



MANGALORE REFINERY AND PETROCHEMICALS LTD.

(A Govt. of India Enterprise and A Subsidiary of ONGC Ltd.)

**FUELLING
NATION** FOR 25 YEARS

and beyond...

**34th ANNUAL REPORT
2021-22**



Mangalore Refinery and Petrochemicals Limited

(A Government of India Enterprise and Subsidiary of ONGC)

CIN: L23209KA1988GOI008959

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CONTENTS	PAGE No.
Chairperson's message to stakeholders	2
Vision Mission.....	5
Board's Report	9
C & AG's Comments	77
Management Discussion and Analysis Report	78
Corporate Governance Report	88
Auditors Certificate on Corporate Governance	125
Annual Business Responsibility Report (ABRR).....	129
Auditors' Report on Standalone Financial Statement	142
Standalone Balance Sheet	157
Standalone Statement of Profit & Loss	158
Standalone Cash Flow Statement	159
Notes to Standalone Financial statements	160
Auditors' Report on Consolidated Financial Statements	252
Consolidated Balance Sheet	268
Consolidated Statement of Profit & Loss	269
Consolidated Cash Flow Statement	270
Notes to Consolidated Financial Statements.....	271
Past Performance	361
Notice of 34 th Annual General Meeting (AGM).....	364

COMPANY SECRETARY

Shri K B Shyam Kumar

JOINT STATUTORY AUDITORS

M/s. Ram Raj & Co, Chartered Accountants, Bengaluru

M/s. Sankar & Moorthy, Chartered Accountants, Kannur

COST AUDITORS

M/s. Musib & Co,

Cost Accountants, Mumbai

SECRETARIAL AUDITORS

M/s. Ullas Kumar Melinamogaru,

Practising Company Secretaries, Mangaluru

DEBENTURE TRUSTEES

M/s. SBICAP Trustee Company Limited, Mumbai.

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REGISTRARS & SHARE TRANSFER AGENT

M/s. LINK INTIME INDIA PRIVATE.LTD
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E-mail: mrplirc@linkintime.co.in

BOARD OF DIRECTORS



Dr. Alka Mittal
Chairperson



Shri. M. Venkatesh
Managing Director



Shri Sanjay Varma
Director (Refinery)



Smt. Pomila Jaspal
ONGC Nominee



Shri Vinod S. Shenoy
Director, HPCL Nominee



Shri Rohit Mathur
Govt. Nominee Director



Shri Asheesh Joshi
Govt. Nominee Director



Shri Rajkumar Sharma
Independent Director



Smt. Nivedita Subramanian
Independent Director



Shri Manohar Singh Verma
Independent Director



Shri Pankaj Gupta
Independent Director

CHAIRPERSON'S MESSAGE TO STAKEHOLDERS



Dear Share Holders,

It is my privilege to present, on behalf of the Board of Directors of MRPL, the 34th Annual Report for the year 2021-22 to our valued shareholders and also present few highlights for the year's performance.

FY 2021-22 ushered in on the back of dismal preceding year and your company's capacity utilization was affected at the beginning of the year due to travel restrictions caused by the second wave of COVID pandemic. The capacity utilization in H1 was just above 80% and with removal of travel restrictions, pick up in industrial activity and improvement in fuel demand the Capacity Utilization in H2 was commendable and the company ended the year at near 100% throughput. The product cracks improved during the year and the company turned around from loss in the previous year and registered a profit of ₹ 2955 Crore.

The Company has assessed the possible effect of COVID-19 pandemic and Russia-Ukraine conflict, which is not significant on the carrying amounts of Property, Plant and Equipment, Inventories, Receivables and Other Current Assets. The demand for Company's products is expected to be lower in the short term which is, however, not likely to have a continuing impact on the business operations of the Company.

Financial Performance

- Your Company achieved a turnover of ₹86,037 crore during the financial year 2021-22 as against ₹50,739 crore during the financial year 2020-21.
- Your Company earned profit after tax of ₹2955.27 crore during the financial year 2021-22 against loss of ₹761.17 crore incurred during the financial year 2020-21.
- The Gross Refining Margin (GRM) for financial year 2021-22 was 8.73 \$/bbl as against 3.90 \$/bbl during the financial year 2020-21.
- Your Company secured AAA from ICRA and CRISIL for ₹2,560 Crore NCDs and AAA from CARE and India Rating (Fitch Group) for ₹5000 Crore NCDs.

