

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



Mangalore Refinery and Petrochemicals Limited

(A Government of India Enterprise and Subsidiary of ONGC) CIN: L23209KA1988GOI008959

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CONTENTS	PAGE NO
Chairman's letter to stakeholders	2
Vision Mission	5
Board's Report	11
C & AG's Comments	82
Management Discussion and Analysis Report	83
Corporate Governance Report	97
Auditors Certificate on Corporate Governance	131
Annual Business Responsibility Report (ABRR)	135
Auditors' Report on Standalone Financial Statement	149
Standalone Balance Sheet	162
Standalone Statement of Profit & Loss	163
Standalone Cash Flow Statement	164
Notes to Standalone Financial statements	165
Auditors' Report on Consolidated Financial Statements	242
Consolidated Balance Sheet	256
Consolidated Statement of Profit & Loss	257
Consolidated Cash Flow Statement	258
Notes to Consolidated Financial Statements	259
Past Performance	353
Notice of 33 rd Annual General Meeting (AGM)	355

COMPANY SECRETARY

Shri K B Shyam Kumar

IOINT STATUTORY AUDITORS

M/s. Ram Raj & Co, Chartered Accountants, Bangalore M/s. Sankar & Moorthy, Chartered Accountants, Kannur

COST AUDITORS

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

SECRETARIAL AUDITORS

C S Ullas Kumar Melinamogaru, Practicing Company Secretaries, Mangalore

DEBENTURE TRUSTEES

M/s. SBICAP Trustee Company Limited, Mumbai

REGISTERED OFFICE AND INVESTOR RELATION CELL:

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Plot A-1, Opp KSSIDC A.O. Building, Industrial Estate Rajajinagar, Bengaluru – 560010 (Karnataka) Tel: 080-22642200 Fax: 080-23505501 REGISTRARS & SHARE TRANSFER AGENT M/s. LINK INTIME INDIA PVT.LTD C-101, 247 Park, L.B.S. Marg, Vikhroli (West),

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BOARD OF DIRECTORS



Shri Subhash Kumar Chairman



Shri M Venkatesh Managing Director



Smt. Pomila Jaspal Director (Finance)



Shri Sanjay Varma (Director (Refinery)



Shri Om Prakash Singh ONGC Nominee



Shri Vinod S Shenoy HPCL Nominee



Shri Rohit Mathur Government Nominee



Ms. Esha Srivastava Government Nominee



Shri R T Agarwal Independent Director



CHAIRMAN'S MESSAGE TO STAKEHOLDERS



Dear Stakeholders,

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

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

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

Financial Performance

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

Physical Performance

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



- produce Reformate at OMPL due to low Px naphtha spread during Q1: 2020-21. This also supported MRPL in managing the MS blend component stocks.
- HSD product (50,500 KL) was floated in hired vessel for the first time in April 2020 to tide over HSD Ullage crisis due to sudden stoppage of product lifting by OMCs during end March and uncertainties regarding the berthing of vessel with crew coming from pandemic affected load port for export cargo.
- MRPL successfully replaced the catalyst of HCU-2 & GOHDS units with remote assistance & offline support from catalyst vendors because of COVID-19. Catalyst replacement in HCU-1 was done, with site support from catalyst vendor. HCU-1, HCU-2 & GOHDS are taken back on line successfully.
- Highest Ever Polypropylene production of 43.054
 TMT in the month of March 21.
- Your company has taken energy efficiency seriously and achieved Mean Barrel No. (MBN) of 81.41 MMBTU/BBL/NRGF.

Safety

- Your Company continues to have focus of safety and has achieved 1755 cumulative accident free days as on 31/03/2021. It has also achieved 24.17 Million Man hours worked as on 31/03/2021 by MRPL employees. It has also achieved 24.17 million man hours worked in the year 2020-21 as against 13.032 million man hours worked during the previous financial year.
- Several awareness programs were undertaken in the refinery to ensure safety of people, process and assets. Your Company is committed towards providing a healthy and safe work environment to employees, contractors and all the visitors to the Refinery by adopting the best industry practices. Robust systems and standards have been built for continuously reducing the risks in the refinery associated with Health, Safety and Environment (HSE).

