31st Annual Report 2018-2019



Committed to Excellence

Mangalore Refinery and Petrochemicals Limited

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

www.mrpl.co.in

Mangalore Refinery and Petrochemicals Limited

(A Government of India Enterprise and Subsidiary of ONGC)

CIN : L23209KA1988GOI008959

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

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COMPANY SECRETARY

Shri Dinesh Mishra

JOINT STATUTORY AUDITORS

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

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

COST AUDITORS

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

SECRETARIAL AUDITORS

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

REGISTERED OFFICE AND INVESTOR RELATION CELL:

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

REGISTRARS & SHARE TRANSFER AGENT

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

INVESTOR RELATION CELL:

DELHI :

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

MUMBAI :

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

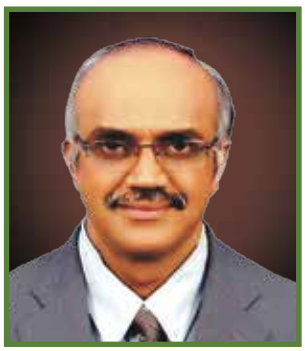
BENGALURU:

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

BOARD OF DIRECTORS



Shri Shashi Shanker
Chairman



Shri M Venkatesh
Managing Director



Shri Subhash Kumar
ONGC Nominee Director



Shri Vinod S. Shenoy
HPCL Nominee Director



Shri K M Mahesh
Government Nominee Director



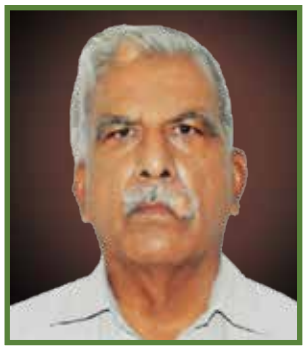
Shri Sanjay Kumar Jain
Government Nominee Director



Ms. Manjula C
Independent Director



Dr. G K Patel
Independent Director



Shri Balbir Singh
Independent Director



Shri Sewa Ram
Independent Director

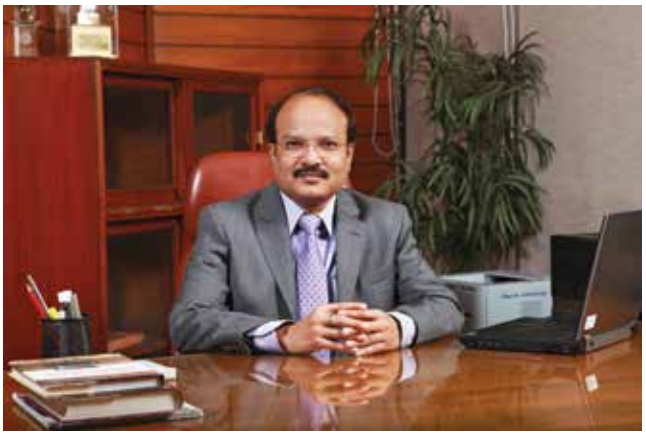


Shri V P Haran
Independent Director



Shri Vivek Mallya
Independent Director

CHAIRMAN'S MESSAGE TO STAKEHOLDERS



Dear Stakeholders,

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

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

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

Financial Performance

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

Physical Performance

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

Safety

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

Direct Marketing

- Your company continues to ramp up marketing of its products in order to achieve better value of its products.

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

Employee Relations

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

Environment and Social Responsibility

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

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



(Shashi Shanker)
Chairman

Place : New Delhi
Date : 04/07/2019

HIGHLIGHTS

Turnover
₹ 72,283 Crore

Crude Throughput
16.23 MMT

Profit
₹ 332 Crore

Dividend
₹ 175 Crore

VISION AND MISSION

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



INAUGURATION OF FLOATING 6.063 MV SOLAR POWER PROJECT



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



RASHTRIYA EKTA DIWAS CELEBRATION



MRPL RETAIL OUTLET AT GUBBI, KARNATAKA



DISTRIBUTION OF LED BULBS



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



HINDI DAY CELEBRATION



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



CELEBRATION OF DR. BHIMRAO RAMJI AMBEDKAR JAYANTI