Physical Performance

- Gross Crude Throughput of 14.871 MMT achieved during FY 2021-22 and Refinery Net Throughput of 15.040 MMT was achieved which includes Intermediates & Other Inputs.
- Your Company has successfully commissioned FCC Gasoline Treating Unit (FGTU) of 800 KTPA Feed capacity as part of its BS-VI Project, on 11/07/2021.
- MRPL has also successfully commissioned Desalination Plant based on Reverse Osmosis Technology using Seawater with design capacity of 30 MLD process grade water, on 17/12/2021.
- Your Company has successfully commissioned Sulfur Recovery Unit (SRU-7) with design capacity of 185 TPD Sulfur production as part of its BS-VI Project, on 28/03/2022.
- Five (5) new Crudes were processed for the first time during the FY 2021-22: Tupi Crude (API-30.2) from Brazil, Amna Crude (API-37.2) from Libya, Egina Crude (API-27.6) from Nigeria, Basrah Medium Crude (API- 28.57) from Iraq, Baobab Crude (API-22.6, High TAN) from Ivory Coast.
- For the first time, Vacuum Gas Oil (VGO) was imported coastally from M/s. HPCL, Vizag, in the month of September, 2021
- Naphtha to M/s. ONGC Petro additions Ltd (OPaL) was supplied for the first time in the month of September, 2021.
- ATF Defense grade was supplied to M/s. IOCL, for the first time in the month of September, 2021.
- Marine Fuel oil (MFO) - 0.35% SUL was exported for the first time in the month July, 2021.
- Highest Ever LPG production of 1049 TMT achieved for FY 2021-22, against Previous Highest of 970 TMT for FY 2018-19.

- Highest Ever MS Production of 1727 TMT achieved for FY 2021-22, against Previous Highest of 1279 TMT for FY 2018-19.
- Highest Ever LPG Dispatch of 105.2 TMT done for the month of December, 2021.

Amalgamation of ONGC Mangalore Petrochemicals Limited with Mangalore Refinery and Petrochemicals Limited

The Ministry of Corporate Affairs vide its Final Order dated 14/04/2022 approved the amalgamation of ONGC Mangalore Petrochemicals Limited (OMPL) with Mangalore Refinery and Petrochemicals Limited (MRPL) with 01/04/2021 as Appointed Date and the Effective Date for Scheme of Amalgamation as 01/05/2022. This will enable optimization of both the plants to maximize combined margins of refinery and petrochemicals in tune with market dynamics.

Safety

- Your Company has successfully achieved ZERO RLTI in the FY 2021-22
- Your Company has also bagged 2 state level awards from Department of Factories, Boilers, Industrial Safety & Health, GoK, for the year 2021:
 - Best Safe Industry award under Oil Industry Category.
 - Safe Operation, Maintenance & reliable boiler under Cogen Boiler category
- Carried out OISD Pre-commissioning safety audit for SRU 7, offsite facility & HSD line to jetty.
- Your Company continued to have focus on safety and has achieved 2120 & 638 accident free days as on 31/03/2022, in case of employee & contract workers respectively. It has also achieved 29.4 Million Man hours worked in the year 2021-22 as against 24.17 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, one in Aromatic Complex and one Hospital in the township area which are equipped with emergency

medical aids with round the clock Ambulance facility, doctors, paramedic, shower facility for Chemical contact, emergency medicines and antidotes.

Direct Marketing

- Your Company continues to maintain major share of the direct sales segment of petroleum products market in Karnataka and adjoining states. Your Company maintained leadership position in its marketing zone for all direct sales products such as Bitumen, Diesel, Sulphur, Petcoke, ATF, Polypropylene, Xylol (Xylenes) etc. The total domestic sales volume of all products during FY 2021-22 has been 1988 TMT with a sales value of ₹11033 Crores against turnover of 1691 TMT and sales value of ₹7207 Crores in FY 2020-21.
- Your Company is continuously focusing on its retail expansion in the States of Karnataka & Kerala and so far has successfully commissioned 32 retail outlets with another 20 retail outlets under various stages of construction. Plans are in place for adding 50 new retail outlets every year for the next 5-10 years and for entering new geographical areas of Tamil Nadu, Andhra Pradesh and Telangana in near to medium term.
- Your company's PP Production has achieved a milestone by crossing the 440 KTPA Name plate capacity, as on 15th March 2022 and annual PP Sales achieved the pinnacle feat of 450 KTPA for the 1st time since inception, during FY 2021-22.
- Shell MRPL Aviation Fuel and Services Limited has steadily acquired business for sale of Aviation Turbine Fuel (ATF) at Indian airports. The company achieved a turnover of ₹673.19 Crores during FY 2021-22 against turnover of ₹260.50 Crores in the previous FY 2020-21.

