo are furnished in **'Annexure- D'** which forms part of this Report.

MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

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

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

EXTRACT OF ANNUAL RETURN

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

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

All transactions entered with related parties during the FY 2017-18 were on arm's length basis and in ordinary course of business. Further, there were no material related party transactions during the year with the Promoters, Directors or Key Managerial Personnel and no related party transaction were made which could have potential conflict with interest of the Company at large. The Company has adopted a Related Party policy and procedure, which is available at company's website.

The particulars of every contract or arrangements entered into by the Company with Related Parties referred in Section 188(1) of the Companies Act, 2013, in the prescribed Form No. AOC - 2 attached as **'Annexure-F'**. MCA vide Notification dated 05/06/2015, has exempted the applicability of Section 188 (1) of the Companies Act, 2013 for a transaction entered into between two Government Companies.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Changes in the Board of Directors and Key Managerial Personnel during the financial year 2017-18

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

Shri V. P. Haran, Shri Sewa Ram, Shri Balbir Singh and Dr. G.K. Patel were nominated as Non official Independent Directors by MoP&NG with effect from 08/09/2017 and were appointed as Additional Directors by the Board with effect from 08/09/2017, vacate their office in this AGM and being eligible offer themselves for appointment as Directors in the 30th Annual General Meeting.

Shri Shashi Shanker assumed the charge of Director / Chairman of your Company on 01/10/2017 consequent to superannuation of Shri D. K. Sarraf from the services of ONGC on 30/09/2017.

Shri K.M. Mahesh and Shri Sanjay Kumar Jain, Directors, MoP&NG, appointed as Additional Directors with effect from 24/11/2017 vacate their office as Additional Directors and being eligible offer themselves for appointment as Director in the 30th Annual General Meeting.

Shri Diwakar Nath Misra and Smt. Perin Devi, ceased to be a Director w.e.f. 24/11/2017 consequent upon withdrawal of their nominations by MoP&NG.

Changes in the Board of Directors after 31/03/2018

Shri Subhash Kumar, Director (Finance) ONGC was appointed as an Additional Director on the Board of MRPL on 15/05/2018.

Shri M. Venkatesh assumed the office of Managing Director w.e.f. 01/06/2018. Shri H. Kumar, Managing Director demitted the office of Managing Director on attaining the age of superannuation w.e.f. 01/06/2018.

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

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

FORMAL ANNUAL EVALUATION

MRPL, being a Government Company, the provisions of Section 134(3)(p) of the Companies Act, 2013 in respect of annual evaluation of the Board Committees and individual Directors shall not apply in view of the MCA notification dated 05/06/2015. However, as per Regulation 17 of SEBI Listing Regulations, 2015 formal annual evaluation of Independent Directors for the FY 2017-18 had been carried out by the Board. A meeting of Independent Directors was held on 29/01/2018.

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 2017-18:

a) In the preparation of the Annual Financial Statements for the year ended March 31, 2018, the applicable Ind AS have been followed along with proper explanation relating to material departures;

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

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

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

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

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

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

NUMBER OF BOARD MEETINGS

The Board of Directors of your Company had seven (7) Meetings during the FY 2017-18. 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 COMMITTEE

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

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations, 2015 and DPE guidelines on Corporate Governance for CPSE, your Company has constituted a Nomination/ Remuneration Committee. The details on the Nomination/ Remuneration Committee are disclosed in Corporate Governance Report which forms part of this report.

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

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 minimization process in MRPL.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS

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

CORPORATE GOVERNANCE

The Companies Act, 2013 and SEBI Listing Regulations, 2015 have strengthened the governance regime in the country. Your Company is in compliance with the governance requirements provided under the Companies Act, 2013, SEBI Listing Regulations, 2015 and has complied with all the mandatory provisions of Companies Act, 2013 and Rules made thereunder, SEBI Listing Regulation, 2015 relating to the Corporate Governance requirements and mandatory guidelines on Corporate Governance for CPSEs issued by DPE, Government of India, except for the presence of requisite number of Independent Directors on the Board. The Corporate Governance Report for the FY 2017-18 forms part of this Report.

Pursuant to Schedule V of the SEBI Listing Regulations, 2015, the Auditors' certificate on compliance of conditions of Corporate Governance also forms part of the Annual Report. The Auditors have made observations on the appointment of Independent Directors on the Board of the Company for the part of FY 2017-18. Presently, there are 5 Independent Directors on the Board of your Company. The Company has been continuously pursuing with the Ministry of Petroleum & Natural Gas (MoP&NG) for the appointment of requisite number of Independent Directors.

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

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

b) Whistle Blower Policy;

c) Related Party Transactions – Policy and Procedures;

d) CSR & SD Policy;

e) Material Subsidiary Policy;

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

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

h) Policy on preservation of Documents;

i) Training Policy for Board of Directors;

j) Dividend Distribution Policy.

BUSINESS RESPONSIBILITY REPORT

SEBI Listing Regulations, 2015 mandated inclusion of Business Responsibility Report (BRR) as part of the Annual Report for top 500 listed entities based on market capitalization. In compliance with the Regulation, BRR for the FY 2017-18 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 2017-18 forms part of this Report.

INTERNAL FINANCIAL CONTROL

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

The Company has in-house internal Audit Department commensurate with its size of operations. An independent audit of Information Systems of the Company is also being undertaken. 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 is disclosed in the Management Discussion Analysis Report which form part of this report.

AUDITOR

Joint Statutory Auditors

M/s Shreedhar, Suresh & Rajagopalan, Chennai and M/s Manohar Chowdhry and Associates, Mangalore were the Joint Statutory Auditors of the Company for the FY 2017-18. They have audited the Financial Statements for the FY 2017-18 and submitted their report which forms part of this report. There is no qualification in the Auditors Report on the Financial Statements of the company. Notes to the Accounts referred to in the Auditors Report are self-explanatory and therefore do not call for any further comments.

Secretarial Auditors

Your Company engaged M/s Kumar Naresh Sinha & Associates, Practicing Company Secretary, Noida for conducting Annual Secretarial Audit for the FY 2017-18 pursuant to Section 204 of the Companies Act, 2013. M/s Kumar Naresh Sinha & Associates, Practicing Company Secretary, Noida has issued Secretarial Audit Report for the FY 2017-18 which forms part of this report as **'Annexure-G'.** The Auditors have made observations on the non availability of sufficient number of Independent Directors on the Board of the Company during the year and in the composition of Audit Committee and Nomination and Remuneration Committee during the period from 01/04/2017 to 25/10/2017. The Company is pursuing with the Ministry of Petroleum & Natural Gas (MoP&NG), Govt. of India, for the appointment of requisite number of Independent Directors.

Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Cost Accounts maintained by the company for the FY 2017-18 are being audited by Cost Auditors M/s. Bandyopadhyaya Bhaumik & Co., Kolkata.

COMMENTS OF C&AG ON THE JOINT STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED AND STANDALONE FINANCIAL STATEMENTS FOR THE FY 2017-18

The Comments of Comptroller & Auditor General of India (C&AG) forms part of this report and are attached as **'Annexure-H'.** You would be pleased to know that your company has received NIL comments from C&AG for the year 2017-18.

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), Department of Investment and Public Asset Management (DIPAM) Ministry of Environment and Forest (MoEF), Ministry of External Affairs (MEA), Ministry of Shipping (MoS), Ministry of Home Affairs (MHA), other Ministries and Departments of the Central Government for their valuable support, guidance and continued co-operation. Your Directors also place on record its appreciation for the support from Govt. of Karnataka.

Your Directors gratefully acknowledge support and direction provided by the parent company, Oil and Natural Gas Corporation Limited (ONGC) and the support of Hindustan Petroleum Corporation Limited (HPCL), as Promoters of the company. Your Directors acknowledge the continuing co-operation and support received from New Mangalore Port Trust, Financial Institutions, Banks and all other stakeholder. Your Directors recognize the patronage extended by the valued customers for the products of the Company and promise to provide them the best satisfaction. The Board would like to express its sincere appreciation for the dedicated efforts made and valuable services rendered by all the employees collectively and concertedly as a Team known as "Team MRPL" in the Company's excellent achievements during the year 2017-18.

For and on behalf of the Board



(Shashi Shanker)
Chairman
(DIN: 06447938)

Place: New Delhi
Date: 12/07/2018

ANNEXURE A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FINANCIAL YEAR 2017-18

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

REPORTING PERIOD: APRIL 2017 TILL MARCH 2018

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

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

CSR Policy of MRPL has been drafted in line with Section 135 & Schedule VII of the Companies Act, 2013 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., 1/4/2014. The Policy is duly recommended by the CSR & SD Committee and approved by MRPL Board.

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

2. The composition of CSR & SD Committee as on 31/03/2018

MEMBERS OF CSR COMMITTEE		
i.	Ms. Manjula C	Chairperson
ii.	Shri Sewa Ram	Member
iii.	Shri V.P. Haran	Member
iv.	Dr. G.K. Patel	Member
v.	Shri Balbir Singh	Member
vi.	Shri H. Kumar, Managing Director	Invitee
vii.	Shri M. Venkatesh, Director (Refinery)	Invitee
viii.	Shri A.K. Sahoo, Director (Finance)	Invitee

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

Net Profit (PBT)	₹ in crores
PBT : FY 2014-15	-2155.89
PBT : FY 2015-16	1173.53
PBT : FY 2016-17	5531.00
Total	4548.86
Average	1516.28
CSR budget for FY 2017-18 (2% of net profits of preceding 3 financial years)	30.32

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

(₹ in Crores)

Carry forward budget of FY 2016-17	3.55
CSR Budget for the FY 2017-18	30.32
TOTAL	**33.87**

5. Details of CSR spent during the financial year

Amount spent as on 31/03/2018 against CSR Budget for the FY 2017-18: ₹10.30 Crore (Details as per Annexure).

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

The amount of ₹28.36 Crore has been committed. These projects are in various stages of implementation. ₹10.30 Crore has been spent. The main reason for not spending balance amount are:

- The Projects are in various stages of the implementation and stage wise bills are being received progressively based on the completion of work.
- Availability of encumbrance free land for few of the projects.
- Availability of details required from beneficiaries for approval of few of the projects and further commitment.

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

The implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the company and it is as per section 135 and schedule VII of the Companies Act, 2013. The objectives of MRPL CSR policy are:

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

Sd/- Sd/-

M. Venkatesh **Manjula C.**

(Managing Director) (Chairperson CSR & SD Committee)

(DIN: 07025342) (DIN: 07733175)

DETAILS OF CSR SPENT AS ON 31/03/2018

1	2	3	4	5	6	7	8
Sl. No	**CSR project / activity identified**	**Sector in which the project is covered**	**Projects / Programs 1. Local area / others 2. Specify the state district where the program was undertaken**	**Amount Outlay (budget) project / program wise (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / preprogram subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
I	**Swachh Bharath Projects**						
1	Maintenance of school toilets constructed under Swach Vidyalaya Abhiyaan.	Schedule VII of the Companies Act. Sl.No.i Sanitation	1. Local area 2. D.K. District, Karnataka State	15.00	Same as (5). Direct expenditure, no overheads	10.41	Direct
2	Construction of one floor of the toilet for Govt. P.U. College for Women, Balmatta, Mangalore.	-do-	-do-	2.48	-do-	2.09	Direct
3	Construction of toilet block for DKZP higher Primary School, Kuthethur, Mangalore.	-do-	-do-	4.99	-do-	4.50	Direct
4	Construction of Toilet block for Sri Narayana Sanil Govt. PU College, Haleyangadi.	-do-	-do-	5.90	-do-	4.83	Direct
5	Construction of toilet block for Aided KSPK Memorial High School, Panjinadka, Mulki.	-do-	-do-	5.00	-do-	4.71	Direct
6	Construction of toilet block for Govt. High School, Bolanthimogaru, Vitla.	-do-	-do-	10.00	-do-	9.74	Direct
7	Construction of toilet blocks for Sri Ramachandra P.U. College, Perne.	-do-	-do-	8.18	-do-	8.18	Direct
8	Swachh Bharath Abhiyan in association with Matha Amrithanandamayi Mutt, Mangalore.	Schedule VII of the Companies Act. Sl.No.i Promoting Preventive Health care	-do-	7.08	-do-	6.00	Direct
9	Construction of Sewage treatment plant for educational institute at Vivekananda College, Puttur.	-do-	-do-	57.25	-do-	0.00	Direct
10	Construction of Toilet Block for S.D.P.T Higher Primary School, Kateel.	-do-	-do-	20.50	-do-	18.92	Direct
11	Construction of individual toilet for 87 houses (23 SC/ST and rest OBC).	-do-	-do-	11.91	-do-	0.00	Direct

DETAILS OF CSR SPENT AS ON 31/03/2018

1	2	3	4	5	6	7	8
Sl. No	**CSR project / activity identified**	**Sector in which the project is covered**	**Projects / Programs 1. Local area / others 2. Specify the state district where the program was undertaken**	**Amount Outlay (budget) project / program wise (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / preprogram subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
12	Construction of Toilet for Shri Rama Vidya Kendra, Kalladka.	-do-	-do-	40.50	-do-	37.74	Direct
13	Construction of toilet block at DKZPHP School, Madhya.	-do-	-do-	6.00	-do-	0.00	Direct
14	Construction of Toilet Block at Sasihithlu/ Panambur/Tannirbhavi in Mangalore Taluk.	-do-	-do-	100.00	-do-	11.50	Direct
15	Construction of Toilet Block at Ganeshpura by Vyakthi Vikasa Trust (Art of Living).	-do-	-do-	18.00	-do-	0.00	Direct
16	Construction of toilets for P.U. College in Belthangady Taluk.	-do-	-do-	10.00	-do-	0.00	Direct
17	Construction of toilet for Kabaka P.U. College, Puttur Taluk.	-do-	-do-	10.00	-do-	0.00	Direct
18	Construction of toilets to Women High School Balila in Sullia Taluk.	-do-	-do-	10.00	-do-	0.00	Direct
19	Swachhatha Hi Sewa Campaign as per the Ministry Letter.	Schedule VII of the Companies Act. Sl. No.i Promoting Preventive Health care	-do-	4.53	-do-	3.18	Direct
20	Coastal Clean Up in association with Coast Guard Mangalore.	-do-	-do-	0.59	-do-	0.59	Direct
21	Swacha Bharath Abhiyaan Phase-IV association with Ramakrishna Mission.	-do-	-do-	264.74	-do-	128.39	Direct
22	Swacha Surathkal- Beautification of Surathkal Flyover under swacha Bharath Abhiyaan Program.	-do-	-do-	5.78	-do-	5.12	Direct
23	Consruction of Toilet in Sultan Batteri, Mangalore by Matha Amrithanandamayi Mutt.	Schedule VII of the Companies Act. Sl. No.i Sanitation	-do-	13.48	-do-	0.00	Direct
24	Construction of Toilet Block for Kendriya Vidyalaya, Panambur.	-do-	-do-	30.00	-do-	0.00	Direct

DETAILS OF CSR SPENT AS ON 31/03/2018

1	2	3	4	5	6	7	8
Sl. No	**CSR project / activity identified**	**Sector in which the project is covered**	**Projects / Programs 1. Local area / others 2. Specify the state district where the program was undertaken**	**Amount Outlay (budget) project / program wise (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / preprogram subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
25	Installation of Bio Gas Plant in 29 Hostels in Dakshina Kannada District.	Schedule VII of the Companies Act. Sl. No.i Promoting Preventive Health care	-do-	14.82	-do-	14.82	Direct
26	Swachh Bharath Pakhwada Programme as per Ministry directive.	-do-	-do-	11.93	-do-	7.16	Direct
27	Construction of Toilet under Mangalore City Corporation Limit.	Schedule VII of the Companies Act. Sl. No.i Sanitation	-do-	108.00	-do-	0.00	Direct
28	Construction of Toilet & Bathroom for Govt. Polytechnic for Women.	-do-	-do-	17.00	-do-	0.00	Direct
29	Construction of Toilet Block In Teachers Training Institute Mangalore.	-do-	-do-	25.00	-do-	0.00	Direct
30	Construction of toilet for Government Pre-University College, Kavoor.	-do-	-do-	15.00	-do-	0.00	Direct
31	Construction of Toilet Block at Niranjanaswamy P.U. College, Sunkadakatte.	-do-	-do-	10.00	-do-	0.00	Direct
32	Construction of Toilet and Urinals for Govinda Dasa College, Surathkal.	-do-	-do-	15.00	-do-	0.00	Direct
II	**Shiksha Samrakshan**						
1	Construction of Anganwadi building for Permude Panchayat at Mangalpete.	Schedule VII of the Companies Act. Sl. No.ii Promoting Education	1. Local area 2. D.K. District, Karnataka State.	8.85	Same as (5). Direct expenditure, no overheads	6.61	Direct
2	Building repair of Govt. High School, Nadugodu.	-do-	-do-	1.90	-do-	1.39	Direct
3	Development of Science Lab at Govt. P.U. College, Krishnapura.	-do-	-do-	1.10	-do-	1.05	Direct
4	Construction of Anganwadi building at Kannagudde, Mangalore.	-do-	-do-	4.65	-do-	4.66	Direct

DETAILS OF CSR SPENT AS ON 31/03/2018

1	2	3	4	5	6	7	8
Sl. No	**CSR project / activity identified**	**Sector in which the project is covered**	**Projects / Programs 1. Local area / others 2. Specify the state district where the program was undertaken**	**Amount Outlay (budget) project / program wise (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / preprogram subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
5	Distribution of Uniform and Note Books to Aided Kalavar Higher Primary School, Chelairu.	-do-	-do-	1.98	-do-	1.98	Direct
6	Construction of Model Anganwadi under Sansad Adarsha Grama Yojana at Balpa.	Schedule VII of the Companies Act. Sl. No.x Rural Development	-do-	0.00	-do-	3.66	Direct
7	Distribution of meritorious scholarship and financial aid to Below Poverty Line girls and boys and SC/ST students.	Schedule VII of the Companies Act. Sl. No.ii Promoting Education	-do-	42.00	-do-	0.00	Direct
8	Providing Benches and Desks to the Schools in and around Dharwad, (North Karnataka).	-do-	1. Others 2. Dharwad, Karnataka State	179.36	-do-	0.00	Direct
9	Construction of Model anganwadi (Chinnara Angala) Building in 3 Locations in Dakshina Kannada.	-do-	1. Local area 2. D.K. District, Karnataka State	88.50	-do-	9.27	Direct
10	Solar project at Aided Permude Hindu Higher Primary School, Kodikere, Mangalore.	-do-	-do-	11.80	-do-	0.00	Direct
11	Distribution of Computers to School run by Rotary Education Society, Moodbidri.	-do-	-do-	5.90	-do-	5.00	Direct
12	Construction of Class Rooms at GHPS, Maninalkur - Nadumogaru.	-do-	-do-	21.83	-do-	16.36	Direct
13	Construction of Computer Room for GHS, Manchi, Kolnadu.	-do-	-do-	18.88	-do-	15.21	Direct
14	Construction of Laboratory Building at Govt. P.U. College, Venoor.	-do-	-do-	73.75	-do-	0.00	Direct

DETAILS OF CSR SPENT AS ON 31/03/2018

1	2	3	4	5	6	7	8
Sl. No	**CSR project / activity identified**	**Sector in which the project is covered**	**Projects / Programs 1. Local area / others 2. Specify the state district where the program was undertaken**	**Amount Outlay (budget) project / program wise (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / preprogram subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
III	**Arogya samrakshan**						
1	Running a Free Primary Health Centre at Chelairu Rehabilitation Colony.	Schedule VII of the Companies Act. Sl. No.i Promoting Preventive Health care	1. Local area 2. D.K. District, Karnataka State	8.10	Same as (5). Direct expenditure, no overheads	2.96	Direct
2	Running a Free Primary Health Centre at Kalavar.	-do-	-do-	9.13	-do-	1.54	Direct
3	Organising Artificial Limb Camp In Mangalore.	-do-	-do-	5.00	-do-	5.00	Direct
4	Providing Equipments for Physically handicapped/spastic person/endo sulfine affected persons in association with District Health Office, Mangalore.	-do-	-do-	118.00	-do-	0.00	Direct
5	Providing Essential Healthcare furniture for Govt. Lady Goschen Hospital, Mangalore.	-do-	-do-	177.00	-do-	0.00	Direct
6	Providing Multi purpose Vehicle for Conducting Health Camp by CHD Group Mangalore (Centre for Health & Development group).	-do-	-do-	5.50	-do-	4.65	Direct
7	Organizing Artificial limb camp at Dandeli/ Haliyal.	-do-	1. Other 2. Uttara Kannada, Karnataka State	11.80	-do-	0.00	Direct
IV	**Bahujan Samrakshan**						
1	Construction of retention wall for the road leading to Govt. High School, Jokatte.	Schedule VII of the Companies Act. Sl.No. x Rural Development	1. Local area 2. D.K District, Karnataka State	19.49	-do-	11.72	Direct
2	Drinking water project- Open Well with pipeline at Chelairu rehabilitation colony.	-do-	-do-	27.86	-do-	0.00	Direct
3	Sarpady Village development - road concretisation from Periyapade to Biyapade.	-do-	-do-	47.20	-do-	38.62	Direct

DETAILS OF CSR SPENT AS ON 31/03/2018

1	2	3	4	5	6	7	8
Sl. No	**CSR project / activity identified**	**Sector in which the project is covered**	**Projects / Programs 1. Local area / others 2. Specify the state district where the program was undertaken**	**Amount Outlay (budget) project / program wise (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / preprogram subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
4	Modification, Painting, Civil works of Community hall and Anganwadi Building of Bala Grama Panchayat.	-do-	-do-	15.93	-do-	10.58	Direct
5	Providing furniture to local organisation - Health Centre, Local Panchayaths, Youth Club, and Schools/ colleges.	-do-	-do-	4.45	-do-	2.91	Direct
6	Construction of Anganwadi, Training Centre and liberary at Dharwad.	-do-	1. Other 2. Dharwad District, Karnataka State	54.28	-do-	17.41	Direct
7	Infrastructural development at SC/ ST hostels in Dakshina Kannada District - providing Computer and projector.	Schedule VII of the Companies Act. Sl. No.viii Welfare of Scheduled Caste, Scheduled Tribes	1. Local area 2. D.K. District, Karnataka State	11.80	-do-	9.55	Direct
8	Skill development programme for unemployed youth/ women and girls through NTTF, Bangalore.	Schedule VII of the Companies Act. Sl. No.ii Employment enhancing vocation skills	-do-	10.00	-do-	10.00	Direct
9	Installation of Drinking water purification system By Dakshina Kannada Zilla Panchayat.	Schedule VII of the Companies Act. Sl.No.i Making Available of Safe Drinking Water	-do-	14.93	-do-	0.00	Direct
10	Construction of Gaushala for Mahanadhi Goloka at Shimoga.	Schedule VII of the Companies Act. Sl.No.iv Animal Welfare	1. Other 2. Shimoga District, Karnataka State	8.26	-do-	7.00	Direct
11	Development of Park and play ground Child Care Centre, Bondel.	Schedule VII of the Companies Act. Sl.No.iii Setting up homes & hostels for women and orphans	1. Local area 2. D.K. District, Karnataka State	5.90	-do-	5.00	Direct
12	Rain Water Harvesting Project by Canara Organisation for Development & Peace (CODP) at Bajpe.	Schedule VII of the Companies Act. Sl. No.iv Conservation of Natural Resources	-do-	5.00	-do-	4.06	Direct

DETAILS OF CSR SPENT AS ON 31/03/2018

1	2	3	4	5	6	7	8
Sl. No	**CSR project / activity identified**	**Sector in which the project is covered**	**Projects / Programs 1. Local area / others 2. Specify the state district where the program was undertaken**	**Amount Outlay (budget) project / program wise (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / preprogram subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
13	Construction of Water Sump and Drilling of Borewell for Old Age Home at Asaigoli, Konaje.	Schedule VII of the Companies Act. Sl. No.iii Setting up Old Age Homes	-do-	5.90	-do-	4.66	Direct
14	Computers to Women Santhwana Kendra through Dakshina Kannada Zilla Panchayath.	Schedule VII of the Companies Act. Sl.No.iii Empowering Women	-do-	1.85	-do-	1.84	Direct
15	Supplying Drinking water through Tankers to Chelairu Rehabilitation Colony.	Schedule VII of the Companies Act. Sl. No.i Making Available of Safe Drinking Water	-do-	3.06	-do-	1.43	Direct
16	Electricity Bill of Samudaya Bhavan, Chelairu.	Schedule VII of the Companies Act. Sl.No. x Rural Development	-do-	0.04	-do-	0.04	Direct
17	Participation and financial support for activities of Sardar Ballabhabhai Patel Rashtriya Ekta Trust.	Schedule VII of the Companies Act. Sl. No.v Protection of National Heritage	1. Other 2. Gujarath	500.00	-do-	500.00	Direct
18	Providing Sports Equipments for Sports complex at Haliyal.	Schedule VII of the Companies Act. Sl. No. vii Training to promote Rural Sports	1. Other 2. Uttara Kannada, Karnataka State	23.60	-do-	0.00	Direct
19	Distribution of Wheel Chairs for mobility of the Physically Disabled through Amritanandamayi Mutt, Mangalore.	Schedule VII of the Companies Act. Sl. No.ii livelihood enhancement projects for differently abled	1. Local area 2. D.K. District, Karnataka State	4.13	Same as (5). Direct expenditure, no overheads	4.13	Direct
20	Water supply to Jokatte Grama Panchayath through Tankers.	Schedule VII of the Companies Act. Sl. No.i Making Available of Safe Drinking Water	-do-	1.04	Same as (5). Direct expenditure, no overheads	0.00	Direct
21	Providing Solar Street Light for Chelairu Grama Panchayath.	Schedule VII of the Companies Act. Sl. No. x Rural Development	-do-	29.50	-do-	0.00	Direct

DETAILS OF CSR SPENT AS ON 31/03/2018

1	2	3	4	5	6	7	8
Sl. No	**CSR project / activity identified**	**Sector in which the project is covered**	**Projects / Programs 1. Local area / others 2. Specify the state district where the program was undertaken**	**Amount Outlay (budget) project / program wise (₹ In lakhs) (Inclusive of GST)**	**Amount spent on the project / preprogram subheads : 1. Direct expenditure on project 2. Overheads (₹ In lakhs)**	**Cumulative expenditure upto the reporting period (₹ in lakhs)**	**Amount spent : Direct / through implementing agency**
22	Construction of Veternary Hospital at Mahanandi Gauloka, Shimoga.	Schedule VII of the Companies Act. Sl. No.iv Animal Welfare	1. Other 2. Shimoga District, Karnataka State	29.50	-do-	0.00	Direct
23	Providing Infrastructure Facilities for Child Care Institutions in Dakshina Kannada District.	Schedule VII of the Companies Act. Sl. No.iii Setting up homes & hostels for women and orphans	1. Local area 2. D.K. District, Karnataka State	98.25	-do-	1.00	Direct
24	Skill Development in Haliyal in Uttara Kannada.	Schedule VII of the Companies Act. Sl. No.ii Employment enhancing vocation skills	1. Other 2. Uttara Kannada, Karnataka State	23.60	-do-	0.00	Direct
25	Construction of Roofing for community hall of Kodical Mogaveera Mahasabha in Baikampady.	Schedule VII of the Companies Act. Sl. No.viii Welfare of Scheduled Caste, the Scheduled Tribes	1. Local area 2. D.K. District, Karnataka State	36.70	-do-	0.00	Direct
				2655.96		**987.17**	
	Excess provision during the FY 2016-17					-0.25	
	GST Implications			-		43.32	
	Funds Yet to Be Committed			731.04		-	
	TOTAL			**3387.00**		**1030.24**	

ANNEXURE B

DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

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

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

MRPL is a CPSE and is amongst the top 500 listed entities which comply with SEBI (LODR) Regulations, 2015, DIPAM guidelines, provisions of Companies Act, 2013, Companies (Declaration and Payment of Dividend) Rules, 2014 and other guidelines to the extent applicable.

2. DEFINITIONS

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

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

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

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

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

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

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

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

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

3. EFFECTIVE DATE

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

4. OBJECTIVE OF THE POLICY

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

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

5. FACTORS CONSIDERED WHILE DECLARING DIVIDEND

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

External Factors

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

Internal Factors

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

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

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

6. THE FINANCIAL PARAMETERS THAT SHALL BE CONSIDERED

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

✓ Cash flow position

✓ Future Capital Expenditure Plan

- ✓ Borrowing capacity
- ✓ Long-term borrowings

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

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

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

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

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

9. PROCEDURE FOR DIVIDEND PAYOUT

The following procedure shall be followed in the declaration and payment of dividends and is subject to provisions of Companies Act, 2013, Companies (Declaration and Payment of Dividend) Rules, 2014, SEBI (LODR) Regulations, 2015, DIPAM guidelines:

Final Dividend:

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

Interim Dividend:

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

10. DISTRIBUTION OF DIVIDEND

The dividend (Interim and Final) shall be distributed to shareholders as per the provisions of Companies Act, 2013, Companies (Declaration and Payment of Dividend) Rules, 2014, SEBI (LODR) Regulations, 2015. The unpaid and unclaimed dividend shall be transferred to Investor Education and Protection Fund after 7 years of it becoming unpaid as provided under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

11. AMENDMENT

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

SC/ST/OBC REPORT - I

Annual Statement showing the representation of SCs, STs and OBCs as on 1st January, 2018 and number of appointments made during the Preceding Calendar Year 2017

Name of the Public Enterprises: Mangalore Refinery and Petrochemicals Ltd

Groups	Representation of SCs/STs/OBCs				Number of appointments made during the Calendar year 2017										
	(As on 01/01/2018)				By Direct Recruitment				By Promotion			By Deputation/Absorption			
	Total No. of Employees*	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total**	SCs	STs	Total	SCs	STs	OBCs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group A	299	50	19	70	11	1	1	3	226	22	09		-	-	-
Group B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group C	835	126	49	321	106	23	7	0	250	23	16		-	-	-
Group D (Excluding Safai Karmacharis)	10	-	-	5	-	-	-	-	-	-	-	-	-	-	-
Total	**1144**	**176**	**68**	**396**	**117**	**24**	**8**	**3**	**476**	**45**	**25**		**-**	**-**	**-**

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

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

SC/ST/OBC REPORT - II

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

Name of the Public Enterprises: Mangalore Refinery and Petrochemicals Ltd.

Pay Scales (In ₹)	Representation of SCs/STs/OBCs (As on 01/01/2018)				Number of appointments made during the Calendar year 2017										
					By Direct Recruitment				By Promotion			By Deputation/Absorption			
	Total No. of Employees*	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total**	SCs	STs	Total	SCs	STs	OBCs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
60000-180000(A)	88	16	2	26	2	0	0	1	09	-	-	-	-	-	-
70000-200000(B)	26	2	3	5	6	1	1	1	51	-	02	-	-	-	-
80000-220000(C)	98	19	7	24	1	0	0	1	69	12	02	-	-	-	-
90000-240000(D)	54	11	5	8	0	-	-	-	43	08	04	-	-	-	-
100000-260000(E)	21	1	2	5	0	-	-	-	12	-	01	-	-	-	-
120000-280000(F)	4	-	-	1	1	0	0	0	09	-	-	-	-	-	-
120000-280000(G)	1	-	-	-	1	0	0	0	16	01	-	-	-	-	-
120000-280000(H)	4	-	-	-	0	-	-	-	13	-	-	-	-	-	-
120000-280000(H2)	1	-	-	-	0	-	-	-	04	01	-	-	-	-	-
Total	❖ **297**	**49**	**19**	**69**	**11**	**1**	**1**	**3**	**226**	**22**	**09**	**-**	**-**	**-**	**-**

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

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

❖ Excluding Director Level

ANNUAL STATEMENT SHOWING REPRESENTATION OF THE PERSONS WITH DISABILITIES IN SERVICE AS ON 1ST JANUARY, 2018 AND DIRECT RECRUITMENT / PROMOTION DURING THE CALENDAR YEAR

Name of the Public Enterprises: Mangalore Refinery and Petrochemicals Ltd.

Groups	Number of employees				Direct Recruitment - 2017							Promotion - 2017						
	(As on 01/01/2018)				No. of Vacancies Reserved			No. of Appointments Made				No. of Vacancies Reserved			No. of Appointments Made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
A	299	-	3	6	1*	2*	1*	11	0	0	0	-	-	-	-	-	01	01
B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	835	-	8	11	2**	0	0	106	0	0	0	-	-	-	-	-	-	
D/DS	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**1144**	**-**	**11**	**17**	**3**	**2**	**1**	**117**	**0**	**0**	**0**	**-**	**-**	**-**	**-**	**-**	**01**	**01**

*In Group A, Three offers were issued to PWD (i.e., 1VH, 1HH & 1OH) candidate under advt. no. 72/2017. Candidate yet to join.

**In Group C, one offer issued to PWD (i.e. VH) candidate under advt. no. 69/2016. Candidate yet to join.

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

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

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

ANNEXURE D

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

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

A. CONSERVATION OF ENERGY

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

Major Energy Conservation measures implemented during the year:

a) Flare Gas Recovery System for Phase-3 Hydrocarbon flare header.

b) Largest solar project within a Refinery site in India with an installed capacity of 6.063 MW Peak.

c) Routing of Crude Distillation Unit-1 Full Range Naphtha to Crude Distillation Unit-2 Naphtha Splitter Unit, thereby stopping Crude Distillation Unit-1 Naphtha Splitter Unit.

d) Recovery of Heat from Crude Distillation Unit-1 short residue by generating Low Pressure Steam.

e) Utilization of Condensate Transfer Pump for Heat Recovery Steam Generator-1/2 Make up water heater service, thereby stopping of Makeup water heater pumps.

f) Improving the Heat transfer efficiency of Heat Recovery Steam Generator-2 by dry ice cleaning.

These measures resulted in estimated fuel savings (Standard Refinery Fuel equivalent) of 19635 SRFT/Year, equivalent to a net savings of nearly ₹ 46.12 Crores/year, with an investment of nearly ₹ 49.85 Crores.

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

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

ii) Heat recovery from Hydrocracker-1/2 Unconverted Oil by Cold Demineralized Water

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

iv) O2 enrichment for Sulphur Recovery Unit-2(SRU): By routing O2 enriched air from Nitrogen unit to SRU thermal reactor, more acid gas can be processed thereby increasing the steam generation.

v) Routing of Crude Distillation Unit-1 Kerosene to Crude Distillation Unit-2 thereby recovering the heat available with Crude Distillation Unit-1 Kerosene.

II. Steps taken by the company for utilizing alternative source of energy

Your Company has successfully commissioned the largest solar power project located with in a refinery site in the country. The solar power project with a total capacity of 6.063 MWp is spread across 34 sites within the refinery premises comprising both RCC and sloping sheet steel roofs. Built at a cost of ₹26 Crores by M/s Tata Power Solar Systems Limited, these solar plants generate more than 24,000 units per day amounting to more than 8.8 million units per annum. This is a part of MRPL's commitment to sustainable development with a focus on reduction in carbon emissions and renewable energy generation. The project is estimated to result in average annual savings of 2680 Metric tons of Oil Equivalent (MTOE) per annum. The equivalent monetary savings would be approximately ₹ 6.30 Crores / annum.

III. Your Company has invested approximately ₹ 49.85 Crores in FY 2017-18 on energy conservation equipment.

B. TECHNOLOGY ABSORPTION

i) Efforts in brief made towards technology absorption.

(a) Solar Project: Your Company has successfully commissioned largest solar power project in a refinery site in the country. The solar power project with a total capacity of 6.063 MW is spread across 34 sites within the refinery premises comprising both RCC and sloping sheet steel roofs. Built at a cost of ₹26 Crores by M/s Tata Power Solar Systems Limited, these solar plants generate more than 24,000 units per day amounting to more than 8.8 million units per annum.

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

(c) Dual frequency upgrade of existing two stage bi-electric desalters at Crude Distillation Unit-2: To process low API heavy crudes, Your Company 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). The project was commissioned in March, 2018.

(d) Maximization of Vacuum Gas Oil (VGO) recovery in Vacuum Distillation Unit-1 (VDU-1): In order to increase VGO yield in VDU-1, two beds of random packing with structured packing in VDU-1 Column was replaced along with installation of M/s Shell's proprietary Schoepentoeter plus feed nozzle.

(e) Sulphur Recovery Technology for reduction of SO2 emission: A New Sulphur recovery Unit is being implemented to recover the incremental sulphur

removed for meeting BS-VI fuel specification. The technology is provided by M/s Engineers India Limited. The project is in implementation stage and expected to get commissioned by December, 2019.

(f) Indigenization of Heater Online Chemical cleaning: An online chemical cleaning technology developed by Hindustan Petroleum Corporation Limited (HPCL) R&D was utilised at MRPL CDU heaters to bring down the heaters arch temperatures closer to start of run temperature thereby enabling sustenance of Crude processing rate.

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

(a) Solar Project: The projected power generation is 8.8 million units/Year which is equivalent to ~2680 Metric ton of Oil Equivalent. Also, CO_2 emission is expected to get reduced by ~7000 MT/Year.

(b) Flare Gas Recovery System (FGRS): The FGRS system has been projected to reduce Refinery losses by approximately 7200 MTOE/Year which is equivalent to CO_2 emission reduction by nearly 18000 MT/Year.

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

(a) Polypropylene Technology

Details of Technology Import:

For production of value added Polypropylene from propylene, Refinery has implemented polymerization technology from M/s Novolen Technology.

Year of import: The technology was absorbed in FY 2015-16.

Whether the technology has been fully absorbed: Yes. The technology has been absorbed in FY 2015-16.

(b) Flare Gas Recovery System

Details of Technology Import:

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

Year of Import: FY 2017-18.

Whether the technology has been fully absorbed: Yes

(c) Dual frequency upgrade of existing two stage bi-electric desalters 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

(d) FCC Gasoline Treater (FGT)

Details of Technology Import:

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

Year of Import: FY 2017-18

Whether the technology has been fully absorbed: The Project is in implementation stage – Expected commissioning by December, 2019.

iv) Research and Development Activity (R&D)

(a) The R&D activities are primarily categorized under technology upgradation, catalyst development, corrosion mitigation, process optimization and niche product development through in-house and/or collaborative projects with other institutions.

(b) The Company have already filed a patent application for Oxidative treatment of refinery spent caustic using nano catalyst. Application was filed on 16/03/2017 (No. 201741009155). The final technical specifications were completed in December, 2017. The matter is under examination at patent office.

(c) The Company has already uninitiated collaborative research with National Chemical Laboratories (under CSIR) for development of value added products from refinery streams. The project was started on 15/11/2017 and is on schedule.

Expenditure incurred on Research and Development for for FY 2017-18

Sl. No.	Particulars	(₹ in Crores)
a)	Capital	0.21
b)	Revenue	1.78
	Total	**1.99**

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

(₹ In Crores)

	FY 2017- 18	FY 2016- 17
Foreign Exchange Earnings – (FOB value of exports)	12,716	10,031
Foreign Exchange Outgo	47,303	45,122

ANNEXURE E

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L23209KA1988GOI008959
ii)	Registration Date	:	07/03/1988
iii)	Name of the Company	:	Mangalore Refinery and Petrochemicals Limited
iv)	Category / Sub-Category of the Company	:	Schedule "A" Mini Ratna Category 1 - PSU
v)	Address of the Registered office and contact details	:	Mudapadav, Post Kuthethoor, Via- Katipalla, Mangaluru-575 030; Tel.: 0824-2270400
vi)	Whether listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	M/s. Link Intime India Pvt. Ltd. C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai- 400 083 Tel.: +91 22 49186270 Fax No.: +91 22 49186060 E-mail: mrplirc@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service. *National Product Classification for Manufacturing Sector (NPCMS)	% to total turnover of the company
1.	Refinery	192 – Manufacturing of Refined Petroleum Products	100

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

Sl. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of equity shares held	Applicable Section of the Companies Act, 2013
1	Oil and Natural Gas Corporation Limited	L74899DL1993GOI054155	Holding	71.63	2(46)
2	ONGC Mangalore Petrochemicals Limited (OMPL)	U40107KA2006GOI041258	Subsidiary	51.00	2(87)
3	Shell MRPL Aviation Fuels and Services Limited (SMAFSL)	U51909KA2008PLC045558	Jt. Venture/ Associates	50.00	2(6)
4	Mangalore SEZ Limited	U45209KA2006PLC038590	Associate	NIL	2(6)
5	Petronet MHB Limited	U85110KA1998PLC024020	Associate	NIL	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) as on 31/03/2018:

i) Category-wise Share Holding

Category of Shareholders		Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoter**									
(1)	**Indian**									
(a)	Individuals / HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	1552507615	0	1552507615	88.58	1552507615	0	1552507615	88.58	0.00
(d)	Banks /Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any other	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL: (A)(1)	**1552507615**	**0**	**1552507615**	**88.58**	**1552507615**	**0**	**1552507615**	**88.58**	**0.00**
(2)	**Foreign**									
(a)	NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL:(A) (2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	**1552507615**	**0**	**1552507615**	**88.58**	**1552507615**	**0**	**1552507615**	**88.58**	**0.00**
B.	**Public Shareholding**			0	0.00					
(1)	**Institutions**			0	0.00					
(a)	Mutual Funds	24067747	144958	24212705	1.38	27858740	139558	27998298	1.60	0.22
(b)	Banks	113350	12950	126300	0.01	525113	11950	537063	0.03	0.02
(c)	Financial Institutions	30008819	34000	30042819	1.71	24430242	34000	24464242	1.40	-0.32
(d)	Central Govt.	2400	0	2400	0.00	9987775	0	9987775	0.57	0.57
(e)	State Govt.	300	0	300	0.00	500	0	500	0.00	0.00
(f)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Insurance Companies	239505	0	239505	0.01	239505	0	239505	0.01	0.00
(h)	FIIS	5345663	100	5345763	0.31	2126691	0	2126691	0.12	-0.18
(i)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(j)	Unit Trust of India	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL :(B)(1)	**59777784**	**192008**	**59969792**	**3.42**	**65168566**	**185508**	**65354074**	**3.73**	**0.31**
(2)	**Non-Institutions**									
(a)	Bodies Corporate									
	i) Indian	7697584	127752	7825336	0.45	15608397	95775	15704172	0.90	0.45

Category of Shareholders		Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individuals			0	0.00			0	0.00	0.00
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	54372455	34043996	88416451	5.04	52240858	24841989	77082847	4.40	-0.65
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	7204407	0	7204407	0.41	6407993	0	6407993	0.37	-0.05
(c)	Others (Specify)									
	Non Resident Indians (Non Repat)	673289	200	673489	0.04	723028	200	723228	0.04	0.00
	Non Resident Indians (Repat)	1584505	5121650	6706155	0.38	1459919	4674450	6134369	0.35	-0.03
	Foreign Nationals	700	0	700	0.00	600	0	600	0.00	0.00
	Foreign Portfolio Investors (Corporate)	26202242	0	26202242	1.50	24805739	0	24805739	1.42	-0.08
	Hindu Undivided family	1598470	100	1598570	0.09	1374687	100	1374787	0.08	-0.01
	Director/ Relatives	500	0	500	0.00	200	0	200	0.00	0.00
	Trust	8920	1125	10045	0.00	1875661	1125	1876786	0.11	0.11
	Clearing Members	1483475	0	1483475	0.08	626367	0	626367	0.04	-0.05
	SUB TOTAL :(B)(2)	**100826547**	**39294823**	**140121370**	**8.00**	**105123449**	**29613639**	**134737088**	**7.69**	**-0.31**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**160604331**	**39486831**	**200091162**	**11.42**	**170292015**	**29799147**	**200091162**	**11.42**	**0.00**
C.	**Shares held by Custodian for GDRs & ADRs**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Grand Total (A)+(B)+(C)	**1713111946**	**39486831**	**1752598777**	**100.00**	**1722799630**	**29799147**	**1752598777**	**100.00**	**0.00**

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Share holding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Oil And Natural Gas Corporation Limited	1255354097	71.63	0.00	1255354097	71.63	0.00	0.00
2	Hindustan Petroleum Corporation Limited	297153518	16.95	0.00	297153518	16.95	0.00	0.00
	Total	**1552507615**	**88.58**	**0.00**	**1552507615**	**88.58**	**0.00**	**0.00**

(iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1552507615	88.58	1552507615	88.58
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	NIL	NA	NIL	NA
	At the End of the year	**1552507615**	**88.58**	**1552507615**	**88.58**

No change in promoter holding during FY 2017-18

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

Sl. No.	For each of top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	**Life Insurance Corporation Of India**	**29701292**	**1.6947**	**29701292**	**1.6947**
	03 Nov 2017 (Market Sell)	-575000	-0.0328	29126292	1.6619
	10 Nov 2017 (Market Sell)	-1071436	-0.0611	28054856	1.6008
	17 Nov 2017 (Market Sell)	-956376	-0.0546	27098480	1.5462
	24 Nov 2017 (Market Sell)	-500000	-0.0285	26598480	1.5177
	01 Dec 2017 (Market Sell)	-550000	-0.0314	26048480	1.4863
	15 Dec 2017 (Market Sell)	-100000	-0.0057	25948480	1.4806
	22 Dec 2017 (Market Sell)	-300000	-0.0171	25648480	1.4635
	12 Jan 2018 (Market Sell)	-510000	-0.0291	25138480	1.4344
	19 Jan 2018 (Market Sell)	-545000	-0.0311	24593480	1.4033
	26 Jan 2018 (Market Sell)	-200000	-0.0114	24393480	1.3918
	02 Feb 2018 (Market Sell)	-150765	-0.0086	24242715	1.3832
	09 Feb 2018 (Market Sell)	-40000	-0.0023	24202715	1.3810
	09 Mar 2018 (Market Sell)	-80000	-0.0046	24122715	1.3764
	At the end of the year			**24122715**	**1.3764**
2	**Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pure Value Fund**	**2600000**	**0.1484**	**2600000**	**0.1484**
	14 Apr 2017 (Market Purchase)	48000	0.0027	2648000	0.1511
	28 Jul 2017 (Market Purchase)	2142000	0.1222	4790000	0.2733
	04 Aug 2017 (Market Purchase)	1375000	0.0785	6165000	0.3518
	11 Aug 2017 (Market Purchase)	2155500	0.1230	8320500	0.4748
	18 Aug 2017 (Market Purchase)	1708500	0.0975	10029000	0.5722
	25 Aug 2017 (Market Purchase)	1717000	0.0980	11746000	0.6702
	01 Sep 2017 (Market Purchase)	4143900	0.2364	15889900	0.9066
	08 Sep 2017 (Market Purchase)	31500	0.0018	15921400	0.9084
	15 Sep 2017 (Market Purchase)	375000	0.0214	16296400	0.9298
	22 Sep 2017 (Market Sell)	-140000	-0.0080	16156400	0.9219

Sl. No.	For each of top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	29 Sep 2017 (Market Purchase)	250000	0.0143	16406400	0.9361
	27 Oct 2017 (Market Sell)	-100000	-0.0057	16306400	0.9304
	03 Nov 2017 (Market Sell)	-975000	-0.0556	15331400	0.8748
	10 Nov 2017 (Market Sell)	-723000	-0.0413	14608400	0.8335
	01 Dec 2017 (Market Purchase)	574000	0.0328	15182400	0.8663
	08 Dec 2017 (Market Purchase)	699870	0.0399	15882270	0.9062
	15 Dec 2017 (Market Purchase)	100000	0.0057	15982270	0.9119
	22 Dec 2017 (Market Purchase)	1302000	0.0743	17284270	0.9862
	29 Dec 2017 (Market Purchase)	696000	0.0397	17980270	1.0259
	02 Feb 2018 (Market Purchase)	300000	0.0171	18280270	1.0430
	09 Feb 2018 (Market Purchase)	500000	0.0285	18780270	1.0716
	23 Mar 2018 (Market Purchase)	92315	0.0053	18872585	1.0768
	At the end of the year			**18872585**	**1.0768**
3	**Fidelity Funds - Asian Smaller Companies Pool**	**1316157**	**0.0751**	**1316157**	**0.0751**
	04 Aug 2017 (Market Purchase)	759153	0.0433	2075310	0.1184
	08 Dec 2017 (Market Purchase)	271448	0.0155	2346758	0.1339
	26 Jan 2018 (Market Purchase)	833567	0.0476	3180325	0.1815
	02 Feb 2018 (Market Purchase)	1134919	0.0648	4315244	0.2462
	09 Mar 2018 (Market Purchase)	686942	0.0392	5002186	0.2854
	At the end of the year			**5002186**	**0.2854**
4	**L & T Mutual Fund Trustee Ltd-L & T India Value Fund**	**4598700**	**0.2624**	**4598700**	**0.2624**
	21 Apr 2017 (Market Purchase)	650000	0.0371	5248700	0.2995
	28 Jul 2017 (Market Sell)	-385200	-0.0220	4863500	0.2775
	04 Aug 2017 (Market Sell)	-324000	-0.0185	4539500	0.2590
	29 Sep 2017 (Market Purchase)	9000	0.0005	4548500	0.2595
	06 Oct 2017 (Market Purchase)	430700	0.0246	4979200	0.2841
	13 Oct 2017 (Market Purchase)	108000	0.0062	5087200	0.2903
	27 Oct 2017 (Market Purchase)	63000	0.0036	5150200	0.2939
	08 Dec 2017 (Market Purchase)	117000	0.0067	5267200	0.3005
	22 Dec 2017 (Market Purchase)	247500	0.0141	5514700	0.3147
	26 Jan 2018 (Market Sell)	-234000	-0.0134	5280700	0.3013
	02 Feb 2018 (Market Sell)	-144000	-0.0082	5136700	0.2931
	09 Feb 2018 (Market Sell)	-157500	-0.0090	4979200	0.2841
	At the end of the year			**4979200**	**0.2841**
5	**Bajaj Allianz Life Insurance Company Ltd.**	**0**	**0.0000**	**0**	**0.0000**
	18 Aug 2017 (Market Purchase)	500000	0.0285	500000	0.0285
	25 Aug 2017 (Market Purchase)	600000	0.0342	1100000	0.0628
	01 Sep 2017 (Market Purchase)	1698910	0.0969	2798910	0.1597
	08 Sep 2017 (Market Purchase)	201090	0.0115	3000000	0.1712