• Innovative approaches to safety like tool-box talk and buddy system have been implemented with a view to further improving safety performance. Two Occupational Health Centres (OHC) in Refinery and one Hospital in the township area which are equipped with emergency medical aids with round the clock Ambulance facility with 10 doctors and paramedic are augmented with shower facility for Chemical contact, emergency medicines and antidotes.

Direct Marketing

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

Employee Relations

 Your Company holds its employees in the highest esteem and accordingly follows the best HR practices, reviews them periodically and strives to further improve upon that. As a result, the employee



relations continue to be cordial and harmonious. Long Term Settlement was signed with employees union during the year. As in the past years, this year too I am happy to report that not a single man-hour was lost on account of any industrial disturbance in the year 2020-21.

Environment, Social Responsibility and Sustainable Development

- Your Company envisages sustainability as a major driver for building future readiness in a dynamic market environment. In this process we took cognizance of the social and environmental challenges and accordingly aligned our refining process. In this process MRPL is pursuing projects related to decreasing carbon foot print by energy conservation, improving the energy efficiency in its processes, use of renewable energy, sustainable water management project to reduce fresh water consumption by recycling /use of treated effluent and effective waste management through reduce, reuse and recycle initiatives.
- Your Company is in the process of establishing a biodiversity park in about 41 acres of marshy land. In this process MRPL has entered into an MOU with Dr. Shivarama Karnatha Pilikula Nisarga Dhama, the domain experts in this subject. The process of establishing this park will take approximately 60 months and it is expected to be developed completely by the year 2024. In this process the marshy land will be converted into a full-fledged bio diversity park which will contain endemic tree species which will help in attracting birds, insects, etc. This will also contain aquatic plants which will help in increasing the diversity of fishes and other aquatic animals.
- Your Company has established a Vermi compost production facility inside its premises for converting plant /tree wastes like leaves, branches, etc. into compost which shall be used as manure in its horticulture activities and green belt development. This will help in reducing dependency on inorganic

- fertilizer which is presently being used. The first batch of vermicompost for the quantity of 40 kg was harvested on 26/03/2021
- Your Company is establishing a tree park in approx. 25 acres of land at Bengre, Panambur, Mangalore which is near our Desalination Plant. This is being done in coordination with Karnataka Forest Department (KFD).
- MRPL celebrated various environment awareness programs amongst citizens of Mangalore through various outreach programs viz. partnering with schools, colleges and other agencies in addition to the District Administration.
- As part of its Corporate Social Responsibility, your Company focused in the areas of rural transformation, health, education, sanitation and has taken up programme that benefit the communities in and around its operational area thereby enhancing the quality of life and economic well-being of local populace over a period of time.
- MRPL Hospital with 24x7 manning of Doctors and trained Nursing Staff and a panel of various specialist Consultants is open to residents of the nearby villages.
- Periodic Environment Awareness programs are organized in association with Karnataka State Pollution Control Board (KSPCB) in the neighboring village school on the topic. Ill effects of noise & air pollution and sensitization programme on phasing out use of single-use plastic item etc.

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

Place : New Delhi
Date : 29/07/2021

Sd/(Subhash Kumar)
Chairman

VISION AND MISSION

VISION

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

MISSION

- Sustain Leadership in energy conservation, efficiency, productivity and innovation.
- Capitalise on emerging opportunities in the domestic and international market.
- Strive to meet customers' requirements to their satisfaction.
- Maintain global standards in health, safety and environmental norms with a strong commitment towards community welfare.
- Continuing focus on employee welfare and employee relations.
- Imbibe highest standards of business ethics and values



MRPL Won Prestigious FICCI Award "Outstanding Leadership Award – For establishing Coastal Karnataka as a strategic energy security region of India" FIG. Busin & Control of Science (Control of Science (Cont

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



Republic Day Celebration



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



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



Inaguruation of cyclothon



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