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. 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 2021-22.

Environment, Social Responsibility and Sustainable Development

- Your Company envisages sustainability as a major driver for building future readiness in a dynamic market environment. Taking cognizance of the social and environmental challenges, 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 by recycling/ use of treated effluent and effective waste management through reduce, reuse and recycle initiatives.

- Environmental Clearance was recommended by State Environment Impact Assessment Authority (SEIAA), GoK for proposed 2G-Ethanol project at Davangere. Wildlife Conservation plan authentication from PCCF-WL, Bangalore is in progress.
- Baseline monitoring for Environment Impact Assessment study of proposed Petro Addition & Capacity Enhancement Project (PACE) completed.
- MRPL hosted Activity Committee Meet (ACM) on Environment and Water Management in association with Centre for High Technology (CHT), MoPNG. The objective of the ACM is to share best operational practices, case studies, modifications and troubleshooting by Refineries.
- MRPL was awarded Gold Medal by International Research Institute for Manufacturing (IRIM), for India Green Manufacturing Challenge 2020-21.
- MRPL's social welfare and community development initiatives focus on the key areas of education, health care and sanitation and overall development of basic infrastructure in and around its operational areas, Dakshina Kannada and Udupi District/ Karnataka State. The key objectives of the MRPL's CSR Policy is to ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- 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.
- Climate change is a major issue that the world is facing today and MRPL is taking actions to reduce its the environmental impact. In this process MRPL is pursuing several sustainable projects.
 - In FY 2021-22 total solar energy generated in MRPL's own solar plant is 28,405 KWh and total solar energy consumed by the company is 29,097 KWh (including the solar energy imported).
 - Through the different energy efficiency improvement measures, MRPL has achieved a fuel savings of 19,213 metric ton of oil equivalent (MTOE).
- MRPL is utilizing Mangalore City treated sewage water to reduce our fresh river water conversation. In FY 2021-22 total Mangalore City treated sewage water utilized in the Refinery is 65,87,079 M3

- To ensure the sustainable utilization of life support systems on earth, MRPL is taking major initiatives towards bio diversity conservation. MRPL is establishing a bio-diversity park in 41 acres of marshy land where the marshy land is being converted to a full-fledged bio diversity park. The bio-diversity park will have native tree species of Western Ghats which will act as a habitat for different varieties of Birds and insects.
- MRPL has taken several Greenbelt development and compensatory afforestation initiatives to increase its green cover.
 - MRPL has developed 50 acres of Greenbelt in Pilikula Biodiversity Park with approximately 4000 numbers of different western ghat plant species
 - MRPL has developed green belt in 25 acres at Bengre near Thannirbhavi sea shore and raised approximately 4000 numbers of plants saplings in co-ordination with Karnataka Forest Department.
 - In addition, 969 numbers of saplings were planted during the FY 2021-22 in Refinery.
- MRPL has commissioned a Vermi compost facility for efficient management of cut grass, tree branches & leaves. 12,076 Kg of Vermi-compost was harvested in FY 2021-22. Two more Vermi compost facility construction is under progress.
- MRPL is committed towards the conservation of ecological system and Bio-diversity, in this regard MRPL has adopted wild animals in Pilikula Biological Park, Mangalore.

Lastly, I would like to acknowledge the crucial support and guidance of the Govt. of India, especially our Administrative Ministry of Petroleum and Natural Gas.

I also place on record my admiration for our employees for their excellent contribution and 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.

Jai Hind

Date: 15/07/2022
Place: New Delhi

Sd/-
(Alka Mittal)
Chairperson

Highlights



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 Management, Corporate Social Responsibility 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



Shri Hardeep singh Puri & Shri Rameswar Teli & Shri Tarun Kapoor Inaugurates Oxygen Plant (1)



MRPL HiQ - First Retail Dealers Meet



Medical Grade Oxygen Inauguration



Vigilance Awareness Week - 2021



NMPA Excellence Award: Handling of highest volume of liquid bulk cargo (Crude Oil)



SAKSHAM 2022: Cyclothon