Sl. No.	For each of top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	22 Sep 2017 (Market Purchase)	200000	0.0114	3200000	0.1826
	29 Sep 2017 (Market Purchase)	600000	0.0342	3800000	0.2168
	13 Oct 2017 (Market Sell)	-500000	-0.0285	3300000	0.1883
	27 Oct 2017 (Market Purchase)	204000	0.0116	3504000	0.1999
	03 Nov 2017 (Market Sell)	-604000	-0.0345	2900000	0.1655
	10 Nov 2017 (Market Purchase)	250000	0.0143	3150000	0.1797
	24 Nov 2017 (Market Purchase)	800000	0.0456	3950000	0.2254
	15 Dec 2017 (Market Purchase)	299900	0.0171	4249900	0.2425
	22 Dec 2017 (Market Purchase)	200100	0.0114	4450000	0.2539
	12 Jan 2018 (Market Purchase)	450000	0.0257	4900000	0.2796
	19 Jan 2018 (Market Purchase)	500000	0.0285	5400000	0.3081
	09 Feb 2018 (Market Purchase)	147969	0.0084	5547969	0.3166
	23 Mar 2018 (Market Sell)	-700000	-0.0399	4847969	0.2766
	At the end of the year			**4847969**	**0.2766**
6	**Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds**	**4132814**	**0.2358**	**4132814**	**0.2358**
	22 Dec 2017 (Market Sell)	-5525	-0.0003	4127289	0.2355
	26 Jan 2018 (Market Purchase)	19975	0.0011	4147264	0.2366
	02 Feb 2018 (Market Purchase)	17850	0.0010	4165114	0.2377
	At the end of the year			**4165114**	**0.2377**
7	**SBI Life Insurance Co. Ltd**	**0**	**0.0000**	**0**	**0.0000**
	07 Apr 2017 (Market Purchase)	200000	0.0114	200000	0.0114
	19 May 2017 (Market Sell)	-50000	-0.0029	150000	0.0086
	04 Aug 2017 (Market Sell)	-150000	-0.0086	0	0.0000
	18 Aug 2017 (Market Purchase)	100000	0.0057	100000	0.0057
	25 Aug 2017 (Market Purchase)	30000	0.0017	130000	0.0074
	01 Sep 2017 (Market Purchase)	100000	0.0057	230000	0.0131
	08 Sep 2017 (Market Purchase)	70000	0.0040	300000	0.0171
	15 Dec 2017 (Market Purchase)	500000	0.0285	800000	0.0456
	22 Dec 2017 (Market Purchase)	339100	0.0193	1139100	0.0650
	29 Dec 2017 (Market Purchase)	418781	0.0239	1557881	0.0889
	05 Jan 2018 (Market Purchase)	980000	0.0559	2537881	0.1448
	12 Jan 2018 (Market Purchase)	520000	0.0297	3057881	0.1745
	19 Jan 2018 (Market Purchase)	547393	0.0312	3605274	0.2057
	02 Feb 2018 (Market Purchase)	300000	0.0171	3905274	0.2228
	09 Feb 2018 (Market Sell)	-242381	-0.0138	3662893	0.2090
	23 Mar 2018 (Market Purchase)	400000	0.0228	4062893	0.2318
	At the end of the year			**4062893**	**0.2318**

Sl. No.	For each of top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
8	**Goldman Sachs India Limited**	**0**	**0.0000**	**0**	**0.0000**
	16 Feb 2018 (Market Purchase)	284631	0.0162	284631	0.0162
	23 Feb 2018 (Market Purchase)	1526043	0.0871	1810674	0.1033
	02 Mar 2018 (Market Purchase)	46349	0.0026	1857023	0.1060
	09 Mar 2018 (Market Purchase)	1098927	0.0627	2955950	0.1687
	16 Mar 2018 (Market Purchase)	592631	0.0338	3548581	0.2025
	23 Mar 2018 (Market Purchase)	73851	0.0042	3622432	0.2067
	At the end of the year			**3622432**	**0.2067**
9	**HDFC Standard Life Insurance Company Limited**	**2076360**	**0.1185**	**2076360**	**0.1185**
	12 May 2017 (Market Sell)	-991	-0.0001	2075369	0.1184
	19 May 2017 (Market Sell)	-578828	-0.0330	1496541	0.0854
	23 Jun 2017 (Market Sell)	-66	0.0000	1496475	0.0854
	30 Jun 2017 (Market Sell)	-29759	-0.0017	1466716	0.0837
	21 Jul 2017 (Market Sell)	-1865	-0.0001	1464851	0.0836
	11 Aug 2017 (Market Sell)	-20698	-0.0012	1444153	0.0824
	01 Sep 2017 (Market Purchase)	197500	0.0113	1641653	0.0937
	15 Sep 2017 (Market Purchase)	10750	0.0006	1652403	0.0943
	22 Sep 2017 (Market Sell)	-9354	-0.0005	1643049	0.0937
	13 Oct 2017 (Market Purchase)	14300	0.0008	1657349	0.0946
	17 Nov 2017 (Market Purchase)	4750	0.0003	1662099	0.0948
	08 Dec 2017 (Market Purchase)	170250	0.0097	1832349	0.1046
	15 Dec 2017 (Market Purchase)	172450	0.0098	2004799	0.1144
	05 Jan 2018 (Market Purchase)	8483	0.0005	2013282	0.1149
	26 Jan 2018 (Market Purchase)	400011	0.0228	2413293	0.1377
	09 Feb 2018 (Market Purchase)	250000	0.0143	2663293	0.1520
	23 Mar 2018 (Market Purchase)	250001	0.0143	2913294	0.1662
	At the end of the year			**2913294**	**0.1662**
10	**Vanguard Total International Stock Index Fund**	**2510382**	**0.1432**	**2510382**	**0.1432**
	23 Feb 2018 (Market Purchase)	101114	0.0058	2611496	0.1490
	02 Mar 2018 (Market Purchase)	187435	0.0107	2798931	0.1597
	At the end of the year			**2798931**	**0.1597**

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Shri Shashi Shanker, Chairman**				
	At the beginning of the year	**0**	**0.00**	**0**	**0.00**
	No transaction/ transfer/ bonus/ sweat equity etc.	0	0	0	0
	At the end of the year			**0**	**0**
2	**Shri H. Kumar, Managing Director**				
	At the beginning of the year	**200**	**0.00**	**200**	**0.00**
	No transaction/ transfer/ bonus/ sweat equity etc.	0	0	0	0
	At the end of the year			**200**	**0.00**
3	**Shri M. Venkatesh, Director (Refinery)**				
	At the beginning of the year	**0**	**0.00**	**0**	**0.00**
	No transaction/ transfer/ bonus /sweat equity etc.	0	0	0	0
	At the end of the year			**0**	**0.00**
4	**Shri A. K. Sahoo, Director (Finance)**				
	At the beginning of the year	**0**	**0.00**	**0**	**0.00**
	No transaction/ transfer / bonus /sweat equity etc.	0	0	0	0
	At the end of the year			**0**	**0.00**
5	**Shri Vinod S. Shenoy, Director**				
	At the beginning of the year	**0**	**0.00**	**0**	**0.00**
	No transaction/ transfer / bonus /sweat equity etc.	0	0	0	0
	At the end of the year			**0**	**0.00**
6	**Ms. Manjula C.**				
	At the beginning of the year	**0**	**0.00**	**0**	**0.00**
	No transaction/ transfer/ bonus/ sweat equity etc.	0	0	0	0
	At the end of the year			**0**	**0.00**
7	**Shri V.P. Haran**				
	At the beginning of the year	**0**	**0.00**	**0**	**0.00**
	No transaction/ transfer/ bonus/ sweat equity etc.	0	0	0	0
	At the end of the year			**0**	**0.00**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	**Shri Sewa Ram**				
	At the beginning of the year	**0**	**0.00**	**0**	**0.00**
	No transaction/ transfer/ bonus/ sweat equity etc.	0	0	0	0
	At the end of the year			**0**	**0.00**
9	**Dr. G. K. Patel**				
	At the beginning of the year	**0**	**0.00**	**0**	**0.00**
	No transaction/ transfer/ bonus/ sweat equity etc.	0	0	0	0
	At the end of the year			**0**	**0.00**
10	**Shri Balbir Singh**				
	At the beginning of the year	**0**	**0.00**	**0**	**0.00**
	No transaction/ transfer/ bonus/ sweat equity etc.	0	0.00	0	0
	At the end of the year			**0**	**0.00**
11	**Shri K.M. Mahesh, Director**				
	At the beginning of the year	**0**	**0.00**	**0**	**0.00**
	No transaction/ transfer/ bonus/ sweat equity etc.	0	0.00	0	0
	At the end of the year			**0**	**0.00**
12	**Shri Sanjay Kumar Jain, Director**				
	At the beginning of the year	**0**	**0.00**	**0**	**0.00**
	No transaction/ transfer/ bonus/ sweat equity etc.	0	0.00	0	0
	At the end of the year			**0**	**0.00**
13	**Shri Dinesh Mishra, Company Secretary**				
	At the beginning of the year	**0**	**0.00**	**0**	**0.00**
	No transaction/ transfer/ bonus/ sweat equity etc.	0	0	0	0
	At the end of the year			**0**	**0.00**

V. INDEBTEDNESS

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

(₹ In Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,557.93	3,983.03	-	8,540.96
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	42.96	0.08	-	43.04
Total (i+ii+iii)	**4,600.89**	**3,983.11**	**-**	**8,584.00**
Change in Indebtedness during the financial year				
i) Addition	69.70	14,758.51	-	14,828.21
ii) Reduction	1,962.07	13,459.50	-	15,421.57
Net Change	**(1,892.37)**	**1,299.01**	**-**	**(593.36)**
Indebtedness at the end of the financial year				
i) Principal Amount	2,678.43	5,271.73	-	7,950.16
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	30.09	10.39	-	40.48
Total (i+ii+iii)	**2,708.52**	**5,282.12**	**-**	**7,990.64**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In Crore)

Sl. No.	Particulars of Remuneration	Shri. H. Kumar, MD	Shri. M. Venkatesh Director (Refinery)	Shri. A. K. Sahoo Director (Finance)	Total Amount
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.66	0.62	0.55	1.83
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.06	0.06	0.06	0.18
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit	NIL	NIL	NIL	NIL
	Total	**0.72**	**0.68**	**0.61**	**2.01**

B. Remuneration to other directors:

(₹ In Crore)

Independent Director	Sitting Fees
Ms. Manjula C.	0.09
Shri V.P. Haran	0.04
Shri Sewa Ram	0.04
Dr. G.K. Patel	0.04
Shri Balbir Singh	0.04

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

(₹ In Crore)

Sl. No.	Particulars of Remuneration	Dinesh Mishra (Company Secretary)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.39
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.01
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL
2.	Stock Option	NIL
3.	Sweat Equity	NIL
4.	Others	NIL
	Total	**0.40**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

There were no cases of any penalty, punishment or compounding of offences under the Companies Act, 2013 and Rules made thereunder reported during the FY 2017-18.

ANNEXURE F

FORM AOC-2

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

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

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

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

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

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board/ Audit Committee	Amount paid as advances, if any
1	ONGC Mangalore Petrochemicals Limited- (Subsidiary)*	Transfer of Feed stock from MRPL and return streams from OMPL. Providing facilitation services to OMPL.	Ongoing Contract	Transfer of Feed stock from MRPL and return streams from OMPL and providing facilitation services to OMPL at mutually agreed price.	08/02/2014	Nil
2	ONGC*	Crude Oil Sale Agreement	w.e.f. from 01/04/2016 to 31/03/2018 extended up to 30/09/2018	Purchase of crude oil from ONGC at the delivery point of the quantity allocated at prices fixed as per price built up formula.	#	Nil
3	ONGC*	Interest on Term Loans	7 years upto 31/12/2020	Long terms loan for Phase-3 & Polypropylene Project. Rate of interest is G-Sec yield for 5 years tenor as per FIMMDA plus 40 basis points. Resetting of rate on 1st April every year.	03/09/2016	Nil
4	ONGC *	Supply of HFHSD at ONGC offshore locations	02/09/2016 to 30/09/2019	Supply of HFHSD at ONGC offshore locations by free delivery at MRPL Jetty, Mangalore as and when required.	#	Nil
5	Hindustan Petroleum Corporation Limited (HPCL)* -Promoter Company	MOU between ONGC & HPCL for Product Sale-Purchase, Providing Infrastructure services and Co-operation in Energy & Related fields	Ongoing Contract	(1) Product sale-purchase, providing infrastructure services and co-operation in Energy and related fields. Pricing for products (MS/HSD/SKO/ATF/LPG) shall be in line with PSU OMCs' existing terms as prevailing from time to time, unless otherwise mutually agreed. (2) HPCL shall offer Road and Rail terminalling services under hospitality arrangements from HPCL's Mangalore, Hassan and Devangunthi Terminals to ONGC for supplies to ROs/ Customers.	#	Nil

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board/ Audit Committee	Amount paid as advances, if any
6	Shell MRPL Aviation Fuels & Services Ltd.	Jet Fuel Sale Purchase & Infrastructure sharing Agreement	Ongoing Contract	Sale and purchase of Jet fuel in line with the domestic sale to Oil Marketing company in India and sharing of infrastructure at prices fixed as per price built up formula.	#	Nil
7 (a)	Mangalore SEZ Limited	Agreement for Supply of Water and Disposal of Treated Effluents	Ongoing Contract	Development of water infrastructure & treated effluent disposal infrastructure for MRPL in the land acquired by MSEZL, comprising of setting up of water sourcing infrastructure, pipeline conveyance system upto the battery limits of MRPL, storing and distributing water and setting up the necessary infrastructure for disposal of treated effluents.	14/09/2014	Nil
7 (b)	Mangalore SEZ Limited	Setting up Pipeline cum Road Corridor	w.e.f. 19/03/2016	MRPL is entitled to utilize the pipe rack/sleepers section of the pipeline-cum-road corridor for the purpose of the operations and also assigned right of way to the extent of "effective space" utilized.	09/03/2016	₹ 90.00 Crore
7 (c)	Mangalore SEZ Limited	Setting up PP-Petcoke evacuation road & truck parking	w.e.f. 05/12/2016	MRPL has paid one time non-refundable amount ₹ 11.34 crores to MSEZL towards construction of evacuation road (10.1757 acres) along with truck parking area (1.30 acres). Lease period of above said agreement commences from 05/12/2016 and valid till 27/01/2060.	03/01/2017	₹ 11.34 Crore

*Government Companies

Not Applicable

Note: MCA vide its Notification dated 05/06/2015 and Regulation 23 of the SEBI Listing Regulations, 2015 exempts the related party transactions between two Govt. Companies for reporting.

Annexure G

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To,

The Members,

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

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

Based on our verification of the Mangalore Refinery and Petrochemicals Limited's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 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 Mangalore Refinery and Petrochemicals Limited ("the Company") for the financial year ended on 31st March, 2018 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

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

(x) Guidelines on capital restructuring of Central Public Sector Enterprises (CPSEs) issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Government of India.

(xi) During the period under review, provisions of the following Regulations, Guidelines including amendments thereto were not applicable to the Company:

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

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

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

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

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

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

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

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

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

(i) The company did not have the required number of Independent Directors in terms of Regulation 17(1) (b) of SEBI (LODR) Regulations, 2015 and thereby not meeting the provisions relating to composition of Board, and

(ii) The provisions related to composition of Audit Committee and Nomination/Remuneration Committee were not met during the period from 01.04.2017 to 25.10.2017.

We further report that,

Subject to our observations at serial No.i & ii above, the Board of Directors of the Company is constituted of Executive Directors, Non-Executive Directors with the exception of the requisite number of Independent Directors on the Board of MRPL as on 31st March, 2018. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

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

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

Date: 21/06/2018
Place: Mangalore

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

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

Date: 21/06/2018
Place: Mangalore

Annexure H

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MANGALORE REFINERY AND PETROCHEMICALS LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of financial statements of Mangalore Refinery and Petrochemicals Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their modified Audit Report dated 29.06.2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Mangalore Refinery and Petrochemicals Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

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

Place : Chennai
Date : 29.06.2018

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 2018

The preparation of consolidated financial statements of Mangalore Refinery and Petrochemicals Limited for the year ended 31 March 2018 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 modified Audit Report dated 29.06.2018.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of Mangalore Refinery and Petrochemicals Limited for the year ended 31 March 2018. We conducted a supplementary audit of the financial statements of Mangalore Refinery and Petrochemicals Limited and ONGC Mangalore Petrochemicals Limited for the year ended on that date. Further, Section 139(5) and 143(6)(b) of the Act are not applicable to shell MRPL Aviation Fuels & Services Limited being private entity. Accordingly, C&AG has neither appointed the Statutory Auditor nor conducted the supplementary audit of this Company. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

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

Place : Chennai
Date : 29.06.2018

Management Discussion and Analysis 2017-18

1. Economic Overview

1.1. Global Economy

Global economy registered broad based growth in 2017. Continuing from the upswing that was seen from 2016, the past year witnessed 3.8% growth. This was led by growth in both Developed Countries and Emerging Nations. Though the equity markets globally have been volatile in the past year, financial conditions remain stable. This stability has resulted in expectations of sustained growth in the coming fiscal too with global economy forecast to grow by 3.9% in 2018.

Growth in the past fiscal has been driven by the strong sustaining growth in the Asian economies, growth upswing in emerging economies in Europe and an investment led recovery in developed economies.

Global activity indicators of Industrial Production, Trade and Inflation show an upswing in growth. Industrial production continued to increase globally, while global trade showed an impressive increase in the past year. Major global exporters namely US, UK, Germany and Japan contributed to the recovery in exports. China and India too registered major increases in net exports resulting in overall growth of global trade. Various reasons like currency stability and appreciation against the dollar led to broad stability in inflation in emerging economies though increase in global oil prices have resulted in an uptick in inflation in the latter half of 2017.

World economy is expected to continue its growth trajectory during 2018 with the IMF projecting a 0.2% increase in the growth rate over the forecast for 2017. This is expected to sustain in the short term, and will moderate in the medium term as cyclical changes begin to influence growth factors. Developed economies are expected to grow between 1.4% and 2.5% whereas emerging economies particularly in Asia are expected to grow at greater than 6.5%. The current recovery offers a window of opportunity to advance policies and reforms that secure the recent upswing and raise medium term growth. Such policies should focus on strengthening the potential for higher and more inclusive growth, building buffers to deal with future downturns, improving financial resilience to contain market risks and stability concerns and fostering international cooperation.

Globally, growth risks are expected to remain balanced in the short term and the expectation of sustained growth should result in an overall positive outlook. However, recent developments following the tariff announcement by the US and retaliatory steps by other countries could impact global trade resulting in contraction of growth. In the medium to longer term, there could be pressures on growth mainly on account of policy changes in key economies resulting in declining support for global trade liberalisation. In addition to economic risks, geo-political risks appear to be unfavourable with tensions in the Middle East having a considerable influence on the world economy particularly the energy sector in the short to medium term.

While risks as a whole appear balanced, in the event of policy changes favouring more global trade and global cooperation towards sustainable growth, risks would be mitigated to some extent.

1.2. Indian Economy

India was the fastest growing major economy in 2017-18, registering a growth rate of 6.7%. IMF has forecast that Indian economy will grow by 7.4% and 7.8% in the next two years. In 2017-18, Indian economy witnessed major policy changes, the most important one being the roll out of the Goods and Service Tax (GST) from July 1, 2017. After initial problems, the economy, normalised in the second half of the year to register strong growth. The focus on investments, fiscal policy and stable monetary policy has resulted in the Indian economy being poised for sustained growth in the short and medium term.

The focus on controlling expenditure through various measures including prevention of leakage in subsidy through the Direct Benefit Transfer scheme has resulted in the current account deficit remaining under control at 1.5-2%. Headline inflation remained below the target inflation of 4% for most part of the year. However, towards the end of the year inflation increased to 5.2% with real inflation closer to 4.2%.

India's exports went up by 9.8% in 2017-18, to $302.8 billion and imports during the year increased by 19.6% to $459.7 billion, partly due to increase in commodity prices. Trade deficit was up by 44.45% at $156.9 billion. The Government is focusing on reducing the trade deficit.

The positive developments in the economic scenario have resulted in growth in investments, including Foreign Direct Investments which went up to $61.96 billion during 2017-18, according to DIPP. The up gradation of India's sovereign rating by Moody's after 14 years to Baa2 with a stable economic outlook and improvement by 30 ranks to 100 in World Bank's Doing Business Report, 2018 were significant developments indicating improved investment climate, which should facilitate faster growth in investments. The World Bank has forecast that private investments in India is expected to grow by 8.8% in 2018-19.

While oil price rise in the latter part of the fiscal is a cause for concern, with the impact of high oil prices being assessed at greater than 1.5% increase in WPI for every $10 increase

in oil prices, the overall external position remained stable. Foreign Exchange reserves were a healthy $424.36 billion as on 30th March, 2018.

With global growth uptick, exports are expected to improve resulting in better growth. With GST system stabilising and private investment improving the economy is expected to surpass the growth rates of the previous fiscal but high oil prices and global geopolitical issues may be dampeners. India's GDP is expected to reach $6 trillion by 2027, on the back of digitisation, reforms and favourable demographics, propelling India to upper middle income country status.

2. Overview of Energy Industry

2.1. Global Scenario

Growth in demand for oil will continue during the next five years, with growth coming mainly from developing countries, particularly Asian developing countries. Demand is expected to reach 100 mb/d in 2019. Crude production in Nigeria, Algeria and Venezuela may decline. OPEC output is likely to rise and that of Russia remain stable. With major OPEC producers increasing their domestic refining capacity, Asia may have to look beyond Middle East to meet its growing energy requirements. With rising consumption, Global oil supply could struggle to keep pace with rising demand after 2020, unless new projects are launched soon.

Renewable energy has taken centre stage in the global energy industry with nearly two-thirds of new investments being directed to this sector. The possibility of quick deployment and cheaper power costs has seen Solar Power industry grow rapidly. Solar energy is projected to be the largest non-carbon source of energy by 2040. The industry growth is fuelled by policy support and retail participation of the end-user in the generation through self-contained generation systems.

Share of Electricity in the energy mix is increasing and as aspirational consumption from emerging middle class grows, electricity is set to achieve pre-eminent position in the energy mix in the long term. It is expected that a major portion of the additional demand for electricity is going to be met from renewable sources.

Global Electric Vehicle markets have also started maturing. With policy initiatives promoting use of EVs emerging from both Developed and Emerging economies, it is expected that conversion to EVs will happen in an accelerated manner in the developed economies with conversion lagging in emerging economies.

The third major development in the energy industry, specifically petroleum industry has been the emergence of US Shale gas and oil. Despite downward pressures on oil prices in the past two years, US shale has emerged as a major disruptor in the oil markets. With a technology driven approach resulting in cost-effective production, the US oil and gas production is undergoing significant increases. Already a net exporter of gas, the US is expected to become a net oil exporter in the medium term. Entry of LNG from the US into the global market will result in major changes. With destination flexibility, hub-based pricing and spot availability, the US LNG is expected to significantly change the gas markets in the medium term.

The global scenario of the petroleum industry is also influenced by geo-political tensions in the Middle East. The recent Iran sanctions and the continued political instability in some countries of the Middle East can potentially have major influence on the global oil markets.

2.2. Indian Scenario

Indian energy scenario is closely linked to the global scenario. Renewable energy addition is happening at a rapid pace and electricity availability has improved dramatically. However, traditional mix of coal and petroleum are expected to continue to be the pre-eminent source of primary energy in India in the medium to long term.

India's energy demand is related to economic growth. With economy poised to grow at 7% plus, demand for oil will spiral. In 2016, demand for oil grew by 8.3% in India as against global demand expansion of 1.6%. The growth in the sector is conducive for investment. Policies aimed at attracting investment in the sector have started bearing fruits; the sector attracts domestic as well as foreign investment. With demand expanding and domestic crude production stagnating, crude imports went up by nearly 28% in the first half of 2017-18. The Government is looking at many options for controlling the oil import bill.

Energy demand in India is expected to double by 2040 and demand for petroleum products is expected to continue growing at the present rate in the medium term. Growth of the automobile sector and increased commercial activity is expected to sustain demand for petroleum products in India.

Primary energy demand, a portion of which was met from traditional sources of fuel like firewood is now expected to be met by LPG and CNG following targeted Government programmes. The upcoming City Gas projects are expected to ensure gas availability for a large section of the population.

Petrochemical demand is also expected to grow with the GDP. With India having one of the lowest per-capita consumption of plastics, this sector looks poised for growth rates similar or even exceeding GDP growth rates. Presently India imports significant quantity of petrochemicals and finished goods into the country.

With availability of raw material, manufacturing is also expected to increase resulting in higher demand growth.

India also is exposed to global energy risks. The geo-political situation in the Middle East, sanctions on Iran, a major oil exporter and the recent increases in oil prices and consequently gas prices can potentially impact growth in sectors other than primary energy.

3 Crude Basket

Your company sources its crude oil requirement from various National Oil Companies of exporting countries on term basis and from open market on spot basis. During 2017-18, the company procured 15.98 MMT of crude oil, of which 12.52 MMT was imported and the balance was sourced indigenously like Bombay High, Ravva and Mangala from ONGC and Cairn India. Import of crude oil was from Saudi Aramco (4.35MMT), ADNOC (1.19 MMT), Kuwait Petroleum Corporation (0.60 MMT) and NIOC (4.72 MMT). To meet the Low Sulphur Heavy Stock (LSHS) requirement and shortfall in term crude requirement, MRPL also imported crude oil (1.67 MMT) through spot tender during the year.

The company has also processed US crude oil for the first time. It imported one Suezmax cargo (2 million barrels) of Southern Green Canyon Crude Oil from US during FY 2017-18.

3.1. Products

Your company produced the products given in Table below, in the year 2017-18.

PRODUCT	QUANTITY ('000 MT)
HYDROGEN	0.04
LPG	876.8
FUEL GAS	4.0
POLYPROPYLENE	294.6
MS	1374.9
XYLOL	230.4
NAPHTHA	1605.6
A7	111.5
A9	30.6
LIGHT REFORMATE	6.0
S K O	62.5
H S D	6487.0
A T F	1396.5
VGO	40.8
F O	737.5
LSFO	251.8
L S W R	75.2
ASPHALT	143.5
CRMB	4.4
PET COKE	743.5
SULPHUR	173.0
TOTAL	14650.2

Your company also exported certain products in the year. The exports for the years 2017-18 and 2016-17 are tabulated below:

	Exports ('000 MT)	
PRODUCTS	2017-18	2016-17
MS	220	167
NAPHTHA	813	844
ATF	1174	1185
DIESEL	791	675
OTHER	990	467
TOTAL	3988	3338

4. Opportunities and Threats

4.1. Opportunities

India's economic growth and sustained demand growth for petroleum products present companies with opportunities to satisfy growing demand. In addition to the growth in demand for petroleum products, the low per-capita consumption of plastics indicates potential for expansion of this market.

The projected 3.5%+ growth in demand for petroleum products and the expected growth in GDP of 7.5%, which is expected to induce equal or higher levels of demand growth in petrochemicals and polymers, present your company with opportunities for the medium and long term. With South India and West India expected to emerge as significant manufacturing hubs for finished goods, your company also has the opportunity to leverage its geographic location to satisfy the expected demand growth.

Global move towards tighter emission norms will enable refiners that have the capability to process crudes that are heavier and have higher sulphur content to achieve better margins. In the immediate term, the changes to the marine fuel standards in the Emission Control area of US, Western Europe and Japan will have an impact on bunker fuel prices and presents oppurtunities to refineries that can process high sulphur crudes. With the ability to process high sulphur crudes, your company has the potential to supply the necessary bunker fuel if market conditions prove favourable.

4.2. Threats

Crude oil prices have been strengthening in the wake of major geo-political developments in the Middle East, production cuts by OPEC and imposition of fresh sanctions on Iran. Tariff issues between the US and China, though excluding crude oil and gas trade, has the potential to slow down the global economic growth which has been recovering on the back of robust growth in global trade. This contraction in global economy can put pressure on the demand for petroleum and petrochemicals, impacting the prospects of your company.

The sanction on Iran, which is an important supplier of crude to your company, is also an immediate threat to profitability. The reduction in supplies of crude from Iran, following sanctions will have an impact on crude prices globally and will affect your company also in the short term.

To a lesser extent the ongoing clean fuel regulatory changes will also have an impact on the company and will necessitate addition of facilities to comply with the requirements.

5. Strengths and Weaknesses

5.1. Strengths

Your company has certain unique strengths that can be used to capitalise on the opportunities and to negate the threats. The company is a modern refinery that has been continuously upgrading its facilities. The refinery has a very high complexity, indicating a large number of units that provide ample flexibility in operations. The refinery has the capability to process various types of crude from different sources. This permits your company to offset any supply disruption from one source by substituting it with crude from another supplier, with marginal impact.

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

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

5.2. Weaknesses

Your company relies on Oil Marketing Companies to market its products in the retail space. This results in lesser off take of products from the company with OMCs sometime preferring to bring in products from outside the state to meet the state's demand. On account of this, your company is forced to rely on exports resulting in marginally lower realisation for the products. Your company is setting up retail outlets within its span of influence and expects to overcome this weakness in the medium term. Expected synergies from the acquisition of Hindustan Petroleum Corporation Ltd, by the parent company, ONGC are also expected to mitigate the lack of retail penetration.

Your company is setting up infrastructure to support enhanced production capacities. Further the regulatory changes to the fuel quality standards of the country have necessitated the setting up of new facilities for producing the requisite quality of fuel. This has resulted in a higher debt exposure. The present cash flow situation prevents an immediate major capital expenditure. However it is expected that the cash flow position will improve in the next few years enabling expansion. In the meantime, necessary preparatory works are being undertaken so as to match timelines with land acquisition effectively.

6. Strategic Outlook, Risks and Concerns

6.1. Strategic Outlook

Your company has made sustained profits in the past three years even with significant volatility in the crude oil markets and geo-political uncertainty. This indicates the inherent resilience of the company. With the stabilisation of the expansion units and the enabling infrastructure being installed, it is expected that the short term outlook for the company will continue to be stable.

In the medium and long term, multiple opportunities present themselves, which the company is uniquely poised, to take advantage of. Stable growth in fuels demand, and the expected increase in levels of consumption of petrochemicals as GDP accelerates, enable your company to set up necessary downstream infrastructure to satisfy this demand.

Your company is evaluating the optimal configuration for the next phase of expansion. The expansion is slated to be tightly integrated with the existing complex so that synergies of infrastructure and operational flexibility can be achieved. The expansion will meet the growth aspirations of the company and will enable it to achieve significant presence in the Oil and Gas sector in the coming decades.

6.2. Risks and Concerns

Your company operates in an environment of volatility. The very nature of the industry induces certain risks into the operations of the company. While proactive action is being taken to assess and mitigate these, the risks remain significant. The risks are also under constant review and monitoring by the Risk Management Committee of the Board. The major risks that the company face are presented below.

Crude Supply Risk

India's crude oil production fell for the sixth straight year in 2017-18 to 35.68 million tonne, pushing the country's import dependence for crude further to 82.8 percent. Your company, located away from the crude production facilities in India is reliant on imports to meet a major portion of its crude requirement. The Middle East is the principal source of crude for your company with more than 65% of the requirement being sourced from there through term contracts. Of these National Iranian Oil Company (NIOC) supplies around 25% of the crude to your company through a term contract. The recent developments surrounding Iran and imminent US sanctions and pressure on India to reduce imports from Iran point towards a significant short term supply risk to the company.

Your company is taking pro-active steps to diversify the crude basket so as to reduce its reliance on a single geographic area to meet its crude requirement. In this endeavour, your company has processed two new crudes, Qarun Blend from Egypt and South Green Canyon from the US on a trial basis. The company is also looking at alternate sources like Australia, West Africa and South America to meet part of its crude requirements for diversifying the crude basket to mitigate the risk of non supply of specific crude due to geo-political situation.

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

Price Risk

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

With deregulation of pricing and refinery Transfer Prices for products being fixed on an import parity pricing mechanism, the price risk has been mitigated to a large extent. However, sharp fluctuation in prices can result in significant gains or losses on account of the inventory held by the company.

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

Foreign Exchange Risk

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

The company exports around 27% of its products. The domestic pricing of products are fixed on an import parity pricing mechanism. These provide a natural hedge against exchange rate variations. Considering the higher cost of hedging as compared to the volatility in the foreign exchange markets, your company has decided not to resort to hedging.

Refinery Margin Risk

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

The robust configuration of the company with high complexity enables bottom of the barrel upgradation. Significant efforts are made for energy optimization. Excellence in refinery operations and adherence to shutdown schedule have ensured high operational availability. Close monitoring of the critical parameters of yield, energy efficiency and operational availability at multiple levels, including the Board, ensures that this risk is mitigated significantly.

The proposed merger of ONGC Mangalore Petrochemicals Limited (OMPL) with your Company may affect the profitability of MRPL.

Water Supply Risk

Water is a vital input for the operations of the company. Water supply disruption occurred in the past during summer months. This severely affected the operations of the Refinery. The company is setting up a desalination plant that will ensure water availability in the event of a supply disruption. It is expected that this addition will mitigate risk of water disruption.

7. 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 unauthorised use or losses, executing transactions with proper authorisation 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 organisation'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.

8. Performance

Your company achieved turnover of ₹ 63067 Crores during the financial year 2017-18 against ₹59415 Crores during 2016-17. The Company earned a profit after tax (PAT) of ₹ 2224 Crores during 2017-18 against profit of ₹ 3644 Crores in 2016-17. The Gross Refining Margin (GRM) for financial year 2017-18 was 7.54 $/bbl as against 7.75 $/bbl during 2016-17.

8.1. Subsidiary and Joint Ventures

8.2. Subsidiary Company

ONGC Mangalore Petrochemicals Limited (OMPL) is the only subsidiary company. Your company continues to hold 51% of equity shares in OMPL and about 49% is held by ONGC. OMPL has set up an Aromatic Complex with an annual capacity 914 KTPA of Para-xylene and 283 KPTA of Benzene in Mangalore Special Economic Zone. The revenue from Operations was ₹ 5561 Crores during FY 2017-18 against ₹ 5257 Crore during FY 2016-17. The Company incurred a loss after tax of ₹447 Crore during the FY 2017-18 against ₹366 Crore during FY 2016-17 mainly due to lower margins, non availability of feedstock, interest and depreciation.

8.3. Joint Ventures

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

Shell MRPL Aviation Fuel Services Limited (SMAFSL)

The Company holds 50% of the equity share capital in Shell MRPL Aviation Fuel Services Limited (SMAFSL) and the balance is held by Shell Gas BV, The Netherlands. SMAFSL supplies aviation turbine fuel (ATF) to both domestic and international airlines at several Indian airports. The total income for FY 2017-18 was ₹ 549.19 Crores (Previous Year ₹ 560.37 Crores) with Pre-tax profit of ₹ 8.13 Crores (Previous Year ₹ 14.05 Crores) and post-tax profit of ₹5.41 Crores (Previous Year ₹ 9.06 Crores). ICRA has reaffirmed "A1+" rating to the non fund based working capital limits of ₹ 15 Crore and "AA-" rating to the fund based working capital limits of ₹ 115 Crore.

Mangalam Retail Services Limited (MRSL)

Your Company has reduced its shareholding in Mangalam Retail Services Limited (MRSL) to 18.98% from 49.98 % and accordingly MRSL presently is not an associate Company of MRPL. Since, MRSL has not started its commercial operation, it has been advised to apply to MCA for the status of Dormant Company.

9. Human Resources

During 2017-18, your Company continued to enjoy cordial and harmonious relations with all the employees and not a single man-hour was lost on account of any industrial disturbance.

Total employee strength was 1916 including 129 women employees, 256 SC/ST employees and 28 employees with disability. 823 employees belong to Management cadre whereas 1093 employees belong to Non-Management cadre.

10. 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 FOR THE YEAR 2017 – 18

1. OUR CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. MRPL maximizes shareholders value while safeguarding and promoting the interest of stakeholders and maintain a steadfast commitment to ethics and code of conduct. The philosophy of the Company on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and ethics, in all facets of its operations, with the primary objective of enhancing shareholder value.

The Company complies with the changes brought in the area of Corporate Governance by the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015). Besides adhering to provisions of SEBI Listing Regulations, 2015, the Company also follows the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises (DPE), Government of India except with regard to availability of requisite number of Independent Directors on the Board of the Company. MRPL being a Central Public Sector Enterprise (CPSE), Directors on the Board of the company are appointed by the Administrative Ministry, Government of India. Appointment of requisite number of Independent Directors on the Board of MRPL is pursued with the administrative Ministry, Government of India (GoI).

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

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

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

2. BOARD OF DIRECTORS:

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

A. Composition of Directors as on 31/03/2018 : 12

Executive Directors	:	03
Non Executive Directors	:	09

B. Board of Directors as on 31/03/2018

Director	DIN	Executive/ Non-Executive	Category / Designation	No. of other Directorship		No. of outside Committees	
				Public	Private	Member	Chairman
Shri Shashi Shanker	06447938	Chairman Non-Executive	Chairman	7	-	-	-
Shri H. Kumar	06851988	Executive	Managing Director	4	-	2	-

Director	DIN	Executive/ Non-Executive	Category / Designation	No. of other Directorship		No. of outside Committees	
				Public	Private	Member	Chairman
Shri M. Venkatesh	07025342	Executive	Director (Refinery)	3	-	4	1
Shri A. K. Sahoo	07355933	Executive	Director (Finance)	2	-	3	-
Shri Vinod S. Shenoy	07632981	Non-Executive	(HPCL) Nominee Director	5	-	-	-
Shri K. M. Mahesh	07402110	Non-Executive	Government Director	-	-	-	-
Shri Sanjay Kumar Jain	08015083	Non-Executive	Government Director	-	-	-	-
Ms. Manjula C.	07733175	Non-Executive	Independent Director	-	-	-	-
Shri V. P. Haran	07710821	Non-Executive	Independent Director	-	-	-	-
Shri Sewa Ram	01652464	Non-Executive	Independent Director	-	-	-	-
Dr. G. K. Patel	07945704	Non-Executive	Independent Director	-	-	-	-
Shri Balbir Singh	07945679	Non-Executive	Independent Director	-	-	-	-

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

Brief Resume of following Directors proposed to be appointed or re-appointed mentioning qualification, expertise, names of the companies in which they hold Chairmanship/ Directorship in the Board and Chairmanship/ Directorship in the Board sub-committees, shareholding in these companies and relationship between director inter-se pursuant to Regulation 36(3) of the SEBI Listing Regulations, 2015 with Stock Exchanges are provided in the Notice of the 30th 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 V.P. Haran (DIN: 07710821), Shri Sewa Ram (DIN: 01652464), Dr. G.K. Patel (DIN: 07945704) and Shri Balbir Singh (DIN: 07945679) who were appointed as Additional Directors are proposed for re-appointment as Non-Official Independent Directors.
- Shri K.M. Mahesh (DIN: 07402110) and Shri Sanjay Kumar Jain (DIN: 08015083) who were appointed as Additional Directors are proposed for re-appointment as Directors.
- Shri Shashi Shanker (DIN: 06447938), Shri Subhash Kumar (DIN: 07905656) appointed as Additional Directors, are proposed for re-appointment as Director.

(ii) Past Directors

Director	Executive/ Non-Executive	Category	No. of other Directorship		No. of outside Committees	
			Public	Private	Member	Chairman
Shri D.K. Sarraf	Non-Executive	(ONGC) Nominee Director	7	-	1	-
Shri Diwakar Nath Misra	Non-Executive	Government Director	-	-	-	-
Smt. Perin Devi	Non-Executive	Government Director	1	-	1	2

(iii) Changes in the Board of Directors during 2017-18

Director	Date of Appointment	Date of cessation	Tenure	Remarks
Shri V. P. Haran	08/09/2017	NA	3 years from the date of notification of their appointment, or until further orders, whichever is earlier.	Appointed as Non-Official Independent Director by Ministry of Petroleum & Natural Gas.
Shri Sewa Ram	08/09/2017	NA	3 years from the date of notification of their appointment, or until further orders, whichever is earlier.	Appointed as Non-Official Independent Director by Ministry of Petroleum & Natural Gas.

Director	Date of Appointment	Date of cessation	Tenure	Remarks
Dr. G. K. Patel	08/09/2017	NA	3 years from the date of notification of their appointment, or until further orders, whichever is earlier.	Appointed as Non-Official Independent Director by Ministry of Petroleum & Natural Gas.
Shri Balbir Singh	08/09/2017	NA	3 years from the date of notification of their appointment, or until further orders, whichever is earlier.	Appointed as Non-Official Independent Director by Ministry of Petroleum & Natural Gas.
Shri Shashi Shanker	01/10/2017	NA	NA	Appointed as Chairman / Director.
Shri K. M. Mahesh	24/11/2017	NA	3 years on co-terminus basis or until further orders, whichever is earlier.	Appointed as Government Director by Ministry of Petroleum & Natural Gas.
Shri Sanjay Kumar Jain	24/11/2017	NA	3 years on co-terminus basis or until further orders, whichever is earlier.	Appointed as Government Director by Ministry of Petroleum & Natural Gas.
Shri Dinesh Kumar Sarraf	01/03/2014	01/10/2017	NA	Ceased to be a Director consequent upon his superannuation as CMD, ONGC.
Shri Diwakar Nath Misra	09/03/2016	24/11/2017	NA	Ceased to be a Director on withdrawal of nomination by MoP&NG.
Smt. Perin Devi	14/05/2015	24/11/2017	NA	Ceased to be a Director on withdrawal of nomination by MoP&NG.

(iv) Changes in the Board of Directors after 31/03/2018

- Shri Subhash Kumar, Director (Finance) ONGC was appointed as an Additional Director on the Board of MRPL on 15/05/2018.
- Shri M. Venkatesh assumed the office of Managing Director w.e.f. 01/06/2018.
- Shri H. Kumar demitted the office of Managing Director on attaining the age of superannuation w.e.f. 01/06/2018.

C. Attendance of Directors at the Board Meetings held during the Financial Year 2017 -18 and 29th Annual General Meeting held on 19/08/2017.

(i) Details of Board Meetings held during the Financial Year 2017-18

During the year 2017-18, Seven (7) Board Meetings were held.

Sl. No.	Date of meeting	Meeting No.	Place
1	17/05/2017	209	New Delhi
2	21/07/2017	210	New Delhi
3	19/08/2017	211	Mangaluru
4	18/09/2017	212	New Delhi
5	25/10/2017	213	New Delhi
6	14/11/2017	214	New Delhi
7	02/02/2018	215	New Delhi

(ii) Attendance of Directors during the Financial Year 2017-18.

Director	No. of Board Meetings Attended	Attended Last AGM
Shri Shashi Shanker	3	NA*
Shri H. Kumar	7	Yes
Shri M. Venkatesh	7	Yes
Shri A. K. Sahoo	7	Yes
Shri Vinod S. Shenoy	6	Yes
Shri K. M. Mahesh	1	NA*
Shri Sanjay Kumar Jain	0	NA*
Ms. Manjula C.	7	Yes
Shri V. P. Haran	3	NA*
Shri Sewa Ram	3	NA*
Dr. G. K. Patel	4	NA*
Shri Balbir Singh	4	NA*

*Shri V. P. Haran, Shri Sewa Ram, Dr. G. K. Patel and Shri Balbir Singh were appointed as Non-official Independent Directors w.e.f. 08/09/2017.

Shri Shashi Shanker assumed office of Director/Chairman on 01/10/2017.

*Shri K. M. Mahesh and Shri Sanjay Kumar Jain were appointed as Directors on 24/11/2017.

(iii) Attendance of the Past Directors during the Financial Year 2017-18.

Director	No. of Board Meetings Attended	Attended Last AGM
Shri D. K. Sarraf	4	Yes
Shri Diwakar Nath Misra	2	No
Smt. Perin Devi	6	Yes

D. Disclosure of relationships between Directors

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

E. Director's Shareholding:

Directors share holding in the Company as on 31/03/2018 are as under:

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

F. Independent Directors

MRPL is a Central Public Sector Enterprise (CPSE) under the Administrative Ministry, i.e., Ministry of Petroleum & Natural Gas (MoP&NG), Govt. of India. The appointment of requisite number of Independent Directors on the Board is being pursued with MoP&NG. Presently MRPL has five Independent Directors on the Board. Ms. Manjula C was appointed by MoP&NG on 31/01/2017 and Shri V.P. Haran, Shri Sewa Ram, Dr. G.K. Patel and Shri Balbir Singh were appointed by MoP&NG on 08/09/2017. The evaluation of Independent Directors for the FY 2017-18 has been done as per the evaluation criteria provided in SEBI circular dated 05/01/2017.

3. AUDIT COMMITTEE

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the SEBI Listing Regulations, 2015. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance.

a) Terms of Reference:

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal controls system, discussion on quarterly, half-yearly and annual financial results, interaction with Statutory and Internal Auditors. Review and recommend appointment of Cost Auditors/Internal Auditors/Secretarial Auditors and their remuneration, review of Business Risk Management Plan, review of Forex policy, Management Discussions & Analysis, review of Internal Audit Reports, significant related party transactions. The Board has framed the Audit Committee Terms of Reference for the purpose of effective compliance of provisions of Section 177 of the Companies Act, 2013, Regulation 18 of the SEBI Listing Regulations, 2015, and DPE guidelines on Corporate Governance for CPSEs. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

b) Composition of Audit Committee as on 31/03/2018

Members of Audit Committee	Category
Shri V. P. Haran	**Chairperson**
Ms. Manjula C.	Member
Shri Sewa Ram	Member
Shri Balbir Singh	Member
Dr. G. K. Patel	Member

Note:

- Shri A. K. Sahoo, Director (Finance) is a Permanent Invitee to Audit Committee Meetings.
- Company Secretary is the Secretary to the Audit Committee.
- Joint Statutory Auditors are Special Invitees while reviewing the financial statements by the Audit Committee.

c) Details of the Audit Committee Meetings held during the Financial Year 2017-18

During the year 2017-18, Five (5) Audit Committee Meetings were held.

Date of Meeting	Meeting No.	No. of members attended
16/05/2017	85	5
21/07/2017	86	4
17/08/2017	87	3
14/11/2017	88	5
02/02/2018	89	5

d) Attendance in Audit Committee Meetings held during the Financial Year 2017-18.

Members of Audit Committee	No. of Meetings attended
Shri V. P. Haran (from 08/09/2017)	2
Ms. Manjula C.	5
Shri Sewa Ram (from 08/09/2017)	2
Shri Balbir Singh (from 08/09/2017)	2
Dr. G. K. Patel (from 08/09/2017)	2
Shri Vinod S Shenoy	2
Shri M. Venkatesh	3
Smt. Perin Devi (upto 24/11/2017)	3
Shri Diwakar Nath Misra (upto 24/11/2017)	1

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), Govt. of India.

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

a) Composition of Nomination/Remuneration Committee as on 31/03/2018:

The Company has complied with the requirement of Regulation 19(1)(c) of the SEBI Listing Regulations, 2015 as well as the Companies Act, 2013 as regards the constitution of Nomination/Remuneration Committee with reference to requisite number of Independent Directors.

Members of Nomination/ Remuneration Committee	Category
Shri Balbir Singh	**Chairperson**
Shri Sewa Ram	Member
Shri V. P. Haran	Member
Dr. G. K. Patel	Member
Ms. Manjula C.	Member

b) Details of Nomination/Remuneration Committee Meetings held during the Financial Year 2017 – 18

During the year 2017-18, Two (2) Nomination Remuneration Committee Meeting was held.

Date of Meeting	Meeting No.	No. of members attended
17/08/2017	11	2
29/03/2018	12	5

c) Attendance in Nomination/Remuneration Committee Meetings held during the Financial Year 2017 - 18

Members of Nomination/ Remuneration Committee	No. of Meetings attended
Ms. Manjula C.	2
Shri Vinod S. Shenoy	-
Shri Balbir Singh (from 08/09/2017)	1
Shri V. P. Haran (from 08/09/2017)	1
Dr. G. K. Patel (from 08/09/2017)	1
Shri Sewa Ram (from 08/09/2017)	1
Smt. Perin Devi (upto 24/11/2017)	1
Shri Diwakar Nath Misra (upto 24/11/2017)	-

5. REMUNERATION OF DIRECTORS

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

a) Details of Remuneration (Sitting Fees) Paid to Independent Directors during the FY 2017 –18:

(₹ In Crore)

Independent Director	Sitting Fees
Ms. Manjula C.	0.09
Shri V. P. Haran	0.04
Shri Sewa Ram	0.04
Dr. G. K. Patel	0.04
Shri Balbir Singh	0.04

b) Details of Remuneration Paid to Managing Director, Director (Finance) and Director (Refinery) During the Financial Year 2017 - 18:

(₹ In Crore)

Particulars	Managing Director (Shri H. Kumar)	Director (Refinery) (Shri M. Venkatesh)	Director (Finance) (Shri A K. Sahoo)	Total
Salaries, Allowances and Perquisites	0.70	0.67	0.59	1.96
Contribution to PF & Other Funds	0.06	0.06	0.05	0.17
Total	**0.76**	**0.73**	**0.64**	**2.13**

c) Terms of service contract:

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

d) Familiarization Programme for Independent Directors

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

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

a) The Stakeholders' Relationship Committee has been mandated to review and redress shareholder grievances as per the provisions of Section 178 of the Companies Act, 2013.

b) Terms of Reference:

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

c) Composition of Stakeholders' Relationship committee as on 31/03/2018:

Members of Stakeholders' Relationship Committee	Category
Dr. G. K. Patel	**Chairperson**
Ms. Manjula C.	Member
Shri Sewa Ram	Member
Shri V. P. Haran	Member
Shri Balbir Singh	Member
Shri A. K. Sahoo	Member

d) Details of Stakeholders' Relationship Committee Meetings held during the Financial Year 2017 – 18:

During the year 2017-18, four (4) Stakeholders' Relationship Committee Meetings were held.

Date of Meeting	Meeting No.	No. of members attended
17/05/2017	55	4
20/07/2017	56	4
14/11/2017	57	6
29/01/2018	58	6

e) Attendance in Stakeholders' Relationship Committee Meetings held during the Financial Year 2017–18:

Members of Stakeholders' Relationship Committee	No. of Meetings attended
Dr. G. K. Patel (from 08/09/2017)	2
Ms. Manjula C.	4
Shri V. P. Haran (from 08/09/2017)	2
Shri Sewa Ram (from 08/09/2017)	2
Shri Balbir Singh (from 08/09/2017)	2
Shri A. K. Sahoo	4
Shri Vinod S. Shenoy	2
Smt. Perin Devi (upto 24/11/2017)	2

f) Name and Designation of the Compliance officer:

Shri Dinesh Mishra,
Company Secretary & Compliance Officer.

g) References & Investor Complaints Received and Replied During 2017-18:

Sl. No.	Nature of Correspondence	For the year ended 31/03/2018
1.	Revalidation Of Dividend Warrants	4977
2.	Demat - Remat Cases - Letters	458
3.	Stop Transfer - Procedure For Duplicate / Removal	2341
4.	Name Deletion/Transmission /Transposition /Change Of Name/Issue Of Duplicate - Share Certificates	2474
5.	Consolidation /Change Of Status Certificates	186
6.	Change Of Signature Letters	585
7.	Correction/ Registration / Change Of Address/Bank Detail/Bank Mandate	3286
8.	Registration / Cancellation Of ECS / NECS Letters	1991
9.	Nomination Letters	106
10.	References through Statutory/ Regulatory bodies like ROC/ SEBI/ NSE/ BSE/ NSDL/ CDSL	115
11.	Others	1696
	TOTAL	**18215**

7. SHARE TRANSFER COMMITTEE (STC)

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

(ii) The Share Transfer Committee consists of Managing Director, Director (Finance) and Director (Refinery) for approving transfer of shares, transmission of shares and issue of Duplicate Share Certificates and matter incidental thereto. The Quorum of the committee shall be any two Directors.

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

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

8. HUMAN RESOURCE MANAGEMENT COMMITTEE

a) Terms of Reference:

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

b) Composition of Human Resource Management Committee as on 31/03/2018.

1.	**Ms. Manjula C.**	**Chairperson**
2.	Shri Balbir Singh	Member
3.	Shri V. P. Haran	Member
4.	Dr. G. K. Patel	Member
5.	Shri Sewa Ram	Member
6.	Shri H. Kumar	Member
7.	Shri M. Venkatesh	Member
8.	Shri A. K. Sahoo	Member

c) Details of HRM committee meeting held during the Financial Year 2017-18:

During the year 2017– 18, four (4) HRM Committee Meetings were held. The dates of meeting and details of attendance are as under:

Date of Meeting	Meeting No.	No. of members attended
16/05/2017	42	7
20/07/2017	43	4
17/08/2017	44	5
18/09/2017	45	5

d) Attendance in HRM Committee Meetings held during the Financial Year 2017 – 18:

Members of HRM Committee	No. of meetings attended
Ms. Manjula C.	4
Shri. Balbir Singh (from 08/09/2017)	NA
Shri V.P. Haran (from 08/09/2017)	NA
Dr. G.K. Patel (from 08/09/2017)	NA
Shri Sewa Ram (from 08/09/2017)	NA
Shri H. Kumar	4
Shri M. Venkatesh	4
Shri A.K. Sahoo	3
Shri Vinod S. Shenoy	3
Shri Diwakar Nath Misra (upto 24/11/2017)	1
Smt. Perin Devi (upto 24/11/2017)	2

9. PROJECT APPRAISAL AND EXECUTION COMMITTEE

a) Terms of Reference:

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

b) Composition of PAE Committee as on 31/03/2018:

1.	**Shri Sewa Ram**	**Chairman**
2.	Shri Balbir Singh	Member
3.	Shri V. P. Haran	Member
4.	Dr. G. K. Patel	Member
5.	Ms. Manjula C.	Member
6.	Shri Vinod S. Shenoy	Member
7.	Shri H. Kumar	Member
8.	Shri M. Venkatesh	Member
9.	Shri A. K. Sahoo	Member

c) Details of PAE Committee Meeting held during the Financial Year 2017-18:

During the year 2017–18, 6 PAE Committee Meetings were held and dates of meeting and details of attendance are as under:

Date of Meeting	Meeting No.	No. of members attended
16/05/2017	33	4
20/07/2017	34	4
17/08/2017	35	5
18/09/2017	36	5
14/11/2017	37	9
30/01/2018	38	9

d) Attendance in PAE Committee Meetings held during the Financial Year 2017– 18:

Members of PAE Committee	No. of meetings attended
Shri Sewa Ram (from 08/09/2017)	2
Shri Balbir Singh (from 08/09/2017)	2
Shri V.P. Haran (from 08/09/2017)	2
Dr. G.K. Patel (from 08/09/2017)	2
Ms. Manjula C.	5
Shri Vinod S. Shenoy	5
Shri H. Kumar	6
Shri M. Venkatesh	6
Shri A.K. Sahoo	5
Shri Diwakar Nath Misra (upto 24/11/2017)	-
Smt. Perin Devi (upto 24/11/2017)	1

10. DETAILS OF ANNUAL GENERAL BODY MEETING

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

Year	Location	Date	Time
2017 29th AGM	MRPL Employees Club, Mudapadav, Post Kuthethoor, Via Katipalla, Mangaluru –575 030	19/08/2017	4:00 p.m.
2016 28th AGM	MRPL Employees Club, Mudapadav, Post Kuthethoor, Via Katipalla, Mangaluru –575 030	03/09/2016	4:00 p.m.
2015 27th AGM	MRPL Employees Club, Mudapadav, Post Kuthethoor, Via Katipalla, Mangaluru –575 030	08/08/2015	4:30 p.m.

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

Yes.

AGM	Special Resolutions
29th AGM	One special resolution was passed pursuant to Section 42 of the Companies Act, 2013 to raise funds upto ₹ 3,000 Crores through issue of NCDs/ Bonds
28th AGM	Two special resolutions were passed pursuant to:
	i) Section 42 of the Companies Act, 2013 to raise funds upto ₹ 3,000 Crores through issue of NCDs/ Bonds
	ii) Section 42 and Section 62 of the Companies Act, 2013 to issue shares for enhancement of public shareholding of the Company to 25%.
27th AGM	Two special resolutions were passed pursuant to:
	i) Section 180(1)(c) of the Companies Act, 2013 for enhancement of the Borrowing powers of Board from ₹ 15,000 crore to ₹ 25,000 crore.
	ii) Section 180(1)(a) of the Companies Act, 2013 for creating of charges on the movable and immovable properties of the Company, both present and future, in respect of borrowing.

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

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

d) Persons who conducted the Postal Ballot exercise:

Not Applicable.

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

No.

f) Procedure for Postal Ballot:

Not Applicable.

11. DISCLOSURE & TRANSPARENCY:

The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (a) to (l) of the Regulation 46(2) of the SEBI Listing Regulations, 2015, except the availability of the requisite number of Independent Directors on the Board of Company. The Company is pursuing with the Ministry of petroleum & Natural Gas (MoP&NG) for the appointment of requisite number of Independent Directors.

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

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

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

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

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

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

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

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

(i) MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

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

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

(ii) Key Management Personnel:

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

There was no transaction with Key Management Personnel during the Financial Year 2017-18 except for the remuneration paid. The remuneration of Key Management Personnel has been disclosed under Clause (VI) of MGT – 9 which forms part of the Board's Report.

(iii) Enterprises in which significant influence is exercised:

Name	Relationship	Nature of Transaction
ONGC Mangalore Petrochemicals Limited	Subsidiary	Details furnished in Note 10 of the Financial Statements for FY 2017-18.
Shell MRPL Aviation Fuel & Services Limited.	Joint Venture	

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

There were no non-compliance by the Company and no instance of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other Statutory on any matter related to the capital market during the last three years.

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

(v) The Company has adopted Whistle Blower Policy for employees and Directors. The Company has not denied any employee and Directors access to the Competent Authority and it has provided protection to the whistle blower from adverse action. The Policy is available in the Company website www.mrpl.co.in.

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

(vii) NON - MANDATORY REQUIREMENTS:

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

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

c) As the Company's Quarterly / Half Yearly Financial results are displayed on the website of the Company and Published in the Newspaper, the half-yearly report is not sent to each Shareholder's residence.

d) There are no qualifications in the Auditor's report on the financial statements to the shareholders of the Company.

e) A formal policy for training of the Board Members of the Company has been formulated and the same is displayed in the website of the Company i.e. www.mrpl.co.in. The Directors are sponsored for various seminars, training, workshops and orientation programmes depending on the suitability and convenience.

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

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

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

The Managing Director has declared that all the members of the Board and Senior Management have affirmed that they have complied with the code of conduct for the Financial Year 2017-18.

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

1.0 "Code of Conduct for Prevention of Insider Trading" for the Company was approved by the Board at its 89th meeting held on 22nd June, 2002 pursuant to SEBI (Insider Trading) (Amendment) Regulations, 2002. The same was amended by the Board at its 135th meeting held on 20th January, 2009 in view of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2008.

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

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

(x) CEO & CFO CERTIFICATION :

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

(xi) BUSINESS RESPONSIBILITY REPORT (BRR)

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, 2015, a BRR for the Financial Year 2017-18 forms part of the Annual Report.

(xii) DEMATERIALISATION OF SHARES AND LIQUIDITY

98.30% of the equity shares of the Company have been dematerialized (NSDL – 44.92% and CDSL 53.38%) as on 31/03/2018. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialize their shares with either of the Depositories and cast their electronic vote.

(xiii) RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

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

(xiv) NOMINATION

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

(xv) SERVICE OF DOCUMENTS THROUGH ELECTRONIC MODE

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

(xvi) GOVERNANCE OF SUBSIDIARY COMPANY

The minutes of the Board Meeting of OMPL, the subsidiary company along with the details of significant transactions are placed before the Audit Committee and Board on a quarterly basis. The financial statements of the subsidiary companies are presented to the Audit Committee and Board on quarterly basis. The Company does not have a material subsidiary as on the date of this report, having a net worth exceeding 20% of the consolidated net worth or income of 20% of the consolidated income of your Company.

(xvii) GUIDELINES ON CORPORATE GOVERNANCE BY DPE

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

No Presidential Directives have been issued during the period 1st April 2017 to 31st March, 2018. MRPL is complying with the guidelines to the extent possible.

(xviii) SECRETARIAL AUDIT REPORT

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

12. MEANS OF COMMUNICATION:

i)	Quarterly Results	:	Quarterly Results of the Company are published in English, Hindi and Vernacular Newspaper and are also displayed in the Company's website www.mrpl.co.in
ii)	News Releases, Presentations etc	:	Official news releases and Official Media Releases are available on the website of the Company.

iii)	Presentation to Institutional Investors / Analysts	:	Yes
iv)	Website	:	The Company's website www.mrpl.co.in contains a separate dedicated section 'Stakeholders' where shareholders information is available. The Annual Report of the Company is also available on the website.
v)	Annual Report	:	Annual Report containing the Audited Annual Financial Statements, Directors' Report, Auditors' Report and Corporate Governance Report is sent to the shareholders. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report and is also displayed on the Company's website, i.e., www.mrpl.co.in
vi)	Chairman's Communiqué	:	Printed copy of the Chairman's Speech shall be distributed to all the shareholders at the Annual General Meeting. The same will be placed on the website of the Company and sent to Stock Exchanges.
vii)	Reminders to investors		Reminders for unclaimed physical share certificates were sent to the shareholders. Several reminders were sent to the shareholders for e-mail updation for communicating through e-mail.
viii)	BSE Electronic Platform	:	The BSE Listing Centre is an online portal to all listed entities for filing their various compliances / submissions with the Exchange. 'Listing Centre' provides a single point resource for filing compliances / submissions and tracking past filings as well.
ix)	NSE Electronic Application Processing System (NEAPS)	:	The NEAPS is web based application designed by NSE for Corporates. The various compliances are filed electronically on NEAPS.
x)	SEBI Complaints Redressal System (SCORES)	:	The investor complaints are redressed in a centralized web based complaints redressal system provided by SEBI.
xi)	Designated Exclusive email-id	:	Company has designated the e-mail-id investor@mrpl.co.in exclusively for investor servicing.

13. GENERAL SHAREHOLDERS INFORMATION

a) 30th ANNUAL GENERAL MEETING

(i)	**Company Registration Details**	:	CIN : L23209KA1988GOI008959
(ii)	**Day, Date, Time and Venue**	:	MRPL Employees Recreation Centre, Mudapadav, Post Kuthethoor, Via Katipalla, Mangaluru –575 030
(iii)	**Financial Year**	:	01/04/2017 to 31/03/2018
(iv)	**Date of Book Closure**	:	02/07/2018 to 06/07/2018 (both days inclusive)
(v)	**Dividend Payment Date**	:	Final Dividend would be paid on or after 11/08/2018.
(vi)	**E-voting**	:	The Company has provided for remote e-voting facility to the shareholders in accordance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, provisions of the Companies Act, 2013 and the Rules made there under.

(vii) Listing on Stock Exchange

A)	Equity Shares ISIN: INE103A01014	1)	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 **Scrip Code : 500109**
		2)	The National Stock Exchange of India Limited, Exchange Plaza, Bandra (E), Mumbai - 400 051 **Trading Symbol : MRPL**
B)	Payment of Listing Fees	:	Annual listing fee for the year 2018-19 has been paid by the Company to BSE Limited and National Stock Exchange of India Limited.
C)	Payment of Depository Fees	:	Annual Custody fees for the year 2018-19 have been paid by the Company to CDSL and NSDL.

(viii) Financial Calendar for Financial Year 2017-18:

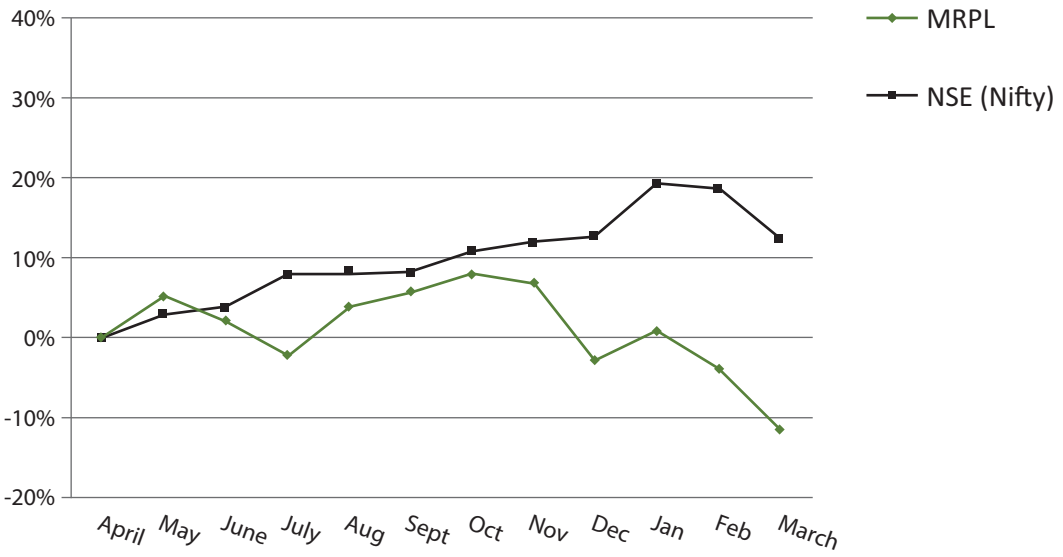
Particulars	Financial Year 2017-18		Financial Year 2018-19	
Accounting Period	01/04/2017 to 31/03/2018		01/04/2018 to 31/03/2019	
Announcement of Financial Results	1st Quarter	21/07/2017	First three Quarters	Announcement within 45 days from the end of each quarter
	2nd Quarter	14/11/2017		
	3rd Quarter	02/02/2018		
	4th Quarter & Annual Financial Results	15/05/2018	Fourth Quarter & Annual Financial Results	Announcement within 60 days from the end of the financial year.

(ix) Market Price Data

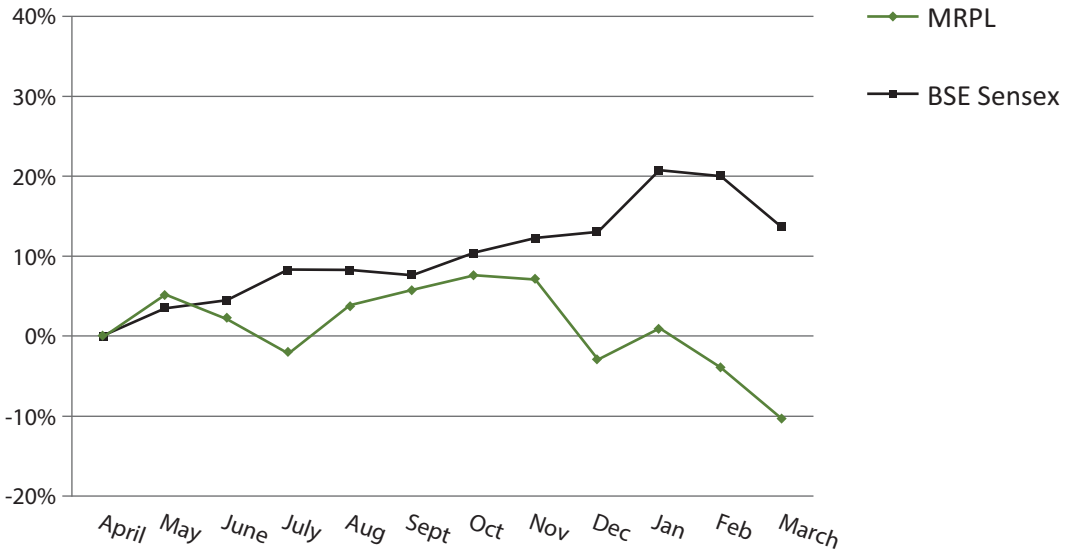
Month (2017-2018)	BSE Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-17	135.70	105.80	135.85	105.75
May-17	142.75	120.70	142.80	120.10
Jun-17	138.75	115.15	138.80	115.00
Jul-17	132.95	117.90	132.85	116.25
Aug-17	140.90	114.25	141.20	114.20
Sep-17	143.50	118.20	143.55	118.25
Oct-17	146.25	125.20	146.70	124.80
Nov-17	145.50	119.75	145.25	119.75
Dec-17	131.80	118.40	132.00	118.10
Jan-18	136.90	123.05	137.15	124.00
Feb-18	130.35	108.90	130.50	108.10
Mar-18	121.60	107.70	120.30	108.00

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

NSE (NIFTY) 2017-18



BSE SENSEX 2017-18



The market capitalization of MRPL as on 31/03/2018 was ₹19252 crore.

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

(xii) Share Transfer System:

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

Years	No. of transfer deeds processed	No. of shares transferred
2017-18	1497	275550
2016-17	897	170675
2015-16	1425	257600

(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 and 2009-10 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 19/08/2017 (date of last Annual General Meeting) on the website of the company (www.mrpl.co.in) and also on the website of the Ministry of Corporate Affairs.

Unclaimed dividend for FY 2010-11 will be due for transfer to the Investor Education and Protection Fund (IEPF) on or before 03/10/2018 pursuant to the provisions of the Companies Act, 2013.

MCA vide its Notification dated 05/09/2016 has notified Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 on 28/02/2017. Pursuant to the provisions of these Rules, 9985375 shares in respect of whom the dividend hasn't been claimed by the shareholders, has been credited to DEMAT Account of the Authority.

(xiv) Distribution of Shareholding as on 31/03/2018.

No. of Equity Shares held	No. of shareholders holding shares in		No. of shares held in		% of Equity capital held in	
	Physical Form	Demat Form	Physical Form	Demat Form	Physical Form	Demat Form
1 - 500	158311	188326	28587284	31310820	1.6311	1.7865
501 - 1000	665	10958	505400	8775702	0.0288	0.5007
1001 - 2000	117	4049	171255	6145241	0.0098	0.3506
2001 - 3000	14	1180	36900	3031329	0.0021	0.1730
3001 - 4000	5	495	17708	1778540	0.0010	0.1015
4001 - 5000	12	406	56450	1915970	0.0032	0.1093
5001 - 10000	11	531	80950	3864555	0.0046	0.2205
10001 & above	8	417	343200	1665977473	0.0196	95.0576
Total	**159143**	**206362**	**29799147**	**1722799630**	**1.7003**	**98.2997**

(xv) Shareholding Pattern as on 31/03/2018:

Particulars	No. of Shares	Percentage
Oil and Natural Gas Corporation Ltd.	1255354097	71.63
Hindustan Petroleum Corporation Ltd.	297153518	16.96
Resident Individuals	83491040	4.76
Non Resident Individuals	6857597	0.39
Domestic Companies	15704172	0.90
Foreign Inst. Investor / Foreign Portfolio Investor (Corporate) / Foreign Nationals	26933030	1.54
GIC & Subsidiaries/Banks/Foreign Bank & Financial Institutions/Insurance/Mutual Funds	53239108	3.04
Central/State Govt. Institutions	9988275	0.57
Trusts	1876786	0.11
Clearing Members	626367	0.04
Hindu Undivided Family	1374787	0.08
Total	**1752598777**	**100.00**

(xvi) Unclaimed/Undelivered Shares as on 31/03/2018:

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.	9479	1053975
2	Addition - Number of shareholders whose shares lying undelivered / unclaimed during the year (April, 2017 to March, 2018).	135	24890
3	Number of shareholders who approached the Company for their undelivered /unclaimed shares during the year and share issued.	78	14675
4	Shares transferred to IEPF Authority (Out of the pending RUD Cases)	42	5850
5	Aggregate number of shareholders and the outstanding shares in the "Unclaimed Share Suspense Account" lying at the end of the year.	9494	1058340
6	The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.		

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

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

(xix) Address for Correspondence:

Shri Dinesh Mishra
Company Secretary, Compliance Officer & Chief Investor Relation Officer

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

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

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

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

- M/s. LINK INTIME INDIA PVT LTD., (R&T Agent)
  UNIT: MRPL
  C 101, 247 Park,
  L.B.S Marg, Vikhroli West, Mumbai- 400 083
  Tel.: +91 22 49186270 Fax No.: +91 22 49186060
  E-mail: mrplirc@linkintime.co.in
  Website: www.linkintime.co.in

Board and Committee Composition as on 31st March, 2018

Name	Board	Audit	CSR	Nomination/ Remuneration Committee	Stakeholders Relationship Committee	Human Resource Management Committee	Project Appraisal and Execution Committee
Shri Shashi Shanker	C						
Shri H. Kumar	M					M	M
Shri M. Venkatesh	M					M	M
Shri A. K. Sahoo	M				M	M	M
Shri Vinod S. Shenoy	M						M
Shri K. M. Mahesh	M						
Shri Sanjay Kumar Jain	M						
Ms. Manjula C.	M	M	C	M	M	C	M
Shri V. P. Haran	M	C	M	M	M	M	M
Shri Sewa Ram	M	M	M	M	M	M	C
Dr. G. K. Patel	M	M	M	M	C	M	M
Shri Balbir Singh	M	M	M	C	M	M	M

C - Chairperson, M - Member

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members,
Mangalore Refinery and Petrochemicals Limited
Mangaluru

1. We have examined the compliance of conditions of Corporate Governance by Mangalore Refinery and Petrochemicals Limited for the year ended on 31st March 2018 as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 and as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India.

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

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

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

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

PERIOD	TOTAL NO. OF DIRECTORS	REQUIREMENT OF INDEPENDENT DIRECTOR	NO. OF INDEPENDENT DIRECTORS PRESENT
01.04.2017 - 07.09.2017	8	4	1
08.09.2017 - 31.03.2018	12	6	5

II. **Constitution of Committees of Board**

(a) **Audit Committee - Minimum three directors as members out of which Two-thirds shall constitute Independent directors.**

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

PERIOD	TOTAL NO. OF DIRECTORS MEMBERS	REQUIREMENT OF INDEPENDENT DIRECTOR	NO. OF INDEPENDENT DIRECTORS PRESENT
01.04.2017 - 25.10.2017	5	4	1

(b) **Nomination and Remuneration Committee – Minimum three directors as members out of which fifty percent shall constitute Independent directors.**

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

PERIOD	TOTAL NO. OF DIRECTORS MEMBERS	REQUIREMENT OF INDEPENDENT DIRECTOR	NO. OF INDEPENDENT DIRECTORS PRESENT
01.04.2017 - 25.10.2017	4	2	1

III. **In Audit Committee meetings held prior to 26.10.2017 the required quorum of independent directors was not satisfied.**

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

For **M/s. SREEDHAR, SURESH & RAJAGOPALAN**
Chartered Accountants
Firm Registration No. 003957S

Sd/-
CA.V. SURESH
PARTNER
M.NO: 026525

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

Sd/-
CA. MURALI MOHAN BHAT
PARTNER
M.NO: 203592

Place: New Delhi
Date: 15th May 2018

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 period ended 31st March 2018 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 2018,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 2018.

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

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

Sd/-
Shri A. K. Sahoo
Director (Finance) & CFO
DIN: 07355933

Sd/-
Shri H. Kumar
Managing Director & CEO
DIN: 06851988

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** : 2017 -18
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)*** : Petroleum and Petrochemicals

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

*As per NIC-2004-Ministry of Corporate Affairs

8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**
   - High Speed Diesel (HSD)
   - Motor Spirit (MS)
   - Aviation Turbine Fuel
9. **Total number of locations where business activity is undertaken by the Company** : 10

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

ii **Number of National Locations** :
- MRPL carries out its main business activities including manufacturing activities at one location namely Mangaluru in the State of Karnataka.
- MRPL carries out its Marketing activities from the Marketing Head Office located in Bengaluru. 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.
- 6 Retail Outlets, one each at Maddur, Hubli, Mandya and 3 are at Mangaluru in the State of Karnataka.
- 3 depots, one each at Kasargod (Kerala), Hindupur (Andhra Pradesh) and Hosur (Tamil Nadu).
- 1 Polypropylene (PP) warehouse at Hassan in the State of Karnataka.

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

SECTION B: FINANCIAL DETAILS (FY 2017-18)

1. **Paid up Capital** : ₹ 1,752 Crore
2. **Total Turnover** : ₹ 63067 Crore
3. **Profit After Tax (PAT)** : ₹ 2224 Crore
4. **Total Spending on Corporate Social Responsibility (CSR).**

   The Company has spent ₹ 10.30 Crores on CSR activities during the year 2017-18
5. **List the activities in which the CSR expenditures has been incurred.**

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

SECTION C: OTHER DETAILS

1 Subsidiary Company.

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

2 Participation of Subsidiary Company/Companies in the Business Responsibility (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, Director (Refinery) & Occupier

DIN : 07025342

b) Details of the BR head

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

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

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

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

Sl. No.	Questions	Business ethics	Product Responsibility	Well being of employees	Stakeholders engagement	Human Rights	Environment	Public policy	Corporate Social Responsibility	Customer Relations
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
5	**Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?**	Yes	The Board Committees oversee the compliance and implementation of the policy.	Yes	Yes The same is overseen by CSR and SD Committee	Yes	Yes The Company has an ORC/ HSE Committee to oversee the implementation of the Policy.	Yes. The Company has a number of Board Committees as detailed in Corporate Governance Report.	Yes	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/statutory-disclosure	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/csr	www.mrpl.co.in
7	**Has the policy been formally communicated to all relevant internal and external stakeholders?**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8	**Does the company have in-house structure to implement the policy/policies**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	**Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	**Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?**	The implementation of SEBI Listing Regulations, 2015 with regard to Corporate Governance is audited by the Statutory Auditors.	Yes	Yes	Yes	Yes	Yes ISO system Audits are in place.	Yes The Company being a CPSE is subject to C&AG Audit.	Yes	Yes

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

3. Governance related to BR

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

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

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

  Business Responsibility Report for 2017-18 as required by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of 30th Annual Report. The same is also available on the Company's website at www.mrpl.co.in/statutory-disclosure

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 115 investor complaints during the Financial Year 2017-18 of which 112 complaints have been resolved and 3 complaints were pending as on 31/03/2018 which were subsequently resolved.

Principle 2- Product Lifecycle Sustainability

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

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

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

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

a) As a part of continued efforts towards energy conservation, a number of Energy Conservation projects have been implemented during 2017-18 in the refinery. These measures resulted in Estimated Fuel savings (Standard Refinery Fuel equivalent) of 19635 SRFT/Year, equivalent to a net saving of nearly ₹ 4650 Lakhs/year, with an investment of nearly ₹ 4985 Lakhs.

b) Refinery has achieved the MBN (Mean Barrel No) of 77.06 during the year against the previous year's MBN of 79.61

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

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

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

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

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

The company has a well defined crude procurement procedure.

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

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

- An Advanced Waste water treatment plant commissioned with Sequential Batch Reactor (SBR), Membrane Bio Reactor (MBR), Ultra filtration (UF) and Reverse Osmosis (RO) to improve the quality of treated effluent thus help in maximizing the quantity of treated effluent recycle to cooling towers. In FY 2017-18, total 58% of treated effluent was recycled from WWTPs to cooling towers.
- Treated sewage water from Mangalore city being received in the refinery and after proper treatment, it is being routed to cooling tower.
- Anaerobic garbage treating biogas plant is installed for treating organic food wastes of MRPL Township and refinery canteen. By this, entire food wastes of township and refinery is bio-treated in an environment friendly plant and produced biogas being used in the canteen.
- Oily sludge generated in the refinery is being processed in Delayed Coker Unit (DCU) in batch operation. In FY 2017-18, approximately 640 MT of oily sludge was treated in Delayed Coker Unit (DCU).
- Used Catalyst (De-activated) sent to State Pollution Control Board (SPCB) Authorized Regenerator and regenerated catalyst is reused in the process unit.
- Spent lube oil generated is mixed with crude oil and re- processed in the refinery.
- Slop oil generated from process units as well as from WWTP is being processed along the Crude Oil.

Principle 3- Employee Well-being

1. Total number of employees

1916

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

2900 approx employees on contractual basis

3. Number of permanent women employees

129

4. Number of permanent employees with disabilities

28

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

Yes. The details are given below:

a) Management Staff Association (MSA)

b) MRPL Employees Union (MEU)

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

d) Women in Public Sector (WIPS)

e) MRPL OBC Employees Welfare Association (MOEWA)

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

100%

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

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

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

During the Year 2017-18, the Company devoted 3552.68 Mandays for training, development and learning, which amounts to 2.80 Mandays per employee for Management staff and 1.15 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 2017-18.

Principle 6- Environmental management

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

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

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

- Distribution of saplings in schools to spread awareness amongst students.
- Mass tree plantation as a part of Koti Vriksha Andolan carried out with active involvement of neighbouring villagers.
- Contribution to Karnataka Forest Department towards the plantation program.
- A Memorandum of Understanding (MoU) is made with M/s. Pilikula Nisarga Dhama for development of Greenbelt in another 30 acres land at Pilikula Biological Park. Total project covers total area of 50 acres in two stages. First stage i.e. plantation in 20 acres completed and second stage in 30 acres is in progress.

3. Identification and assessment of potential environmental risks.

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

4. Company's initiative towards Clean Development Mechanism?

Company has not applied for any projects under the Clean Development Mechanism as of now. However, company has been active in reducing its GHG emissions by implementing many energy conservation measures and reducing flaring. Following initiatives are taken up in the company:

a) Installed largest solar power project in a refinery site in the country with a total capacity of 6.063 MWp spread across 34 roof tops within the refinery premises.

b) Flare Gas Recovery System commissioned to recover Hydrocarbon Flare gas which is being put in fuel gas header for utilizing in process heaters.

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

a) Various Energy conservation measures / power saving measures are testimony to drastic fuel reduction in the Refinery, which reduced CO2 emissions to a large extent.

b) Largest solar power project in a refinery site in the country with a total capacity of 6.063 MWp spread across 34 roof tops within the refinery premises installed

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

d) Replacing street light fixtures by LED fixtures

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

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

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year 2017-18.

None

Principle 7- Public Advocacy

1. Representation in any trade and chamber or association.

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

1. Confederation of Indian Industry (CII)
2. Standing Committee on Public Enterprises (SCOPE)
3. Petroleum Conservation Research Association (PCRA)
4. National Accreditation Board of Testing and Calibration Laboratories (NABL)
5. Petroleum Federation of India (PETROFED)
6. Federation of Indian Export Organisations (FIEO)

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

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

Principle 8: Inclusive Growth.

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

MRPL has a CSR & SD Policy with a thrust on inclusive growth and community development. 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. Feedback is obtained from schools regarding improvement of attendance, academic performance of the students, improvements in extra-curricular activities of the students etc., to analyse the impact of the CSR projects on the beneficiary schools where construction of class rooms, science/ computer laboratories, toilets, distribution of scholarship, uniform, books, furniture like class room desks/ benches, computers etc., are taken up. Similarly, feedback on improvement of the living standard of the village residents is taken from the Grama Panchayaths, where various CSR projects are taken up such as construction of roads, installation of solar street lights, smoke free village, Pipe Compost, drinking water projects, Primary health centres etc.

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

An expenditure of ₹ 10.30 Crore has been incurred by MRPL during 2017-18 towards community development projects pertaining to Swach Bharath Abhiyaan, education, healthcare, rural development, livelihood support etc.

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

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

Principle 9: Value for Customers.

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

   Nil

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

   Packed product such as Polypropylene contains labeling with product information.

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

   Nil

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

   The customer satisfaction survey carried out on half yearly basis has shown customer satisfaction improvement from 96.35% in FY 2016-17 to 97.2% in FY 2017-18.

INDEPENDENT AUDITORS' REPORT

To the members of
MANGALORE REFINERY AND PETROCHEMICALS LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of MANGALORE REFINERY AND PETROCHEMICALS LIMITED ("the Company"), which comprises the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

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

Auditors' Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018 and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

a. The company has clear title/lease deeds for freehold and leasehold land except for the following

Description	Grouped Under	Area (in Acres)	Amount (₹ in Millions)	Reference in Financial Statement
Leasehold Land	Property, Plant & Equipment	30.97	36.56	Note 5
Leasehold Land	Capital Work in Progress	236.52	717.31	Note 6

In addition advance has been made to KIADB for 1,050 acres of land amounting to ₹ 6,946.81 million for Phase IV for which agreements are yet to be executed.

b. The company has written off trade receivables amounting to ₹ 472.34 million to settle long pending disputes between the company and Oil Marketing Companies (Indian Oil Corporation Ltd., Hindustan Petroleum Corporation Ltd. & Bharat Petroleum Corporation Ltd.) & Bangalore Metropolitan Transport Corporation with the approval of the Board of Directors. This amount is being expensed to the Statement of Profit and Loss. Refer Note Nos. 35- to the standalone Ind AS financial statements.

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

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

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

b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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

d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.

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

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

g. With respect to other matters to be included in the Auditor's Report in accordance with Rule11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements- Refer Note 45.1 and 45.2 to the standalone Ind AS financial statements;

ii. According to information and explanations given to us, the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

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

iv. Reporting on disclosures relating to Specified Bank Notes is not applicable for year ended March 31, 2018.

We refer to our Audit Report dated 15th May, 2018 already issued on the above referred Balance Sheet as on 31st March 2018, the Statement of Profit and Loss, Cash Flow Statement and the Statement of changes in equity. The said report is suitably amended to comply with the observations of Comptroller and Auditor General of India with respect to the Auditors Report. There have been no changes in the Balance Sheet as on 31st March 2018, the Statement of Profit and Loss, Cash Flow Statement and the statement of changes in equity referred in our earlier report dated 15th May, 2018.

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

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

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

Sd/-
CA. MURALI MOHAN BHAT
Partner
Membership no: 203592

Place: Chennai
Date: 29th June, 2018

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT – 31ST MARCH 2018

(Referred to in our report of even date)

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

b. All the assets have not been physically verified by the management during the year, but there is a regular programme of verification, which, in our opinion is reasonable having regard to the size of the Company and nature of its assets. As per the reports submitted by the Company, no material discrepancies have been noticed on such verification.

c. According to the information and explanation given to us and the records of the Company examined by us, the title deeds of immovable properties are held in the name of the Company except some leasehold land costing ₹ 753.87 Million which is in the possession of the company towards which formal lease deeds are yet to be executed. Refer Notes No-5 & 6 to the standalone Ind AS financial statements.

(ii) We are informed that the inventory of stores and spares are physically verified during the year by the management on a continuous basis as per programme of perpetual inventory. Inventories of other items have been physically verified at the year end. The frequency of the verification, in our opinion, is reasonable having regard to the size of the company and nature of its business. As per the reports submitted by the Company, no material discrepancies have been noticed on such verification.

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

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

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

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

(vii) a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Excise, Value Added Tax and other statutory dues applicable to it during the year with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Excise, Value Added Tax and other statutory dues outstanding as at 31st March, 2018 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, 2018 are given below.

NAME OF THE STATUTE	NATURE OF THE DUES	TOTAL DEMAND (₹ MILLIONS)	TOTAL AMT PAID UNDER PROTEST/ ADJUSTED (₹ MILLIONS)	AMOUNT NOT DEPOSITED (₹ MILLIONS)	PERIOD TO WHICH THE AMOUNT RELATES (FINANCIAL YEAR)	FORUM WHERE THE DISPUTE IS PENDING
The Karnataka Sales tax Act,1957/ Central Sales Act, 1956	Value Added Tax – Interest	4.80	2.48	2.32	2011-12	Karnataka High Court
	Value Added Tax – Penalty	1.69	Nil	1.69	2011-12	Karnataka High Court
Income Tax Act, 1961	Income Tax / Interest / Penalty	296.31	296.31	Nil	AY 1993-03	Bombay High Court
		10.93	10.93	Nil	AY 2003-04	Income Tax Appellate Tribunal – Mumbai
		362.49	362.49	Nil	AY 2008-09	Income Tax Appellate Tribunal – Mumbai
		1,014.82	1,014.82	Nil	AY 2009-10	Income Tax Appellate Tribunal – Mumbai
		126.72	126.72	Nil	AY 2008-09	Commissioner of Income Tax (Appeals) – Mangalore

NAME OF THE STATUTE	NATURE OF THE DUES	TOTAL DEMAND (₹ MILLIONS)	TOTAL AMT PAID UNDER PROTEST/ ADJUSTED (₹ MILLIONS)	AMOUNT NOT DEPOSITED (₹ MILLIONS)	PERIOD TO WHICH THE AMOUNT RELATES (FINANCIAL YEAR)	FORUM WHERE THE DISPUTE IS PENDING
The Customs Act, 1962	Custom Duty / Interest / Penalty	55.57	Nil	55.57	1997-2000	Supreme Court of India
		761.68	Nil	761.68	1997-2000	CESTAT – Bangalore
		2125.25	2125.25	Nil	2015-2017	DRI-Mumbai Zonal Unit
Central Excise Act, 1944	Central Excise Duty / Service Tax / Interest / Penalty	22.70	0.73	21.97	2012-13 to 2015-16	Commissioner (Appeals) – Belagavi
		4,199.50	131.90	4067.60	2002-03 to 2016-17	CESTAT – Bangalore
		1.87	1.87	Nil	2002-03 to 2015-16	Joint Secretary, MOF
		5.82	0.50	5.32	2010-11	Commissioner – Mangalore
		26.55	-	26.55	1996-97 to 2003-04	Supreme Court of India

(viii) According to the information and explanation given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowing to any bank or Government during the year. The Company did not have any outstanding dues to financial institutions or debenture holders during the year.

(ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. The Term loans borrowed were applied for the purpose for which they have been raised. However in respect of ECB Term loans raised during the earlier years there was some delay observed in the utilization of loans. The year wise drawls and utilisation are as given below

₹ in million

Year	Drawal	Utilisation	Balance as on 31st March
2011-12	2,550.38	1,910.38	640.00
2012-13	13,773.38	12,334.58	2,078.80
2013-14	20,944.64	7,162.39	15,861.05
2014-15	-	4,156.32	11,704.73
2015-16	-	3,626.31	8,078.42
2016-17	-	1,311.54	6,766.88
2017-18	-	3,807.55	-

As informed to us, the delay in utilization was on account of late submission of the bills, changes in project cost and reduction on account of levy of price reduction clause in final bills. Further during the year 2017-18 the unutilized balance of ₹ 2,959.33 million was prepaid by the company.

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

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

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

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

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

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

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

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

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

Place: Chennai
Date: 29th June, 2018

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

Sd/-
CA. MURALI MOHAN BHAT
Partner
Membership no: 203592

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT– 31ST MARCH 2018

(Referred to in our report of even date)

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

We have audited the internal financial controls over financial reporting of Mangalore Refinery and Petrochemicals Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

Other Matters

Since substantial transactions underlying the preparation of financial statements and its accounting are put through and generated using computer systems, an independent audit of Information Systems of the company is imperative to assure the confidentiality, integrity and availability of data used for financial reporting.

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

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

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

Sd/-
CA. MURALI MOHAN BHAT
Partner
Membership no: 203592

Place: Chennai
Date: 29th June, 2018

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in ₹ million unless otherwise stated)

A Equity share capital

Particulars	Amount
Balance as at April 1, 2016	**17,526.64**
Changes in equity share capital during the year	-
Balance as at March 31, 2017	**17,526.64**
Changes in equity share capital during the year	-
Balance as at March 31, 2018	**17,526.64**

B Other equity

Particulars	Deemed equity	Reserves and surplus				Total
		General reserve	Capital redemption reserve	Securities premium reserve	Retained earnings	
Balance as at April 1, 2016	**26.05**	**1,192.00**	**91.86**	**3,490.53**	**41,986.66**	**46,787.10**
Profit for the year	-	-	-	-	36,436.87	36,436.87
Remeasurement of the defined benefit plans, net of income tax	-	-	-	-	(50.34)	(50.34)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**36,386.53**	**36,386.53**
Addition during the year	**4.48**	**-**	**-**	**-**	**-**	**4.48**
Balance as at March 31, 2017	30.53	1,192.00	91.86	3,490.53	78,373.19	83,178.11
Profit for the year	-	-	-	-	22,241.23	22,241.23
Remeasurement of the defined benefit plans, net of income tax	**-**	**-**	**-**	**-**	**33.20**	**33.20**
Total comprehensive income for the year	-	-	-	-	22,274.43	22,274.43
Addition during the year	7.87	-	-	-	-	7.87
Payment of dividends (including corporate dividend tax)	-	-	-	-	(12,656.32)	(12,656.32)
Balance as at March 31, 2018	**38.40**	**1,192.00**	**91.86**	**3,490.53**	**87,991.30**	**92,804.09**

As per our report of even date attached

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

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

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

Sd/-
CA.MURALI MOHAN BHAT
Partner
Membership No. 203592

Place : New Delhi
Date : 15/05/2018

For and on behalf of the Board

Sd/-
H KUMAR
Managing Director
DIN: 06851988

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

Sd/-
DINESH MISHRA
Company Secretary

STANDALONE BALANCE SHEET AS AT MARCH 31, 2018

(All amounts are in ₹ million unless otherwise stated)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	5	140,251.54	141,581.42
(b) Capital work-in-progress	6	6,675.38	2,198.74
(c) Investment Property	7	77.96	-
(d) Goodwill	8	4.04	4.04
(e) Other intangible assets	9	49.56	20.40
(f) Financial assets			
(i) Investments	10	13,496.42	13,496.42
(ii) Loans	11	607.97	415.98
(iii) Others financial assets	12	94.83	68.74
(g) Non-current tax assets (net)	13	4,332.98	4,575.49
(h) Other non-current assets	14	12,048.74	7,685.76
Total non current assets (I)		**177,639.42**	**170,046.99**
II Current assets			
(a) Inventories	15	47,347.24	40,390.02
(b) Financial assets			
(i) Trade receivables	16	26,609.18	26,211.64
(ii) Cash and cash equivalents	17	4,403.53	2,331.66
(iii) Bank balances other than (ii) above	18	3,926.32	18,976.79
(iv) Loans	11	82.81	59.58
(v) Other financial assets	12	72.66	3,144.97
(c) Current Tax Assets (net)	13	281.21	-
(d) Other current assets	14	1,781.79	2,806.60
Sub-total current assets		**84,504.74**	**93,921.26**
Non-current assets held for sale	19	-	77.96
Total current assets (II)		**84,504.74**	**93,999.22**
TOTAL ASSETS (I+II)		**262,144.16**	**264,046.21**
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	20	17,526.64	17,526.64
(b) Other equity	21	92,804.09	83,178.11
Total equity (I)		**110,330.73**	**100,704.75**
LIABILITIES			
II Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	14,994.77	48,157.83
(ii) Other financial liabilities	23	-	-
(b) Provisions	24	434.10	596.67
(c) Deferred tax liabilities (net)	25	9,061.70	4,766.63
(d) Other non current liabilities	27	3,595.54	-
Total non current liabilities (II)		**28,086.11**	**53,521.13**
III Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	30,777.60	18,172.88
(ii) Trade payables	26	47,102.89	60,339.67
(iii) Other financial liabilities	23	39,710.43	26,203.10
(b) Other current liabilities	27	2,098.83	1,805.57
(c) Provisions	24	4,037.57	2,851.24
(d) Current tax liabilities	13	-	447.87
Total current liabilities (III)		**123,727.32**	**109,820.33**
IV Total liabilities (II+III)		**151,813.43**	**163,341.46**
TOTAL EQUITY AND LIABILITIES (I+IV)		**262,144.16**	**264,046.21**

See accompanying notes to the standalone financial statements (1-53)

As per our report of even date attached

For and on behalf of the Board

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

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

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

Sd/-
CA.MURALI MOHAN BHAT
Partner
Membership No. 203592

Sd/-
H KUMAR
Managing Director
DIN: 06851988

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

Sd/-
DINESH MISHRA
Company Secretary

Place : New Delhi
Date : 15/05/2018

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in ₹ million unless otherwise stated)

Particulars		Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I.	Revenue from operations	28	630,836.37	594,304.86
II.	Other income	29	2,045.72	4,232.01
III.	**Total income (I + II)**		**632,882.09**	**598,536.87**
IV.	**Expenses:**			
	Cost of materials consumed	30	432,481.63	374,887.61
	Changes in inventories of finished goods, stock-in-process and stock-in-trade	31	(7,667.19)	(2,883.03)
	Excise duty on sale of goods		146,330.58	162,226.14
	Employee benefits expense	32	4,173.45	3,520.06
	Finance costs	33	4,404.57	5,171.74
	Depreciation and amortisation expense	34	6,713.21	6,779.19
	Other expenses	35	12,679.90	9,493.87
	Total expenses (IV)		**599,116.15**	**559,195.58**
V.	**Profit before exceptional items and tax (III-IV)**		**33,765.94**	**39,341.29**
VI.	Exceptional items (income)/expenses (net)	36	258.90	(15,972.91)
VII.	**Profit before tax (V - VI)**		**33,507.04**	**55,314.20**
VIII.	Tax expense:			
	(1) Current tax	37		
	- Current year		6,995.74	11,853.78
	- Earlier years		(7.16)	-
	(2) Deferred tax	25	4,277.23	7,023.55
	Total tax expense (VIII)		**11,265.81**	**18,877.33**
IX.	**Profit for the year (VII - VIII)**		**22,241.23**	**36,436.87**
X.	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurement of the defined benefit plans		51.04	(76.99)
	(b) Income tax relating to above		(17.84)	26.65
	Total other comprehensive income (X)		**33.20**	**(50.34)**
XI.	**Total comprehensive income for the year (IX+X)**		**22,274.43**	**36,386.53**
XII.	Earnings per equity share:	38		
	(1) Basic (in ₹)		12.69	20.79
	(2) Diluted (in ₹)		12.69	20.79

See accompanying notes to the standalone financial statements (1-53)

As per our report of even date attached

For and on behalf of the Board

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

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

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

Sd/-
CA.MURALI MOHAN BHAT
Partner
Membership No. 203592

Sd/-
H KUMAR
Managing Director
DIN: 06851988

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

Sd/-
DINESH MISHRA
Company Secretary

Place : New Delhi
Date : 15/05/2018

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in ₹ million unless otherwise stated)

Particulars			Year ended March 31, 2018	Year ended March 31, 2017
A	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit after tax		**22,241.23**	**36,436.87**
	Adjustments for :			
	Tax expense		11,265.81	18,877.33
	Depreciation and amortisation expense		6,713.29	6,779.27
	Loss/ (profit) on sale of property, plant and equipment (net)		249.64	56.70
	Liability no longer required written back		(839.49)	(65.67)
	Impairment of doubtful trade receivables		-	302.80
	Write off of doubtful trade receivables		472.34	59.37
	Exchange rate fluctuation (net)		619.82	(1,565.83)
	Finance costs		4,404.57	5,171.74
	Interest income		(784.33)	(3,838.87)
	Dividend income		(142.48)	(262.86)
	Amortisation of prepayments		9.44	9.83
	Amortisation of deferred government grant		(164.20)	-
	Others		51.04	(76.99)
			44,096.68	**61,883.69**
	Movements in working capital :			
	- (Increase)/ decrease in trade and other receivables		(890.51)	(2,652.27)
	- (Increase)/ decrease in loans		(215.22)	(40.91)
	- (Increase)/ decrease in other assets		17,180.25	102,623.83
	- (Increase)/ decrease in inventories		(6,934.29)	(8,422.82)
	- Increase/ (decrease) in trade payable other liabilities		(10,994.74)	(150,732.13)
	Cash generated from operations		**42,242.17**	**2,659.39**
	Income taxes paid, net of refunds		(7,176.52)	(11,176.30)
	Net cash generated from / (used in) operations	(a)	**35,065.65**	**(8,516.91)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Payments for property, plant and equipment		(10,530.74)	(8,618.26)
	Proceeds from disposal of property, plant and equipment		(6.85)	1.59
	Interest received		796.93	5,402.93
	Dividend received from joint ventures		112.50	7.50
	Dividend received from investments in mutual fund		29.98	255.36
	Investment in joint venture companies		-	0.31
	Tax Paid on interest income		(58.74)	(416.30)
	Net cash generated from / (used in) investing activities	(b)	**(9,656.92)**	**(3,366.87)**

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in ₹ million unless otherwise stated)

Particulars			Year ended March 31, 2018	Year ended March 31, 2017
C	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Repayment of long term borrowings (refer note 47)		(18,481.57)	(12,855.78)
	Proceeds from short term borrowings, net (refer note 47)		12,179.24	18,494.45
	Finance costs paid		(4,378.21)	(4,964.30)
	Dividends and dividend tax paid on equity shares		(12,656.32)	-
	Net cash generated from / (used in) financing activities	(c)	**(23,336.86)**	**674.37**
	Net increase / (decrease) in cash and cash equivalents	(a+b+c)	**2,071.87**	**(11,209.41)**
	Cash and cash equivalents as at the beginning of the year		**2,331.66**	**13,541.07**
	Cash and cash equivalents as at the end of the year		**4,403.53**	**2,331.66**
			2,071.87	**(11,209.41)**

1 The above cash flow statement prepared under the "Indirect method" as set out in the Ind AS 7 "Cash flow statement".

2 Brackets indicate cash outflow.

See accompanying notes to the standalone financial statements (1-53)

As per our report of even date attached

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

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

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

Sd/-
CA.MURALI MOHAN BHAT
Partner
Membership No. 203592

Place : New Delhi
Date : 15/05/2018

For and on behalf of the Board

Sd/-
H KUMAR
Managing Director
DIN: 06851988

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

Sd/-
DINESH MISHRA
Company Secretary

Notes to the Standalone Financial Statements for the period ended March 31, 2018

(All amounts are ₹ in million unless otherwise stated)

1. Corporate information

Mangalore Refinery and Petrochemicals Limited ('MRPL' or 'the Company') is a Central public sector enterprise domiciled and incorporated in India having its registered office at Mudapadav, Kuthethoor P.O. via Katipalla, Mangaluru, Karnataka -575030. The Company's equity shares are listed and traded on BSE Limited and National Stock Exchange Limited, stock exchanges. The Company is engaged in the business of refining of crude oil. The Company is a subsidiary of Oil and Natural Gas Corporation Limited which holds 71.63% equity shares.

2. Application of new and revised Indian Accounting Standards

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

2.1. **(a) New and amended standards and interpretations**

The Company applied for the first time following amendment to the Ind AS which are effective for annual periods beginning on or after 1 April 2017. The nature and the impact of the amendments are described below:

Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative

The amendment requires entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for both the current and the comparative period in Note 47.

(b) Recent accounting pronouncements

(i) New Indian Accounting Standard (Ind AS) issued but not yet effective

Ind AS 115 'Revenue from Contracts with Customers' was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognised when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

(ii) Amendments to Indian Accounting Standards (Ind AS) issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standards:

Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. The Company is evaluating the requirements of these amendments and the effect on the financial statements is being evaluated.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration. Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendments to Ind AS 40 - Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest

in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale. These amendments are not applicable to the Company.

Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 April 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

3. Significant accounting policies

3.1. Statement of compliance

"These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time."

3.2. Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act ,2013.

The financial statements are presented in Indian Rupees and all values are rounded to the nearest two decimal million except otherwise stated.

Fair Value measurement.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

(a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

(c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

3.3. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to Company's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss.

3.4. Investments in subsidiaries and joint ventures

3.4.1 The Company records the investments in subsidiaries and joint ventures at cost less impairment, if any.

3.4.2 After initial recognition, the Company determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a subsidiary, or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Company's investment in a subsidiary or a joint venture.

3.4.3 When necessary, the cost of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any reversal of impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

3.4.4 Upon disposal of investment in a subsidiary, or a joint venture, a gain or loss is recognised in the Statement of profit or loss and is calculated as the difference between

(a) The aggregate of the fair value of consideration received and

(b) The previous carrying amount of the investment in a subsidiary, or a joint venture.

3.5. Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

3.6. Revenue Recognition

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

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

3.6.3. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition).

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

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

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

3.6.7. Excise duty is presented as expense in the statement of profit and loss. Excise duty in respect of difference between closing and opening stock of excisable goods is included under "Other Expenses".

3.7. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leasehold lands where the ownership of the land will not be transferred to Company at the end of lease period are classified as operating leases. Upfront operating lease payments are recognized as prepayments and amortised on a straight-line basis over the term of the lease. Leasehold lands are considered as finance lease where ownership will be transferred to the Company as at the end of lease period. Such leasehold lands are presented under property, plant and equipment and not depreciated.

3.8. Foreign currencies

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated using closing exchange rate prevailing on the last day of the reporting period.

Exchange difference arising in respect of long term foreign currency monetary items is recognised in the statement of profit and loss except for the exchange difference related to long term foreign currency monetary items those were recognized as at March 31, 2016, in so far as, they relate to the acquisition of depreciable assets, are adjusted against the cost of such assets and depreciate the said adjustment, over the balance life of asset.

3.9. Borrowing Costs

Borrowing costs specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged in the statement of profit and loss.

3.10. Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in statement of profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.11. Employee Benefits

Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, post-employment medical benefits and resettlement allowances.

Defined contribution plans

Employee benefit under defined contribution plans comprising of provident fund and superannuation fund are recognized based on the amount of obligation of the Company to contribute to the plan. The same is paid to a Provident Fund Trust authorities and to Life Insurance Corporation of India respectively, which are expensed during the year.

Defined benefit plans

Defined retirement benefit plans comprising of gratuity, post-retirement medical benefits and other long-term retirement benefits, which are recognized based on the present value of defined benefit obligation and is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted as current employee cost or included in cost of assets as permitted.

Net interest on the net defined liability is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset and is recognized in the statement of profit and loss except those included in cost of assets as permitted.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above),are recognised in other comprehensive income except those included in cost of assets as permitted in the period in which they occur and are not subsequently reclassified to profit or loss.

The Company contributes all ascertained liabilities with respect to Gratuity to the MRPL's Gratuity Fund Trust (MGFT). Other defined benefit schemes are un-funded.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from the actuarial calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) In case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

3.12. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred taxes are recognised in respect of temporary differences which originate during the tax holiday period but reverse after the tax holiday period. For this purpose, reversal of temporary difference is determined using first in first out method.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.13. Property, plant and equipment (PPE)

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses if any. Freehold land is not depreciated.

PPE in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. The cost of an asset comprises its purchase price or its construction cost (net of applicable tax credits) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management. It includes professional fees and borrowing costs for qualifying assets capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Parts of an item of PPE having different useful lives and material value as assessed by management and subsequent capital expenditure on Property, Plant and Equipment are accounted for as separate components.

PPE are stated at cost less accumulated depreciation and accumulated impairment losses if any.

Depreciation of PPE commences when the assets are ready for their intended use.

Depreciation is provided on the cost of PPE (other than freehold land and properties under construction) less their residual values over their useful lives, using Straight Line Method, over the useful life of component of various Assets as specified in Schedule II to the Companies Act, 2013, except in case of certain components of the Plant and Equipment whose useful lives are determined based on technical evaluation and the useful life considered under Company's policy for the employee's vehicle and furniture scheme.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Expenditure on overhaul and repairs on account of planned shutdown which are of significant value (5% of the value of particular assets) is capitalized as component of relevant items of PPE and is depreciated over the period till next shutdown on straight line basis. Catalyst whose life is more than one year is capitalised as property, plant and equipment and depreciated over the guaranteed useful life as specified by the supplier when the catalyst is put to use.

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

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

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions except low value items not exceeding ₹ 5,000/- (other than company purchase scheme for employees) which are fully depreciated at the time of addition.

Estimated useful lives of the assets are as follows:

Sr. No.	Particulars	Useful lives (in years)
1.	Buildings	1-60
2.	Plant and equipment – catalysts	2-10
3.	Plant and equipment – computers	3-7
4.	Plant and equipment – continuous process plant not covered under specific industries (Triple shift)	7.5
5.	Plant and equipment – electrical/ lab/ canteen/ school	10
6.	Plant and equipment – instrumentation items/ DCS/ hospital/ others	15
7.	Plant and equipment – refinery assets	25
8.	Plant and equipment – pipelines/ SPM/ offshore component/ civil structure	30
9.	Plant and equipment – power plant	40
10.	Office equipment	5
11.	Furniture and fixtures	6-10
12.	Vehicles	4-8

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

An item of property, plant and equipment is derecognised upon disposal, replacement or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.14. Intangible assets

3.14.1. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses if any.

3.14.2.Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

3.14.3. Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Sr. No.	Particulars	Useful lives (in years)
1.	Computer software	3-10
2.	Licence and franchise	3

3.15. Impairment of tangible and intangible assets other than goodwill

The Company reviews the carrying amounts of its intangible assets and Property, plant and equipment (including capital works-in-progress) of a "Cash Generating Unit" (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-

tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

An assessment is made annually as to see if there are any indications that impairment losses recognized earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the statement of profit and loss.

3.16. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit after tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities

3.17. Research and Development expenditure

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

3.18. Inventories

Inventories are valued at lower of cost and net realizable value. Cost of inventories comprises of purchase cost and other costs incurred in bringing inventories to their present location and condition. The cost has been determined as under:

Raw material	On First in First out (FIFO) basis
Finished products	At Raw material, Conversion cost and excise duty
Stock-in-trade	On weighted average cost basis
Stock-in-process	At Raw material and Proportionate Conversion cost.
Stores and spares	On weighted average cost basis

3.19. Provisions, Contingent Liabilities and Contingent Assets.

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent assets are disclosed in the financial statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

3.20. Financial instruments

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.21. Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both selling financial assets and collecting contractual cash flows, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iv) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

(v) Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

(vi) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

3.22. Financial liabilities and equity instruments

3.22.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received. Incremental costs directly attributable to the issuance of new ordinary equity shares are recognized as a deduction from equity, net of tax effects.

3.22.2 Financial liabilities

a) Financial Guarantee

When the Company receives financial guarantee from its holding company, initially it measures guarantee fees at the fair value. The Company records the initial fair value of fees for financial guarantee received as "Deemed Equity" from holding company with a corresponding asset recorded as prepaid guarantee charges. Such deemed equity is presented under the head 'other equity' in the balance sheet. Prepaid guarantee charges are recognized in statement of profit

and loss over the period of financial guarantee received.

b) Financial liabilities subsequently measured at amortised cost

Financial liabilities are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

c) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

3.23. Insurance Claims

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

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

As and when claims are finally received from the insurance company, the difference, if any, between the claim receivable from insurance company and claims received is adjusted to statement of profit and loss.

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

3.24. Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

4. Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

Inherent in the application of many of the accounting policies used in preparing the financial statements is the need for management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of judgments, assumptions and estimation uncertainty in the preparation of the financial statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of useful lives of property, plant and equipment, employee benefit obligations, provision for income tax and measurement of deferred tax assets.

4.1. Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations (Refer note 4.2), that the Management have made in the process of applying the Company's accounting policies and that have the significant effect on the amounts recognized in the Financial Statements.

(a) Determination of functional currency

Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (₹) in which the company

primarily generates and expends cash. Accordingly, the management has assessed its functional currency to be Indian Rupee (₹).

4.2. Assumptions and key sources of estimation uncertainty

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

a) Useful lives of property, plant and equipment and intangible assets

Management reviews its estimate of the useful lives of PPE and intangible assets at each reporting date, based on the future economic benefits expected to be consumed from the assets.

b) Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

c) Provision for income tax

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

d) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties.

e) Impairment of investment in subsidiary

As at March 31, 2018, the Company has carrying amount of ₹ 13,346.23 million (As at March 31, 2017: ₹ 13,346.23 million) for equity investment made in ONGC Mangalore Petrochemicals Limited (OMPL). OMPL started its operations in the year 2014-15 as a Greenfield project and expected to incur losses during initial phase. The Company has been incurring losses since it started its operations which requires the management to assess impairment of its investment in OMPL.

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, 2018.

5. Property, plant and equipment

Carrying amount of:	As at March 31, 2018	As at March 31, 2017
Freehold lands	17.65	17.65
Leasehold lands (refer note a and b below)	253.46	253.26
Buildings	3,432.61	2,893.52
Plant and equipment (refer note c below)	136,230.69	138,073.07
Furniture and fixtures	283.44	311.49
Vehicles	17.23	18.47
Office equipment	16.46	13.96
Total	**140,251.54**	**141,581.42**

Gross Carrying Amount	Freehold lands	Leasehold lands	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Balance as at April 1, 2016	**17.65**	**253.26**	**2,601.17**	**152,886.85**	**109.60**	**17.67**	**24.73**	**155,910.93**
Add: Additions	-	-	581.16	(1,233.24)	251.94	7.76	-	(392.38)
Less: Disposal / adjustments / transfer of assets	-	-	-	56.51	0.61	0.02	1.16	58.30
Balance as at March 31, 2017	**17.65**	**253.26**	**3,182.33**	**151,597.10**	**360.93**	**25.41**	**23.57**	**155,460.25**
Add: Additions	-	0.20	696.27	4,891.58	12.99	3.75	7.91	5,612.70
Less: Disposal / adjustments / transfer of assets	-	-	-	390.93	1.67	1.47	0.58	394.65
Balance as at March 31, 2018	**17.65**	**253.46**	**3,878.60**	**156,097.75**	**372.25**	**27.69**	**30.90**	**160,678.30**

Accumulated depreciation	Freehold lands	Leasehold lands	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Balance as at April 1, 2016	**-**	**-**	**136.70**	**6,943.86**	**15.43**	**3.32**	**5.25**	**7,104.56**
Add: Depreciation expense	-	-	152.11	6,580.17	34.01	3.62	4.36	6,774.27
Balance as at March 31, 2017	**-**	**-**	**288.81**	**13,524.03**	**49.44**	**6.94**	**9.61**	**13,878.83**
Add: Depreciation expense	-	-	157.18	6,492.35	40.70	4.17	5.39	6,699.79
Less: Disposal / adjustments / transfer of assets	-	-	-	149.32	1.33	0.65	0.56	151.86
Balance as at March 31, 2018	**-**	**-**	**445.99**	**19,867.06**	**88.81**	**10.46**	**14.44**	**20,426.76**

a) These leasehold lands are considered as finance lease in nature as the ownership will be transferred to the Company at the end of the lease period . These leasehold lands are not depreciated.

b) Leasehold lands includes land amounting to ₹ 36.56 million (As at March 31, 2017 ₹ 28.82 million), which is in possession of the Company towards which formal lease deeds are yet to be executed.

c) Plant and equipment include ₹ 39.15 million (As at March 31, 2017 ₹ 39.15 million) being Company's share of an asset jointly owned with another company.

5.1. Property plant and equipment pledged as security:

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

of hypothecation of Company's stocks of raw material , finished goods, stock-in-process, stores, spares, components, trade receivables, outstanding money receivables, claims, bills, contract, engagements, securities both present and future and further secured by second ranking pari passu charge over Companies movable and immovable property, plant and equipment both present and future **(Refer note 22)**.

5.2 Foreign exchange differences capitalised

Additions to property, plant and equipment includes ₹ 27.28 million (For the year ended March 31, 2017 ₹ (766.49) million) in relation to foreign exchange differences. Asset class wise addition details are disclosed below:

Year	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Asset class	**Exchange differences**	**Exchange differences**
Buildings	0.28	(7.97)
Plant and equipment	27.00	(758.52)
Total	**27.28**	**(766.49)**

5.3 During the year, the Company has prepaid unutilised External Commercial Borrowings of ₹ 2,959.33 million. Consequent to the same, the Borrowing costs (net of interest income) and exchange rate variation amounting to ₹ 25.57 million (net) has been adjusted against the Property plant and equipment during the current year.

5.4 The Company is eligible for certain economic benefits such as exemptions from entry tax, custom duty, etc. on import/ local purchase of capital goods in earlier years. The Company has accounted benefits received for custom duty and entry tax on purchase of property, plant and equipment as government grants. In the current year, the Company has adjusted the cost of property, plant and equipment as at April 1, 2017 and credited deferred government grant amounting to ₹ 3,618.21 million. The deferred government grant is amortised over the remaining useful life of the property, plant and equipment.

6. Capital work-in-progress (CWIP)

Cost	**As at March 31, 2018**	**As at March 31, 2017**
Leasehold land **(refer note 6.2 below)**	717.86	717.86
Buildings	1,267.95	352.25
Plant and equipment	4,671.98	1,128.63
Software	17.59	-
Total	**6,675.38**	**2,198.74**

6.1 Additions to CWIP includes borrowing costs amounting to ₹ 13.45 Million (For the year ended March 31, 2017 ₹ Nil) and allocated to different class of assets. The rate used to determine the amount of borrowing costs eligible for capitalisation was 6.24% (For the year ended March 31, 2017 was nil) which is the effective interest rate on borrowings.

6.2 Leasehold lands includes land amounting to ₹ 717.31 million (As at March 31, 2017 ₹ 717.31 million), which is in possession of the Company towards which formal lease deeds are yet to be executed.

7 Investment Property

Carrying amount of:	As at March 31, 2018	As at March 31, 2017
Freehold land	77.96	-
Total	**77.96**	**-**

Gross Carrying Amount	Amount
Balance as at April 1, 2016	**-**
Add: Additions	-
Less: Disposals/ adjustments / transfer	**-**
Balance as at March 31, 2017	**-**
Reclassification from asset held for sale	77.96
Add: Additions	-
Less: Disposals/ adjustments / transfer	**-**
Balance as at March 31, 2018	**77.96**

Accumulated depreciation and impairment	Amount
Balance as at April 1, 2016	**-**
Add: Depreciation expense	-
Less: Eliminated on disposal / adjustment / transfer	**-**
Balance as at March 31, 2017	**-**
Add: Depreciation expense	-
Less: Eliminated on disposal / adjustment / transfer	-
Balance as at March 31, 2018	**-**
Balance as at March 31, 2018	**-**

a The Company classified freehold land measuring 102.31 acres as "Current assets- Non-current assets held for sale" based on the Board's approval in 2007. During the current year, the Company has reclassified the aforesaid land as "Non-current assets- Investment Property" based on the Board decision to hold the aforesaid land for capital appreciation

b The fair value of the freehold land is ₹ 255.80 million as at March 31, 2018 as per valuation carried out by independent valuer.

8 Goodwill

Particulars	Amount
Balance as at April 1, 2016	**4.04**
Less: Impairment	-
Balance as at March 31, 2017	**4.04**
Less: Impairment	-
Balance as at March 31, 2018	**4.04**

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

9. Other intangible assets

Carrying amount of:	As at March 31, 2018	As at March 31, 2017
Computer software	49.56	20.40
Total	**49.56**	**20.40**

Gross Carrying Amount	Amount
Balance as at April 1, 2016	**1.38**
Add: Additions	24.49
Less: Disposals/ adjustments / transfer	
Balance as at March 31, 2017	**25.87**
Add: Additions	42.58
Less: Disposals/ adjustments / transfer	-
Balance as at March 31, 2018	**68.45**

Accumulated amortisation	Amount
Balance as at April 1, 2016	**0.57**
Add: Amortisation expense	4.90
Less: Eliminated on disposal / adjustment / transfer	-
Balance as at March 31, 2017	**5.47**
Add: Amortisation expense	13.42
Less: Eliminated on disposal / adjustment / transfer	-
Balance as at March 31, 2018	**18.89**

10. Investments

10.1 Investments in equity instruments

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number in million	Amount	Number in million	Amount
(Unquoted Investments (all fully paid up)				
(i) Investments in subsidiary				
ONGC Mangalore Petrochemicals Limited (at cost) (Face value of ₹ 10 per share)	957.62	13,346.23	957.62	13,346.23
(ii) Investments in joint ventures				
Shell MRPL Aviation Fuels and Services Limited (at cost) (Face value of ₹ 10 per share)	15.00	150.00	15.00	150.00
(iii)Investments				
Mangalam Retail Services Limited (at fair value) (Face value of ₹ 10 per share)"	0.02	0.19	0.02	0.19
Total investments		**13,496.42**		**13,496.42**
Aggregate carrying value of unquoted investments		13,496.42		13,496.42
Aggregate amount of impairment in value of investments		-		-

10.1.1 Restrictions on disinvestment of share in ONGC Mangalore Petrochemicals Limited are subject to the approval of the Board of Oil and Natural Gas Corporation Limited.

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

10.1.3 **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, 2018	As at March 31, 2017
ONGC Mangalore Petrochemicals Limited	Petrochemicals	India	51.00%	51.00%

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

10.1.4 **Details of joint ventures**

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, 2018	As at March 31, 2017
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 ventures.

10.1.5 **Details of investments**

Name of the Company	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Company	
			As at March 31, 2018	As at March 31, 2017
Mangalam Retail Services Limited (MRSL)	Distribution of petroleum products through retail outlet and transport terminal	India	18.98%	18.98%

During the financial year 2016-2017, the Company sold 31% equity stake in MRSL which resulted in loss of joint control over MRSL. As at March 31, 2018 the investment in MRSL has been measured at fair value through profit or loss. The management has considered the fair value (level 3 heirarchy) of such investment equivalent to the carrying amount as at reporting period.

11. Loans

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
(a) Deposits				
With related Party:	12.68	-	12.68	-
With customers				
- Considered doubtful	-	-	-	4.40
Less: Impairment for doubtful deposits	-	-	-	4.40
	-	-	-	-
With vendors	118.76	3.65	100.42	4.98
	131.44	**3.65**	**113.10**	**4.98**
(b) Loans to employees	475.17	79.68	301.89	55.17
Less: Impairment for doubtful loans	-	0.81	-	0.81
	475.17	**78.87**	**301.89**	**54.36**
(c) Loans to directors and other officers	1.36	0.29	0.99	0.24
Total (a+b+c)	**607.97**	**82.81**	**415.98**	**59.58**

12. Others financial assets

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
(a) Interest accrued on employee loans/directors and other officers	94.83	0.93	68.74	0.42
(b) Interest accrued but not due on bank deposits	-	71.73	-	111.23
(c) Claims receivable from insurance company	-	-	-	0.05
(d) Receivable from other	-	-	-	3,033.27
Total (a+b+c+d)	**94.83**	**72.66**	**68.74**	**3,144.97**

13. Tax assets/ (liabilities)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
Tax assets (Advance tax)	47,350.29	7,276.95	45,296.13	-
Less: Provision for current tax liabilities	44,915.75	6,995.74	44,714.92	447.87
Net tax assets / (liabilities) (a)	**2,434.54**	**281.21**	**581.21**	**-447.87**
Income tax paid under dispute (b)	**1,898.44**	**-**	**3,994.28**	**-**
Total (a+b)	**4,332.98**	**281.21**	**4,575.49**	**(447.87)**

14. Other assets

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
(i) Capital advances				
- To related party	987.11	-	980.61	-
- To Others	8,159.36	-	5,938.05	-
	9,146.47	**-**	**6,918.66**	**-**
(ii) Deposits (refer note 14.1)				
with Customs/Port Trusts, etc.	**2,503.98**	**-**	**378.73**	**-**
(iii) Advance recoverable in kind				
from related parties	-	136.02	-	117.59
from others	-	394.87	-	1,020.15
	-	**530.89**	**-**	**1,137.74**
(iv) Balance with government authorities	**-**	**1,171.87**	**-**	**1,566.97**
(v) Prepayments				
Leasehold land	6.65	0.08	6.73	0.08
Others	391.64	78.04	381.64	100.90
	398.29	**78.12**	**388.37**	**100.98**
(vi) Gold coins	**-**	**0.91**	**-**	**0.91**
Total	**12,048.74**	**1,781.79**	**7,685.76**	**2,806.60**

14.1 Includes amounts paid under protest.

15. Inventories

Particulars	As at March 31, 2018		As at March 31, 2017	
	Amount	Total	Amount	Total
Raw materials				
(a) on hand	13,068.12		13,162.94	
(b) In transit	5,649.07	18,717.19	6,938.24	20,101.18
Stock-in-process		6,349.40		4,517.38
Finished goods and Stock-in-trade	18,299.45		12,464.28	
Less: Allowance for stock loss	5.91	18,293.54	5.91	12,458.37
Stores and spares				
(a) on hand	3,990.98		3,272.12	
(b) In transit	58.68		126.45	
Less : Impairment for slow/non-moving inventories	62.55	3,987.11	85.48	3,313.09
Total		**47,347.24**		**40,390.02**

15.1 The cost of inventories (cost of sales) recognised as an expense during the year was ₹ 442,827.35 million (For the year ended March 31, 2017 ₹ 385,732.81 million).

15.2 During the year, the Company has changed inventory valuation method of Stock-in-trade from FIFO to weighted average method and the impact of the same is not material.

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

16. Trade receivables

Particulars	As at March 31, 2018	As at March 31, 2017
Secured **(Refer note 16.4 below)**		
- Considered good	434.78	363.08
Unsecured		
- Considered good **(Refer note 16.6 below)**	26,174.40	25,848.56
- Considered doubtful	973.61	1,714.71
Less: Impairment for doubtful receivables	973.61	1,714.71
Total	**26,609.18**	**26,211.64**

16.1 Generally, the Company enters into long-term sales arrangement with Oil Marketing Companies for domestic sales besides export of products through term contracts and spot international tenders and supplies to SEZ customers. The average credit period on sales ranges from 7 to 45 days. 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 over the applicable bank rate on the outstanding balance.

16.2 Of the trade receivables, balance as at March 31, 2018 of ₹ 24,116.77 million (As at March 31, 2017 ₹ 24,308.83 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, 2018	As at March 31, 2017
Customer 1	5,369.28	6,239.93
Customer 2	8,841.62	9,070.12
Customer 3	3,167.89	3,425.16
Customer 4	1,754.77	1,903.24
Customer 5	2,353.39	1,695.95
Customer 6	2,629.82	-
Customer 7	-	1,974.43
Total	**24,116.77**	**24,308.83**

16.3 Usually, the Company collects all receivables from its customers within the applicable credit period. The Company assesses impairment on trade receivables from all the customers on facts and circumstances relevant to each transaction.

16.4 Secured by bank guarantees received from customers.

16.5 The Company has concentration of credit risk due to the fact that the Company has significant receivables from customers mentioned in **note 16.2,** however these customers are reputed and creditworthy.

16.6 Includes share of costs receivable from Oil Marketing Companies, valued on fair estimate basis at the end of each year and is subject to finalisation of settlements.

16.7 Age of Trade receivables:

Particulars	As at March 31, 2018	As at March 31, 2017
Within the credit period	26,011.20	25,958.23
1-30 days past due	455.17	276.24
31-90 days past due	103.13	135.07
More than 90 days past due	1,013.29	1,556.81
Total	**27,582.79**	**27,926.35**

16.8 Movement of Impairment for doubtful receivables

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of the year	1,714.71	1,468.95
Add: Additions/ (Deletion) in expected credit loss allowance	-	302.80
Less: Write back during the year	273.17	-
Less: Reclassification/ Other adjustments	467.93	57.04
Balance at end of the year	**973.61**	**1,714.71**

17. Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks		
Current accounts	3.85	0.95
Bank deposits with original maturity upto 3 months	4,397.50	2,330.00
Cash on hand	2.18	0.71
Total	**4,403.53**	**2,331.66**

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

(All Amount in ₹)

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

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

18. Other bank balances

Particulars	As at March 31, 2018	As at March 31, 2017
Bank deposits with original maturity more than 3 months upto 12 months **[Refer note 18.1]**	880.00	2,755.46
Other bank deposits under lien	2,820.10	9,370.60
Unclaimed interest on debentures account **[Refer note 18.2]**	0.01	0.01
Unclaimed dividend account **[Refer note 18.3]**	216.10	74.70
Restricted bank balance **[Refer note 18.4]**	-	6,766.88
Restricted bank balance for employee benevolent fund	10.11	9.14
Total	**3,926.32**	**18,976.79**

18.1 Bank deposits maintained by the Company with banks comprise time deposits, which can be withdrawn at any point of time without prior notice or penalty on the principal.

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

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

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

19. Non-current assets held for sale

Particulars	As at March 31, 2018	As at March 31, 2017
Freehold land **[Refer Note 7(a)]**	-	77.96
Others **[Refer note 19.1]**	-	-
Total	**-**	**77.96**

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

20 Equity share capital

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised share capital:		
2,900,000,000 Equity shares of ₹ 10 each	**29,000.00**	**29,000.00**
(as at March 31, 2017: 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, 2017: 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, 2017: 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, 2017: 1,752,598,777 Equity shares of ₹10 each)		
Add: Shares forfeited **[Refer Note 20.5]**	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, 2016	**1,752.59**	**17,525.99**
Changes during the year	-	-
Outstanding as at March 31, 2017	**1,752.59**	**17,525.99**
Changes during the year	-	-
Outstanding as at March 31, 2018	**1,752.59**	**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 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, 2018		As at March 31, 2017	
	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	-	-

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, 2018		As at March 31, 2017	
	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, 2017: 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, 2018	As at March 31, 2017
(a)	Deemed equity **[Refer note 3.22.2 (a)]**	38.40	30.53
(b)	Reserves and surplus		
	Capital redemption reserve	91.86	91.86
	Securities premium reserve	3,490.53	3,490.53
	General reserve	1,192.00	1,192.00
	Retained earnings	87,991.30	78,373.19
	Total	**92,804.09**	**83,178.11**

Particulars			As at March 31, 2018	As at March 31, 2017
(a)	**Deemed equity [Refer Note 21.1]**			
	Balance at beginning of the year		30.53	26.05
	Add: Transfer during the the year		7.87	4.48
	Balance at end of the year		**38.40**	**30.53**
(b)	**Reserves**			
	(i)	**Capital redemption reserve [Refer Note 21.2]**		
		Balance at beginning of the year	91.86	91.86
		Transfer during the year	-	-
		Balance at end of the year	**91.86**	**91.86**
	(ii)	**Securities premium reserve [Refer Note 21.3]**		
		Balance at beginning of the year	3,490.53	3,490.53
		Transfer during the year	-	-
		Balance at end of the year	**3,490.53**	**3,490.53**
	(iii)	**General reserve [Refer Note 21.4]**		
		Balance at beginning of the year	1,192.00	1,192.00
		Add: Transfer from retained earnings	-	-
		Balance at end of the year	**1,192.00**	**1,192.00**
	(iv)	**Retained earnings**		
		Balance at beginning of the year	78,373.19	41,986.66
		Profit after tax for the year	22,241.23	36,436.87
		Other comprehensive income for the year, net of income tax	33.20	(50.34)
		Payment of Dividends	(10,515.59)	-
		Tax on Dividends	(2,140.73)	-
		Balance at end of the year	**87,991.30**	**78,373.19**

21.1 The amount of ₹ 38.40 million (Previous year ₹ 30.53 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 reserve 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 profit or 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.

In respect of the year ended March 31, 2018, the Board of Directors has proposed a final dividend of ₹ 3/- per share to be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 5,257.80 million and the dividend distribution tax thereon amounts to ₹ 1,080.76 million.

22. Borrowings

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
Secured – at amortised cost				
Term Loans:-				
From banks				
External commercial borrowing (ECB)	-	-	27,932.30	-
[Refer note 22.1]				
From others				
Loan from Oil Industry Development Board (OIDB)	-	-	750.00	-
[Refer note 22.2]				
Deferred payment liabilities - VAT Loan	169.24	-	-	-
[Refer note 22.3]				
Working capital loan from banks	-	143.00	-	5,201.88
[Refer note 22.4]				
Unsecured – at amortised cost				
Term loan :-				
From related party				
Oil and Natural Gas Corporation Limited (ONGC)	11,999.70	-	18,856.90	-
[Refer note 22.5]				
From others				
Deferred payment liabilities - CST	218.63	-	618.63	-
[Refer note 22.6]				
Foreign Currency Term Loan (FCTL)	2,607.20	-		
[Refer note 22.7]				
Working capital loan from banks				
Foreign currency non repatriable loan (FCNR)	-	16,295.00	-	12,971.00
[Refer note 22.8]				
Buyers Credit and Pre/Post Shipment Export Credit	-	14,339.60	-	-
[Refer note 22.9]				
Total	**14,994.77**	**30,777.60**	**48,157.83**	**18,172.88**

22.1 External commercial borrowing (ECB)

22.1.1 ECB taken by the Company are USD denominated loans and carries variable rate of interest which is six month Libor plus spread. These are secured by first pari passu charge over immovable property, plant and equipment and first ranking pari passu charge over movable property, plant and equipment both present and future.

22.1.2 ₹ 25,722.08 million (As at March 31, 2017 of ₹ 9,945.16 million) is repayable within one year and the same has been shown as "Current maturities of long term debts (secured)" under **Note 23**.

22.1.3 Repayment schedule of ECB is as follows:

Year of repayment (refer note 22.10 below)	As at March 31, 2018	As at March 31, 2017
2017-18	-	10,052.53
2018-19	25,746.10	26,509.48
2019-20	-	972.83
2020-21	-	486.41
Total	**25,746.10**	**38,021.25**

22.2 Loan from Oil Industry Development Board (OIDB)

22.2.1 Loan from OIDB taken by the Company carries fixed rate of interest. These are secured by first pari passu Charge over immovable property, plant and equipment and first ranking pari passu Charge over movable property, plant and equipment both present and future.

22.2.2 ₹ 750.00 million (As at March 31, 2017 of ₹ 1,750.00 million) is repayable within one year and the same has been shown as "Current maturities of long term debts" (secured)" under **Note 23.**

22.2.3 Repayment schedule of loan from OIDB is as follows:

Year of repayment (refer note 22.10 below)	As at March 31, 2018	As at March 31, 2017
2017-18	-	1,750.00
2018-19	750.00	750.00
Total	**750.00**	**2,500.00**

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 repaybale 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. 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 ₹ Nil (As at March 31, 2017 of ₹ Nil) is repayable within one year and the same has been shown as "Current maturities of long term debts (unsecured)" under **Note 23.**

22.3.4 Deferred payment liabilities - VAT Loan are secured by bank guarantees given by the company.

22.3.5 Repayment schedule of Deferred payment liability- VAT loan is as follows:

Year of repayment (refer note 22.10 below)	As at March 31, 2018	As at March 31, 2017
2027-28	132.61	-
2028-29	155.16	-
2029-30	197.76	-
Total	**485.53**	

22.4 Working capital loan from Banks

22.4.1 Working capital borrowings from consortium banks are secured by way of hypothecation of Company's stocks of Raw material, Finished goods, stock-in-process, stores, spares, components, trade receivables, outstanding money receivables, claims, bills, contract, engagements, securities both present and future and further secured by second ranking pari passu charge over companies movable and immovable property, plant and equipment both present and future.

22.5 Term loan from related party

22.5.1 Term loan from related Party (ONGC) taken by the Company carries variable rate of interest which is G-sec yield for 5 years tenor plus spread w.e.f April 1, 2016.

22.5.2 ₹ 6,857.20 million (As at March 31, 2017 of ₹ 6,857.20 million) is repayable within one year and the same has been shown as "Current maturities of long-term debts (unsecured)" under **Note 23.**

22.5.3 Repayment schedule of loan from ONGC is as follows:

Year of repayment (refer note 22.10 below)	As at March 31, 2018	As at March 31, 2017
2017-18	-	6,857.20
2018-19	6,857.20	6,857.20
2019-20	6,857.20	6,857.20
2020-21	5,142.50	5,142.50
Total	**18,856.90**	**25,714.10**

22.6 Deferred payment liabilities: CST

22.6.1 Deferred payment liability represents amount payable on account of sales tax liability to be paid after a specified period to the sales tax authority, Karnataka. Such deferral of sales tax liability is not liable for any interest.

22.6.2 ₹ 400.00 million (As at March 31, 2017 of ₹ 526.54 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 Deferred payment liability loan is as follows:

Year of repayment (refer note 22.10 below)	As at March 31, 2018	As at March 31, 2017
2017-18	-	526.54
2018-19	400.00	400.00
2019-20	218.63	218.63
Total	**618.63**	**1,145.17**

22.7 Foreign Currency Term Loan (FCTL)

22.7.1 Foreign Currency Term Loan (FCTL) from bank are USD denominated loans and carries variable rate of interest which is one month Libor plus spread.

22.7.2 ₹ Nil (As at March 31, 2017 ₹ Nil) is repayable within one year and the same has been shown as "Current maturities of long term debts (unsecured)" under **Note 23.**

22.7.3 Repayment schedule of Foreign Currency Term Loan (FCTL) is as follows:

Year of repayment (refer note 22.10 below)	As at March 31, 2018	As at March 31, 2017
2019-20	2,607.20	-
Total	**2,607.20**	

22.8 Foreign currency non repatriable loan (FCNR)

22.8.1 Foreign Currency Non Repatriable Loan from bank are USD denominated loans and carries variable rate of interest which is one month Libor plus spread and is repayable within one year from the date of each disbursement.

22.9 Buyers Credit & Pre/Post Shipment Export Credit

22.9.1 Buyers Credit and Pre/Post Shipment Export Credit from banks are USD denominated loans carries variable rate of interest which is one month Libor plus spread and is repayable within one year from the date of each disbursement.

22.10 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, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
Current maturities of long term debt (secured) **[Refer note 22.1.2, 22.2.2 and 22.3.3]**	-	26,472.08	-	11,695.16
Current maturities of long term debt (Unsecured) **[Refer note 22.5.2, 22.6.2 and 22.7.2]**	-	7,257.20		7,383.74
Unclaimed dividends **[Refer note 23.1 below]**	-	216.10	-	74.70
Unclaimed interest on matured debentures **[Refer note 23.2 below]**	-	0.01	-	0.01
Interest accrued but not due on loans		404.79		430.39
Deposits from suppliers/ contractors/ others	-	430.39	-	281.60
Payable against capital goods **[Refer note 23.3 below]**	-	2,309.28	-	4,233.96
Liability for employees	-	921.44	-	609.34
Other liabilities relating to customers and vendors	-	1,699.14	-	1,494.20
Total	**-**	**39,710.43**	**-**	**26,203.10**

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 clause

Payable against capital goods includes ₹ 177.65 million (As at March 31, 2017 ₹ 985.46 million) relating to amounts withheld from vendors pursuant to price reduction clause which will be settled on finalisation of proceedings with such vendors. When the withheld amounts are ultimately finalised, the related adjustment is made to the property, plant and equipment prospectively.

24 Provisions

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
Provision for employee benefits **(Refer note 40)**				
(a) Leave encashment	354.49	41.39	517.01	51.26
(b) Post retirement medical and other benefits	79.61	2.63	79.66	2.30
Others **[Refer note 24.1 below]**	-	3,993.55	-	2,797.68
Total	**434.10**	**4,037.57**	**596.67**	**2,851.24**

24.1 Others include provision for excise duty on closing stock

Movement for the year 2017-18

Particulars	Excise duty on closing stock
Opening Balance as at April 1, 2017	2,797.68
Less: Reduction on account of provision reversal	2,797.68
Add: Additions	3,993.55
Closing Balance as at March 31, 2018	3,993.55

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, 2018 ₹ 3,993.55 million (As at March 31, 2017 ₹ 2,797.68 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)

The following is the analysis of deferred tax assets/ (liabilities) presented in the Standalone Balance Sheet:

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax assets	16,924.05	19,439.37
Deferred tax liabilities	(25,985.75)	(24,206.00)
Deferred tax Asset/ (Liability) -Net	**(9,061.70)**	**(4,766.63)**

2016-17	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities in relation to				
Property, Plant and equipment	(22,615.00)	(1,598.17)	-	(24,213.17)
Intangible assets	7.00	0.17	-	7.17
Total	**(22,608.00)**	**(1,598.00)**	**-**	**(24,206.00)**
Tax effect of items constituting deferred tax assets				
Other liabilities	10.87	12.73	-	23.60
Brought forward business losses and unabsorbed depreciation	21,212.26	(17,348.45)		3,863.81
MAT credit entitlement	3,071.31	11,853.79	-	14,925.10
Financial and other assets	512.20	83.03	-	595.23
Inventories	31.63	-	-	31.63
Remeasurement of the defined benefit plans	**-**	**(26.65)**	**26.65**	**-**
Total	**24,838.27**	**(5,425.55)**	**26.65**	**19,439.37**
Deferred tax asset / (liability) (net)	**2,230.27**	**(7,023.55)**	**26.65**	**(4,766.63)**

2017-18	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities in relation to				
Property, Plant and equipment	(24,213.17)	(1,769.62)	-	(25,982.79)
Intangible assets	7.17	(10.13)	-	(2.96)
Total	**(24,206.00)**	**(1,779.75)**	**-**	**(25,985.75)**
Tax effect of items constituting deferred tax assets				
Other liabilities	23.60	(22.20)	-	1.40
Brought forward business losses and unabsorbed depreciation	3,863.81	(3,863.81)		-
MAT credit entitlement	14,925.10	1,633.12	-	16,558.22
Financial and other assets	595.23	(254.72)	-	340.51
Inventories	31.63	(7.71)	-	23.92
Remeasurement of the defined benefit plans	**-**	**17.84**	**(17.84)**	**-**
Total	**19,439.37**	**(2,497.48)**	**(17.84)**	**16,924.05**
Deferred tax asset / (liability) (net)	**(4,766.63)**	**(4,277.23)**	**(17.84)**	**(9,061.70)**

26 Trade payables

Particulars	As at March 31, 2018	As at March 31, 2017
Trade payables	47,102.89	60,339.67
Total	**47,102.89**	**60,339.67**

26.1 Trade payables include ₹ 5,079.26 million (As at March 31, 2017 of ₹ 9,102.11 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 15 to 60 days. Thereafter, interest is charged upto 6.75% p.a. over the relevant bank rate as per respective arrangements on the outstanding balances. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

26.3 Disclosure relating to dues to Micro, Small and Medium Enterprises

Particulars		As at March 31, 2018	As at March 31, 2017
i	the Principal amount due thereon remaining unpaid to any supplier at the end of year.	331.34	70.84
ii	the interest due thereon remaining unpaid to any supplier at the end of year.	-	-
iii	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iv	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
v	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
vi	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

27. Other liabilities

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
Revenue received in advance	-	1.43	-	1.56
Liability for gratuity **[Refer note 27.1 below]**	-	59.19	-	94.65
Liability for statutory payments	-	1,861.05	-	1,709.36
Deferred Government Grant **[Refer note 5.4 & 22.3.2]**	3,595.54	177.16	-	-
Total	**3,595.54**	**2,098.83**	**-**	**1,805.57**

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

28 Revenue from operations

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
28.1	**Sale of products**		
	Domestic sales (including excise duty)	460,707.33	449,579.09
	Export sales	169,963.37	144,571.40
28.2	**Other operating revenues**		
	Sale of scrap	101.00	83.60
	Facilitation charges	44.41	36.67
	Liquidated damages	20.26	34.10
	Total	**165.67**	**154.37**
	Total	**630,836.37**	**594,304.86**

29 Other income

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
29.1	**Interest on:**		
	Contractor mobilisation advance	0.36	-
	Others	11.86	252.47
	Financial assets measured at amortised cost :		
	- bank deposits	723.91	3,538.97
	- direct marketing customers	17.20	22.36
	- employee loans	31.00	25.07
	Total	**784.33**	**3,838.87**
29.2	**Dividend income from:-**		
	Investment in mutual funds (measured at FVTPL)	**29.98**	**255.36**
	Investment in Shell MRPL Aviation Fuels and Services Limited (measured at cost)	**112.50**	**7.50**
29.3	**Other non-operating income**		
	Royalty income	8.13	9.04
	Liability no longer required written back	71.05	2.79
	Excess provisions written back	768.44	62.88
	Tender form sale	0.83	1.18
	Hire charges	1.67	2.30
	Recoveries from employees	10.20	8.39
	Amortisation of deferred government grant	164.20	-
	Miscellaneous receipts	94.39	43.70
	Total	**1,118.91**	**130.28**
	Total	**2,045.72**	**4,232.01**

30 Cost of materials consumed

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Raw material: Crude oil		
Imported	335,346.93	292,337.60
Indigenous	87,219.12	71,721.91
Raw material: Others		
Imported		
Hydrogen	2,234.66	1,857.42
Paraffin raffinate	7,639.60	5,463.03
De- Ethanizer	2.25	408.73
Reformate	21.87	3,094.99
Indigenous		
CRMB modifier	16.67	3.44
Stock-in-trade		
Indigenous	0.53	0.49
Total	**432,481.63**	**374,887.61**

30.1 The Company enjoys benefit of entry tax exemption on crude oil for its Phase III operations which qualifies to be government grant. The Company recognised such grant on net basis and is included in the 'Cost of Materials consumed'. Entry tax exemption on crude oil amounted to ₹ 166.76 million and ₹ 563.57 million for the year ended March 31, 2018 and year ended March 31, 2017 respectively. Upon implementation of Goods and Services Tax w.e.f July 1, 2017, entry tax levy itself stands abolished.

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

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
31.1	**Closing stock of:**		
	Finished goods and stock-in-trade	18,299.45	12,464.28
	Stock-in-process	6,349.40	4,517.38
	Total closing stock	**24,648.85**	**16,981.66**
31.2	**Opening stock of:**		
	Finished goods and stock-in-trade	12,464.28	10,913.11
	Stock-in-process	4,517.38	3,185.52
	Total opening stock	**16,981.66**	**14,098.63**
	Changes in inventories of finished goods, stock-in-process and stock-in-trade	**(7,667.19)**	**(2,883.03)**

32 Employee benefits expense

Particulars (refer note 32.1 below)	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages	3,468.60	3,022.95
Contribution to provident and other funds	477.14	343.99
Post-retirement benefits - medical and others	12.15	10.53
Staff welfare expenses	215.56	142.59
Total	**4,173.45**	**3,520.06**

32.1 The Ministry of Petroleum and Natural Gas has approved revision of pay and allowances of management employees of the company effective from January 1, 2017. Accordingly salary revision in respect of Management employees has been given effect. The Non Management employees wage revision is due for revision effective from January 1, 2017 and the negotiation with the employees union is in progress. Pending final negotiation, the company has made provision for wage revision on estimated basis for the year ended March 31, 2018 amounting to ₹ 245.70 Million (Previous Year ₹ 57.38 million) and is shown under 'Employee benefits expense'.

33 Finance costs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Finance expense for financial liabilities measured at amortised cost		
- from related party	1,657.81	2,435.03
- from banks	1,731.22	1,911.60
- from others	469.35	808.46
	3,858.38	**5,155.09**
Financial guarantee charges	15.75	16.65
Exchange differences regarded as an adjustment to borrowing cost	530.44	-
Total	**4,404.57**	**5,171.74**

34 Depreciation and amortisation expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of Property, plant and equipment	6,699.79	6,774.29
Amortisation of intangible assets	13.42	4.90
Total	**6,713.21**	**6,779.19**

35 Other expenses

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
Power, utility and fuel charges	34,072.91		27,380.26	
Less : Own consumption	33,340.84	732.07	26,774.50	605.76
Repairs and maintenance				
- Plant and machinery	4,031.59		2,189.70	
- Building	14.36		6.78	
- Others	345.53	4,391.48	565.94	2,762.42
Stores, spares and chemical consumed		1,597.68		1,271.46
Packing material consumed		180.13		209.30
Rent		132.37		93.32
Insurance		236.69		243.05
Rates and taxes		1,803.14		2,401.33
Excise duty on stock (net) **[refer note below 35.1]**		1,141.16		(675.16)
Exchange rate fluctuation loss/ (Income)		(128.43)		593.17
Director's sitting fees		2.58		0.02
Loss on sale of property, plant and equipment		250.07		57.02
Bank charges		24.24		27.53
Payment to auditors				
Audit fees	2.31		2.31	
For taxation matters	0.40		0.40	
For certification fees	2.25		1.70	
Reimbursement of expenses	2.76	7.72	2.71	7.12
Corporate social responsibility expenses (CSR) **[refer note below 35.2]**		103.02		32.23
Impairment for:				
Doubtful trade receivables		-		302.80
Write Offs:				
Doubtful trade receivables		472.34		59.37
Miscellaneous expenses		1,733.64		1,503.13
Total		**12,679.90**		**9,493.87**

35.1 Excise duty on sale of product has been included in'Revenue from operations' and excise duty shown above represents the difference between excise duty on opening and closing stock of finished goods.

35.2 The CSR expenditure comprises the following:

(a) Gross amount required to be spent by the Company during the year: ₹ 338.70 million (Year ended March 31, 2017 ₹ 50.00 million).

(b) Amount spent during the year on:

Particulars	Year ended March 31, 2018		
	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of asset	78.64	-	78.64
ii) On purpose other than (i) above	24.38	-	24.38
Total	**103.02**	**-**	**103.02**

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

36 Exceptional items (income)/expenses (net)

Particulars (Refer note 36.1 below)	Year ended March 31, 2018	Year ended March 31, 2017
Terminal Charges	258.90	-
Exchange rate fluctuation loss/ (Income)	-	(15,972.91)
Total	**258.90**	**(15,972.91)**

36.1 The exceptional items for current year is on account of sharing of terminal charges collected from oil marketing companies on cross country dispatch retrospectively from financial year 2003-04 amounting to ₹ 258.90 million

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

37 Income taxes related to continuing operations

37.1 Income tax recognised in statement of profit and loss

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax	6,988.58	11,853.78
Deferred tax	4,277.23	7,023.55
Total income tax expense recognised in the current year relating to continuing operations	**11,265.81**	**18,877.33**

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before tax from continuing operations	**33,507.04**	**55,314.20**
Income tax expense calculated at 34.608% (2016-2017: 34.608%)	11,596.12	19,143.14
Effect of income that is exempt from tax	(49.31)	(90.97)
Effect of investment allowance u/s 32AC of Income Tax Act, 1961	43.63	29.84
Effect of expenses that are not deductible in determining taxable profit	58.59	113.83
Effect of deferred tax due to change in tax rate from 34.608% to 34.9440%	(56.83)	-
Effect of recognition of MAT credit of earlier years at 21.3416%	(7.16)	-
Effect of recognition of Prior year tax of previous year 2016-17	7.16	-
Effect of change in deferred tax balance due to true up adjustments	(326.39)	(318.51)
Income tax expense recognised in profit or loss (relating to continuing operations)	**11,265.81**	**18,877.33**

37.3 Income tax recognised in other comprehensive income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(17.84)	26.65
Total income tax recognised in other comprehensive income	**(17.84)**	**26.65**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	(17.84)	26.65
Items that may be reclassified to profit or loss	-	-

38 Earnings per equity share:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit after tax for the year attributable to equity shareholders (₹ in million)	22,241.23	36,436.87
Weighted average number of equity shares (Number in million)	1,752.60	1,752.60
Basic and Diluted earnings per equity share (₹)	12.69	20.79
Face Value per equity share (₹)	10.00	10.00

39 Leases

39.1 Obligations under finance leases

39.1.1 The Company has entered into lease agreements for lands which have been classified as finance leases. The ownership of the lands will be transferred to the Company at the end of the lease term with nominal payment of administrative charges. The lease term ranges from 5 - 44 years. The Company has pledged these leasehold lands for obtaining borrowings [**Refer Note 5.1**].

Financial lease obligation as at March 31, 2018 is immaterial (As at March 31, 2017 : immaterial).

39.2 Operating lease arrangements

39.2.1 Leasing arrangements

The Company has entered into arrangements for right of way for pipelines and lease of land which have been classified as operating leases. The lease period for right of way ranges from 11 months to 30 years and for leases of land ranges from 5 to 99 years. In case of leasehold land, the Company does not have option to purchase the land at the end of the lease period. Generally, the lease arrangements for land requires Company to make upfront payments at the time of the execution of the lease arrangement with annual recurring charges with escalations in annual lease rentals.

39.2.2 Payments recognized as an expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Minimum lease payments	51.74	46.23
	51.74	**46.23**

39.2.3 Non-cancellable operating lease commitments

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

40 Employee benefit plans

40.1 Defined Contribution plans

The amounts recognized in the financial statements for defined contribution plans are as under:

Defined Contribution Plans	Amount recognized during the year		Contribution for Key Management Personnel	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Employer's contribution to Provident Fund	199.56	166.61	1.15	0.92
Employer's contribution to Superannuation Fund	166.31	140.91	0.96	0.76

40.2 Other long term employee benefits

40.2.1 Brief Description: A general description of the type of Other long-term employee benefits is as follows:

a) Earned Leave Benefit (EL):

Accrual – 32 days per year

Accumulation up to 300 days allowed

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

b) Half Pay Leave (HPL)

Accrual – 20 days per year

Encashment while in service is not allowed

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

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

40.3 Defined benefit plans

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

a) Gratuity:

15 days salary for every completed year of service. Vesting period is 5 years and the payment is restricted to ₹ 2 million.

The MRPL- Gratuity Trust was formed on 20th April,2007 and invesments of the funds received from the company after actuarial valuation and the investment of the funds upto June 28, 2013 was made in the manner prescribed by Income tax Rule 67(1) of the Income Tax Rules ,1962 as amended from time to time.

The Funds of MRPL- Gratuity Trust after June 28, 2013 is being invested in Group Gratuity Cash Accumulation Scheme (Traditional Fund) in LIC, Bajaj Allianz, HDFC Standard Life Insurance Co., Birla Sunlife Insurance co and Inda First Life Insurance Co.

b) Post-Retirement Medical Benefits:

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

c) Resettlement Allowance:

At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Settlement Allowance.

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

40.3.3 These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently it has a relatively balanced mix of investments in government securities, insurance investment and other debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees.

In respect of the plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2018 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017
	Gratuity (Funded)		
1	Expected return on plan assets	7.85%	7.34%
2	Rate of discounting	7.85%	7.34%
3	Rate of salary increase	5.50%	5.50%
4	Rate of employee turnover	2.00%	2.00%
5	Mortality rate during employment	Indian Assured lives Mortality (2006-08)	Indian Assured lives Mortality (2006-08)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017
	Post-Retirement Medical Benefits		
1	Rate of discounting	7.85%	7.34%
2	Medical cost inflation	0.00%	0.00%
3	Rate of employee turnover	2.00%	2.00%
4	Mortality rate during employment	Indian Assured lives Mortality (2006-08)	Indian Assured lives Mortality (2006-08)
5	Mortality rate after employment	Indian Assured lives Mortality (2006-08)	Indian Assured lives Mortality (2006-08)
	Resettlement Allowance:		
7	Rate of discounting	7.85%	7.34%
8	Rate of salary increase	5.50%	5.50%
9	Rate of employee turnover	2.00%	2.00%
10	Mortality rate during employment	Indian Assured lives Mortality (2006-08)	Indian Assured lives Mortality (2006-08)

The rate of discounting based upon the market yield available on Government bonds at the accounting date with a term that matches. The salary growth takes account inflation, seniority, promotion and other relevant factor on long term basis. Expected rate of return on plan assets is based on market expectation, at the beginning of the year, for return over the entire life of the related obligation.

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

Gratuity:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Service Cost :		
Current service cost	34.53	28.30
Net interest expense	7.26	2.34
Past Service Cost	76.84	-
Components of defined benefit costs recognised in employee benefit expenses	118.63	30.64
Remeasurement on the net defined benefit liability:		
Return on plan assets excluding amounts included in net interest cost	(2.67)	(7.53)
Actuarial (gains) / losses arising from changes in financial assumptions	(39.64)	53.36
Actuarial (gains) / losses arising from experience adjustments	(3.10)	20.83
Components of Remeasurement	**(45.41)**	**66.66**
Total	**73.22**	**97.30**

Post-Retirement Medical Benefits:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Service Cost :		
Current service cost	4.82	4.13
Net interest expense	5.17	4.61
Components of defined benefit costs recognised in employee benefit expenses	9.99	8.74
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	(5.38)	7.14
Actuarial (gains) / losses arising from experience adjustments	2.04	1.74
Components of Remeasurement	**(3.34)**	**8.88**
Total	**6.65**	**17.62**

Resettlement Allowance:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Service Cost :		
Current service cost	1.21	1.14
Net interest expense	0.85	0.79
Components of defined benefit costs recognised in employee benefit expenses	**2.06**	**1.93**
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	(0.79)	1.14
Actuarial (gains) / losses arising from experience adjustments	(1.50)	0.30
Components of Remeasurement	**(2.29)**	**1.44**
Total	**(0.23)**	**3.37**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income. The components of remeasurement of net defined benefit liability recognised in other comprehensive income is ₹ 51.04 million (previous year ₹ (76.99) million)

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

Gratuity:

Particulars	As at March 31, 2018	As at March 31, 2017
Opening defined benefit obligation	703.51	563.39
Current service cost	34.53	28.30
Past Service Cost	76.84	-
Interest cost	51.64	45.52
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	(39.64)	53.36
Actuarial gains and losses arising from experience adjustments	(3.10)	20.83
Benefits paid	(26.73)	(7.89)
Closing defined benefit obligation	**797.05**	**703.51**
Current obligation	**61.10**	**98.99**

Post-Retirement Medical Benefits:

Particulars	As at March 31, 2018	As at March 31, 2017
Opening defined benefit	70.42	57.06
Current service cost	4.82	4.13
Interest cost	5.17	4.61
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	(5.38)	7.14
Actuarial gains and losses arising from experience adjustments	2.04	1.74
Benefits paid	(5.68)	(4.26)
Closing defined benefit obligation	**71.39**	**70.42**
Current obligation	2.28	1.99
Non-Current obligation	**69.11**	**68.43**

Resettlement Allowance:

Particulars	As at March 31, 2018	As at March 31, 2017
Opening defined benefit obligation	11.54	9.81
Current service cost	1.21	1.14
Interest cost	0.85	0.79
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	(0.79)	1.14
Actuarial gains and losses arising from experience adjustments	(1.50)	0.30
Benefits paid	(0.46)	(1.64)
Closing defined benefit obligation	**10.85**	**11.54**
Current obligation	0.35	0.32
Non-Current obligation	**10.50**	**11.22**

40.3.7 The amount included in the Balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows :

Gratuity:

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of funded defined benefit obligation	(797.05)	(703.51)
Fair value of plan assets	735.95	604.52
Funded status	**(61.10)**	**(98.99)**
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**(61.10)**	**(98.99)**

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, 2017 ₹ Nil)

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

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

Gratuity:

Particulars	As at March 31, 2018	As at March 31, 2017
Opening fair value of plan assets	604.52	534.44
Interest income	44.37	43.18
Return on plan assets (excluding amounts included in net interest expense)	2.67	7.53
Contributions from the employer	98.99	27.25
Benefits paid	(14.60)	(7.88)
Closing fair value of plan assets	**735.95**	**604.52**

Expected Contribution in respect of Gratuity for next year will be ₹ 59.19 million (For the year ended March 31, 2017 ₹ 94.65 million).

The Company has recognized a gratuity liability of ₹ 61.10 million as at March 31, 2018 (As at March 31, 2017 ₹ 98.99 million).

40.3.9 The fair value of the plan assets at the end of the reporting period for each category, are as follows.

Fair value of plan assets as at

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and Cash equivalents	0.87	1.91
Equity Investment	-	-
Mutual Fund-UTI Treasury Fund	18.91	17.75
Debt investment categorised by issuer's credit rating		
AAA	54.53	66.74
AA+	7.02	12.03
AA	6.00	6.02
AA-	-	1.00
A+	4.00	5.98
A-	-	11.00
Group Gratuity Cash Accumulation Scheme (Traditional Fund)		
Life Insurance Corporation of India	141.67	95.95
Bajaj Allianz	121.78	79.48
HDFC Standard Life Insurance Co.	124.77	79.41
Birla Sunlife Insurance Co.	55.02	20.42
India First Life Insurance Co.	55.03	20.42
Investment in Government Securities	139.66	151.35
Other current assets - Interest Accrued	6.69	35.06
Total	**735.95**	**604.52**

40.3.9.1 The actual return on plan assets of gratuity was ₹ 44.37 million (As at March 31, 2017 ₹ 43.18 million) .

40.3.10 Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

40.3.11 Sensitivity Analysis as at March 31, 2018

Significant actuarial assumptions	Gratuity	Post-Retirement Medical Benefits	Resettlement Allowance
Rate of discounting			
- Impact due to increase of 50 basis points	(69.32)	(4.74)	(0.70)
- Impact due to decrease of 50 basis points	80.82	5.27	0.78
Rate of salary increase			
- Impact due to increase of 50 basis points	34.95	-	0.79
- Impact due to decrease of 50 basis points	(37.85)	-	(0.72)
Rate of Employee turnover			
- Impact due to increase of 50 basis points	29.79	(1.90)	0.20
- Impact due to decrease of 50 basis points	(33.37)	1.60	(0.22)

40.3.12 Sensitivity Analysis as at March 31, 2017

Significant actuarial assumptions	Gratuity	Post-Retirement Medical Benefits	Resettlement Allowance
Rate of discounting			
- Impact due to increase of 50 basis points	(36.75)	(4.95)	(0.79)
- Impact due to decrease of 50 basis points	39.88	5.53	0.88
Rate of salary increase			
- Impact due to increase of 50 basis points	40.41	-	0.89
- Impact due to decrease of 50 basis points	(37.53)	-	(0.81)
Rate of Employee turnover			
- Impact due to increase of 50 basis points	6.72	(2.15)	0.18
- Impact due to decrease of 50 basis points	(7.17)	1.85	(0.19)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

40.3.13 Following are the details relating to the defined benefit plans that have a significant bearing on Company's future cash flows:

Gratuity:

Particulars	As at March 31, 2018	As at March 31, 2017
Number of active members	1,894	1,885
Per month salary for active members	147.89	139.24
Weighted average duration of the Projected Benefit Obligation (years)	11	13
Average Expected future service	17	17
Projected benefit obligation	797.05	703.51
Contribution to the defined benefit plan during the next financial year	91.48	133.52

Post-Retirement Medical Benefits:

Particulars	As at March 31, 2018	As at March 31, 2017
Number of active members	1,915	1,912
Number of retired employees	91	79
Weighted average duration of the Projected Benefit Obligation	15	15
Average expected future service	17	17
Projected benefit obligation	71.39	70.42

Resettlement Allowance:

Particulars	As at March 31, 2018	As at March 31, 2017
Number of active members	1,915	1,912
Per month salary for active members	148.38	139.68
Weighted average duration of the Projected Benefit Obligation	16	16
Average expected future service	17	17
Projected benefit obligation	10.85	11.54

40.3.14 Maturity Profile for Defined Benefit Obligations

Defined Benefit	As at March 31, 2018	As at March 31, 2017
Gratuity		
Less than one year	55.23	31.21
One to Three years	89.60	63.81
Three to Five years	111.20	75.14
More than Five years	321.31	239.24
Post-Retirement Medical Benefits		
Less than one year	2.27	1.97
One to Three years	5.06	4.49
Three to Five years	5.90	5.24
More than Five years	19.88	17.47
Resettlement Allowance		
Less than one year	0.35	0.32
One to Three years	0.75	0.77
Three to Five years	0.75	0.75
More than Five years	2.06	2.00

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 66% and 68% of the Company's total revenue for the year ending 31st March 2018 & 31st March 2017 respectively. The total sales to such companies amounted to ₹ 413,922.96 million for the year ended March 31, 2018 and ₹ 405,803.37 million for the year ended March 31, 2017.

No customer (excluding oil marketing companies mentioned above) for the years ended March 31, 2018 and March 31, 2017 contributed 10% or more to the Company's revenue. The total sales to such customer amounted to ₹ nil million for the year ended March 31, 2018 and ₹ nil million for the year ended March 31, 2017.

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, 2018	Year ended March 31, 2017
India	503,511.54	493,842.89
Other Countries	127,159.16	100,307.60
Total	**630,670.70**	**594,150.49**

b) Non-current assets (excluding financial assets and deferred tax assets) broken down by location of customers is tabulated below:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
India	163,440.20	156,065.85
Other Countries	-	-
Total	**163,440.20**	**156,065.85**

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, 2018	Year ended March 31, 2017
High speed Diesel (HSD)	337,309.70	322,098.73
Motor Spirit (MS)	84,126.90	80,464.16
Total	**421,436.60**	**402,562.89**

42 Related Party Disclosures

42.1 Name of related parties and description of relationship:

A Entity having control over the Company (Holding Company)

Oil and Natural Gas Corporation Limited (ONGC)

B Entity having significant influence over the Company

Hindustan Petroleum Corporation Limited (HPCL)

C Subsidiary

ONGC Mangalore Petrochemicals Limited (OMPL)

D Joint Ventures

1 Shell MRPL Aviation Fuels and Services Limited (SMAFSL)

2 Mangalam Retail Services Limited(MRSL) (upto January 16, 2017)

E Trusts (including post retirement employee benefit trust) wherein MRPL having control

1 MRPL Gratuity Fund Trust

2 MRPL Provident Fund Trust

F Key Management Personnel

F.1 Non-Executive directors

Shri Shashi Shanker, Chairman, from October 01, 2017

Shri D. K. Sarraf, Chairman, upto October 01, 2017

F.2 Executive Directors

1. Shri H. Kumar, Managing Director.
2. Shri M. Venkatesh Director (Refinery).
3. Shri A. K. Sahoo, Director (Finance).

F.3 Other Non-Executive Directors

1 Shri Vinod S. Shenoy, Nominee Director (HPCL)

2 Smt.Perin Devi, Government Nominee Director, upto November 24, 2017.

3 Shri Diwakar Nath Misra, Government Nominee Director, upto November 24, 2017.

4 Shri K.M. Mahesh, Government Nominee Director, from November 24, 2017.

5 Shri Sanjay Kumar Jain, Government Nominee Director, from November 24, 2017.

6 Ms.Manjula C, Independent Director.

7 Shri V.P. Haran , Independent Director, from September 08, 2017.

8 Shri Sewa Ram , Independent Director, from September 08, 2017.

9 Shri G.K. Patel , Independent Director, from September 08, 2017.

10 Shri Balbir Singh Yadav , Independent Director, from September 08, 2017.

F.4 Company Secretary

Shri Dinesh Mishra, Company Secretary

42.2 Details of Transactions:

42.2.1 Transactions with Holding Company

Oil and Natural Gas Corporation Limited (ONGC)	Nature of Transactions	Year ended March 31, 2018	Year ended March 31, 2017
Sales of products	a) Sales to ONGC-Karaikal & Retail Outlet	13.46	20.48
	b) Sales of High Flash High Speed Diesel	8,847.37	5,302.12
Purchase of Crude & Retail Outlet	a) Purchase of Crude Oil	49,439.47	53,305.01
	b) Purchase of Retail Outlet	12.16	25.10
Services received	a) Deputation of ONGC Employees	7.17	2.94
	b) Rent and Electricity Charges paid for Mumbai and Delhi Office	73.64	15.36
Guarantee Fees	Charges for Guarantee given to Saudi Aramco	15.75	16.65
Services provided	Expenses incurred on behalf of ONGC	0.18	10.53
Dividend	Dividend Paid	7,532.12	-
Interest Expense	Interest on Term Loan	1,657.81	2,435.03

42.2.2 Outstanding balances with Holding Company

Oil and Natural Gas Corporation Limited (ONGC)	Nature of Transactions	As at March 31, 2018	As at March 31, 2017
Loans	Term Loan	18,856.90	25,714.10
Amount receivable	Sale of Oil products	985.40	614.59
Amount payable	Purchase of Crude Oil	6,665.62	3,191.80
Amount payable	Purchase of Others	62.76	12.19

42.2.3 Transactions with Entity having significant influence over the Company

Hindustan Petroleum Corporation Limited (HPCL)	Nature of Transactions	Year ended March 31, 2018	Year ended March 31, 2017
Sales of products	Sale of petroleum products	207,663.45	185,334.75
Services provided	a) Received / Receivable on account of Terminalling Charges	8.28	49.25
	b) Reimbursement of water charges, facilitation charges	16.41	4.92
	c) State Specific Cost ratio - ET reimbursement	-	390.49
	d) Receipts of contaminated charges, Hospitality Charges, Wharfage and stock loss etc.	6.22	3.05
	e) Dividend	1,782.92	-

42.2.4 Outstanding balances with Entity having significant influence over the Company

Hindustan Petroleum Corporation Limited (HPCL)	Nature of Transactions	As at March 31, 2018	As at March 31, 2017
Amount receivable	Sale of Oil products	8,789.87	8963.13
	Transit Loss and Others	40.26	95.50
Amount payable	HPCL R &D & Chemical Cleaning	2.26	0.29

42.2.5 Transactions with Subsidiary

ONGC Mangalore Petrochemicals Limited (OMPL)	Nature of Transactions	Year ended March 31, 2018	Year ended March 31, 2017
Sales of products	Sale of Oil products	43,169.50	46,624.71
Purchase of products	Purchase of Raffinate and Hydrogen	10,621.09	8,987.03
Services received	a) Purchase of Electrical Items	-	-
	b) Salary for OMPL staff on deputation	12.35	-
	c) Road Facility	7.94	-
Services provided	a) Crane Charges and reimbursement of Consultancy Fee	-	0.03
	b) Facilitation Charges	44.41	36.67
	c) Deputation of MRPL Employees, Energy Charges,Survey Fees reimbursement	35.99	-
	d) Consultancy back charges/credit note for metering charges	61.70	-
Interest income and Other Recovery	Interest Charges for delayed payments	-	57.05
	Reimbursement of Charges	34.38	-

42.2.6 Outstanding balances with Subsidiary

ONGC Mangalore Petrochemicals Limited (OMPL)	Nature of Transactions	As at March 31, 2018	As at March 31, 2017
Loans	Short Term Loans & Advances	8.93	0.03
Amount receivable	Sales of Oil products, Facilitation Charges & Others	1,754.77	1,903.24
Amount payable	a) Purchase of Raffinate, Hydrogen & Other Service Charges	540.35	96.11
	b) Feed Transfer Facility within MRPL Provided by OMPL	1.73	344.40

42.2.7 Transactions with Joint Ventures:

Shell MRPL Aviation Fuels and Services Ltd (SMAFSL)	Nature of Transactions	Year ended March 31, 2018	Year ended March 31, 2017
Sales of products	Petroleum Products	4,749.18	4,720.78
Services provided	a) Reimbursement of Electrical Charges	0.04	0.34
	b) Royalty Income	9.19	10.44
Dividend Income	Dividend received	112.50	7.50
Product Purchase	Contaminated Product	0.62	-

42.2.8 Outstanding balances with Joint Ventures:

Shell MRPL Aviation Fuels and Services Ltd (SMAFSL)	Nature of Transactions	As at March 31, 2018	As at March 31, 2017
Amount receivable:			
Shell MRPL Aviation Fuels and Services Ltd (SMAFSL)	a) Royalty and Terminalling Charges, etc.	426.40	509.86
	b) Receivable for the Services	0.01	0.31

42.2.9 Transactions with Other Related Parties

Name of Associates	Nature of Transactions	Year ended March 31, 2018	Year ended March 31, 2017
a Services received from:			
1 Mangalore SEZ Limited	a) River Water, STP Water & Road Repairs	553.69	416.96
	b) Advance for Right of Way for Pipeline-cum-Road Corridor	-	87.09
	c) Advance for Development of Bypass Road	-	51.50
	d) Lease Rent paid for Petcoke Road	-	130.45
2 Petronet MHB Limited	Pipeline Transportation Charges	44.89	-
b Services provided to:			
1 Mangalore SEZ Limited	Lease Rent for Sarapady	-	0.03
2 Petronet MHB Limited	Reimbursement of Electricity Charges	41.31	30.18

42.2.10 Outstanding balances with Other Related Parties ::

Name of Associates	Nature of Transactions	As at March 31, 2018	As at March 31, 2017
Amount receivable:			
Petronet MHB Limited	Reimbursement of Electricity Charges	5.77	2.73
Amount payable:			
1. Mangalore SEZ Limited	River Water, STP Water and Road Repairs	43.89	38.84
2. ONGC Nile Ganga BV	Balance Outstanding on account of Crude procurement	67.99	67.65
Advances to:			
Mangalore SEZ Limited	Advance for Right of Way for Pipeline-cum-Road Corridor	980.61	980.61

42.2.11 Transactions with Trusts

Name of Trusts	Nature of Transactions	Year ended March 31, 2018	Year ended March 31, 2017
Remittance of payments:			
Provident Fund of MRPL Limited	Contributions	428.25	352.16
Reimbursement of Gratuity payment made on behalf of Trust:			
MRPL Gratuity Fund Trust	Reimbursements and Contributions	12.12	12.20

42.2.12 Compensation to Key Management Personnel:

Whole Time Directors and Company Secretary Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Short Term employee benefits	23.55	14.25
Post-employment benefits (includes provision for leaves, gratuity and other post retirement benefits)	7.42	8.37
Other long-term benefits (includes contribution to provident fund)	2.11	1.69
Total	**33.08**	**24.30**

Loans / Accrued Interest on Loan to directors and other officers:

Whole Time Directors and Company Secretary Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Loans to Director and Company Secretary	1.65	1.23
Accrued interest on Loans to Director and Company Secretary	0.42	0.38
Total	**2.07**	**1.61**

Independent Directors

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sitting Fees	2.58	0.02

42.3 Disclosure in respect of Government related entities (Note 42.3.4):

42.3.1 Name of Government related entities and description of relationship wherein significant amount of transactions were carried

Government related entities		Relation
1	Bharat Petroleum Corporation Ltd (BPCL)	Central PSU
2	Indian Oil Corporation Limited (IOCL)	Central PSU
3	Bharat Heavy Electrical Limited	Central PSU
4	Oriental Insurance Co. Limited	Central PSU
5	Bridge & Roof Co (India) Limited	Central PSU
6	Engineers India Limited	Central PSU
7	The Shipping Corporation of India Limited	Central PSU
8	Konkan Railway Corporation Limited	Central PSU
9	Indian Strategic Petroleum Reserves Limited (ISPRL)	Central Government
10	Centre for High Technology	Central Government
11	MESCOM	State Government
12	Karnataka Power Transmission Corporation Limited	State Government
13	New Mangalore Port Trust	Central Port Trust

42.3.2 Transactions with Government related Entities (Note 42.3.4):

	Name of related party	Nature of transactions	Year ended March 31, 2018	Year ended March 31, 2017
A	**Sale of products during year to:**			
1	Indian Oil Corporation Limited (IOCL)	Sale of petroleum products	118,197.54	114,796.19
2	Bharat Petroleum Corporation Ltd (BPCL)	Sale of petroleum products	71,354.03	89,965.39
3	New Mangalore Port Trust	Sale of petroleum products	1.34	-
4	Indian Strategic Petroleum Reserves Limited (ISPRL)	a) Sale of petroleum products	3.06	-
		b) Purchase of Crude Oil on behalf of ISPRL	4.99	6,186.72
B	**Purchase of product during year from:**			
1	Bharat Heavy Electrical Ltd	CPP Phase III and other supplies	75.39	33.09
2	Indian Oil Corporation Limited (IOCL)	Purchase of Naphta / Contaminated Product / Lubes	13.16	433.24
3	Bharat Petroleum Corporation Ltd (BPCL)	Purchase of Contaminated Product	2.33	-
C	**Service Provided**			
1	Bharat Petroleum Corporation Ltd (BPCL)	a) Received / Receivable on account of Terminalling Charges	4.32	-
		b) Loading Arm Charges.	0.07	-
2	Indian Strategic Petroleum Reserves Limited (ISPRL)	Deputation of MRPL Employees	9.02	-
3	Indian Oil Corporation Limited (IOCL)	a) Received / Receivable on account of Terminalling Charges	7.16	-
D	**Services Received from:**			
1	Karnataka Power Transmission Corporation Ltd	Purchase of electricity	235.92	209.11
2	Oriental Insurance Co. Ltd	Insurance premium	251.20	271.44
3	New Mangalore Port Trust	Port Services	132.30	39.51
4	Bridge & Roof Co (India) Ltd	Job Work Service	185.59	28.98
5	Engineers India Ltd	Technical Services	752.49	552.06
6	The Shipping Corporation of India Ltd	Service	2,831.76	3,945.37
7	New Mangalore Port Trust	Port Services	1,304.23	1,275.43
8	Konkan Railway Corporation Limited	Railway Siding	248.09	320.64
9	Indian Oil Corporation Limited (IOCL)	Testing Fees	0.04	-
E	**Advance for Acquisition for Land**			
1	Karnataka Industrial Area Development Board	Purchase of Phase IV Land	1,107.21	5,905.19

42.3.3 Outstanding balances with Government related entities (Note 42.3.4):

	Name of related party	Nature of transaction	As at March 31, 2018	As at March 31, 2017
Amount receivable:				
1	Indian Oil Corporation Limited	Trade and other receivable	5,348.27	6,216.48
2	Bharat Petroleum Corporation Ltd	Trade and other receivable	3,148.87	3,406.15
3	Indian Strategic Petroleum Reserves Limited (ISPRL)	Trade and other receivable	4.75	3,033.27
4	New Mangalore Port Trust	Trade and other receivable	53.46	38.13
Advance to Vendors :				
1	Centre for High Technology	Advance	29.82	29.82
2	Karnataka Industrial Area Development Board	Advance for Land	7,017.10	5,909.17

Name of related party		Nature of transaction	As at March 31, 2018	As at March 31, 2017
3	Karnataka Power Transmission Corporation Ltd	Advance	60.56	60.30
4	Indian Strategic Petroleum Reserves Limited (ISPRL)	Advance	0.53	0.67
Amount payable:				
1	Bridge & Roof Co (India) Ltd	Trade and other payable	103.84	68.74
2	Engineers India Ltd	Trade and other payable	561.00	1,087.32
3	Bharat Heavy Electrical Ltd	Trade and other payable	870.52	1,482.90
4	The Shipping Corporation of India Ltd	Trade and other payable	43.49	309.97
5	Konkan Railway Corporation Limited	Trade and other payable	16.85	0.03
6	Karnataka Power Transmission Corporation Ltd	Trade and other payable	21.01	19.43
7	Indian Oil Corporation Limited	Trade and other payable	0.08	0.07

The above transactions with the government related entities cover transactions that are significant individually and collectively. The Company has also entered into other transactions such as telephone expenses, air travel, fuel purchase and deposits etc. with above mentioned and other various government related entities. These transactions are insignificant individually and collectively and hence not disclosed.

42.3.4 Relationship, transactions and outstanding balances with ONGC, HPCL, OMPL, PMHBL and ONGBV 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:

The gearing ratio is worked out as follows

Particulars	As at 31 March, 2018	As at 31 March, 2017
i) Debt *	79,501.65	85,409.61
ii) Total cash and bank balances	8,329.85	21,308.45
Less : cash and bank balances required for working capital	8,329.85	21,308.45
Net cash and bank balances	-	-
iii) Net Debt	79,501.65	85,409.61
iv) Total equity	110,330.73	100,704.75
v) Net Debt to equity ratio	0.72	0.85
*** Debt is defined as long-term and short term borrowings as described in notes 22 and note 23**		

43.2 Categories of financial instruments

Particulars	As at 31 March, 2018	As at 31 March, 2017
Financial assets (Refer Note 43.2.1 below)		
Measured at amortised cost		
(a) Trade and other receivables	26,609.18	26,211.64
(b) Cash and cash equivalents	4,403.53	2,331.66
(c) Other bank balances	3,926.32	18,976.79
(d) Loans	690.78	475.56
(e) Other financial assets	167.49	3,213.71
Measured at fair value through profit and loss		
(a) Investments	0.19	0.19
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	45,772.37	66,330.71
(b) Trade payables	47,102.89	60,339.67
(c) Other financial liabilities	39,710.43	26,203.10

43.2.1 Investments in subsidiary and joint ventures 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 analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

43.4 Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are foreign currency exchange risk and interest rate risk.

43.5 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies, primarily for purchases of crude oil and exports sales and has borrowings denominated in foreign currency; consequently, exposures to exchange rate fluctuations arise. Significant carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows :-

Transaction Currency	Liabilities (Amount in ₹ million)		Assets (Amount in ₹ million)	
	As at March 31, 2018	As at March 31, 2017	As at 31 March, 2018	As at 31 March, 2017
USD	89,950.36	92,114.85	6,042.56	5,867.18

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, 2018	Year ended March 31, 2017
Receivables:		
Weakening of INR by 5%	302.13	293.36
Strengthening of INR by 5%	(302.13)	(293.36)
Payable		
Weakening of INR by 5%	(3210.21)	(2704.68)
Strengthening of INR by 5%	3210.21	2704.68

43.5.2 Forward foreign exchange contracts

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

43.6 Interest rate risk management

The Company has availed borrowings at fixed and floating interest rates, hence is exposed to interest rate risk. The Company has not entered into any of the interest rate swaps and hence the Company is exposed to interest rate risk.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate borrowings, the analysis is prepared assuming the amount of the borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for disclosing the sensitivity analysis.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2018 would decrease/increase by ₹ 389.22 million (for the year ended March 31, 2017 : decrease/increase by ₹ 318.68 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

43.7 Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents, deposits with banks as well as customers including receivables. Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

Major customers, 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.

Only high rated banks are considered for placement of deposits. Bank balances are held with reputed and creditworthy banking institutions.

43.8 Liquidity risk management

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios. The Company manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total	Gross Carrying Value
As at March 31, 2018							
(i) Borrowings	Long term - 5.42% Short Term - 6.24%	24,259.60	6,518.00	14,825.52	485.53	46,088.65	45,772.37
(ii) Trade payables	-	38,736.37	8,366.52	-	-	47,102.89	47,102.89
(iii) Other financial liabilities	-	4,751.30	34,984.76	-	-	39,736.06	39,710.43

Particulars As at March 31, 2017	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total	Gross Carrying Value
(i) Borrowings	Long term - 5.92% Short Term - 7.19%	5,201.88	12,971.00	42,565.34	5,628.92	66,367.14	66,330.71
(ii) Trade payables	-	35,258.93	25,080.74	-	-	60,339.67	60,339.67
(iii) Other financial liabilities	-	6,811.68	19,500.47	-	-	26,312.15	26,203.10

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, 2018	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total	Gross Carrying Value
(i) Investments	-	-	-	-	13,496.42	13,496.42	13,496.42
(ii) Loans - Interest Bearing	7.19%	4.95	74.21	135.21	341.32	555.69	555.69
- Others	-	2.86	0.78	0.01	148.92	152.57	135.09
(iii) Trade receivables	-	26,522.05	87.13	-	-	26,609.18	26,609.18
(iv) Cash and cash equivalents	-	1,006.03	3,397.50	-	-	4,403.53	4,403.53
(v) Other Bank balances	-	3,926.22	-	0.10	-	3,926.32	3,926.32
(vi) Other financial assets	-	69.50	3.16	1.93	92.90	167.49	167.49

Particulars As at March 31, 2017	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total	Gross Carrying Value
(i) Investments	-	-	-	-	13,496.42	13,496.42	13,496.42
(ii) Loans - Interest Bearing	7.60%	10.61	44.00	84.79	218.08	357.48	357.48
- Others	-	3.27	1.70	0.01	130.86	135.84	118.08
(iii) Trade receivables	-	26,184.83	26.81	-	-	26,211.64	26,211.64
(iv) Cash and cash equivalents	-	2,331.66	-	-	-	2,331.66	2,331.66
(v) Other Bank balances	-	16,220.73	2,755.97	-	0.09	18,976.79	18,976.79
(vi) Other financial assets	-	3,136.17	8.80	2.24	66.50	3,213.71	3,213.71

The Company has access to financing facilities as described below, of which ₹ 2,679.00 million were unused at the end of the reporting period (As at March 31, 2017 ₹ 3,239.60 million). The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Particulars	As at March 31, 2018	As at March 31, 2017
Secured bank overdraft facility payable at call :	2,679.00	8,433.00
- amount used	-	5,193.40
- amount unused	2,679.00	3,239.60

43.9 Fair value measurement

The management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values unless otherwise stated.

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

Particulars (As at March 31, 2018)	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Total Revenue	Profit or Loss from continuing operations	Profit or Loss from discontinued operations	Other Comprehensive Income	Total Comprehensive Income
Shell MRPL Aviation Fuels and Services Limited	2,086.94	100.59	1,578.22	1.81	5,491.94	54.18	-	(1.62)	52.56
Total	**2,086.94**	**100.59**	**1,578.22**	**1.81**	**5,491.94**	**54.18**	**-**	**(1.62)**	**52.56**

Particulars (As at March 31, 2017)	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Total Revenue	Profit or Loss from continuing operations	Profit or Loss from discontinued operations	Other Comprehensive Income	Total Comprehensive Income
Shell MRPL Aviation Fuels and Services Limited	2,228.01	101.18	1,496.12	1.33	5,603.71	90.62	-	7.63	98.25
Total	**2,228.01**	**101.18**	**1,496.12**	**1.33**	**5,603.71**	**90.62**	**-**	**7.63**	**98.25**

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

Particulars (As at March 31, 2018)	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense	Income Tax Expense or Income
Shell MRPL Aviation Fuels and Services Limited	195.74	1,423.78	-	6.06	28.36	3.73	27.16
Total	**195.74**	**1,423.78**	**-**	**6.06**	**28.36**	**3.73**	**27.16**

Particulars (As at March 31, 2017)	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense	Income Tax Expense or Income
Shell MRPL Aviation Fuels and Services Limited	375.11	1,351.14	-	7.45	22.02	1.11	49.88
Total	**375.11**	**1,351.14**	**-**	**7.45**	**22.02**	**1.11**	**49.88**

45 Contingent liabilities

45.1 Claims against the Company/ disputed demands not acknowledged as debt:-

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	**Claims of Contractors / vendors in Arbitration / Court** Some of the contractors for supply and installation of equipment have lodged claims on the Company seeking revision of time of completion without liquidated damages, extended stay compensation and extra claims etc., which are contested by the Company as not admissible in terms of the provisions of the respective contracts. In case of unfavourable awards the amount payable that would be capitalised is ₹ 3880.08 million / charged to revenue account would be ₹ 43.34 million (Year ended March 31, 2017; ₹ 1735.60 million and ₹ 36.56 Million).	3,923.42	1,772.16
2	**Claims of Customers** One of the customer has lodged a claim for damages for pre-closure of the contract. The Company has disputed the claim based on Force Major condition. In case of non acceptance of the stand taken by the Company the amount will be debited to Statement of Profit and Loss account.	-	85.20
3	**Others**		
a)	The claim of Mangalore SEZ Limited over and above the advance paid for land and rehabilitation & resettlement work.	20.05	20.05
	Total	**3,943.47**	**1,877.41**

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, 2018

45.2.1 Income Tax: ₹ 2,577.93 million as at March 31,2018 (As at March 31, 2017 ₹ 4,231.68 million). Against this ₹ 1,898.44 million as at March 31,2018 (As at March 31, 2017 ₹ 3,994.28 million) is adjusted / paid under protest and is included under tax assets/ liability **[Note 13].**

45.2.2 Commercial Tax: ₹ Nil as at March 31,2018 (As at March 31, 2017 ₹ 0.43 million). Against this ₹ Nil as at March 31,2018 (As at March 31, 2017 ₹ 0.21 million) is paid under protest and is included under other assets (non current) **[Note 14].**

45.2.3 Excise Duty: ₹ 6,280.26 million as at March 31,2018 (As at March 31, 2017 ₹ 5,962.90 million). Against this ₹ 133.13 million as at March 31,2018 (As at March 31, 2017 ₹ 130.06 million) is paid under protest and is included under other assets (non current) **[note 14].**

45.2.4 Customs Duty: ₹ 817.25 million as at March 31,2018 (As at March 31, 2017 ₹ 777.54 million).

46 Commitments

46.1 Capital Commitments:

The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at March 31, 2018 ₹ 9,914.68 Million (As at March 31, 2017 ₹ 3,012.07 million). The Company has requested KIADB for an allotment of 1,050 acres of land for Phase IV expansion. The total capital commitment in this regard is around ₹ 6,407.14 million (As at March 31,2017 ₹ 1,042.02 million).

46.2 Other Commitments

a Pending commitment on account of Refinery-MRPL is in possession of certain land provisionally measuring 36.69 acres ceded by HPCL for use by MRPL Phase III expansion and upgradation work .The consideration for such land is mutually agreed to be by way of swapping of land in possession of MRPL/HPCL. The final documentation in this regard is pending to be executed.

b Pending commitment on account of Refinery performance improvement programme by M\s.Shell Global International Solution (M\s.Shell GIS) as at March 31, 2018 USD 1.46 Million net of advance (As at March 31, 2017 USD 1.46 Million net of advance)

c The Company has an export obligation as at March 31,2018 ₹ 496.81 million (As at March 31, 2017 ₹ 1,313.68 million) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.

47 Reconciliation of liabilities arising from financing activities.

The table below details change in the Company's liabilities arising from financing activities, including both cash and non cash changes. Liabilities arising from financing activities are those for which cash flows where, or future cash flows will be, classified in the Company's statement of cashflows as cashflows from financing activities.

Sl. No.	Particulars	Opening balance as at 01/04/2017	Financing cash Flows	Non-cash changes	Closing balance as at 31/03/2018
I	**Borrowing - Long Term**				
	1 External commercial borrowing (ECB)	37,877.46	(12,403.52)	248.14	25,722.08
	2 Loan from Oil Industry Development Board (OIDB)	2,500.00	(1,750.00)	-	750.00
	3 Deferred payment liabilities - VAT Loan	-	485.53	(316.29)	169.24
	4 Oil and Natural Gas Corporation Limited (ONGC)	25,714.10	(6,857.20)	-	18,856.90
	5 Deferred payment liabilities - CST	1,145.17	(526.54)	-	618.63
	6 Foreign Currency Term Loan (FCTL)	-	2,570.16	37.04	2,607.20
	Total	**67,236.73**	**(18,481.57)**	**(31.11)**	**48,724.05**

Sl. No.	Particulars	Opening balance as at 01/04/2017	Financing cash Flows	Non-cash changes	Closing balance as at 31/03/2018
II	**Borrowing - Short Term**				
	1 Working capital loan from banks	5,201.88	(5,058.88)	-	143.00
	2 Foreign currency non repatriable loan (FCNR)	12,971.00	3,021.48	302.52	16,295.00
	3 Buyers Credit & Pre/Post Shipment Export Credit	-	14,216.64	122.96	14,339.60
	Total	**18,172.88**	**12,179.24**	**425.48**	**30,777.60**

Sl. No.	Particulars	Opening balance as at 01/04/2016	Financing cash Flows	Non-cash changes	Closing balance as at 31/03/2017
I	**Borrowing - Long Term**				
	1 External commercial borrowing (ECB)	41,301.38	(2,790.41)	(633.51)	37,877.46
	2 Loan from Oil Industry Development Board (OIDB)	5,250.00	(2,750.00)	-	2,500.00
	3 Oil and Natural Gas Corporation Limited (ONGC)	32,571.30	(6,857.20)	-	25,714.10
	4 Deferred payment liabilities - CST	1,603.34	(458.17)	-	1,145.17
	Total	**80,726.02**	**(12,855.78)**	**(633.51)**	**67,236.73**
			-		-
II	**Borrowing - Short Term**				
	1 Working capital loan from banks	25.61	5,176.27	-	5,201.88
	2 Foreign currency non repatriable loan (FCNR)	-	13,318.18	(347.18)	12,971.00
	Total	**25.61**	**18,494.45**	**(347.18)**	**18,172.88**

The cash flows bank loans, loans from related parties and other borrowings make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

48 The Company has a periodic system of physical verification of inventory, property, plant and equipment and capital stores in a phased manner to cover all items over a period. Adjustment differences, if any, is carried out on completion of reconciliation.

49 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

50 Some balances of trade and other receivables, trade and other payables and loans are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for on confirmation/reconciliation of the same, which will not have a material impact.

51 The Board had accorded consent for amalgamation of the subsidiary ONGC Mangalore Petrochemicals Limited with the Mangalore Refinery and Petrochemicals Limited (MRPL), subject to necessary approvals. The Company has now received "No Objection" vide letter dated April 18, 2018 from Ministry of Petroleum & Natural Gas. No effect is considered towards the same in the financial statements as it is still at a preliminary stage.

52 Figures in parenthesis as given in these notes to financial statements relate to previous years. Previous year figures have been regrouped wherever required.

53 Approval of financial statements

The financial statements were approved for issue by the board of directors on May 15, 2018

INDEPENDENT AUDITORS' REPORT

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

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **MANGALORE REFINERY AND PETROCHEMICALS LIMITED** (hereinafter referred to as "the Holding Company"), and its subsidiary **"ONGC MANGALORE PETROCHEMICALS LIMITED"** (the Holding Company and its subsidiary together referred to as " the Group") and its jointly controlled entity **"SHELL MRPL AVIATION FUELS AND SERVICES LIMITED",** comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on other financial information of the subsidiary and jointly controlled entity, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group, and its jointly controlled entity as at 31st March, 2018 and their consolidated profit (financial performance including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following matter in the Notes to

Accounts:

a. Note 46.2 (d) regarding claims of differential custom duty, impact of which is not known at this stage; and

b. Note 51 regarding preparation of financial statements ONGC Mangalore Petrochemicals Ltd. on going concern basis though the Company has accumulated losses and its net worth has been substantially eroded, the Company has incurred a net loss/net cash loss during the current and previous year and the Company's current liabilities exceeded its current assets as at the balance sheet date. However, the financial statements of the Company have been prepared on a going concern as the Management is of the belief that there will be sufficient cash generations to sustain the operations and meet all its obligations and liabilities for reasons stated in the said note and the proposed restructuring of the company as given in Note 52.

Our opinion is not modified in respect of this matter.

Other Matters

The audit of the subsidiary company was conducted by one of the joint auditors M/s. Manohar Chowdhary & Associates. The consolidated financial statements / financial information reflect total assets of ₹ 77,403.88 Million as at 31st March, 2018, total revenue of ₹ 55,612.94 Million and net cash flows amounting to ₹ 129.71 Million for the year ended on that date from the subsidiary. The consolidated financial statements also include the Group's share of net profit of ₹ 26.28 Million for the year ended 31st March 2018, as considered in the consolidated financial statements, in respect of one jointly controlled entity, whose financial statements/financial information have not been audited by us. The financial statements of the subsidiary which has been audited by one joint auditor and the financial information of jointly controlled entity which was audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and jointly controlled entity, and our report in terms 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 above on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors.

Report on Other Legal and Regulatory Requirements

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

   a. The company has clear title/lease deeds for freehold and leasehold land except for the following:

Description	Grouped Under	Area (in Acres)	Amount (₹ in Millions)	Reference in Financial Statement
Leasehold Land	Property, Plant & Equipment	30.97	36.56	Note 5
Leasehold Land	Capital Work in Progress	236.52	717.31	Note 6

   In addition advance has been made to KIADB for 1,050 acres of land amounting to ₹ 6,946.81 Million for which agreements are to be executed

   b. The company has written off trade receivables amounting to ₹ 472.34 million to settle long pending disputes between the company and Oil Marketing Companies (Indian Oil Corporation Ltd., Hindustan Petroleum Corporation Ltd. & Bharat Petroleum Corporation Ltd.) & Bangalore Metropolitan Transport Corporation with the approval of the Board of Directors. This amount is being expensed to the Statement of Profit and Loss. Refer Note No. 35- to the consolidated Ind AS financial statements

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

   For the Subsidiary company no adverse comments have been made by 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, based on our audit and on the consideration of the report of other auditors on separate financial statements and the other financial information of subsidiary and jointly controlled entity, as noted in the "other matter" paragraph, we report, to the extent applicable that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Ind AS financial statements.

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

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies Indian Accounting Standard rules, 2015 as amended.

e. As far as Holding Company and Subsidiary Company are concerned disqualification of directors stated under Section 164(2) of the Act is not applicable to a Government Company as per notification no. GSR 463(E) of the Ministry of Corporate Affairs dated 05/06/2015.

f. In respect of jointly controlled entity based on the reports of the statutory auditor and on the basis of written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors of the jointly controlled entity incorporated in India, none of the directors of the jointly controlled entity is disqualified from being appointed in terms of Section 164(2) of the Act

g. With respect to the adequacy of the internal financial controls over the financial reporting of the Holding Company, its subsidiary and its jointly controlled entity incorporated in India and the operating effectiveness of such controls, refer to our separate report Annexure A. With regard to Subsidiary and the jointly controlled entity, the reports of the other auditors are taken into account.

h. With respect to other matters to be included in the Auditor's Report in accordance with Rule11 of the Companies(Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary and jointly controlled entity as noted in the "other matter" paragraph:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, and its jointly controlled entity. -Refer Note 45.1 and 45.2 to the consolidated Ind AS financial statements;

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

iii) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company, its subsidiary and its jointly controlled entity incorporated in India during the year ended 31st March 2018.

iv) Reporting on disclosures relating to Specified Bank Notes is not applicable for year ended March 31 2018.

We refer to our Audit Report dated 15th May, 2018 already issued on the above referred Balance Sheet as on 31st March 2018, the Statement of Profit and Loss, Cash Flow Statement and the Statement of changes in equity. The said report is suitably amended to comply with the observations of Comptroller and Auditor General of India with respect to the Auditors Report. There have been no changes in the Balance Sheet as on 31st March 2018, the Statement of Profit and Loss, Cash Flow Statement and the statement of changes in equity referred in our earlier report dated 15th May, 2018.

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

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

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

Sd/-
CA. MURALI MOHAN BHAT
Partner
Membership no: 203592

Place: Chennai
Date: 29th June, 2018

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT– 31ST MARCH 2018

(Referred to in our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **MANGALORE REFINERY AND PETROCHEMICALS LIMITED** ("the Holding Company") and its subsidiary **"ONGC MANGALORE PETROCHEMICALS LIMITED"** and its jointly controlled entity **"SHELL MRPL AVIATION FUELS AND SERVICES LIMITED"** which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary company and its jointly controlled entity, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

The audit of the subsidiary company was conducted by one of the joint auditors M/s. Manohar Chowdhary & Associates. We did not audit the internal financial controls of the jointly controlled entity. The internal financial controls have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated report on internal financial controls in so far relates to the information included in respect of the subsidiary and jointly controlled entity, and our report in terms of clause 1 of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and jointly controlled entity, is based solely on the reports of the other auditors.

Since substantial transactions underlying the preparation of financial statements and its accounting are put through and generated using computer systems, an independent audit of Information Systems of the company is imperative to assure the confidentiality, integrity and availability of data used for financial reporting in so far as it relates to the holding company.

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

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

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

Sd/-
CA. MURALI MOHAN BHAT
Partner
Membership no: 203592

Place: Chennai
Date: 29th June, 2018

FORM AOC-1

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures as on 31.03.2018

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

Part "A": Subsidiary

₹ in million

					As at 31.03.2018					For the year 2017-18 (from 1st April 2017 to 31st March 2018)						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Sl. No.	Name of the subsidiary (Indian Company)	The date since when subsidiary was acquired	Reporting period for the subsidiary	Reporting currency and Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Details of Investment *	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Total Comprehensive Income	Proposed Dividend	% of shareholding
1	ONGC Mangalore Petrochemicals Limited	February 28, 2015	01.04.17 to 31.03.18	INR	18,776.26	(15,656.38)	77,403.88	74,284.00	4.80	55,612.94	(4,758.49)	(287.42)	(4,471.07)	(4,468.35)	-	51.00%

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

1. Names of subsidiary which are yet to commence operations: Nil
2. Names of subsidiary which have been liquidated during the year 2017-18: Nil

Part "B": Joint Ventures

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

Name of joint Venture		Shell MRPL Aviation Fuels and Services Limited
1.	Latest audited Balance Sheet Date	March 31, 2018
2.	Date on which the Joint Venture was acquired	March 11, 2008
3.	Shares of Joint Ventures held by the company on the year end	
	Number (in million)	15.00
	Amount of Investment in Joint Venture (₹ in million)	150.00
	Extent of Holding (in percentage)	50%
4.	Description of how there is significant influence	Percentage of holding
5.	Reason why the joint venture is not consolidated	NA
6.	Networth attributable to shareholding as per latest audited Balance Sheet	303.75
7.	Profit or Loss for the year	
	i. Considered in Consolidation	26.28
	ii. Not Considered in Consolidation	-

1. **Names of joint ventures which are yet to commence operations: NIL**
2. **Names of joint ventures which have been liquidated or sold during the year 2017-18: NIL**

As per our report of even date attached

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

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

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

Sd/-
CA.MURALI MOHAN BHAT
Partner
Membership No. 203592

Place : New Delhi
Date : 15/05/2018

For and on behalf of the Board

Sd/-
H KUMAR
Managing Director
DIN: 06851988

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

Sd/-
DINESH MISHRA
Company Secretary

Schedule-III additional disclosure on Consolidated Financial Statements as on 31st March, 2018

Name of the entity	Country of incorporation	Net Asset (i.e. Total Asset minus Total Liabilities		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of Consolidated Assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5	6	7	8	9	10
Parent									
Mangalore Refinery and Petrochemicals Limited	India	96.71%	100,450.29	125.06%	22,179.61	94.56%	33.19	124.99%	22,212.80
Subsidiary									
Indian									
ONGC Mangalore Petrochemicals Ltd. OMPL	India	1.52%	1,580.08	-12.86%	(2,280.25)	3.96%	1.39	-12.82%	(2,278.86)
Non controlling interest in subsidiary		1.48%	1,539.80	-12.35%	(2,190.82)	3.79%	1.33	-12.32%	(2,189.49)
Joint ventures Entities									
Indian									
Shell MRPL Aviation Fuels & Services Limited	India	0.29%	303.75	0.15%	27.09	-2.31%	(0.81)	0.15%	26.28
Net		**100.00%**	**103,873.92**	**100.00%**	**17,735.63**	**100.00%**	**35.10**	**100.00%**	**17,770.73**

As per our report of even date attached

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

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

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

Sd/-
CA.MURALI MOHAN BHAT
Partner
Membership No. 203592

Place : New Delhi
Date : 15/05/2018

For and on behalf of the Board

Sd/-
H KUMAR
Managing Director
DIN: 06851988

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

Sd/-
DINESH MISHRA
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in ₹ million unless otherwise stated)

A Equity share capital

Particulars	Amount
Balance as at April 1, 2016	17,526.64
Changes in equity share capital during the year	-
Balance as at March 31, 2017	**17,526.64**
Changes in equity share capital during the year	-
Balance as at March 31, 2018	**17,526.64**

B Other equity

Particulars	Deemed equity	Reserves and surplus					
		General reserve	Capital redemption reserve	Securities premium reserve	Capital reserve	Retained earnings	Total
Balance as at April 1, 2016	**26.05**	**1,192.00**	**91.86**	**3,467.98**	**0.07**	**38,034.65**	**42,812.61**
Profit for the year	-	-	-	-	-	34,726.41	34,726.41
Remeasurement of the defined benefit plans, net of income tax	-	-	-	-	-	(47.79)	(47.79)
Total comprehensive income for the year	-	-	-	-	-	34,678.62	34,678.62
Addition during the year	**4.48**	**-**	**-**	**-**	**-**	**-**	**4.48**
Balance as at March 31, 2017	**30.53**	**1,192.00**	**91.86**	**3,467.98**	**0.07**	**72,713.27**	**77,495.71**
Profit for the year	-	-	-	-	-	19,926.45	19,926.45
Remeasurement of the defined benefit plans, net of income tax	-	-	-	-	-	33.77	33.77
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**19,960.22**	**19,960.22**
Addition during the year	7.87	-	-	-	-	-	7.87
Payment of dividends (including corporate dividend tax)	**-**	**-**	**-**	**-**	**-**	**(12,656.32)**	**(12,656.32)**
Balance as at March 31, 2018	**38.40**	**1,192.00**	**91.86**	**3,467.98**	**0.07**	**80,017.17**	**84,807.48**

As per our report of even date attached

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

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

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

Sd/-
CA.MURALI MOHAN BHAT
Partner
Membership No. 203592

Place : New Delhi
Date : 15/05/2018

For and on behalf of the Board

Sd/-
H KUMAR
Managing Director
DIN: 06851988

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

Sd/-
DINESH MISHRA
Company Secretary

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(All amounts are in ₹ million unless otherwise stated)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	5	198,260.07	202,384.34
(b) Capital work-in-progress	6	6,821.38	2,199.15
(c) Investment Property	7	77.96	-
(d) Goodwill	8	3,772.78	3,772.78
(e) Other intangible assets	9	56.26	27.08
(f) Financial assets			
(i) Investments	10	306.26	418.52
(ii) Loans	11	627.19	446.59
(iii) Others financial assets	12	94.83	68.74
(g) Non-current tax assets (net)	13	4,332.98	4,575.49
(h) Deferred tax assets (net)	25	-	3,106.87
(i) Other non-current assets	14	15,202.39	10,966.06
Total non current assets (I)		**229,552.10**	**227,965.62**
II Current assets			
(a) Inventories	15	52,404.00	44,140.49
(b) Financial assets			
(i) Trade receivables	16	25,767.94	26,189.78
(ii) Cash and cash equivalents	17	4,403.69	2,461.53
(iii) Bank balances other than (ii) above	18	3,926.32	18,976.79
(iv) Loans	11	86.40	59.58
(v) Other financial assets	12	72.71	3,145.02
(c) Current tax assets (net)	13	283.88	-
(d) Other current assets	14	3,009.07	5,380.57
Sub-total current assets		**89,954.01**	**100,353.76**
Non-current assets held for sale	19	-	77.96
Total current assets (II)		**89,954.01**	**100,431.72**
Total assets (I+II)		**319,506.11**	**328,397.34**
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	20	17,526.64	17,526.64
(b) Other equity	21	84,807.48	77,495.71
(c) Non controlling interest		1,539.80	3,729.29
Total equity (I)		**103,873.92**	**98,751.64**
LIABILITIES			
II Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	44,786.76	85,909.49
(ii) Other financial liabilities	23	-	-
(b) Provisions	24	493.79	661.53
(c) Deferred tax liabilities (Net)	25	902.24	-
(d) Other non-current liabilities	27	3,595.54	-
Total non current liabilities (II)		**49,778.33**	**86,571.02**
III Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	62,616.36	46,686.29
(ii) Trade payables	26	47,925.45	60,444.97
(iii) Other financial liabilities	23	49,157.35	30,814.36
(b) Other current liabilities	27	2,112.93	1,830.05
(c) Provisions	24	4,041.77	2,853.57
(d) Current tax liabilities (net)	13	-	445.44
Total current liabilities (III)		**165,853.86**	**143,074.68**
IV Total liabilities (II+III)		**215,632.19**	**229,645.70**
TOTAL EQUITY AND LIABILITIES (I+IV)		**319,506.11**	**328,397.34**

See accompanying notes to the consolidated financial statements (1-54)
As per our report of even date attached

For and on behalf of the Board

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

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

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

Sd/-
CA.MURALI MOHAN BHAT
Partner
Membership No. 203592

Sd/-
H KUMAR
Managing Director
DIN: 06851988

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

Sd/-
DINESH MISHRA
Company Secretary

Place : New Delhi
Date : 15/05/2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in ₹ million unless otherwise stated)

Particulars		Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I.	Revenue from operations	28	636,880.57	599,891.40
II.	Other income	29	2,739.20	4,188.52
III.	**Total income (I + II)**		**639,619.77**	**604,079.92**
IV.	**Expenses:**			
	Cost of materials consumed	30	431,790.55	372,689.85
	Changes in inventories of finished goods, stock-in-process and stock-in-trade	31	(8,799.89)	(3,319.80)
	Excise duty on sale of goods		146,330.58	162,226.14
	Employee benefits expense	32	4,589.64	3,902.90
	Finance costs	33	9,126.49	9,659.22
	Depreciation and amortisation expense	34	9,660.92	9,841.20
	Other expenses	35	17,949.62	14,561.55
	Total expenses (IV)		**610,647.91**	**569,561.06**
V.	**Profit before exceptional items and tax (III-IV)**		**28,971.86**	**34,518.86**
VI.	Exceptional items (income)/expenses (net)	36	258.90	(15,972.91)
VII.	**Share of profit of joint ventures**		**1.06**	**46.75**
VIII.	**Profit before tax (V- VI+VII)**		**28,714.02**	**50,538.52**
IX.	Tax expense:			
	(1) Current tax	37	-	-
	- Current year		6,995.74	11,853.78
	- Earlier years		(7.16)	-
	(2) Deferred tax	25	3,989.81	5,752.64
	Total tax expense (IX)		**10,978.39**	**17,606.42**
X.	**Profit for the year (VIII-IX)**		**17,735.63**	**32,932.10**
XI.	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurement of the defined benefit plans		54.95	(79.53)
	(b) Effective portion of gains (losses) on hedging instruments in cash flow hedges		(0.64)	3.00
	(c) Income tax relating to above		(19.21)	27.53
	Total other comprehensive income (XI)		**35.10**	**(49.00)**
XII	**Total comprehensive income for the year (X+XI)**		**17,770.73**	**32,883.10**
XIII.	**Profit for the year attributable to**			
	Owners of the Company		19,926.45	34,726.41
	Non controlling interest		(2,190.82)	(1,794.31)
XIV.	**Other comprehensive income for the year attributable to**			
	Owners of the Company		33.77	(47.79)
	Non controlling interest		1.33	(1.21)
XV.	**Total comprehensive income for the year attributable to**			
	Owners of the Company		19,960.22	34,678.62
	Non controlling interest		(2,189.49)	(1,795.52)
XVI	Earnings per equity share:	38		
	(1) Basic (in ₹)		11.37	19.81
	(2) Diluted (in ₹)		11.37	19.81

See accompanying notes to the consolidated financial statements (1-54)

As per our report of even date attached

For and on behalf of the Board

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

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

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

Sd/-
CA.MURALI MOHAN BHAT
Partner
Membership No. 203592

Sd/-
H KUMAR
Managing Director
DIN: 06851988

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

Sd/-
DINESH MISHRA
Company Secretary

Place : New Delhi
Date : 15/05/2018

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in ₹ million unless otherwise stated)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
A CASH FLOW FROM OPERATING ACTIVITIES			
Profit after tax		**17,735.63**	**32,932.10**
Adjustments for :			
Tax expense		10,978.39	17,606.42
Share of profit of joint ventures		111.44	(39.25)
Depreciation and amortisation expense		9,661.00	9,841.28
Loss/ (profit) on sale of property, plant and equipment (net)		249.64	56.70
Liability no longer required written back		(839.49)	(65.67)
Impairment of doubtful trade receivables		-	302.80
Write off of doubtful trade receivables		472.34	59.37
Exchange rate fluctuation (net)		1,150.51	(1,569.68)
Finance costs		8,782.16	9,716.27
Interest income		(786.42)	(3,840.71)
Dividend income		(153.34)	(275.51)
Amortisation of prepayments		9.44	9.83
Amortisation of deferred government grant		(164.20)	-
Others		51.04	(76.99)
		47,258.14	**64,656.96**
Movements in working capital :			
- (Increase)/ decrease in trade and other receivables		(364.26)	(3,043.32)
- (Increase)/ decrease in loans		(207.42)	(40.93)
- (Increase)/ decrease in other assets		18,636.32	102,590.77
- (Increase)/ decrease in inventories		(8,240.58)	(10,316.10)
- Increase/ (decrease) in trade payable other liabilities		(10,474.23)	(155,025.01)
Cash generated from operations		**46,607.97**	**(1,177.63)**
Income taxes paid, net of refunds		(6,889.34)	(9,905.25)
Net cash generated from / (used in) operations	(a)	**39,718.63**	**(11,082.88)**
B CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(10,700.24)	(8,618.34)
Proceeds from disposal of property, plant and equipment		(6.85)	699.89
Interest received		799.02	5,404.77
Dividend received from joint ventures		112.50	7.50
Dividend received from investments in mutual fund		40.84	268.01
Investment in joint venture companies		-	0.31
Tax Paid on interest income		(58.74)	(416.30)
Net cash generated from / (used in) investing activities	(b)	**(9,813.47)**	**(2,654.16)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in ₹ million unless otherwise stated)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
C CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long term borrowings **(refer note 47)**		8.99	19,686.35
Repayment of long term borrowings **(refer note 47)**		(21,560.24)	(16,561.37)
Proceeds from short term borrowings, net **(refer note 47)**		14,971.23	8,995.67
Finance costs paid		(8,726.66)	(9,475.26)
Dividends and dividend tax paid on equity shares		(12,656.32)	-
Net cash generated from / (used in) financing activities	(c)	**(27,963.00)**	**2,645.39**
Net increase / (decrease) in cash and cash equivalents	(a+b+c)	**1,942.16**	**(11,091.65)**
Cash and cash equivalents as at the beginning of the year		**2,461.53**	**13,553.18**
Cash and cash equivalents as at the end of the year		**4,403.69**	**2,461.53**
		1,942.16	**(11,091.65)**

1 The above cash flow statement prepared under the "Indirect method" as set out in the Ind AS 7 "Cash Flow Statement".

2 Brackets indicate cash outflow/ deduction

See accompanying notes to the consolidated financial statements (1-54)
As per our report of even date attached

For and on behalf of the Board

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

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

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

Sd/-
CA.MURALI MOHAN BHAT
Partner
Membership No. 203592

Sd/-
H KUMAR
Managing Director
DIN: 06851988

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

Sd/-
DINESH MISHRA
Company Secretary

Place : New Delhi
Date : 15/05/2018

Notes to the Consolidated Financial Statements for the period ended March 31, 2018

(All amounts are ₹ in million unless otherwise stated)

1. Corporate information

Mangalore Refinery and Petrochemicals Limited ('MRPL' or 'the Company') is a Central public sector enterprise domiciled and incorporated in India having its registered office at Mudapadav, Kuthethoor P.O. via Katipalla, Mangaluru, Karnataka - 575030. The Company's equity shares are listed and traded on BSE Limited and National Stock Exchange Limited, stock exchanges. The Company is a subsidiary of Oil and Natural Gas Corporation Limited which holds 71.63% equity shares.

The Company and its subsidiary (collectively referred as "the Group") and joint ventures are mainly engaged in the business of refining of crude oil, petrochemical business, trading of aviation fuels and distribution of petroleum products through retail outlet and transport terminal.

2. Application of new and revised Indian Accounting Standards

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the consolidated financial statements are authorized have been considered in preparing these consolidated financial statements.

2.1. **(a) New and amended standards and interpretations**

The Company applied for the first time following amendment to the Ind AS which are effective for annual periods beginning on or after 1 April 2017. The nature and the impact of the amendments are described below:

Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative

The amendment requires entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for both the current and the comparative period in **Note 47.**

(b) Recent accounting pronouncements

(i) New Indian Accounting Standard (Ind AS) issued but not yet effective

Ind AS 115 'Revenue from Contracts with Customers' was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognised when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

(ii) Amendments to Indian Accounting Standards (Ind AS) issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standards:

Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine

future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. The Company is evaluating the requirements of these amendments and the effect on the financial statements is being evaluated.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendments to Ind AS 40 - Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest

in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale. These amendments are not applicable to the Company.

Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

  The amendments should be applied retrospectively and are effective from 1 April 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

3. Significant accounting policies

3.1. Statement of compliance

"These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time."

3.2. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The consolidated financial statements are presented in Indian Rupee and all values are rounded to the nearest two decimal million except otherwise stated.

Fair Value measurement.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

(a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

(c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Group's assumptions about pricing by market participants.

3.3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary (collectively referred as "the Group"). The Company has investments in joint ventures which are accounted using equity method in these consolidated financial statements. Refer note 3.6 for the accounting policy of investment in joint ventures in the consolidated financial statements.

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed, or rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Company obtains control and continue to be consolidated until the date that such control ceases.

The consolidated financial statements are prepared using uniform accounting policies consistently for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's standalone financial statements except otherwise stated. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

The consolidated financial statements have been prepared by combining the financial statements of the Company and its subsidiaries on a line-by-line basis by adding together the book values of like items of assets, liabilities, equity, income, expenses and cash flow after eliminating in full intra-group assets, liabilities, equity, income, expenses and cash flow relating to intra-group transactions and unrealized profits. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3.4. Business combinations

The acquisition method of accounting is used to account for business combination by the Group. In this method, acquiree's identifiable assets, liabilities and contingent liabilities that meet condition for recognition are recognized at their fair values at the acquisition date. Non-controlling interest is measured at proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired. The transaction costs incurred in connection with business

combination are recognised in the consolidated statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

3.5. Non-controlling interests

Non-controlling interests are present ownership interests that entitle their holders to a proportionate share of the Group's net assets in the event of liquidation. Non-controlling interests are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of the interest at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

3.6. Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. Distributions received from a joint venture reduce the carrying amount of the investment. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

If a joint venture uses accounting policies other than those of the Group accounting policies for like transactions and events in similar circumstances, adjustments are made to make the joint venture's accounting policies conform to those of the Group's before applying the equity method.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then Group recognise impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109 'Financial Instruments'. The difference between the carrying amount of the joint venture at the date the equity method was discontinued,

and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in joint venture that are not related to the Group.

3.7. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to Group's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss.

3.8. Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

3.9. Revenue Recognition

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

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

3.9.3. Interest income from financial assets is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.9.4. For non-financial assets, interest income is recognised on a time proportion basis. Income on refundable taxes / duties is recognised on receipt basis.

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

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

3.9.7. The Group has entered into certain "take or pay" arrangements with its customers which requires the Group to deliver specified quantities as per the arrangement. In the event of short lifting by the customer as per the terms of the arrangement, the Group is entitled to receive revenue in respect of the short lifted quantities. Revenue in respect of short lifted quantities under take or pay arrangements is recognised when the Group's obligation to supply short-lifted quantity ceases as per the arrangement and it is probable that the economic benefits will flow to the Group.

3.9.8. The Group is entitled to export incentive in the form of duty credit scrips under MEIS scheme notified in Foreign Trade Policy of India. Income arising from duty credit scrips is recognised at the fair value of the duty credit scrips when there is reasonable certainty that the Group will receive duty credit scrips for the export sales made, which is generally the time when SEZ authorities issues the duty credit scrips to the Group.

3.9.9. Excise duty is presented as expense in the statement of profit and loss. Excise duty in respect of difference between closing and opening stock of excisable goods is included under "Other Expenses".

3.10. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leasehold lands where the ownership of the land will not be transferred to Group at the end of lease period are classified as operating leases. Upfront operating lease payments are recognized as prepayments and amortised on a straight-line basis over the term of the lease. Leasehold lands are considered as finance lease where ownership will be transferred to the Group as at the end of lease period. Such leasehold lands are presented under property, plant and equipment and not depreciated.

3.11. Foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Indian Rupees (₹), which is the Company's functional currency and the Group's presentation currency.

Transactions in currencies other than the respective entities' functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated using closing exchange rate prevailing on the last day of the reporting period.

Exchange difference arising in respect of long term foreign currency monetary items is recognised in the statement of profit and loss except for the exchange difference related to long term foreign currency monetary items those were recognized as at March 31, 2016, in so far as, they relate to the acquisition of depreciable assets, are adjusted against the cost of such assets and depreciate the said adjustment, over the balance life of asset.

3.12. Borrowing Costs

Borrowing costs specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged in the statement of profit and loss.

3.13. Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in statement of profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a below market rate of interest is treated as a government grant,

measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.14. Employee Benefits

Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, post-employment medical benefits resettlement allowances.

Defined contribution plans

Employee benefit under defined contribution plans comprising of provident fund and superannuation fund are recognized based on the amount of obligation of the Group to contribute to the plan. The same is paid to a Provident Fund Trust authorities and to Life Insurance Corporation of India respectively, which are expensed during the year.

Defined benefit plans

Defined retirement benefit plans comprising of gratuity, post-retirement medical benefits and other long-term retirement benefits, which are recognized based on the present value of defined benefit obligation and is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted as current employee cost or included in cost of assets as permitted.

Net interest on the net defined liability is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset and is recognized in the statement of profit and loss except those included in cost of assets as permitted.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), are recognised in other comprehensive income except those included in cost of assets as permitted in the period in which they occur and are not subsequently reclassified to profit or loss.

The Company contributes all ascertained liabilities with respect to Gratuity to the MRPL's Gratuity Fund Trust (MGFT). Company's subsidiary gratuity plan is unfunded. Other defined benefit schemes of the Group are un-funded.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from the actuarial calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

3.15. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts

of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred taxes are recognised in respect of temporary differences which originate during the tax holiday period but reverse after the tax holiday period. For this purpose, reversal of temporary difference is determined using first in first out method.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.16. Property, plant and equipment (PPE)

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses if any. Freehold land is not depreciated.

PPE in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. The cost of an asset comprises its purchase price or its construction cost (net of applicable tax credits) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management. It includes professional fees and borrowing costs for qualifying assets capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Parts of an item of PPE having different useful lives and material value as assessed by management and subsequent capital expenditure on Property, Plant and Equipment are accounted for as separate components.

PPE are stated at cost less accumulated depreciation and accumulated impairment losses if any.

Depreciation of PPE commences when the assets are ready for their intended use.

Depreciation is provided on the cost of PPE (other than freehold land and properties under construction) less their residual values over their useful lives, using Straight Line Method, over the useful life of component of various Assets as specified in Schedule II to the Companies Act, 2013, except in case of certain components /assets of the plant and equipment, building and vehicles whose useful lives are determined based on technical evaluation and the useful life considered under Group's policy for the employee's vehicle and furniture scheme.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Expenditure on overhaul and repairs on account of planned shutdown which are of significant value (5% of the value of particular assets) is capitalized as component of relevant items of PPE and is

depreciated over the period till next shutdown on straight line basis. Catalyst whose life is more than one year is capitalised as property, plant and equipment and depreciated over the guaranteed useful life as specified by the supplier when the catalyst is put to use.

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

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

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions except low value items not exceeding ₹ 5,000/- (other than Group purchase scheme for employees) which are fully depreciated at the time of addition.

Estimated useful lives of the assets are as follows:

Sr. No.	Particulars	Useful lives (in years)
1.	Buildings	1-60
2.	Plant and equipment – catalysts	2-10
3.	Plant and equipment – computers	3-7
4.	Plant and equipment – continuous process plant not covered under specific industries (Triple shift)	7.5
5.	Plant and equipment – electrical/ lab/ canteen/ school	10
6.	Plant and equipment – instrumentation items/ DCS/ hospital/ others	15
7.	Plant and equipment – refinery assets	25
8.	Plant and equipment – petrochemical assets	25-30
9.	Plant and equipment – pipelines/ SPM/ offshore component/ civil structure/other	30
10.	Plant and equipment – power plant	25-40
11.	Plant and equipment – others	3-15
12.	Office equipment	3-15
13.	Furniture and fixtures	3-10
14.	Vehicles	4-8

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

An item of property, plant and equipment is derecognised upon disposal, replacement or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.17. Intangible assets

3.17.1. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses if any.

3.17.2. Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition

of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

3.17.3. Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Sr. No.	Particulars	Useful lives (in years)
1.	Computer software	3-10
2.	License and franchise	3

3.18. Impairment of tangible and intangible assets other than goodwill

The Group reviews the carrying amounts of its intangible assets and Property, plant and equipment (including capital works-in-progress) of a "Cash Generating Unit" (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

An assessment is made annually as to see if there are any indications that impairment losses recognized earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the statement of profit and loss.

3.19. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit after tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

3.20. Research and Development expenditure

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

3.21. Inventories

Inventories are valued at lower of cost and net realizable value. Cost of inventories comprises of purchase cost and other costs incurred in bringing inventories to their present location and condition. The cost has been determined as under:

Raw material	On First in First out (FIFO) basis
Finished products	At Raw material, Conversion cost and excise duty
Stock-in-trade	On weighted average cost basis
Stock-in-process	At Raw material and Proportionate Conversion cost.
Stores and spares	On weighted average cost basis

Duty credit scrips which are generated and are intended to be sold in ordinary course of business are classified as inventory. Inventories in respect to duty credit scrips are subsequently measured at the lower of cost and net realisable value.

3.22. Provisions, Contingent Liabilities and Contingent Assets.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a

result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent assets are disclosed in the financial statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

3.23. Financial instruments

Financial assets and financial liabilities are recognised when Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.24. Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both selling financial assets and collecting contractual cash flows, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iv) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

(v) Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

(vi) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

3.25. Financial liabilities and equity instruments

3.25.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received. Incremental costs directly attributable to the issuance of new ordinary equity shares are recognized as a deduction from equity, net of tax effects.

3.25.2 Financial liabilities

a) Financial Guarantee

When the Group receives financial guarantee from its holding company, initially it measures guarantee fees at the fair value. The Group records the initial fair value of fees for financial guarantee received as "Deemed Equity" from holding company with a corresponding asset recorded as prepaid guarantee charges. Such deemed equity is presented under the head 'other equity' in the balance sheet. Prepaid guarantee charges are recognized in statement of profit and loss over the period of financial guarantee received.

b) Financial liabilities subsequently measured at amortised cost

Financial liabilities are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

c) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

3.26. Insurance Claims

In case of total loss of asset, on intimation to the insurer, either the carrying cost of the asset or insurance value (subject to deductible excess) whichever is lower is treated as claims recoverable from insurance Group. In case insurance claim is less than the carrying cost of the asset, the difference is charged to statement of profit and loss. In case of partial or other losses, expenditure incurred / payments made to put such assets back into use, to meet the third party or other liabilities (less deductible excess) if any, are accounted for as claims receivable from insurance company. Insurance Policy deductible excess are expensed in the year in which corresponding expenditure is incurred.

As and when claims are finally received from the insurance company, the difference, if any, between the claim receivable from insurance company and claims received is adjusted to statement of profit and loss.

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

3.27. Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

4. Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

Inherent in the application of many of the accounting policies used in preparing the financial statements is the need for management to make judgments, estimates

and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of judgments, assumptions and estimation uncertainty in the preparation of the financial statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of useful lives of property, plant and equipment, employee benefit obligations, provision for income tax and measurement of deferred tax assets.

4.1. Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations (Refer note 4.2), that the Management have made in the process of applying the Group's accounting policies and that have the significant effect on the amounts recognized in the Financial Statements.

(a) Determination of functional currency

Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (₹) in which the company primarily generates and expends cash. Accordingly, the management has assessed its functional currency of the Company to be Indian Rupee (₹).

4.2. Assumptions and key sources of estimation uncertainty

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

a) Useful lives of property, plant and equipment and intangible assets

Management reviews its estimate of the useful lives of PPE and intangible assets at each reporting date, based on the future economic benefits expected to be consumed from the assets.

b) Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

c) Provision for income tax

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

d) Recognition of deferred tax assets

In relation to subsidiary

In financial statement of subsidiary OMPL, Note 4.2 (d) describes that the company has recognised deferred tax asset of ₹ 1,270.91 million as at March 31, 2017. The Company has incurred losses in the past including current year. The Company has convincing evidence in respect of the recognition of deferred tax asset which includes committed long-term offtake arrangement entered with customer for its main product namely Paraxylene, arrangement with the parent company for sale of other products namely Paraffinic Raffinate, Hydrogen and De Ethanizer Column Bottom Liquid, revision in pricing terms for procurement of feed stock with the parent company, arrangements for procurement of Naphtha from other oil Companies to enhance the capacity utilization, arrangement with parent company to source the reformate to augment the aromatic feed stock requirement of the aromatic complex and agreement for gas transportation with Gas Authority of India Limited to source the natural gas for fuel requirement.

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement has been used in assessing the impact of any legal or economic limits or uncertainties.

e) Impairment of Investment in Subsidiary

As at March 31, 2018, the Company has carrying amount of ₹ 13,346.23 million (As at March 31, 2017: ₹ 13,346.23 million) for

equity investment made in ONGC Mangalore Petrochemicals Limited (OMPL). OMPL started its operations in the year 2014-15 as a Greenfield project and expected to incur losses during initial phase. The Company has been incurring losses since it started its operations which requires the management to assess impairment of its investment in OMPL.

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, 2018.

5. Property, plant and equipment

Carrying amount of:	As at March 31, 2018	As at March 31, 2017
Freehold lands	17.65	17.65
Leasehold lands **(refer note a and b below)**	253.46	253.26
Buildings	4,237.91	3,687.99
Plant and equipment **(refer note c below)**	192,951.62	197,538.05
Furniture and fixtures	318.59	347.23
Vehicles	120.61	131.88
Office equipment	360.23	408.28
Total	**198,260.07**	**202,384.34**

Gross Carrying Amount	Freehold lands	Leasehold lands	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Balance as at April 1, 2016	**17.65**	**253.26**	**3,401.42**	**219,213.24**	**140.08**	**153.62**	**565.40**	**223,744.67**
Add: Additions	-	-	764.76	(1,045.69)	266.16	8.90	12.99	7.12
Less: Disposal / adjustments / transfer of assets	-	-	96.34	1,374.49	0.61	0.93	4.91	1,477.28
Balance at at March 31, 2017	**17.65**	**253.26**	**4,069.84**	**216,793.06**	**405.63**	**161.59**	**573.48**	**222,274.51**
Add: Additions	-	0.20	713.19	5,029.09	17.23	5.11	35.11	5,799.93
Less: Disposal / adjustments / transfer of assets	-	-	(41.99)	467.49	1.68	1.47	0.66	429.31
Balance as at March 31, 2018	**17.65**	**253.46**	**4,825.02**	**221,354.66**	**421.18**	**165.23**	**607.93**	**227,645.13**

Accumulated depreciation	Freehold lands	Leasehold lands	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Balance as at April 1, 2016	**-**	**-**	**182.38**	**9,791.08**	**19.64**	**14.78**	**83.88**	**10,091.76**
Add: Depreciation expense	-	-	199.47	9,463.93	38.76	14.93	81.32	9,798.41
Balance as at March 31, 2017	**-**	**-**	**381.85**	**19,255.01**	**58.40**	**29.71**	**165.20**	**19,890.17**
Add: Depreciation expense	-	-	204.93	9,297.68	45.52	15.56	83.15	9,646.84
Less: Disposal / adjustments / transfer of assets	-	-	(0.33)	149.65	1.33	0.65	0.65	151.95
Balance as at March 31, 2018	**-**	**-**	**587.11**	**28,403.04**	**102.59**	**44.62**	**247.70**	**29,385.06**

a These leasehold lands are considered as finance lease in nature as the ownership will be transferred to the Company at the end of the lease period . These leasehold lands are not depreciated.

b Leasehold lands includes land amounting to ₹ 36.56 million (As at March 31, 2017 ₹ 28.82 million), which is in possession of the Company towards which formal lease deeds are yet to be executed.

c Plant and equipment include ₹ 39.15 million (As at March 31, 2017 ₹ 39.15 million) being Company's share of an asset jointly owned with another company.

5.1 Property plant and equipment pledged as security:

External commercial borrowing and loan availed from Oil Industry Development Board (OIDB) are secured by first pari passu charge over immovable property, plant and equipment and first ranking pari passu charge over movable property, plant and equipment both present and future. Working capital borrowings from consortium banks are secured by way of hypothecation of Company's stocks of raw material , finished goods, stock-in-process, stores, spares, components,

trade receivables, outstanding money receivables, claims, bills, contract, engagements, securities both present and future and further secured by second ranking pari passu charge over Companies movable and immovable property, plant and equipment both present and future **(Refer note 22).**

The Subsidiary OMPL, External commercial borrowings and non-convertible debentures (NCD) are secured by first pari passu charge over immovable property, plant and equipment. Working capital loan from a bank is secured by way of hypothecation of Company's current assets both present and future. Working capital lenders are to be secured by second ranking pari passu charge over Company's immovable property, plant and equipment both present and future on receipt of No Objection Certificate from NCD holders **(Refer note 22).**

5.2 Foreign exchange differences capitalised

Additions to property, plant and equipment includes ₹ 100.71 million (For the year ended March 31, 2017 ₹ (1,102.75) million) in relation to foreign exchange differences. Asset class wise addition details are disclosed below:

Year	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Asset class	**Exchange Differences**	**Exchange differences**
Buildings	0.28	(7.97)
Plant and equipment	100.43	(1,094.78)
Total	**100.71**	**(1,102.75)**

5.3 During the year, the Company has prepaid unutilised External Commercial Borrowings of ₹ 2,959.33 million. Consequent to the same, the Borrowing costs (net of interest income) and exchange rate variation amounting to ₹ 25.57 million (net) has been adjusted against the Property plant and equipment during the current year.

5.4 The Company is eligible for certain economic benefits such as exemptions from entry tax, custom duty, etc. on import/local purchase of capital goods in earlier years. The Company has accounted benefits received for custom duty and entry tax on purchase of property, plant and equipment as government grants. In the current year, the Company has adjusted the cost of property, plant and equipment as at April 1, 2017 and credited deferred government grant amounting to ₹ 3,618.21 million. The deferred government grant is amortised over the remaining useful life of the property, plant and equipment.

6. Capital work-in-progress (CWIP)

Cost	**As at March 31, 2018**	**As at March 31, 2017**
Leasehold land **(refer note 6.2 below)**	717.86	717.86
Buildings	1,267.95	352.25
Plant and equipment	4,817.98	1,129.04
Software	17.59	-
Total	**6,821.38**	**2,199.15**

6.1 Additions to CWIP includes borrowing costs amounting to ₹ 13.45 Million (For the year ended March 31, 2017 ₹ Nil) and allocated to different class of assets. The rate used to determine the amount of borrowing costs eligible for capitalisation was 6.24% (For the year ended March 31, 2017 was nil) which is the effective interest rate on borrowings.

6.2 Leasehold lands includes land amounting to ₹ 717.31 million (As at March 31, 2017 ₹ 717.31 million), which is in possession of the Company towards which formal lease deeds are yet to be executed.

7 Investment Property

Carrying amount of:	As at March 31, 2018	As at March 31, 2017
Freehold land	77.96	-
Total	**77.96**	**-**

Gross Carrying Amount	Amount
Balance as at April 1, 2016	**-**
Add: Additions	-
Less: Disposals/ adjustments / transfer	**-**
Balance as at March 31, 2017	-
Reclassification from asset held for sale	77.96
Add: Additions	-
Less: Disposals/ adjustments / transfer	-
Balance as at March 31, 2018	**77.96**

Accumulated depreciation and impairment	Amount
Balance as at April 1, 2016	-
Add: Depreciation expense	-
Less: Eliminated on disposal / adjustment / transfer	-
Balance as at March 31, 2017	-
Add: Depreciation expense	-
Less: Eliminated on disposal / adjustment / transfer	-
Balance as at March 31, 2018	-

a The Company classified freehold land measuring 102.31 acres as "Current assets- Non-current assets held for sale" based on the Board's approval in 2007. During the current year, the Company has reclassified the aforesaid land as "Non-current assets- Investment Property" based on the Board decision to hold the aforesaid land for capital appreciation

b The fair value of the freehold land is ₹ 255.80 million as at March 31, 2018 as per valuation carried out by independent valuer.

8. Goodwill

8.1 Goodwill on account of Nitrogen plant

Particulars	Amount
Balance as at April 1, 2016	**4.04**
Less: Impairment	**-**
Balance as at March 31, 2017	**4.04**
Less: Impairment	**-**
Balance as at March 31, 2018	**4.04**

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

8.2 Goodwill on consolidation

Particualrs	As at March 31, 2018	As at March 31, 2017
Goodwill on consolidation	3,768.74	3,768.74
Total Goodwill (8.1+8.2)	**3,772.78**	**3,772.78**

9. Other intangible assets

Carrying amount of:	As at March 31, 2018	As at March 31, 2017
Computer Software	56.26	27.08
Total	**56.26**	**27.08**

Gross Carrying Amount	Amount
Balance as at April 1, 2016	**84.35**
Add: Additions	24.57
Less: Disposals/ adjustments / transfer	-
Balance as at March 31, 2017	**108.92**
Add: Additions	43.26
Less: Disposals/ adjustments / transfer	-
Balance as at March 31, 2018	**152.18**

Accumulated amortisation	Amount
Balance as at April 1, 2016	**39.07**
Add: Amortisation expense	42.77
Less: Eliminated on disposal / adjustment / transfer	-
Balance as at March 31, 2017	**81.84**
Add: Amortisation expense	14.08
Less: Eliminated on disposal / adjustment / transfer	-
Balance as at March 31, 2018	**95.92**

10. Investments

10.1 Investments in equity instruments

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number in million	Amount	Number in million	Amount
(Unquoted Investments (all fully paid up)				
(i) Investments (at fair value)				
(a) Mangalore SEZ Limited (Face value of ₹ 10 per share)	0.48	4.80	0.48	4.80
(b) Mangalam Retail Services Limited (Face value of ₹ 10 per share)	0.02	0.28	0.02	0.28
(ii) Investments in joint ventures (Equity method)				
(a) Shell MRPL Aviation Fuels and Services Limited (Face value of ₹ 10 per share)	15.00	301.18	15.00	413.44
Total investments		**306.26**		**418.52**
Aggregate carrying value of unquoted investments		306.26		418.52
Aggregate amount of impairment in value of investments		-		-

10.1.1 Subsidiary OMPL investment in Mangalore SEZ Limited is initially recognised at cost and subsequently measured at fair value through profit or loss. The management of subsidiary has considered the fair value (level 3 heirarchy) of such investment equivalent to the carrying amount at each reporting period.

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

10.1.3 **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, 2018	As at March 31, 2017
(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%

During the financial year 2016-17, the Company sold 31% equity stake in MRSL which resulted in loss of joint control over MRSL. As at March 31, 2018 the investment in MRSL has been measured at fair value through profit or loss. The management has considered the fair value (level 3 heirarchy) of such investment equivalent to the carrying amount as at reporting period.

10.1.4 **Details of joint ventures**

Name of joint venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Company	
			As at March 31, 2018	As at March 31, 2017
(a) Shell MRPL Aviation Fuels and Services Limited	Trading of aviation fuels	India	50.00%	50.00%

Refer Note 3.6 for method followed for accounting of investment in joint ventures.

11. Loans

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
(a) Deposits				
With related Party:	31.21	3.59	42.92	-
With customers				
- Considered doubtful	-	-	-	4.40
Less: Impairment for doubtful deposits	-	-	-	4.40
	-	-	-	-
With vendors	119.45	3.65	100.79	4.98
	150.66	**7.24**	**143.71**	**4.98**
(b) Loans to employees	475.17	79.68	301.89	55.17
Less: Impairment for doubtful loans	-	0.81	-	0.81
	475.17	**78.87**	**301.89**	**54.36**
(c) Loans to directors and other officers	**1.36**	**0.29**	**0.99**	**0.24**
Total (a+b+c)	**627.19**	**86.40**	**446.59**	**59.58**

12. Others financial assets

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
(a) Interest accrued on employee loans/directors and other officers	94.83	0.93	68.74	0.42
(b) Interest accrued but not due on bank deposits	-	71.73	-	111.23
(c) Claims receivable from insurance company	-	-	-	0.05
(d) Receivable from others	-	-	-	3,033.27
(e) Receivable from holding company	-	0.05	-	0.05
Total (a+b+c+d+e)	**94.83**	**72.71**	**68.74**	**3,145.02**

13. Tax assets/ (liabilities)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
Tax assets (Advance tax)	47,350.29	7,279.62	45,296.13	2.43
Less: Provision for current tax liabilities	44,915.75	6,995.74	44,714.92	447.87
Net tax assets / (liabilities) (a)	**2,434.54**	**283.88**	**581.21**	**(445.44)**
Income tax paid under dispute (b)	**1,898.44**	**-**	**3,994.28**	**-**
Total (a+b)	**4,332.98**	**283.88**	**4,575.49**	**(445.44)**

14. Other assets

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
(i) Capital advances				
- To related party	980.61	-	980.61	-
-To Others	8,159.36	-	5,938.05	-
	9,139.97	**-**	**6,918.66**	**-**
(ii) Deposits (refer note 14.1)				
with Customs/Port Trusts, etc.	**2,503.98**	**-**	**378.73**	**-**
(iii) Advance recoverable in kind				
from related parties	-	133.59	-	117.56
from others	-	1,348.41	-	1,384.37
	-	**1,482.00**	**-**	**1,501.93**
(iv) Balance with government authorities	**-**	**1,360.42**	**-**	**3,721.65**
(v) Prepayments				
Leasehold land	2,256.15	55.18	2,311.33	55.18
Others **(refer note 14.2)**	1,302.29	110.56	1,357.34	100.90
	3,558.44	**165.74**	**3,668.67**	**156.08**
(vi) Gold coins	**-**	**0.91**	**-**	**0.91**
Total	**15,202.39**	**3,009.07**	**10,966.06**	**5,380.57**

14.1 Includes amounts paid under protest.

14.2 Subsidiary OMPL - Mangalore SEZ Limited ('the Developer') is constructing the Corridor pipeline and allied facilities ('the Facilities'). The contribution paid by the Company for the said Facilities is shown under Prepayment of ROW Charges net of value amortised over the useful life of asset.

15. Inventories

Particulars	As at March 31, 2018		As at March 31, 2017	
	Amount	Total	Amount	Total
Raw materials				
(a) on hand	14,454.58		14,816.96	
(b) In transit	5,976.69	20,431.27	6,938.24	21,755.20
Stock-in-process		6,584.44		4,773.98
Finished goods and Stock-in-trade	20,661.58		13,672.15	
Less: Allowance for stock loss	5.91	20,655.67	5.91	13,666.24
Stores and spares				
(a) on hand	4,740.96		3,904.10	
(b) In transit	58.68		126.45	
Less : Impairment for slow/non-moving inventories	67.02	4,732.62	85.48	3,945.07
Total		**52,404.00**		**44,140.49**

15.1 The cost of inventories (cost of sales) recognised as an expense during the year was ₹ 498,090.73 million (For the year ended March 31, 2017 ₹ 437,564.94 million).

15.2 Subsidiary OMPL has recognised cost of inventories as an expense includes ₹ 11.59 million (For the year ended March 31, 2017 ₹ 155.24 million) in respect of write down of finished goods inventory to net realisable value.

15.3 During the year, the Company has changed inventory valuation method of Stock-in-trade from FIFO to weighted average method and the impact of the same is not material.

15.4 The method of valuation of inventories has been stated in **Note 3.21**

16. Trade receivables

Particulars	As at March 31, 2018	As at March 31, 2017
Secured **(Refer note 16.4 below)**		
- Considered good	1,332.90	2,244.46
Unsecured		
- Considered good **(Refer note 16.6 below)**	24,435.04	23,945.32
- Considered doubtful	973.61	1,714.71
Less: Impairment for doubtful receivables	973.61	1,714.71
Total	**25,767.94**	**26,189.78**

16.1 Generally, the Company enters into long-term sales arrangement with Oil Marketing Companies for domestic sales besides export of products through term contracts and spot international tenders and supplies to SEZ customers. The average credit period on sales ranges from 7 to 45 days. 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 over the applicable bank rate on the outstanding balance.

Subsidiary OMPL does exports sales through short-term tender arrangements with international traders against letter of credit facility with an average credit period of 7 days. For domestic sales, the Company has entered into long term sales arrangement with holding company with an average credit period ranging from 7-21 days. Interest is not charged on trade receivables for the applicable credit period from the date of invoice. For delayed period of payments, interest is charged at the applicable SBI lending rate on the outstanding balance.

16.2 Of the trade receivables, balance as at March 31, 2018 of ₹ 24,116.77 million (As at March 31, 2017 ₹ 24,308.83 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, 2018	As at March 31, 2017
Customer 1	5,369.28	6,239.93
Customer 2	8,841.62	9,070.12
Customer 3	3,167.89	3,425.16
Customer 4	1,754.77	1,903.24
Customer 5	2,353.39	1,695.95
Customer 6	2,629.82	-
Customer 7	-	1,974.43
	24,116.77	**24,308.83**

16.3 Usually, the Group collects all receivables from its customers within the applicable credit period. The Company assesses impairment on trade receivables from all the customers on facts and circumstances relevant to each transaction.

16.4 Secured by bank guarantees and letter of credit received from customers.

16.5 The Company has concentration of credit risk due to the fact that the Company has significant receivables from customers mentioned in **note 16.2**, however these customers are reputed and creditworthy.

16.6 Includes share of costs receivable from Oil Marketing Companies, valued on fair estimate basis at the end of each year and is subject to finalisation of settlements.

16.7 Age of Trade receivables:

Particulars	As at March 31, 2018	As at March 31, 2017
Within the credit period	25,154.55	25,936.37
1-30 days past due	455.17	276.24
31-90 days past due	103.13	135.07
More than 90 days past due	1,028.70	1,556.81
Total	**26,741.55**	**27,904.49**

16.8 Movement of Impairment for doubtful receivables

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of the year	1,714.71	1,468.95
Add: Additions in expected credit loss allowance	-	302.80
Less: Write back during the year	273.17	-
Less: Reclassification/ Other adjustments	467.93	57.04
Balance at end of the year	**973.61**	**1,714.71**

17. Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks		
Current accounts	3.99	130.79
Bank deposits with original maturity upto 3 months	4,397.50	2,330.00
Cash on hand	2.20	0.74
Total	**4,403.69**	**2,461.53**

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

(All amounts are in ₹)

Particulars	SBN's #	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	956,500.00	54,920.00	1,011,420.00
(+) Permitted receipts	11,219,500.00	10,619,399.00	21,838,899.00
(-) Permitted payments	-	121,786.00	121,786.00
(-) Amount deposited in bank	12,176,000.00	10,161,329.00	22,337,329.00
Closing cash in hand as on 30.12.2016	**-**	**391,204.00**	**391,204.00**

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

18. Other bank balances

Particulars	As at March 31, 2018	As at March 31, 2017
Bank deposits with original maturity more than 3 months upto 12 months **[Refer note 18.1]**	880.00	2,755.46
Other bank deposits under lien	2,820.10	9,370.60
Unclaimed interest on debentures account **[Refer note 18.2]**	0.01	0.01
Unclaimed dividend account **[Refer note 18.3]**	216.10	74.70
Restricted bank balance **[Refer note 18.4]**	-	6,766.88
Restricted bank balance for employee benevolent fund	10.11	9.14
Total	**3,926.32**	**18,976.79**

18.1 Bank deposits maintained by the Company with banks comprise time deposits, which can be withdrawn at any point of time without prior notice or penalty on the principal.

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

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

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

19. Non-current assets held for sale

Particulars	As at March 31, 2018	As at March 31, 2017
Freehold land **[Refer Note 7(a)]**	-	77.96
Others **[Refer Note 19.1]**	-	-
Total	**-**	**77.96**

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

20. Equity share capital

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised share capital:		
2,900,000,000 Equity shares of ₹ 10 each	**29,000.00**	**29,000.00**
(as at March 31, 2017: 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, 2017: 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, 2017: 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, 2017: 1,752,598,777 Equity shares of ₹10 each)		
Add: Shares forfeited **[Refer Note 20.5]**	0.65	0.65
	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, 2016	**1,752.59**	**17,525.99**
Changes during the year	-	-
Balance as at March 31, 2017	**1,752.59**	**17,525.99**
Changes during the year	-	-
Outstanding as at March 31, 2018	**1,752.59**	**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 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, 2018		As at March 31, 2017	
	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	-	-

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, 2018		As at March 31, 2017	
	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, 2017: 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, 2018	As at March 31, 2017
(a)	Deemed equity **[Refer note 3.25.2 (a)]**	38.40	30.53
(b)	Reserves and surplus		
	Capital redemption reserve	91.86	91.86
	Securities premium reserve	3,467.98	3,467.98
	Capital reserve	0.07	0.07
	General reserve	1,192.00	1,192.00
	Retained earnings	80,017.17	72,713.27
	Total	**84,807.48**	**77,495.71**

Particulars			As at March 31, 2018	As at March 31, 2017
(a)	**Deemed equity [Refer Note 21.1]**			
	Balance at beginning of the year		30.53	26.05
	Add: Transfer during the the year		7.87	4.48
	Balance at end of the year		**38.40**	**30.53**
(b)	**Reserves**			
	(i)	**Capital redemption reserve [Refer Note 21.2]**		
		Balance at beginning of the year	91.86	91.86
		Transfer during the year	-	-
		Balance at end of the year	**91.86**	**91.86**
	(ii)	**Securities premium reserve [Refer Note 21.3]**		
		Balance at beginning of the year	3,467.98	3,467.98
		Transfer during the year	-	-
		Balance at end of the year	**3,467.98**	**3,467.98**
	(iii)	**Capital reserve [Refer Note 21.4]**		
		Balance at beginning of the year	0.07	0.07
		Transfer during the year	-	-
		Balance at end of the year	**0.07**	**0.07**
	(iv)	**General reserve [Refer Note 21.5]**		
		Balance at beginning of the year	1,192.00	1,192.00
		Add: Transfer from retained earnings	-	-
		Balance at end of the year	**1,192.00**	**1,192.00**
	(v)	**Retained earnings**		
		Balance at beginning of the year	72,713.27	38,034.65
		Profit after tax for the year	19,926.45	34,726.41
		Other comprehensive income for the year, net of income tax	33.77	(47.79)
		Payment of Dividends	(10,515.59)	-
		Tax on Dividends	(2,140.73)	-
		Balance at end of the year	**80,017.17**	**72,713.27**

21.1 The amount of ₹ 38.40 million (Previous year ₹ 30.53 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 reserve 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 profit or loss.

21.6 The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company. Thus, the amount reported in general reserves are not entirely distributable.

In respect of the year ended March 31, 2018, the Board of Directors has proposed a final dividend of ₹ 3/- per share to be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 5,257.80 million and the dividend distribution tax thereon amounts to ₹ 1,080.76 million.

22. Borrowings

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
Secured – at amortised cost				
Term Loans:-				
From Banks				
External commercial borrowing (ECB)	9,794.41	-	40,692.06	-
[Refer note 22.1]				
From others				
Loan from Oil Industry Development Board (OIDB)	-	-	750.00	-
[Refer note 22.2]				
Deferred payment liabilities : VAT Loan	169.24	-	-	-
[Refer note 22.3]				
Non-convertible debentures	19,997.58	-	24,991.90	-
[Refer note 22.4]				
Working capital loan from banks	-	2,289.76	-	6,471.24
[Refer note 22.5]				
Unsecured – at amortised cost				
Term loan :-				
From related party				
Oil and Natural Gas Corporation Limited(ONGC)	11,999.70	-	18,856.90	-
[Refer note 22.6]				
From others				
Deferred payment liabilities : CST	218.63	-	618.63	-
[Refer note 22.7]				
Foreign Currency Term Loan (FCTL)	2,607.20			
[Refer note 22.8]				
Commercial papers (net of discount)	-	-	-	27,244.05
[Refer note 22.9]				
Working capital loan from Banks				
Foreign currency non repatriable loan (FCNR)	-	42,367.00	-	12,971.00
[Refer note 22.10]				
Buyers Credit and Pre/Post Shipment Export Credit	-	14,339.60	-	-
[Refer note 22.11]				
Loan repayable on demand from Banks				
Short Term Rupee Loan	-	3,620.00	-	-
[Refer note 22.12]				
Total	**44,786.76**	**62,616.36**	**85,909.49**	**46,686.29**

22.1 External commercial borrowing (ECB)

22.1.1 ECB taken by the Company are USD denominated loans and carries variable rate of interest which is six month Libor plus spread. These are secured by first pari passu charge over immovable property, plant and equipment and first ranking pari passu charge over movable property, plant and equipment both present and future.

Subsidiary OMPL has entered into an External Commercial Borrowing (ECB) arrangement for USD 331.32 million. Entire ECB facility of USD 331.32 Million has been availed in three tranches.

The ECB-Tranche I amounting to USD 250 million is repayable in 14 equal half yearly instalments commencing from April 1, 2015 and carries variable rate of interest which is LIBOR (6 months) plus spread of 3.13% . The ECB- Tranche II amounting to USD 60 million is repayable in 14 equal half yearly instalments commencing from October 31, 2015 and carries variable rate of interest which is LIBOR (6 months) plus spread of 3.15%. The ECB- Tranche III amounting to USD 21.32 million is repayable in 14 equal half yearly instalments commencing from October 31, 2016 and carries variable rate of interest which is LIBOR (6 months) plus spread of 3.15%.

The above mentioned ECB Loans are secured by the first charge on land and all property, plant and equipment and second charge by way of hypothecation on all movable property, plant and equipment and all current assets.

22.1.2 ₹ 28,801.65 million (As at March 31, 2017 of ₹ 13,039.40 million) is repayable within one year and the same has been shown as "Current maturities of long term debts (secured)" under **Note 23.**

22.1.3 Repayment schedule of ECB is as follows:

Year of repayment (refer note 22.13 below)	As at March 31, 2018	As at March 31, 2017
2017-18	-	13,122.21
2018-19	28,831.16	29,579.16
2019-20	3,085.06	4,042.51
2020-21	3,085.06	3,556.09
2021-22	3,085.06	3,069.68
2022-23	477.86	475.48
2023-24	99.25	98.76
Total	**38,663.45**	**53,943.89**

22.2 Loan from Oil Industry Development Board (OIDB)

22.2.1 Loan from OIDB taken by the Company carries fixed rate of interest. These are secured by first pari passu Charge over immovable property, plant and equipment and first ranking pari passu Charge over movable property, plant and equipment both present and future.

22.2.2 ₹ 750.00 million (As at March 31, 2017 of ₹ 1,750.00 million) is repayable within one year and the same has been shown as "Current maturities of long term debts" (secured)" under **Note 23.**

22.2.3 Repayment schedule of loan from OIDB is as follows:

Year of repayment (refer note 22.13 below)	As at March 31, 2018	As at March 31, 2017
2017-18	-	1,750.00
2018-19	750.00	750.00
Total	**750.00**	**2,500.00**

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 repaybale 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. 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 ₹ Nil (As at March 31, 2017 of ₹ Nil) is repayable within one year and the same has been shown as "Current maturities of long term debts (unsecured)" under **Note 23**.

22.3.4 Deferred payment liabilities - VAT Loan are secured by bank guarantees given by the company.

22.3.5 Repayment schedule of Deferred payment liability VAT loan is as follows:

Year of repayment (refer note 22.13 below)	As at March 31, 2018	As at March 31, 2017
2027-28	132.61	-
2028-29	155.16	-
2029-30	197.76	-
Total	**485.53**	**-**

22.4 Non-convertible debentures

22.4.1 Subsidiary OMPL has issued ₹ 5,000 million non-cumulative, secured, redeemable, taxable, listed, rated Non-Convertible Debentures (NCDs) during February 2016 with a coupon rate of 8.4% p.a., and interest payable annually. The Company has also issued ₹ 20,000 million non-cumulative, secured, redeemable, taxable, listed, rated Non-Convertible Debentures (NCDs) during June 2016 with a coupon rate of 8.12% p.a., and interest payable annually.

22.4.2 These NCDs are secured by first ranking pari passu charge on the land totalling an extent of 441.438 acres situated in Mangalore SEZ, Permude and Kalavar Villages in Mangaluru Taluk & Registration sub-District, Dakshina Kannada Dist. and property, plant and equipment including buildings, roads and plant and equipment.

22.4.3 ₹ 4,998.21 (As at March 31, 2017 of ₹ Nil) is repayable within one year and the same has been shown as "Current maturities of long term debts (unsecured)" under **Note 23**.

22.4.4 Repayment schedule of non-convertible debentures is as follows:

Year of repayment (refer note 22.13 below)	As at March 31, 2018	As at March 31, 2017
2018-19	5,000.00	5,000.00
2019-20	20,000.00	20,000.00
Total	**25,000.00**	**25,000.00**

22.5 Working capital loan from Banks

22.5.1 Working capital borrowings from consortium banks are secured by way of hypothecation of Company's stocks of Raw material, Finished goods, stock-in-process, stores, spares, components, trade receivables, outstanding money receivables, claims, bills, contract, engagements, securities both present and future and further secured by second ranking pari passu charge over companies movable and immovable property, plant and equipment both present and future.

22.5.2 Subsidiary OMPL working capital lenders are to be secured by second ranking pari passu charge over Company's immovable property, plant and equipment both present and future on receipt of No Objection Certificate from NCD holders.

22.6 Term loan from related party

22.6.1 Term loan from related Party (ONGC) taken by the Company carries variable rate of interest which is G-sec yield for 5 years tenor plus spread w.e.f April 1, 2016.

22.6.2 ₹ 6,857.20 million (As at March 31, 2017 of ₹ 6,857.20 million) is repayable within one year and the same has been shown as "Current maturities of long-term debts (unsecured)" under **Note 23.**

22.6.3 Repayment schedule of loan from ONGC is as follows:

Year of repayment (refer note 22.13 below)	As at March 31, 2018	As at March 31, 2017
2017-18	-	6,857.20
2018-19	6,857.20	6,857.20
2019-20	6,857.20	6,857.20
2020-21	5,142.50	5,142.50
Total	**18,856.90**	**25,714.10**

22.7 Deferred Payment Liabilities : CST

22.7.1 Deferred payment liability represents amount payable on account of sales tax liability to be paid after a specified period to the sales tax authority, Karnataka. Such deferral of sales tax liability is not liable for any interest.

22.7.2 ₹ 400.00 million (As at March 31, 2017 of ₹ 526.54 million) is repayable within one year and the same has been shown as "Current maturities of long term debts (unsecured)" under **Note 23.**

22.7.3 Repayment schedule of deferred payment liability loan is as follows:

Year of repayment (refer note 22.13 below)	As at March 31, 2018	As at March 31, 2017
2017-18	-	526.54
2018-19	400.00	400.00
2019-20	218.63	218.63
Total	**618.63**	**1,145.17**

22.8 Foreign Currency Term Loan (FCTL)

22.8.1 Foreign Currency Term Loan (FCTL) from bank are USD denominated loans carries variable rate of interest which is one month Libor plus spread.

22.8.2 ₹ Nil million (As at March 31,2017 ₹ Nil million) is repayable within one year and the same has been shown as "Current maturities of long term debts (unsecured)" under **Note 23**.

22.8.3 Repayment schedule of Foreign Currency Term Loan (FCTL) is as follows:

Year of repayment (refer note 22.13 below)	As at March 31, 2018	As at March 31, 2017
2019-20	2,607.20	-
Total	**2,607.20**	**-**

22.9 Commercial paper

22.9.1 Subsidiary OMPL commercial papers are unsecured fixed rate debt instruments with tenure varying between 30 to 180 days.

22.10 Foreign Currency Non Repatriable Loan (FCNR)

22.10.1 Foreign Currency Non Repatriable Loan from bank are USD denominated loans and carries variable rate of interest which is one month Libor plus spread and is repayable within one year from the date of each disbursement.

Subsidiary OMPL unsecured short term foreign Currency Loan (FCNR) availed from Bank of Baroda is for a tenor of 6 months and interest rate applicable is LIBOR (1 month) plus spread of 0.65%

22.11 Buyers Credit & Pre/Post Shipment Export Credit

22.11.1 Buyers Credit and Pre/Post Shipment Export Credit from banks are USD denominated loans carries variable rate of interest which is one month Libor plus spread and is repayable within one year from the date of each disbursement.

22.12 Short Term Rupee Loan

22.12.1 Subsidiary OMPL unsecured short term rupee loan availed from ICICI Bank is with a minimum tenor varying from 1 day to 365 days and interest rate applicable is 1 year CD rate plus 1.1625% p. a

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, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
Current maturities of long term debt (secured) **[Refer note 22.1.2, 22.2.2, 22.3.3 and 22.4.3]**	-	34,549.86	-	14,789.40
Current maturities of long term debt (Unsecured) **[Refer note 22.6.2, 22.7.2 and 22.8.2]**	-	7,257.20	-	7,383.74
Unclaimed dividends **[Refer note 23.1 below]**	-	216.10	-	74.70
Unclaimed interest on matured debentures **[Refer note 23.2 below]**	-	0.01	-	0.01
Interest accrued but not due on loans	-	713.65	-	785.62
Deposits from suppliers/ contractors/ others	-	890.31	-	977.29
Payable against capital goods **[Refer note 23.3 below]**	-	2,334.52	-	4,262.30
Liability for employees	-	921.44	-	609.34
Other liabilities relating to customers and vendors **[Refer Note 23.4 below]**	-	2,274.26	-	1,931.96
Total	**-**	**49,157.35**	**-**	**30,814.36**

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 clause

Payable against capital goods includes ₹ 186.78 million (As at March 31, 2017 ₹ 988.40 million) relating to amounts withheld from vendors pursuant to price reduction clause which will be settled on finalisation of proceedings with such vendors. When the withheld amounts are ultimately finalised, the related adjustment is made to the property, plant and equipment prospectively.

23.4 Disclosure relating to dues to Micro, Small and Medium Enterprises

Particulars		As at March 31, 2018	As at March 31, 2017
i	the Principal amount due thereon remaining unpaid to any supplier at the end of year.	4.07	10.67
ii	the interest due thereon remaining unpaid to any supplier at the end of year.	-	-
iii	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iv	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
v	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
vi	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	**-**	**-**

24. Provisions

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
Provision for employee benefits [Refer note 40]				
(a) Leave encashment	381.70	44.35	554.71	53.36
(b) Post retirement medical and other benefits	79.61	2.63	79.66	2.30
(c) Gratuity	32.48	1.24	27.16	0.23
Others **[Refer note 24.1 below]**	-	3,993.55	-	2,797.68
Total	**493.79**	**4,041.77**	**661.53**	**2,853.57**

24.1 Others include provision for excise duty on closing stock.

Movement for the year 2017-18

Particulars	Excise duty on closing stock
Opening Balance as at April 1, 2017	2,797.68
Less: Reduction on account of provision reversal	2,797.68
Add: Additions	3,993.55
Closing Balance as at March 31, 2018	**3,993.55**

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, 2018 ₹ 3,993.55 million (As at March 31, 2017 ₹ 2,797.68 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)

The following is the analysis of deferred tax assets/ (liabilities) presented in the Consolidated Balance Sheet:

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax assets	35,567.77	37,119.22
Deferred tax liabilities	(36,470.01)	(34,012.35)
Deferred tax Asset/ (Liability) - Net	**(902.24)**	**3,106.87**

2016-17	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities in relation to				
Property, Plant and equipment	(31,511.78)	(2,508.24)	-	(34,020.02)
Intangible assets	(1.41)	9.08	-	7.67
Total	**(31,513.19)**	**(2,499.16)**	**-**	**(34,012.35)**
Tax effect of items constituting deferred tax assets				
Other liabilities	27.68	22.49	-	50.17
Brought forward business losses and unabsorbed depreciation	36,698.31	(15,184.83)		21,513.48
MAT credit entitlement	3,074.92	11,853.79	-	14,928.71
Financial and other assets	512.20	83.03	-	595.23
Inventories	31.63	-	-	31.63
Remeasurement of the defined benefit plans	-	(27.96)	27.96	-
Total	**40,344.74**	**(3,253.48)**	**27.96**	**37,119.22**
Deferred tax asset / (liability) (net)	**8,831.55**	**(5,752.64)**	**27.96**	**3,106.87**

2017-18	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities in relation to				
Property, Plant and equipment	(34,020.02)	(2,446.54)	-	(36,466.56)
Intangible assets	7.67	(11.12)	-	(3.45)
Total	**(34,012.35)**	**(2,457.66)**	**-**	**(36,470.01)**
Tax effect of items constituting deferred tax assets				
Other liabilities	50.17	(24.59)	-	25.58
Brought forward business losses and unabsorbed depreciation	21,513.48	(2,897.55)		18,615.93
MAT credit entitlement	14,928.71	1,633.12	-	16,561.83
Financial and other assets	595.23	(254.72)	-	340.51
Inventories	31.63	(7.71)	-	23.92
Remeasurement of the defined benefit plans	-	19.30	(19.30)	-
Total	**37,119.22**	**(1,532.15)**	**(19.30)**	**35,567.77**
Deferred tax asset / (liability) (net)	**3,106.87**	**(3,989.81)**	**(19.30)**	**(902.24)**

Subsidiary OMPL being an SEZ unit is eligible for certain exemptions under Section 10AA of the Income tax Act, 1961. Accordingly, the deferred tax assets on unused tax losses and unused tax credits are recognised to the extent it is probable that future taxable profit will be available considering the following (i) Committed long term off-take arrangement entered with customer for its main product namely Paraxylene, the terms of which are being re-negotiated (ii) Arrangements with the parent company for sale of other products namely Paraffinic Raffinate, Hydrogen and De Ethanizer Column Bottom Liquid (iii) Revision in pricing terms for procurement of feed stock with the parent company (iv) Arrangements for procurement of Naphtha from other oil companies to enhance the capacity utilisation (v) Agreement for Gas transportation with Gas Authority of India Ltd. to source the Natural Gas for fuel requirement.

26 Trade payables

Particulars	As at March 31, 2018	As at March 31, 2017
Trade payables	47,925.45	60,444.97
Total	**47,925.45**	**60,444.97**

26.1 Trade payables include ₹ 5,079.26 million (As at March 31, 2017 of ₹ 9,102.11 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 15 to 60 days. Thereafter, interest is charged upto 6.75% p.a. over the relevant bank rate as per respective arrangements on the outstanding balances. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Subsidiary OMPL average credit period on purchases of raw materials, stores and spares, services, etc. ranges from 7 to 30 days. Thereafter, interest is charged at variable rates as per respective trade arrangements on the outstanding balances. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

26.3 Disclosure relating to dues to Micro, Small and Medium Enterprises

Particulars		As at March 31, 2018	As at March 31, 2017
i)	the Principal amount due thereon remaining unpaid to any supplier at the end of year.	343.73	70.84
ii)	the interest due thereon remaining unpaid to any supplier at the end of year.	-	-
iii)	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-

Particulars	As at March 31, 2018	As at March 31, 2017
iv) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
v) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

27. Other liabilities

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
Revenue received in advance	-	1.43	-	1.56
Liability for gratuity **[Refer note 27.1 below]**	-	59.19	-	94.65
Liability for statutory payments	-	1,875.15	-	1,733.84
Deferred Government Grant **[Refer note 5.4 & 22.3.2]**	3,595.54	177.16	-	-
Total	**3,595.54**	**2,112.93**	**-**	**1,830.05**

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

28 Revenue from operations

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
28.1	**Sale of products**		
	Domestic sales (including excise duty)	4,60,130.78	4,57,003.48
	Export sales	1,76,628.53	1,42,770.22
28.2	**Other operating revenues**		
	Sale of scrap	101.00	83.60
	Liquidated damages	20.26	34.10
	Total	**121.26**	**117.70**
	Total	**6,36,880.57**	**5,99,891.40**

29 Other income

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
29.1	**Interest on:**		
	Contractor mobilisation advance	0.36	-
	Others	13.95	195.75
	Financial assets measured at amortised cost :		
	- bank deposits	723.91	3,540.48
	- direct marketing customers	17.20	22.36
	- employee loans	31.00	25.07
	Total	**786.42**	**3,783.66**

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
29.2	**Dividend income from:-**		
	Investment in mutual funds (measured at FVTPL)	**40.84**	**268.01**
29.3	**Other non-operating income**		
	Royalty income	8.13	9.04
	Liability no longer required written back	71.05	2.79
	Excess provisions written back	768.44	62.88
	Tender form sale	0.83	1.18
	Hire charges	1.67	2.30
	Recoveries from employees	10.20	8.39
	Amortisation of deferred government grant	164.20	-
	Miscellaneous receipts	887.42	50.27
	Total	1,911.94	136.85
	Total	**2,739.20**	**4,188.52**

Subsidiary OMPL miscellaneous receipts include ₹ 771.12 million (for the year ended March 31,2017 Nil) export incentives received .

30 Cost of materials consumed

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Raw material: Crude oil		
Imported	3,35,218.96	2,92,204.20
Indigenous	87,219.12	71,721.91
Raw material: Others		
Imported		
De- Ethanizer	2.25	-
Reformate	21.87	3,094.99
Indigenous		
CRMB modifier	16.67	3.44
Naptha Stream	9,311.15	5,664.82
Stock-in-trade		
Indigenous	0.53	0.49
Total	**4,31,790.55**	**3,72,689.85**

30.1. The Company enjoys benefit of entry tax exemption on crude oil for its Phase III operations which qualifies to be government grant. The Company recognised such grant on net basis and is included in the 'Cost of Materials consumed'. Entry tax exemption on crude oil amounted to ₹ 166.76 million and ₹ 563.57 million for the year ended March 31, 2018 and year ended March 31, 2017 respectively. Upon implementation of Goods and Services Tax w.e.f July 1, 2017, entry tax levy itself stands abolished.

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

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
31.1	**Closing stock of:**		
	Finished goods and stock-in-trade	20,655.67	13,666.24
	Stock-in-process	6,584.44	4,773.98
	Total closing stock	**27,240.11**	**18,440.22**
31.2	**Opening stock of:**		
	Finished goods and stock-in-trade	13,666.24	11,774.42
	Stock-in-process	4,773.98	3,346.00
	Total opening stock	**18,440.22**	**15,120.42**
	Changes in inventories of finished goods, stock-in-process and stock-in-trade	**(8,799.89)**	**(3,319.80)**

32 Employee benefits expense

Particulars (refer note 32.1 below)	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages	3,836.21	3,362.67
Contribution to provident and other funds	496.09	369.36
Gratuity	10.89	-
Post-retirement benefits - medical and others	12.15	10.53
Staff welfare expenses	234.30	160.34
Total	**4,589.64**	**3,902.90**

32.1 The Ministry of Petroleum and Natural Gas has approved revision of pay and allowances of management employees of the company effective from January 1, 2017. Accordingly salary revision in respect of Management employees has been given effect. The Non Management employees wage revision is due for revision effective from January 1, 2017 and the negotiation with the employees union is in progress. Pending final negotiation, the company has made provision for wage revision on estimated basis for the year ended March 31, 2018 amounting to ₹ 245.70 million (Previous Year ₹ 57.38 million) and is shown under 'Employee benefits expense'.

33 Finance costs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Finance expense for financial liabilities measured at amortised cost		
- from related party	1,657.81	2,435.03
- from banks	6,091.18	6,432.54
- from others	486.98	775.00
	8,235.97	**9,642.57**
Financial guarantee charges	15.75	16.65
Exchange differences regarded as an adjustment to borrowing cost	874.77	-
Total	**9,126.49**	**9,659.22**

34 Depreciation and amortisation expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of Property, plant and equipment	9,646.84	9,798.43
Amortisation of intangible assets	14.08	42.77
Total	**9,660.92**	**9,841.20**

35 Other expenses

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
Power, utility and fuel charges	38,023.48		31,483.56	
Less : Own consumption	33,340.84	4,682.64	26,774.50	4,709.06
Repairs and maintenance				
- Plant and machinery	4,257.61		2,423.09	
- Building	14.36		6.78	
- Others	345.53	4,617.50	565.94	2,995.81
Stores, spares and chemical consumed		1,843.81		1,469.25
Packing material consumed		180.13		209.30
Rent		243.30		172.24
Insurance		354.52		358.96
Rates and taxes		1,806.17		2,406.80
Excise duty on stock (net) **[refer note below 35.1]**		1,141.16		(675.16)
Exchange rate fluctuation loss/ (Income)		110.40		566.12
Director's sitting fees		2.58		0.69
Loss on sale of property, plant and equipment		250.07		57.02
Bank charges		24.24		27.53
Payment to auditors				
Audit fees	2.76		2.61	
For taxation matters	0.40		0.40	
For certification fees	2.90		2.00	
Reimbursement of expenses	2.76	8.82	2.71	7.72
Corporate social responsibility expenses (CSR) **[refer note below 35.2]**		103.02		32.23
Impairment for:				
Doubtful trade receivables		-		302.80
Write Offs:				
Doubtful trade receivables		472.34		59.37
Miscellaneous expenses		2,108.92		1,861.81
Total		**17,949.62**		**14,561.55**

35.1 Excise duty on sale of product has been included in'Revenue from operations' and excise duty shown above represents the difference between excise duty on opening and closing stock of finished goods.

35.2 The CSR expenditure comprises the following:

(a) Gross amount required to be spent by the Company during the year: ₹ 338.70 million (Year ended March 31, 2017 ₹ 50.00 million).

(b) Amount spent during the year on:

Particulars	Year ended March 31, 2018		
	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of asset	78.64	-	78.64
ii) On purpose other than (i) above	24.38	-	24.38
Total	**103.02**	**-**	**103.02**

Particulars	Year ended March 31, 2018		
	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of asset	24.92	-	24.92
ii) On purpose other than (i) above	7.31	-	7.31
Total	**32.23**	**-**	**32.23**

36 Exceptional items (income)/expenses (net)

Particulars (Refer note 36.1 below)	Year ended March 31, 2018	Year ended March 31, 2017
Terminal Charges	258.90	-
Exchange rate fluctuation loss/ (Income)	-	(15,972.91)
Total	**258.90**	**(15,972.91)**

36.1 The exceptional items for current year is on account of sharing of terminal charges collected from oil marketing companies on cross country dispatch retrospectively from financial year 2003-04 amounting to ₹ 258.90 million.

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

37 Income taxes related to continuing operations

37.1 Income tax recognised in statement of profit and loss

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax	6,988.58	11,853.78
Deferred tax	3,989.81	5,752.64
Total income tax expense recognised in the current year relating to continuing operations	**10,978.39**	**17,606.42**

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before tax from continuing operations	**28,714.02**	**50,538.52**
Income tax expense calculated at 34.608% (2016-2017: 34.608%)	9,937.35	17,490.37
Effect of income that is exempt from tax	(53.10)	(95.35)
Effect of Profit from Joint venture	(0.37)	(16.18)
Effect of investment allowance u/s 32AC of Income Tax Act, 1961	43.63	29.84
Effect of expenses that are not deductible in determining taxable profit	72.99	134.63
Effect of deferred tax due to change in tax rate from 34.608% to 34.9440%	(56.83)	-
Effect of recognition of MAT credit of earlier years at 21.3416%	(7.16)	-
Effect of recognition of Prior year tax of previous year 2016-17	7.16	-
Effect of change in deferred tax balance due to true up adjustments	(330.05)	(356.69)
Effect of exemption under section 10AA of Income Tax Act, 1961.	1,384.72	419.80
Effect of Others	(19.95)	-
Income tax expense recognised in profit or loss (relating to continuing operations)	**10,978.39**	**17,606.42**

37.3 Income tax recognised in other comprehensive income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
(a) Remeasurement of the defined benefit plans	(19.21)	27.53
(b) Effective portion of gains (losses) on hedging instruments in cash flow hedges	-	-
Total income tax recognised in other comprehensive income	**(19.21)**	**27.53**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	(19.21)	27.53
Items that may be reclassified to profit or loss	-	-

38 Earnings per equity share:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit after tax for the year attributable to equity shareholders (₹ in million)	19,926.45	34,726.41
Weighted average number of equity shares (Number in million)	1,752.60	1,752.60
Basic and Diluted earnings per equity share (₹)	11.37	19.81
Face Value per equity share (₹)	10.00	10.00

39 Leases

39.1 Obligations under finance leases

39.1.1 The Company has entered into lease agreements for lands which have been classified as finance leases. The ownership of the lands will be transferred to the Company at the end of the lease term with nominal payment of administrative charges. The lease term ranges from 5 - 44 years. The Company has pledged these leasehold lands for obtaining borrowings **[Refer Note 5.1].**

Financial lease obligation as at March 31, 2018 is immaterial (As at March 31, 2017 : immaterial).

Subsidiary OMPL has entered into land lease agreement for setting up SEZ unit with Mangalore SEZ Limited whose lease period is 47 years. The same has been classified as operating lease. The Company does not have option to purchase the land at the end of the lease period. Further the Company has made upfront payments at the time of the execution of the lease arrangement with annual recurring charges with no escalations in annual lease rentals. The Company has an option to renew the lease agreement for further period of 47 years after the expiry of the lease term on mutually agreed terms.

Subsidiary OMPL has also entered into arrangements for lease of residential/office premises and lease of NMPT land which have been classified as operating leases. The average lease period ranges from 11 months to 47 years.

39.2 Operating lease arrangements

39.2.1 Leasing arrangements

The Company has entered into arrangements for right of way for pipelines and lease of land which have been classified as operating leases. The lease period for right of way ranges from 11 months to 30 years and for leases of land ranges from 5 to 99 years. In case of leasehold land, the Company does not have option to purchase the land at the end of the lease period. Generally, the lease arrangements for land requires Company to make upfront payments at the time of the execution of the lease arrangement with annual recurring charges with escalations in annual lease rentals.

39.2.2 Payments recognized as an expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Minimum lease payments	130.15	125.15
	130.15	**125.15**

39.2.3 Non-cancellable operating lease commitments

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

40 Employee benefit plans

40.1 Defined Contribution plans

The amounts recognized in the financial statements for defined contribution plans are as under:

Defined Contribution Plans	Amount recognized during the year		Contribution for Key Management Personnel	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Employer's contribution to Provident Fund	199.56	166.61	1.15	0.92
Employer's contribution to Superannuation Fund	166.31	140.91	0.96	0.76

40.2 Other long term employee benefits

40.2.1 Brief Description: A general description of the type of Other long-term employee benefits is as follows:

a) Earned Leave Benefit (EL):

Accrual – 32 days per year

Accumulation up to 300 days allowed

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

b) Half Pay Leave (HPL)

Accrual – 20 days per year

Encashment while in service is not allowed

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

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

40.3 Defined benefit plans

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

a) Gratuity:

15 days salary for every completed year of service. Vesting period is 5 years and the payment is restricted to ₹ 2 million.

The MRPL- Gratuity Trust was formed on 20th April,2007 and invesments of the funds received from the company after actuarial valuation and the investment of the funds upto June 28, 2013 was made in the manner prescribed by Income tax Rule 67(1) of the Income Tax Rules ,1962 as amended from time to time .

The Funds of MRPL- Gratuity Trust after June 28, 2013 is being invested in Group Gratuity Cash Accumulation Scheme (Traditional Fund) in LIC, Bajaj Allianz, HDFC Standard Life Insurance Co., Birla Sunlife Insurance co. and Inda First Life Insurance Co.

b) Post-Retirement Medical Benefits:

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

c) Resettlement Allowance:

At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Settlement Allowance.

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

40.3.3 These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently it has a relatively balanced mix of investments in government securities, insurance investment and other debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees.

In respect of the plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2018 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017
	Gratuity (Funded)		
1	Expected return on plan assets	7.85%	7.34%
2	Rate of discounting	7.85%	7.34%
3	Rate of salary increase	5.50%	5.50%
4	Rate of employee turnover	2.00%	2.00%
5	Mortality rate during employment	Indian Assured lives Mortality (2006-08)	Indian Assured lives Mortality (2006-08)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017
	Post-Retirement Medical Benefits		
1	Rate of discounting	7.85%	7.34%
2	Medical cost inflation	0.00%	0.00%
3	Rate of employee turnover	2.00%	2.00%
4	Mortality rate during employment	Indian Assured lives Mortality (2006-08)	Indian Assured lives Mortality (2006-08)
5	Mortality rate after employment	Indian Assured lives Mortality (2006-08)	Indian Assured lives Mortality (2006-08)
	Resettlement Allowance:		
7	Rate of discounting	7.85%	7.34%
8	Rate of salary increase	5.50%	5.50%
9	Rate of employee turnover	2.00%	2.00%
10	Mortality rate during employment	Indian Assured lives Mortality (2006-08)	Indian Assured lives Mortality (2006-08)

The rate of discounting based upon the market yield available on Government bonds at the accounting date with a term that matches. The salary growth takes account inflation, seniority, promotion and other relevant factor on long term basis. Expected rate of return on plan assets is based on market expectation, at the beginning of the year, for return over the entire life of the related obligation.

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

Gratuity:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Service Cost :		
Current service cost	34.53	28.30
Net interest expense	7.26	2.34
Past Service Cost	76.84	-
Components of defined benefit costs recognised in employee benefit expenses	**118.63**	**30.64**
Remeasurement on the net defined benefit liability:		
Return on plan assets excluding amounts included in net interest cost	(2.67)	(7.53)
Actuarial (gains) / losses arising from changes in financial assumptions	(39.64)	53.36
Actuarial (gains) / losses arising from experience adjustments	(3.10)	20.83
Components of Remeasurement	**(45.41)**	**66.66**
Total	**73.22**	**97.30**

Post-Retirement Medical Benefits:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Service Cost :		
Current service cost	4.82	4.13
Net interest expense	5.17	4.61
Components of defined benefit costs recognised in employee benefit expenses	**9.99**	**8.74**
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	(5.38)	7.14
Actuarial (gains) / losses arising from experience adjustments	2.04	1.74
Components of Remeasurement	**(3.34)**	**8.88**
Total	**6.65**	**17.62**

Resettlement Allowance:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Service Cost :		
Current service cost	1.21	1.14
Net interest expense	0.85	0.79
Components of defined benefit costs recognised in employee benefit expenses	**2.06**	**1.93**
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	(0.79)	1.14
Actuarial (gains) / losses arising from experience adjustments	(1.50)	0.30
Components	**(2.29)**	**1.44**
Total	**(0.23)**	**3.37**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income. The components of remeasurement of net defined benefit liability recognised in other comprehensive income is ₹ 51.04 million (previous year ₹ (76.99) million)

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

Gratuity:

Particulars	As at March 31, 2018	As at March 31, 2017
Opening defined benefit obligation	703.51	563.39
Current service cost	34.53	28.30
Past Service Cost	76.84	-
Interest cost	51.64	45.52
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	(39.64)	53.36
Actuarial gains and losses arising from experience adjustments	(3.10)	20.83
Benefits paid	(26.73)	(7.89)
Closing defined benefit obligation	**797.05**	**703.51**
Current obligation	61.10	98.99

Post-Retirement Medical Benefits:

Particulars	As at March 31, 2018	As at March 31, 2017
Opening defined benefit obligation	70.42	57.06
Current service cost	4.82	4.13
Interest cost	5.17	4.61
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	(5.38)	7.14
Actuarial gains and losses arising from experience adjustments	2.04	1.74
Benefits paid	(5.68)	(4.26)
Closing defined benefit obligation	**71.39**	**70.42**
Current obligation	2.28	1.99
Non-Current obligation	69.11	68.43

Resettlement Allowance:

Particulars	As at March 31, 2018	As at March 31, 2017
Opening defined benefit obligation	11.54	9.81
Current service cost	1.21	1.14
Interest cost	0.85	0.79
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	(0.79)	1.14
Actuarial gains and losses arising from experience adjustments	(1.50)	0.30
Benefits paid	(0.46)	(1.64)
Closing defined benefit obligation	**10.85**	**11.54**
Current obligation	**0.35**	**0.32**
Non-Current obligation	**10.50**	**11.22**

40.3.7 The amount included in the Balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:

Gratuity:

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of funded defined benefit obligation	(797.05)	(703.51)
Fair value of plan assets	735.95	604.52
Funded status	**(61.10)**	**(98.99)**
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**(61.10)**	**(98.99)**

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, 2017 ₹ Nil)

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

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

Gratuity:

Particulars	As at March 31, 2018	As at March 31, 2017
Opening fair value of plan assets	604.52	534.44
Interest income	44.37	43.18
Return on plan assets (excluding amounts included in net interest expense)	2.67	7.53
Contributions by the employer	98.99	27.25
Benefits paid	(14.60)	(7.88)
Closing fair value of plan assets	**735.95**	**604.52**

Expected Contribution in respect of Gratuity for next year will be ₹ 59.19 million (For the year ended March 31, 2017 ₹ 94.65 million)

The Company has recognized a gratuity liability of ₹ 61.10 million as at March 31, 2018 (As at March 31, 2017 ₹ 98.99 million).

40.3.9 The fair value of the plan assets at the end of the reporting period for each category, are as follows.

Fair value of plan assets as at

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and Cash equivalents	0.87	1.91
Equity Investment	-	-
Mutual Fund-UTI Treasury Fund	18.91	17.75
Debt investment categorised by issuer's credit rating		
AAA	54.53	66.74
AA+	7.02	12.03
AA	6.00	6.02
AA-	-	1.00
A+	4.00	5.98
A-	-	11.00

Particulars	As at March 31, 2018	As at March 31, 2017
Group Gratuity Cash Accumulation Scheme (Traditional Fund)		
Life Insurance Corporation of India	141.67	95.95
Bajaj Allianz	121.78	79.48
HDFC Standard Life Insurance Co.	124.77	79.41
Birla Sunlife Insurance Co.	55.02	20.42
India First Life Insurance Co.	55.03	20.42
Investment in Government Securities	139.66	151.35
Other current assets - Interest Accrued	6.69	35.06
Total	**735.95**	**604.52**

40.3.9.1 The actual return on plan assets of gratuity was ₹ 44.37 million (As at March 31, 2017 ₹ 43.18 million).

40.3.10 Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

40.3.11 Sensitivity Analysis as at March 31, 2018

Significant actuarial assumptions	Gratuity	Post-Retirement Medical Benefits	Other Retirement Benefits
Rate of discounting			
- Impact due to increase of 50 basis points	(69.32)	(4.74)	(0.70)
- Impact due to decrease of 50 basis points	80.82	5.27	0.78
Rate of salary increase			
- Impact due to increase of 50 basis points	34.95	-	0.79
- Impact due to decrease of 50 basis points	(37.85)	-	(0.72)
Rate of Employee turnover			
- Impact due to increase of 50 basis points	29.79	(1.90)	0.20
- Impact due to decrease of 50 basis points	(33.37)	1.60	(0.22)

40.3.12 Sensitivity Analysis as at March 31, 2017

Significant actuarial assumptions	Gratuity	Post-Retirement Medical Benefits	Other Retirement Benefits
Rate of discounting			
- Impact due to increase of 50 basis points	(36.75)	(4.95)	(0.79)
- Impact due to decrease of 50 basis points	39.88	5.53	0.88
Rate of salary increase			
- Impact due to increase of 50 basis points	40.41	-	0.89
- Impact due to decrease of 50 basis points	(37.53)	-	(0.81)
Rate of Employee turnover			
- Impact due to increase of 50 basis points	6.72	(2.15)	0.18
- Impact due to decrease of 50 basis points	(7.17)	1.85	(0.19)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

40.3.13 Following are the details relating to the defined benefit plans that have a significant bearing on Company's future cash flows:

Gratuity:

Particulars	As at March 31, 2018	As at March 31, 2017
Number of active members	1,894	1,885
Per month salary for active members	147.89	139.24
Weighted average duration of the Projected Benefit Obligation (years)	11	13
Average Expected future service	17	17
Projected benefit obligation	797.05	703.51
Contribution to the defined benefit plan during the next financial year	91.48	133.52

Post-Retirement Medical Benefits:

Particulars	As at March 31, 2018	As at March 31, 2017
Number of active members	1,915	1,912
Number of retired employees	91	79
Weighted average duration of the Projected Benefit Obligation	15	15
Average expected future service	17	17
Projected benefit obligation	71.39	70.42

Resettlement Allowance:

Particulars	As at March 31, 2018	As at March 31, 2017
Number of active members	1,915	1,912
Per month salary for active members	148.38	139.68
Weighted average duration of the Projected Benefit Obligation	16	16
Average expected future service	17	17
Projected benefit obligation	10.85	11.54

40.3.14 Maturity Profile for Defined Benefit Obligations

Defined Benefit	As at March 31, 2018	As at March 31, 2017
Gratuity		
Less than one year	55.23	31.21
One to Three years	89.60	63.81
Three to Five years	111.20	75.14
More than Five years	321.31	239.24
Post-Retirement Medical Benefits		
Less than one year	2.27	1.97
One to Three years	5.06	4.49
Three to Five years	5.90	5.24
More than Five years	19.88	17.47
Resettlement Allowance		
Less than one year	0.35	0.32
One to Three years	0.75	0.77
Three to Five years	0.75	0.75
More than Five years	2.06	2.00

Subsidiary OMPL

40.4 Defined benefit plans

40.4.1 Brief Description: A general description of the type of employee benefits plans is as follows:

40.4.2 Gratuity:

15 days salary for every completed year of service. Vesting period is 5 years and the payment is restricted to maximum of ₹ 2 million.

40.4.3 This plans typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk	A decrease in the bond interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In respect of gratuity, the actuarial valuation was carried out as at March 31, 2018 by M/s. K. A. Pandit Consultants and Actuaries, Fellow firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

40.4.4 The principal assumptions used for the purposes of the actuarial valuations were as follows:

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	Discount rate	7.87%	7.66%
2	Annual increase in salary	8.00%	8.00%
3	Employee turnover	2.00%	2.00%

The discount rate is based upon the market yield available on government bonds at the accounting date with a term that matches. The salary growth takes account inflation, seniority, promotion and other relevant factor on long term basis.

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

Particulars	As at March 31, 2018	As at March 31, 2017
Service Cost :		
Current service cost	6.99	6.22
Past service cost	1.80	-
Net interest expense	2.10	1.28
Components of defined benefit costs recognised in profit or loss	**10.89**	**7.50**
Re-measurement on the net defined benefit liability:		
Actuarial (gains)/losses arising from experience adjustments	(4.18)	3.78
Components of remeasurment	**(4.18)**	**3.78**
Total	**6.71**	**11.28**

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

Particulars	As at March 31, 2018	As at March 31, 2017
Opening defined benefit obligation	27.39	16.11
Current service cost	6.99	6.22
Past service cost	1.80	-
Interest cost	2.10	1.28
Benefit paid directly by the employer	(0.38)	-
Re-measurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	(1.12)	1.27
Actuarial gains and losses arising from experience adjustments	(3.06)	2.51
Closing defined benefit obligation	**33.72**	**27.39**
Current obligation	1.24	0.23
Non-Current obligation	32.48	27.16

40.4.7 The amount included in the Balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of funded defined benefit obligation	(33.72)	(27.39)
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	**(33.72)**	**(27.39)**

40.4.8 Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and employee turnover. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Sensitivity Analysis as at March 31, 2018

Significant actuarial assumptions	Gratuity
Discount Rate	
- Impact due to increase of 50 basis points	(2.48)
- Impact due to decrease of 50 basis points	2.76
Salary increase	
- Impact due to increase of 50 basis points	2.72
- Impact due to decrease of 50 basis points	(2.47)
Employee turnover	
- Impact due to increase of 50 basis points	(0.13)
- Impact due to decrease of 50 basis points	0.14

40.4.9 Sensitivity Analysis as at March 31, 2017

Significant actuarial assumptions	Gratuity
Discount Rate	
- Impact due to increase of 50 basis points	(2.14)
- Impact due to decrease of 50 basis points	2.40
Salary increase	
- Impact due to increase of 50 basis points	1.94
- Impact due to decrease of 50 basis points	(1.96)
Employee turnover	
- Impact due to increase of 50 basis points	(0.17)
- Impact due to decrease of 50 basis points	0.18

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

41 Segment Reporting

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

Subsidiary OMPL has "petrochemicals" as single reportable segment.

41.1 Information about major customers

Company's significant revenues are derived from sales to oil marketing companies which is 66% and 68% of the Company's total revenue for the year ending 31st March 2018 & 31st March 2017 respectively. The total sales to such companies amounted to ₹ 413,922.96 million for the year ended March 31, 2018 and ₹ 405,803.37 million for the year ended March 31, 2017.

No customer (excluding oil marketing companies mentioned above) for the years ended March 31, 2018 and March 31, 2017 contributed 10% or more to the Company's revenue. The total sales to such customer amounted to ₹ nil million for the year ended March 31, 2018 and ₹ nil million for the year ended March 31, 2017.

Subsidiary OMPL's significant revenues are derived from sales to export customers which is 83% (Year ended March 31, 2017: 71%) of the Company's total revenue. The total sales to such customers amounted to ₹ 46,315.23 million for the period ended March 31, 2018 and ₹ 37,412.11 million for the year ended March 31, 2017. Four customers (Year ended March 31, 2017: Three Customers) for the period ended March 31, 2018 contributed 10% or more to the Company's revenue. The total sales to such customers amounted to ₹ 42,770.68 million for the period ended March 31, 2018 and ₹ 34,811.94 million for the year ended March 31, 2017.

41.2 Information about geographical areas:

a) The Group is domiciled in India. The amount of its revenue from customers broken down by location of customers is tabulated below:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
India	4,63,284.92	4,62,053.99
Other Countries	1,73,474.39	1,37,719.71
Total	**6,36,759.31**	**5,99,773.70**

b) Non-current assets (excluding financial assets and deferred tax assets) broken down by location of customers is tabulated below:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
India	2,28,523.82	2,23,924.90
Other Countries	-	-
Total	**2,28,523.82**	**2,23,924.90**

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, 2018	Year ended March 31, 2017
High speed Diesel (HSD)	3,37,309.70	3,22,098.73
Motor Spirit (MS)	84,126.90	80,464.16
Total	**4,21,436.60**	**4,02,562.89**

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 (ONGC)

B Entity having significant influence over the Company

Hindustan Petroleum Corporation Limited (HPCL)

C Subsidiary

ONGC Mangalore Petrochemicals Limited (OMPL)

D Joint Ventures

1 Shell MRPL Aviation Fuels and Services Limited (SMAFSL)

2 Mangalam Retail Services Limited(MRSL) (upto January 16, 2017)

E Trusts (including post retirement employee benefit trust) wherein MRPL having control

1 MRPL Gratuity Fund Trust

2 MRPL Provident Fund Trust

F Key Management Personnel

F.1 Non-Executive directors

Shri Shashi Shanker, Chairman, from October 01, 2017

Shri D. K. Sarraf, Chairman, upto October 01, 2017

F.2 Executive Directors

1 Shri H. Kumar, Managing Director.

2 Shri M. Venkatesh, Director (Refinery).

3 Shri A. K. Sahoo, Director (Finance).

F.3 Other Non-Executive Directors

1 Shri Vinod S. Shenoy, Nominee Director (HPCL)

2 Smt. Perin Devi, Government Nominee Director, upto November 24, 2017.

3 Shri Diwakar Nath Misra, Government Nominee Director, upto November 24, 2017.

4 Shri K.M. Mahesh, Government Nominee Director, from November 24, 2017.

5 Shri Sanjay Kumar Jain, Government Nominee Director, from November 24, 2017.

6 Ms. Manjula C, Independent Director.

7 Shri V.P. Haran, Independent Director, from September 08, 2017.

8 Shri Sewa Ram, Independent Director, from September 08, 2017.

9 Shri G.K. Patel, Independent Director, from September 08, 2017.

10 Shri Balbir Singh Yadav, Independent Director, from September 08, 2017.

F.4 Company Secretary

Shri Dinesh Mishra, Company Secretary

42.2 Details of Transactions:

42.2.1 Transactions with Holding Company

Oil and Natural Gas Corporation Limited (ONGC)	Nature of Transactions	Year ended March 31, 2018	Year ended March 31, 2017
Sales of products	a) Sales to ONGC-Karaikal & Retail Outlet	13.46	20.48
	b) Sales of High Flash High Speed Diesel	8,847.37	5,302.12
Purchase of Crude & Retail	a) Purchase of Crude Oil	49,439.47	53,305.01
Outlet	b) Purchase of Retail Outlet	12.16	25.10
Services received	a) Deputation of ONGC Employees	7.17	2.94
	b) Rent and Electricity Charges paid for Mumbai and Delhi Office	73.64	15.36
Guarantee Fees	Charges for Guarantee given to Saudi Aramco	15.75	16.65
Services provided	Expenses incurred on behalf of ONGC	0.18	10.53
Dividend	Dividend Paid	7,532.12	-
Interest Expense	Interest on Term Loan	1,657.81	2,435.03

42.2.2 Outstanding balances with Holding Company

Oil and Natural Gas Corporation Limited (ONGC)	Nature of Transactions	As at March 31, 2018	As at March 31, 2017
Loans	Term Loan	18,856.90	25,714.10
Amount receivable	Sale of Oil products	985.40	614.59
Amount payable	Purchase of Crude Oil	6,665.62	3,191.80
Amount payable	Purchase of Others	62.76	12.19

42.2.3 Transactions with Entity having significant influence over the Company

Hindustan Petroleum Corporation Limited (HPCL)	Nature of Transactions	Year ended March 31, 2018	Year ended March 31, 2017
Sales of products	Sale of petroleum products	2,07,663.45	1,85,334.75
Services provided	a) Received / Receivable on account of Terminalling Charges	8.28	49.25
	b) Reimbursement of water charges, facilitation charges	16.41	4.92
	c) State Specific Cost ratio - ET reimbursement	-	390.49
	d) Receipts of contaminated charges, Hospitality Charges, Wharfage and stock loss etc.	6.22	3.05
	e) Dividend	1,782.92	-

42.2.4 Outstanding balances with Entity having significant influence over the Company

Hindustan Petroleum Corporation Limited (HPCL)	Nature of Transactions	As at March 31, 2018	As at March 31, 2017
Amount receivable	Sale of Oil products	8,789.87	8963.13
	Transit Loss and Others	40.26	95.50
Amount payable	HPCL R &D & Chemical Cleaning	2.26	0.29

42.2.5 Transactions with Subsidiary

ONGC Mangalore Petrochemicals Limited (OMPL)	Nature of Transactions	Year ended March 31, 2018	Year ended March 31, 2017
Sales of products	Sale of Oil products	43,169.50	46,624.71
Purchase of products	Purchase of Raffinate and Hydrogen	10,621.09	8,987.03
Services received	a) Purchase of Electrical Items	-	-
	b) Salary for OMPL staff on deputation	12.35	-
	c) Road Facility	7.94	-
Services provided	a) Crane Charges and reimbursement of Consultancy Fee	-	0.03
	b) Facilitation Charges	44.41	36.67
	c) Deputation of MRPL Employees, Energy Charges,Survey Fees reimbursement	35.99	-
	d) Consultancy back charges/credit note for metering charges	61.70	-
Interest income and Other Recovery	Interest Charges for delayed payments	-	57.05
	Reimbursement of Charges	34.38	-

42.2.6 Outstanding balances with Subsidiary

ONGC Mangalore Petrochemicals Limited (OMPL)	Nature of Transactions	As at March 31, 2018	As at March 31, 2017
Loans	Short Term Loans & Advances	8.93	0.03
Amount receivable	Sales of Oil products, Facilitation Charges & Others	1,754.77	1,903.24
Amount payable	a) Purchase of Raffinate, Hydrogen & Other Service Charges	540.35	96.11
	b) Feed Transfer Facility within MRPL Provided by OMPL	1.73	344.40

42.2.7 Transactions with Joint Ventures:

Shell MRPL Aviation Fuels and Services Ltd (SMAFSL)	Nature of Transactions	Year ended March 31, 2018	Year ended March 31, 2017
Sales of products	Petroleum Products	4,749.18	4,720.78
Services provided	a) Reimbursement of Electrical Charges	0.04	0.34
	b) Royalty Income	9.19	10.44
Dividend Income	Dividend received	112.50	7.50
Product Purchase	Contaminated Product	0.62	-

42.2.8 Outstanding balances with Joint Ventures:

Shell MRPL Aviation Fuels and Services Ltd (SMAFSL)	Nature of Transactions	As at March 31, 2018	As at March 31, 2017
Amount receivable:			
Shell MRPL Aviation Fuels and Services Ltd (SMAFSL)	a) Royalty and Terminalling Charges, etc.	426.40	509.86
	b) Receivable for the Services	0.01	0.31

42.2.9 Transactions with Other Related Parties

Name of Associates	Nature of Transactions	Year ended March 31, 2018	Year ended March 31, 2017
a) Services received from:			
1 Mangalore SEZ Limited	a) River Water, STP Water & Road Repairs	553.69	416.96
	b) Advance for Right of Way for Pipeline-cum-Road Corridor	-	87.09
	c) Advance for Development of Bypass Road	-	51.50
	d) Lease Rent paid for Petcoke Road	-	130.45
2 Petronet MHB Limited	Pipeline Transportation Charges	44.89	-
b) Services provided to:			
1 Mangalore SEZ Limited	Lease Rent for Sarapady	-	0.03
2 Petronet MHB Limited	Reimbursement of Electricity Charges	41.31	30.18

42.2.10 Outstanding balances with Other Related Parties :

Name of Associates	Nature of Transactions	As at March 31, 2018	As at March 31, 2017
Amount receivable:			
Petronet MHB Limited	Reimbursement of Electricity Charges	5.77	2.73
Amount payable:			
1. Mangalore SEZ Limited	River Water, STP Water and Road Repairs	43.89	38.84
2. ONGC Nile Ganga BV	Balance Outstanding on account of Crude procurement	67.99	67.65
Advances to:			
Mangalore SEZ Limited	Advance for Right of Way for Pipeline-cum-Road Corridor	980.61	980.61

41.2.11 Transactions with Trusts

Name of Trusts	Nature of Transactions	Year ended March 31, 2018	Year ended March 31, 2017
Remittance of payments:			
Provident Fund of MRPL Limited	Contributions	428.25	352.16
Reimbursement of Gratuity payment made on behalf of Trust:			
MRPL Gratuity Fund Trust	Reimbursements and Contributions	12.12	12.20

41.2.12 Compensation to Key Management Personnel:

Whole Time Directors and Company Secretary Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Short Term employee benefits	23.55	14.25
Post-employment benefits (includes provision for leaves, gratuity and other post retirement benefits)	7.42	8.37
Other long-term benefits (includes contribution to provident fund)	2.11	1.69
Total	**33.08**	**24.30**

Loans / Accrued Interest on Loan to directors and other officers:

Whole Time Directors and Company Secretary Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Loans to Director and Company Secretary	1.65	1.23
Accrued interest on Loans to Director and Company Secretary	0.42	0.38
Total	**2.07**	**1.61**

Independent Directors

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sitting Fees	2.58	0.02

42.3 Disclosure in respect of Government related entities (Note 42.3.4):

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

Government related entities		Relation
1	Bharat Petroleum Corporation Ltd (BPCL)	Central PSU
2	Indian Oil Corporation Limited (IOCL)	Central PSU
3	Bharat Heavy Electrical Limited	Central PSU
4	Oriental Insurance Co. Limited	Central PSU
5	Bridge & Roof Co (India) Limited	Central PSU
6	Engineers India Limited	Central PSU
7	The Shipping Corporation of India Limited	Central PSU
8	Konkan Railway Corporation Limited	Central PSU
9	Indian Strategic Petroleum Reserves Limited (ISPRL)	Central Government
10	Centre for High Technology	Central Government
11	MESCOM	State Government
12	Karnataka Power Transmission Corporation Limited	State Government
13	New Mangalore Port Trust	Central Port Trust

42.3.2Transactions with Government related Entities (Note 42.3.4):

	Name of related party	Nature of transactions	Year ended March 31, 2018	Year ended March 31, 2017
A	**Sale of products during year to:**			
1	Indian Oil Corporation Limited (IOCL)	Sale of petroleum products	1,18,197.54	1,14,796.19
2	Bharat Petroleum Corporation Ltd (BPCL)	Sale of petroleum products	71,354.03	89,965.39
3	New Mangalore Port Trust	Sale of petroleum products	1.34	-
4	Indian Strategic Petroleum Reserves Limited (ISPRL)	a) Sale of petroleum products	3.06	-
		b) Purchase of Crude Oil on behalf of ISPRL	4.99	6,186.72
B	**Purchase of product during year from:**			
1	Bharat Heavy Electrical Ltd	CPP Phase III and other supplies	75.39	33.09
2	Indian Oil Corporation Limited (IOCL)	Purchase of Naphta / Contaminated Product / Lubes	13.16	433.24
3	Bharat Petroleum Corporation Ltd (BPCL)	Purchase of Contaminated Product	2.33	-
C	**Service Provided**			
1	Bharat Petroleum Corporation Ltd (BPCL)	a) Received / Receivable on account of Terminalling Charges	4.32	-
		b) Loading Arm Charges	0.07	-
2	Indian Strategic Petroleum Reserves Limited (ISPRL)	Deputation of MRPL Employees	9.02	-
3	Indian Oil Corporation Limited (IOCL)	a) Received / Receivable on account of Terminalling Charges	7.16	-
D	**Services Received from:**			
1	Karnataka Power Transmission Corporation Ltd	Purchase of electricity	235.92	209.11
2	Oriental Insurance Co. Ltd	Insurance premium	251.20	271.44
3	New Mangalore Port Trust	Port Services	132.30	39.51
4	Bridge & Roof Co (India) Ltd	Job Work Service	185.59	28.98
5	Engineers India Ltd	Technical Services	752.49	552.06
6	The Shipping Corporation of India Ltd	Service	2,831.76	3,945.37
7	New Mangalore Port Trust	Port Services	1,304.23	1,275.43
8	Konkan Railway Corporation Limited	Railway Siding	248.09	320.64
9	Indian Oil Corporation Limited (IOCL)	Testing Fees	0.04	-
E	**Advance for Acquisition for Land**			
1	Karnataka Industrial Area Development Board	Purchase of Phase IV Land	1,107.21	5,905.19

42.3.3 Outstanding balances with Government related entities (Note 42.3.4):

Name of related party		Nature of transaction	As at March 31, 2018	As at March 31, 2017
Amount receivable:				
1	Indian Oil Corporation Limited	Trade and other receivable	5,348.27	6,216.48
2	Bharat Petroleum Corporation Ltd	Trade and other receivable	3,148.87	3,406.15
3	Indian Strategic Petroleum Reserves Limited (ISPRL)	Trade and other receivable	4.75	3,033.27
4	New Mangalore Port Trust	Trade and other receivable	53.46	38.13
Advance to Vendors :				
1	Centre for High Technology	Advance	29.82	29.82
2	Karnataka Industrial Area Development Board	Advance for Land	7,017.10	5,909.17
3	Karnataka Power Transmission Corporation Ltd	Advance	60.56	60.30
4	Indian Strategic Petroleum Reserves Limited (ISPRL)	Advance	0.53	0.67
Amount payable:				
1	Bridge & Roof Co (India) Ltd	Trade and other payable	103.84	68.74
2	Engineers India Ltd	Trade and other payable	561.00	1,087.32
3	Bharat Heavy Electrical Ltd	Trade and other payable	870.52	1,482.90
4	The Shipping Corporation of India Ltd	Trade and other payable	43.49	309.97
5	Konkan Railway Corporation Limited	Trade and other payable	16.85	0.03
6	Karnataka Power Transmission Corporation Ltd	Trade and other payable	21.01	19.43
7	Indian Oil Corporation Limited	Trade and other payable	0.08	0.07

The above transactions with the government related entities cover transactions that are significant individually and collectively. The Company has also entered into other transactions such as telephone expenses, air travel, fuel purchase and deposits etc. with above mentioned and other various government related entities. These transactions are insignificant individually and collectively and hence not disclosed.

42.3.4 Relationship, transactions and outstanding balances with ONGC, HPCL, OMPL, PMHBL and ONGBV have been disclosed in Note 42.2.1 to 42.2.10 above.

42.4 Related party disclosures of Subsidiary OMPL

42.4.1 Name of related parties and description of relationship:

A Ultimate holding company

Oil and Natural Gas Corporation Limited [ONGC]

B Subsidiary of Ultimate Holding Company

Hindustan Petroleum Corporation Limited

C Joint Venture of Ultimate holding company

Mangalore SEZ Limited (MSEZL)

D Key Management Personnel

D.1 Non-Executive directors

Shri D. K. Saraff (Chairman) (upto 30.09.2017)

Shri Shashi Shanker (w.e.f. 11th October 2017)

Shri H. Kumar, Director

Shri M. Venkatesh Director

Shri A. K. Sahoo, Director

Shri V P Mahawar, Director (Upto 28th February 2018)

Smt Alka Mittal, Director

D.2 Independent Directors

Shri I S N Prasad, Independent Director (up to 27th March 2017)

Shri Santosh Nautiyal, Independent Director (up to 27th March 2017)

Shri G M Ramamurthy, Independent Director (up to 27th March 2017)

Shri M M Chitale, Independent Director (up to 27th March 2017)

No independent directors during the current finanacial year

D.3 Shri. K Sushil Shenoy, Chief Financial Officer & Chief Executive Officer I/c

D.4 Shri. K.B. Shyam Kumar, Company Secretary

42.5 Details of transactions:

42.5.1 Transactions with ultimate holding company and joint venture and subsidiary of ultimate holding company -

Name of related party	Nature of Transactions	For the year ended March 31, 2018	For the year ended March 31, 2017
Mangalore SEZ Limited	Supplies and services received	378.69	204.48
	Capital advance for corridor	-	75.70
	Security deposit for 2MVA power	8.13	-
	Lease rent	23.40	23.40
Hindustan Petroleum Corporation Limited (HPCL)	Purchase of Product	3,474.75	3,857.18

42.5.2 Outstanding balances with ultimate holding company and joint venture and subsidiary of ultimate holding company -

Name of related party	Nature of Transactions	As at March 31,2018	As at March 31,2017
A. Amount payable:			
Mangalore SEZ Limited	Trade and other payables	189.58	26.23
Hindustan Petroleum Corporation Limited (HPCL)	Trade and other payables	662.01	-
B. Amount receivable:			
Oil and Natural Gas Corporation Limited [ONGC]	Trade and other receivables	0.05	0.05
C. Loans and other assets:			
Mangalore SEZ Limited	Capital advance	-	975.70
	Security Deposit (Power)	3.59	11.71
	Security Deposit (Power)	15.40	15.40
	Security Deposit (Water)	3.13	3.13

42.5.3 Compensation of key management personnel

A. Chief Financial Officer*

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Short term employee benefits	4.33	3.69
Post-employment benefits (gratuity) & long-term benefit (Compensated absences)	1.40	1.32
Contribution to provident fund	0.50	0.50
Total	**6.23**	**5.51**

* Chief Financial Officer is also holding additional charge as Chief Executive Officer I/c

b. Company secretary

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Short term employee benefits	2.35	2.32
Post-employment benefits (gratuity) & long-term benefit (Compensated absences)	0.40	0.36
Contribution to provident fund	0.28	0.27
Total	**3.03**	**2.95**

c. Independent directors

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sitting Fees	-	0.67
Total	**-**	**0.67**

42.6 Disclosure in respect of Government related entities

42.6.1 Name of Government related entities and description of relationship wherein significant amount of transactions were carried out: (Other than those which are disclosed in 42.5)

Sr. No.	Government related entities	Relation
i	Bridge and Roof Co. (India) Ltd.	Central PSU
ii	Engineers India Limited	Central PSU
iii	National Insurance Company Limited	Central PSU
iv	Karnataka State Pollution Control Board	State Govt
v	New Mangalore Port Trust	Trust
vi	Balmer Lawrie & Co. Ltd.	Central PSU
vii	New India Assurance Company Limited	Central PSU
viii	Central Warehousing Corporations	Central PSU
ix	Bharat Petroleum Corporation	Central PSU
x	Gail India Ltd	Central PSU

42.6.2 Transaction with Government related Entities (Other than those which are disclosed in 42.5.1)

Name of related party	Nature of transaction	Year ended March 31, 2018	Year ended March 31, 2017
Bridge and Roof Co. (India) Ltd.	Services	6.79	14.09
Engineers India Limited	Services	18.87	-
National Insurance Company Limited	Insurance premium	12.09	12.22
Karnataka State Pollution Control Board	Services	0.10	1.76
New Mangalore Port Trust	Port Services	67.24	49.60
Balmer Lawrie & Co. Ltd.	Services	3.19	6.14
New India Assurance Company Limited	Services	117.64	116.15
Central Warehousing Corporations	Services	0.50	-
Bharat Petroleum Corporation	Supply of goods	1.43	-
Gail India Ltd	Supply of goods	1.81	-

42.6.3 Outstanding balances with Government related entities (Other than those which are disclosed in 42.5.2):

Name of related party	Nature of transaction	As at March 31, 2018	As at March 31, 2017
Amount payable:			
Bridge and Roof Co. (India) Ltd.	Trade and other payable	-	6.79
New Mangalore Port Trust	Trade and other payable	(0.09)	(0.41)
Central Warehousing Corporations	Services	(0.06)	-
Engineers India Limited	Services	(2.36)	-

The above transactions with the government related entities cover transactions that are significant individually and collectively. The Company has also entered into other transactions such as telephone expenses, air travel, fuel purchase and deposits etc. with above mentioned and other various government related entities. These transactions are insignificant individually and collectively and hence not disclosed.

43 Financial instruments

43.1 Capital Management

The Group's objective when managing capital is to safeguard its ability to continue as going concern so that the Group is able to provide maximum return to stakeholders and benefits for other stakeholders; and maintain an optimal capital structure to reduce the cost of capital.

The Group maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Group may vary the distribution of dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Group consists of net debt (borrowings as detailed in notes 22 and 23 offset by cash and bank balances) and total equity of the Group.

The Group's management reviews the capital structure of the Group on quarterly basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital requirements and maintenance of adequate liquidity.

43.1.1 Gearing Ratio

The gearing ratio at the end of the reporting period is computed as follows:

Particulars	As at 31 March, 2018	As at 31 March, 2017
i) Debt *	1,49,210.18	1,54,768.92
ii) Total cash and bank balances	8,330.01	21,438.32
Less : cash and bank balances required for working capital	8,329.85	21,308.45
Net cash and bank balances	0.16	129.87
iii) Net Debt	1,49,210.02	1,54,639.05
iv) Total equity	1,03,873.92	98,751.64
v) Net Debt to equity ratio	1.44	1.57

*** Debt is defined as long-term and short term borrowings as described in notes 22 and note 23**

43.2 Categories of financial instruments

Particulars	As at 31 March, 2017	As at 31 March, 2016
Financial assets		
Measured at amortised cost		
(a) Trade and other receivables	25,767.94	26,189.78
(b) Cash and cash equivalents	4,403.69	2,461.53
(c) Other bank balances	3,926.32	18,976.79
(d) Loans	713.59	506.17
(e) Other financial assets	167.54	3,213.76
Measured at fair value through profit and loss		
(a) Investments	5.08	5.08
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	1,07,403.12	1,32,595.78
(b) Trade payables	47,925.45	60,444.97
(c) Other financial liabilities	49,157.35	30,814.36

43.3 Financial risk management objectives

The Group's risk management committee monitors and manages key financial risks relating to the operations of the Group by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

43.4 Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are foreign currency exchange risk and interest rate risk.

43.5 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies, primarily for purchases of crude oil and exports sales and has borrowings denominated in foreign currency; consequently, exposures to exchange rate fluctuations arise. Significant carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows :-

Transaction Currency	Liabilities (Amount in ₹ million)		Assets (Amount in ₹ million)	
	As at March 31, 2018	As at March 31, 2017	As at 31 March, 2018	As at 31 March, 2017
USD	1,31,722.28	1,09,685.43	6,933.51	7,718.22
EURO	0.97	-		-

43.5.1 Foreign currency sensitivity analysis

The Group is mainly exposed to the currency of United States of America (USD). Sensitivity of profit or loss arises mainly from USD denominated receivables and payables.

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

USD sensitivity at year end	2017-18	2016-2017
Receivables:		
Weakening of INR by 5%	346.68	385.91
Strengthening of INR by 5%	(346.68)	(385.91)
Payable		
Weakening of INR by 5%	(4,652.66)	(2,786.80)
Strengthening of INR by 5%	4,652.66	2,786.80

42.5.2 Forward foreign exchange contracts

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

43.6 Interest rate risk management

The Group has availed borrowings at fixed and floating interest rates, hence is exposed to interest rate risk. The Group has not entered into any of the interest rate swaps and hence the Group is exposed to interest rate risk.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate borrowings, the analysis is prepared assuming the amount of the borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for disclosing the sensitivity analysis.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended March 31, 2018 would decrease/increase by ₹ 613.00 million (for the year ended March 31, 2017: decrease/increase by ₹ 404.64 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

43.7 Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash and cash equivalents, deposits with banks as well as customers including receivables. Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

Major customers, being public sector undertakings oil marketing companies having highest credit ratings, carry negligible credit risk. Concentration of credit risk to any other counterparty did not exceed 10% of total monetary assets at any time during the year.

Subsidiary OMPL makes sales to its customer which are secured by letter of credit other than sales made to holding company.

Only high rated banks are considered for placement of deposits. Bank balances are held with reputed and creditworthy banking institutions.

43.8 Liquidity risk management

The Group manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios. The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars As at March 31, 2018	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total	Gross Carrying Value
(i) Borrowings	Long term - 5.42% Short Term - 6.24% Subsidiary OMPL Long term - 6.93% Short Term - 2.34%	28,257.00	34,359.26	44,080.70	1,062.64	107,759.60	107,403.12
(ii) Trade payables	-	39,558.93	8,366.52	-	-	47,925.45	47,925.45
(iii) Other financial liabilities	-	6,934.75	42,255.51	-	-	49,190.26	49,157.35

Particulars As at March 31, 2017	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total	Gross Carrying Value
(i) Borrowings	Long term - 5.92% Short Term - 7.19% Subsidiary OMPL Long term - 6.90% Short Term - 4.21%	10,466.58	36,015.40	76,774.38	9,272.84	132,529.20	132,595.78
(ii) Trade payables	-	35,360.49	25,084.48	-	-	60,444.97	60,444.97
(iii) Other financial liabilities	-	9,490.43	21,408.42	-	-	30,898.85	30,814.36

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, 2018	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total	Gross Carrying Value
(i) Investments	-	-	-	-	306.26	306.26	306.26
(ii) Loans - Interest Bearing	7.60%	4.95	74.21	135.21	341.32	555.69	555.69
- Others	-	6.45	0.78	0.01	168.14	175.38	157.90
(iii) Trade receivables	-	25,680.81	87.13	-	-	25,767.94	25,767.94
(iv) Cash and cash equivalents	-	1,006.19	3,397.50	-	-	4,403.69	4,403.69
(v) Bank balances Other than (iv) above	-	3,926.22	-	0.10	-	3,926.32	3,926.32
(vi) Other financial assets	-	69.55	3.16	1.93	92.90	167.54	167.54

Particulars As at March 31, 2017	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total	Gross Carrying Value
(i) Investments	-	-	-	-	418.52	418.52	418.52
(ii) Loans - Interest Bearing	7.60%	10.61	44.00	84.79	218.08	357.48	357.48
- Others	-	3.27	1.70	0.01	161.47	166.45	148.69
(iii) Trade receivables	-	26,162.97	26.81	-	-	26,189.78	26,189.78
(iv) Cash and cash equivalents	-	2,461.53	-	-	-	2,461.53	2,461.53
(v) Bank balances Other than (iv) above	-	16,220.73	2,755.97	-	0.09	18,976.79	18,976.79
(vi) Other financial assets	-	3,136.22	8.80	2.24	66.50	3,213.76	3,213.76

The Group has access to financing facilities as described below, of which ₹ 8,032.25 million were unused at the end of the reporting period (As at March 31, 2017 ₹ 9,470.53 million. The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Particulars	As at March 31, 2018	As at March 31, 2017
Secured bank overdraft facility payable at call :	10,179.00	15,933.00
- amount used	2,146.75	6,462.47
- amount unused	8,032.25	9,470.53

43.9 Fair value measurement

The management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

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

Particulars (As at March 31, 2018)	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Total Revenue	Profit or Loss from continuing operations	Profit or Loss from discontinued operations	Other Comprehensive Income	Total Comprehensive Income
Shell MRPL Aviation Fuels and Services Limited	2,086.94	100.59	1,578.22	1.81	5,491.94	54.18	-	(1.62)	52.56
Total	**2,086.94**	**100.59**	**1,578.22**	**1.81**	**5,491.94**	**54.18**	**-**	**(1.62)**	**52.56**

Particulars (As at March 31, 2017)	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Total Revenue	Profit or Loss from continuing operations	Profit or Loss from discontinued operations	Other Comprehensive Income	Total Comprehensive Income
Shell MRPL Aviation Fuels and Services Limited	2,228.01	101.18	1,496.12	1.33	5,603.71	90.62	-	7.63	98.25
Total	**2,228.01**	**101.18**	**1,496.12**	**1.33**	**5,603.71**	**90.62**	**-**	**7.63**	**98.25**

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

Particulars (As at March 31, 2018)	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense	Income Tax Expense or Income
Shell MRPL Aviation Fuels and Services Limited	195.74	1,423.78	-	6.06	28.36	3.73	27.16
Total	**195.74**	**1,423.78**	**-**	**6.06**	**28.36**	**3.73**	**27.16**

Particulars (As at March 31, 2017)	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense	Income Tax Expense or Income
Shell MRPL Aviation Fuels and Services Limited	375.11	1,351.14	-	7.45	22.02	1.11	49.88
Total	**375.11**	**1,351.14**	**-**	**7.45**	**22.02**	**1.11**	**49.88**

45 Contingent liabilities

45.1 Claims against the Company/ disputed demands not acknowledged as debt:-

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	**Claims of Contractors / vendors in Arbitration / Court**	3,923.42	1,772.16
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 ₹ 3880.08 million / charged to revenue account would be ₹ 43.34 million (Year ended March 31, 2017; ₹ 1735.60 million and ₹ 36.56 Million).		
b)	Subsidiary OMPL has some of the contractors who 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.	1,732.79	-
2	**Claims of Customers**		85.20
	One of the customer has lodged a claim for damages for pre-closure of the contract. The Company has disputed the claim based on Force Major condition.	-	
	In case of non acceptance of the stand taken by the Company the amount will be debited to Statement of Profit and Loss account.		
3	**Others**		
a)	The claim of Mangalore SEZ Ltd. over and above the advance paid for land and rehabilitation & resettlement work.	20.05	20.05
b)	Subsidiary OMPL - The Mangalore SEZ Limited [MSEZL] has claimed the Zone O&M Charges for the period FY 2015-16 and FY 2016-17 which is disputed by the Company as not admissible.	53.08	
	Total	**5,729.34**	**1,877.41**

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

45.2 Disputed tax / Duty demands pending in appeal as at 31st March, 2018

45.2.1 Income Tax: ₹ 2,577.93 million as at March 31,2018 (As at March 31, 2017 ₹ 4,231.68 million). Against this ₹ 1,898.44 million as at March 31,2018 (As at March 31, 2017 ₹ 3,994.28 million) is adjusted / paid under protest and is included under tax assets/ liability **[Note 13]**.

45.2.2 Commercial Tax: ₹ Nil as at March 31,2018 (As at March 31, 2017 ₹ 0.43 million). Against this ₹ Nil as at March 31,2018 (As at March 31, 2017 ₹ 0.21 million) is paid under protest and is included under other assets (non current) **[note 14].**

45.2.3 Excise Duty: ₹ 6,280.26 million as at March 31,2018 (As at March 31, 2017 ₹ 5,962.90 million). Against this ₹ 133.13 million as at March 31,2018 (As at March 31, 2017 ₹ 130.06 million) is paid under protest and is included under other assets (non current) **[note 14]**.

45.2.4 Customs Duty: ₹ 817.25 million as at March 31,2018 (As at March 31, 2017 ₹ 777.54 million).

46 Commitments

46.1 Capital Commitments:

The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at March 31, 2018 ₹ 10,216.14 Million (As at March 31, 2017 ₹ 3,014.81 million). The Company has requested KIADB for an allotment of 1,050 acres of land for Phase IV expansion. The total capital commitment in this regard is around ₹ 6,407.14 million (As at March 31,2017 ₹ 1,042.02 million).

46.2 Other Commitments

a Pending commitment on account of Refinery-MRPL is in possession of certain land provisionally measuring 36.69 acres ceded by HPCL for use by MRPL Phase III expansion and upgradation work .The consideration for such land is mutually agreed to be by way of swapping of land in possession of MRPL/HPCL. The final documentation in this regard is pending to be executed.

b Pending commitment on account of Refinery performance improvement programme by M\s.Shell Global International Solution (M\s.Shell GIS) as at March 31, 2018 USD 1.46 Million net of advance (As at March 31, 2017 USD 1.46 Million net of advance)

c The Company has an export obligation as at March 31,2018 ₹ 496.81 million (As at March 31, 2017 ₹ 1,313.68 million) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.

d During the current financial year, in response to an enquiry from the Customs Department contending incorrect classification of reformate for the purpose of payment of Import duty, the Group has deposited an amount of ₹ 2,125.25 millions under protest towards differential customs duty being pre-deposit. As the duty paid under protest by the group could be refundable or otherwise only upon the completion of assessments and reaching finality, it is not practicable to make a realistic impact of the actual liability if any at this stage on the company.

e The Subsidiary company, OMPL has taken 441.438 acres of land taken on lease for a period of 47 years and 10 months from Mangalore SEZ Limited. The annual lease rental payable to Mangalore SEZ Limited is ₹ 23.40 million.

f The Subsidiary company, OMPL has entered into tripartite agreement with Mangalore SEZ Limited and Mangalore Refinery & Petrochemicals Limited for supply of 3.86 million gallons per day (MGD) of water by Mangalore SEZ Limited for 15 years. The annual charges payable to Mangalore SEZ Limited is ₹ 85.60 million.

47 Reconciliation of liabilities arising from financing activities.

The table below details change in the Company's liabilities arising from financing activities, including both cash and non cash changes. Liabilities arising from financing activities are those for which cash flows where, or future cash flows will be, classified in the Company's statement of cashflows as cashflows from financing activities.

Sr. No.	Particulars	Opening balance as at 01/04/2017	Financing cash Flows	Non-cash changes	Closing balance as at 31/03/2018
I	**Borrowing - Long Term**				
1	External commercial borrowing (ECB)	53,731.46	(15,473.20)	337.80	38,596.06
2	Loan from Oil Industry Development Board (OIDB)	2,500.00	(1,750.00)	-	750.00
3	Non Convertible Debentures	24,991.90		3.89	24,995.79
4	Deferred payment liabilities - VAT Loan	-	485.53	(316.29)	169.24
5	Oil and Natural Gas Corporation Limited (ONGC)	25,714.10	(6,857.20)	-	18,856.90
6	Deferred payment liabilities - CST	1,145.17	(526.54)	-	618.63
7	Foreign Currency Term Loan (FCTL)	-	2,570.16	37.04	2,607.20
	Total	**1,08,082.63**	**(21,551.25)**	**62.44**	**86,593.82**

Sr. No.	Particulars	Opening balance as at 01/04/2017	Financing cash Flows	Non-cash changes	Closing balance as at 31/03/2018
II	**Borrowing - Short Term**				
1	Working capital loan from banks	6,471.24	(4,183.37)	1.89	2,289.76
2	Foreign currency non repatriable loan (FCNR)	12,971.00	28,562.01	833.99	42,367.00
3	Commercial Papers	27,244.05	(27,244.05)		-
4	Buyers Credit & Pre/Post Shipment Export Credit	-	14,216.64	122.96	14,339.60
5	Short Term Rupee Loan	-	3,620.00		3,620.00
	Total	**46,686.29**	**14,971.23**	**958.84**	**62,616.36**

Sr. No.	Particulars	Opening balance as at 01/04/2016	Financing cash Flows	Non-cash changes	Closing balance as at 31/03/2017
I	**Borrowing - Long Term**				
1	External commercial borrowing (ECB)	61,156.93	(6,477.07)	(948.40)	53,731.46
2	Loan from Oil Industry Development Board (OIDB)	5,250.00	(2,750.00)	-	2,500.00
3	Rupee Term Loan	326.51	(326.51)		-
4	Non Convertible Debentures	4,994.46	19,993.93	3.51	24,991.90
5	Oil and Natural Gas Corporation Limited (ONGC)	32,571.30	(6,857.20)	-	25,714.10
6	Deferred payment liabilities - CST	1,603.34	(458.17)	-	1,145.17
	Total	**1,05,902.54**	**3,124.98**	**(944.89)**	**1,08,082.63**
II	**Borrowing - Short Term**				
1	Working capital loan from banks	57.46	6,425.16	(11.38)	6,471.24
2	STL from Banks	19,244.40	(19,244.40)	-	-
3	Commercial Papers	18,747.32	8,496.73	-	27,244.05
4	Foreign currency non repatriable loan (FCNR)	-	13,318.18	(347.18)	12,971.00
	Total	**38,049.18**	**8,995.67**	**(358.56)**	**46,686.29**

The cash flows bank loans, loans from related parties and other borrowings make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

48 The Company has a periodic system of physical verification of inventory, property, plant and equipment and capital stores in a phased manner to cover all items over a period. Adjustment differences, if any, is carried out on completion of reconciliation.

Subsidiary OMPL has a system of physical verification of inventory, property, plant and equipment and capital stores in a phased manner to cover all items over a period of 3 years. Adjustment differences, if any, is carried out on completion of reconciliation.

49 The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

50 Some balances of trade and other receivables, trade and other payables and loans are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for on confirmation/reconciliation of the same, which will not have a material impact.

51 Subsidiary OMPL Financial Statements are prepared on going concern basis though the Company has incurred losses in the past including current year and there is erosion in net worth as the Company Management is of the belief that there will be sufficient cash generations to sustain the operations and meet all its obligations and liabilities based on the following grounds:-

Company is a Greenfield project and incurred losses due to lower capacity utilisation and stabilisation of the plant. The management has taken steps to achieve optimum capacity utilization in the future years.

Company has plans to increase its sales in the domestic markets which have higher contribution as compared to export sales for which certain firm commitment contracts have been entered into.

Company will be able to service its debt as well as interest obligation in time based on the ability of the Company to access the financial market with strong parentage from promoters.

Subsequent to the receipt of NOC from the Administrative Ministry, necessary actions have been initiated for the process of amalgamation of the Company with its Holding Company, MRPL.

52 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 has now 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.

53 Figures in parenthesis as given in these notes to financial statements relate to previous years. Previous year figures have been regrouped wherever required.

54 Approval of financial statements

The financial statements were approved for issue by the board of directors on May 15, 2018.

TEN YEAR PERFORMANCE AT A GLANCE

	Ind AS	Ind AS	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)
	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
What We Owe										
Share Capital	17,526.64	17,526.64	17,526.64	17,526.64	17,526.64	17,526.64	17,572.57	17,618.50	17,618.50	17,618.31
Reserves	92,804.09	83,178.11	46,677.80	35,522.95	53,162.08	47,150.26	54,719.37	47,670.51	38,347.02	29,675.68
Net Worth	**110,330.73**	**100,704.75**	**64,204.44**	**53,049.59**	**70,688.72**	**64,676.90**	**72,291.94**	**65,289.01**	**55,965.52**	**47,293.99**
Borrowings	79,501.65	85,409.61	81,028.40	90,324.65	97,927.21	75,576.54	61,831.10	15,569.75	16,963.97	19,868.04
Deferred Tax Liability / (Asset)	9,061.70	4,766.63	806.31	-	4,702.69	7,343.28	4,531.40	3,471.64	6,602.22	5,685.53
TOTAL	**198,894.08**	**190,880.99**	**146,039.15**	**143,374.24**	**173,318.62**	**147,596.72**	**138,654.44**	**84,330.40**	**79,531.71**	**72,847.56**
What We Own										
Fixed Assets (Including Capital WIP)	167,426.17	157,688.90	226,935.30	223,190.91	208,025.23	188,929.44	161,134.49	130,871.85	92,954.50	78,390.04
Less : Depreciation	20,445.65	13,884.30	75,889.89	68,323.33	62,595.55	55,578.31	49,644.32	45,301.36	41,428.08	37,661.38
	146,980.52	143,804.60	151,045.41	154,867.58	145,429.68	133,351.13	111,490.17	85,570.49	51,526.42	40,728.66
Investments	13,496.42	13,496.42	13,496.73	13,496.73	150.02	150.02	422.80	948.25	16,236.62	6,428.93
Others Net current and non current assets	38,417.14	33,579.97	(18,502.99)	(24,990.07)	27,738.92	14,095.57	26,741.47	(2,188.34)	11,768.67	25,689.97
TOTAL	**198,894.08**	**190,880.99**	**146,039.15**	**143,374.24**	**173,318.62**	**147,596.72**	**138,654.44**	**84,330.40**	**79,531.71**	**72,847.56**
Income										
Sales (Net Of Excise Duty)	484,340.12	431,924.35	396,320.40	574,381.45	718,104.96	656,915.16	537,633.43	389,566.73	318,851.74	382,437.41
Other Income	2,211.39	4,386.38	8,725.24	8,101.56	3,244.67	1,160.36	3,543.09	2,171.83	2,915.12	1,866.41
Exchange Fluctuation (net) : Gain	-	-	-	-	-	-	-	184.48	3,903.97	-
Increase/ (Decrease) in stocks	7,667.19	2,883.03	(6,831.66)	(18,861.34)	6,740.75	11,161.53	1,502.05	8,152.71	2,958.77	(5,968.56)
TOTAL	**494,218.70**	**439,193.76**	**398,213.98**	**563,621.67**	**728,090.38**	**669,237.05**	**542,678.57**	**400,075.75**	**328,629.60**	**378,335.26**
Expenditure										
Raw Materials	432,481.63	374,887.61	346,504.26	558,860.55	707,406.32	654,001.82	512,367.50	372,193.37	302,308.74	345,127.66
Sales Tax & Excise Duty on Stocks (net)	1,141.16	(675.16)	1,588.96	916.85	199.63	217.99	(606.16)	647.77	894.23	559.01
Salaries & Other Expenses	4,173.45	3,520.06	3,061.41	2,407.42	2,154.74	1,845.60	1,606.42	1,845.35	958.95	1,130.30
Exchange Fluctuation (net) : Loss	(128.43)	(15,379.74)	11,902.67	6,835.01	19.03	5,364.91	6,482.20	-	-	6,104.96
Other Expenses	11,926.07	9,575.86	10,519.18	7,103.78	3,935.12	3,245.56	3,221.08	3,056.42	2,500.98	2,039.09
Interest	4,404.57	5,171.74	5,778.35	4,070.88	3,214.41	3,285.53	2,066.77	1,043.73	1,154.98	1,434.51
Depreciation	6,713.21	6,779.19	7,124.05	4,986.10	7,064.17	6,044.10	4,338.73	3,914.19	3,893.27	3,823.16
TOTAL	**460,711.66**	**383,879.56**	**386,478.88**	**585,180.59**	**723,993.42**	**674,005.51**	**529,476.54**	**382,700.83**	**311,711.15**	**360,218.69**
Profit Before Tax	33,507.04	55,314.20	11,735.10	(21,558.92)	4,096.96	(4,768.46)	13,202.03	17,374.92	16,918.45	18,116.57
Provision for Taxation	11,265.81	18,877.33	253.51	(4,436.58)	(1,914.86)	2,800.65	4,116.25	5,608.59	5,794.68	6,191.13
Profit After Tax	**22,241.23**	**36,436.87**	**11,481.59**	**(17,122.34)**	**6,011.82**	**(7,569.11)**	**9,085.78**	**11,766.33**	**11,123.77**	**11,925.44**
Total Comprehencive Income	**22,274.43**	**36,386.53**								
Dividend (Refer Note)	5,257.80	10,515.59	-	-	-	-	1,752.60	2,103.13	2,103.13	2,103.49
Dividend Distribution Tax	1,080.76	2,140.73	-	-	-	-	284.32	341.18	349.30	357.49
GRM ($/bbl)	7.54	7.75	5.20	(0.64)	2.67	2.45	5.60	5.90	4.58	6.56

(Figures are regrouped and rearranged whereever required)

Note: During the year 2017-18 dividend @ Rs. 3 per share has been recommended by BOD for approval of Shareholders in AGM, which would be accounted for in accounts on payments basis as per Ind AS.

THREE YEAR PERFORMANCE AT A GLANCE

	($ in million)	($ in million)	($ in million)
	2017-18	2016-17	2015-16
What We Owe			
Share Capital	268.90	270.26	267.77
Reserves	1,423.81	1,282.63	713.14
Net Worth	**1,692.71**	**1,552.89**	**980.91**
Borrowings	1,219.72	1,317.03	1,237.95
Deferred Tax Liability	139.03	73.50	12.32
TOTAL	**3,051.46**	**2,943.42**	**2,231.18**
What We Own			
Fixed Assets (Including Capital WIP)	2,568.67	2,431.59	3,467.10
Less : Depreciation	313.68	214.10	1,159.44
	2,254.99	2,217.49	2,307.66
Investments	207.06	208.12	206.20
Net Current Assets	589.41	517.81	(282.68)
TOTAL	**3,051.46**	**2,943.42**	**2,231.18**
Income			
Sales (Net Of Excise Duty)	7,513.81	6,438.94	5,981.74
Other Income	34.31	65.39	131.69
Increase/ (Decrease) in stocks	118.94	42.98	(103.11)
TOTAL	**7,667.06**	**6,547.31**	**6,010.32**
Expenditure			
Raw Materials	6,709.30	5,588.66	5,229.86
Sales Tax & Excise Duty on Stocks (net)	17.70	(10.06)	23.98
Salaries & Other Expenses	64.74	52.48	46.21
Exchange Fluctuation (net) : Loss/(Gain)	(1.99)	(229.27)	179.65
Other Expenses	185.02	142.75	158.77
Interest	68.33	77.10	87.21
Depreciation	104.15	101.06	107.52
TOTAL	**7,147.25**	**5,722.72**	**5,833.20**
Profit Before Tax	**519.81**	**824.59**	**177.12**
Provision for Taxation	174.77	281.42	3.83
Profit After Tax	**345.04**	**543.17**	**173.29**
Total Comprehencive income as per Ind AS	**345.55**	**542.43**	**-**
Dividend (Refer Note)	81.57	156.76	-
Dividend Distribution Tax	16.77	31.91	-
GRM ($/bbl)	7.54	7.75	5.20

(Figures are regrouped and rearranged whereever required)

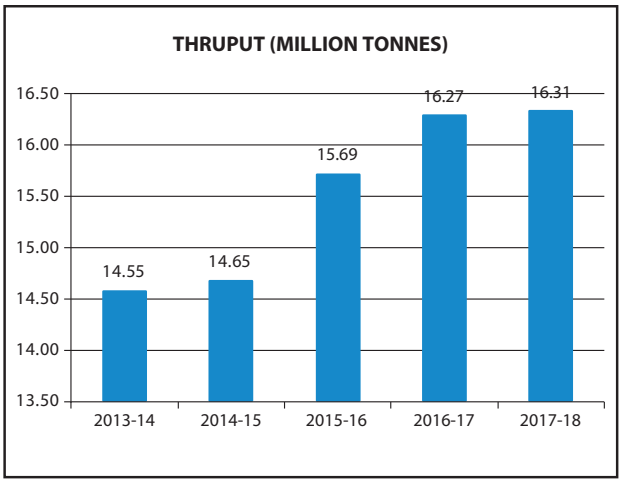
Note: During the year 2017-18 dividend @ Rs. 3 per share has been recommended by BOD for approval of Shareholders in AGM, which would be accounted for in accounts on payments basis as per Ind AS.

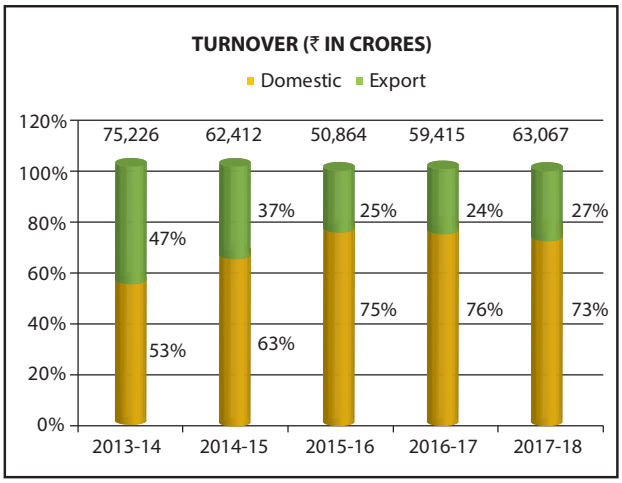
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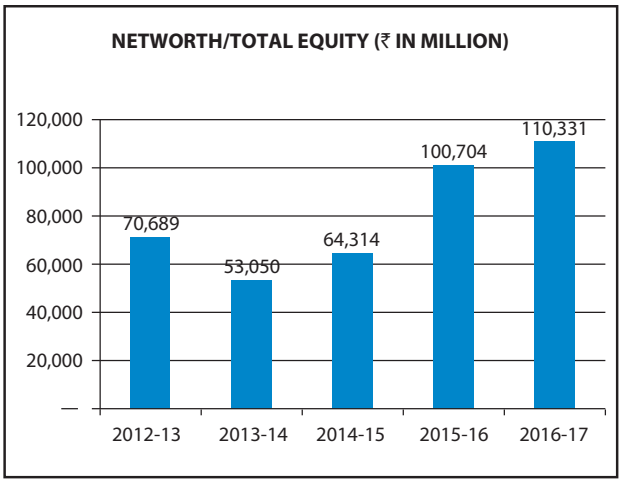
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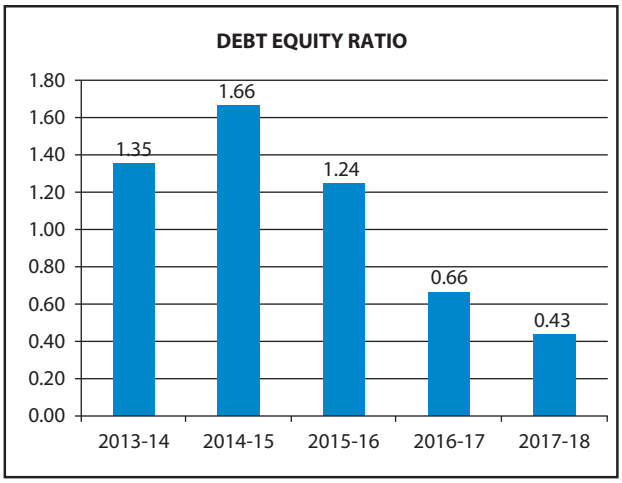
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