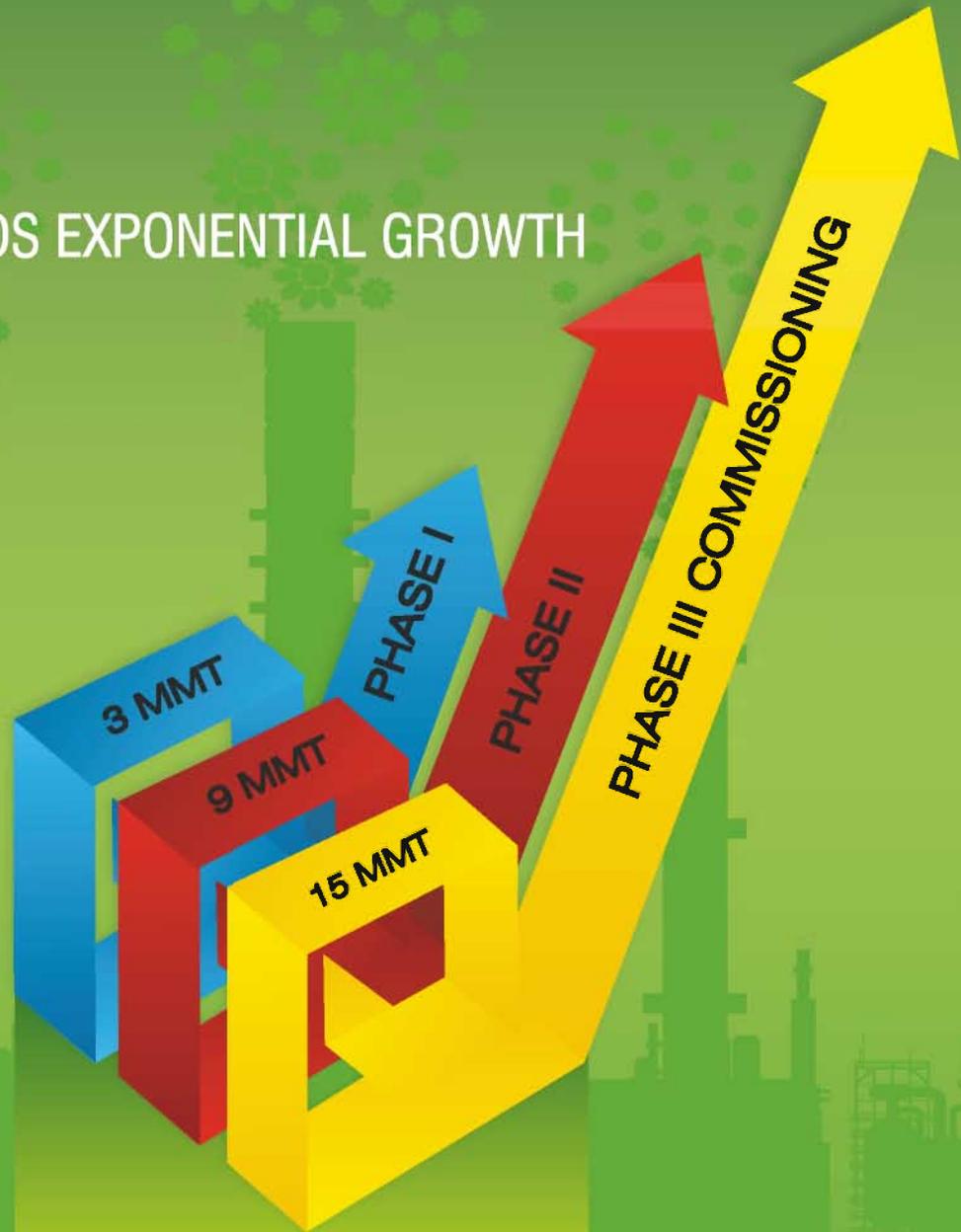


24th ANNUAL REPORT 2011-12

वार्षिक रिपोर्ट २०११-१२

TOWARDS EXPONENTIAL GROWTH



Mangalore Refinery and Petrochemicals Ltd.
(A subsidiary of Oil and Natural Gas Corporation Ltd.)



Inauguration of Hydrogen Generation Unit (Phase - III)



Unveiling of products produced from CDU/VDU of Phase - III

Mangalore Refinery and Petrochemicals Limited

BOARD OF DIRECTORS

Shri Sudhir Vasudeva	Chairman
Shri P.P. Upadhya	Managing Director & Director (Technical)
Shri Vishnu Agrawal	Director (Finance)
Shri Vivek Kumar	Director
Shri K. Murali	Director
Dr. A.K.Rath	Independent Director
Shri.B Ravindranath	Independent Director
Dr. D. Chandrasekharam	Independent Director
Shri A.K. Hazarika	Special Invitee
Shri K.S. Jamestin	Special invitee

COMPANY SECRETARY

Shri Dinesh Mishra

REGISTERED OFFICE

Mudapadav, Kuthethoor,
P.O Via Katipalla,
Mangalore- 575 030, Karnataka
Tel. No.: 0824-2270400
Website.: www.mrpl.co.in

SOLICITORS & ADVOCATES

M/s. Mulla & Mulla & Craigie Blunt & Caroe, Solicitors.
M/s. Alaya Legal, Advocates.

JOINT STATUTORY AUDITORS

M/s. Maharaj N.R. Suresh & Co,
Chartered Accountants
M/s. Gopalaiyer & Subramanian,
Chartered Accountants

COST AUDITOR

M/s. Musib & Associates
Cost Accountants

BANKERS

State Bank of India,
Bank of Baroda,
Punjab National Bank,
United Bank of India,
Canara Bank,
Corporation Bank,
IDBI Bank Ltd,
Citibank N.A

INVESTOR RELATION CELL

MANGALORE REFINERY AND PETROCHEMICALS LIMITED

- Mudapadav, Kuthethoor,
P.O Via Katipalla,
Mangalore- 575 030, Karnataka
Tel. No.: 0824-2270400, Fax No.: 0824-2271404
- LGF, Mercantile House
15, K.G. Marg, New Delhi – 110 001
Tel : 011-23463100 Fax : 011-23463201
E-mail: investor@mrplindia.com
Website.: www.mrpl.co.in
- **M/s. LINK INTIME INDIA PVT.LTD (R&T Agent)**
C-13 Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup (West),
Mumbai- 400 078
Tel.: 022-25963838 / 25946970
Fax No.: 022-25946969
E-mail: mrplirc@linkintime.co.in
Website.: www.linkintime.co.in

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Annual Report 2011-12

DIRECTORS' REPORT

Dear Members,

On behalf of the Board of Directors, I take pleasure in presenting the 24th Annual report on the performance of your company, together with the Audit report and Audited account for the year ended 31/03/2012.

It is a matter of immense satisfaction that the performance of your company both on the Physical as well as Fiscal parameters created certain new benchmarks of excellence during the year 2011-12.

Major highlights of your Company's performance during the year are enumerated below:

- Highest ever Refinery crude thrupt at 12.82 MMTPA.
- Highest ever Turnover at ₹ 572,068 Million.
- Highest ever Export Turnover at ₹ 234,183 Million.
- Lowest ever Energy consumption index of 57.92 MBN.
- Nameplate capacity of the refinery has been enhanced to 15 MMTPA with successful commissioning of 3 MMTPA Crude and Vacuum Distillation Unit III (CDU&VDU III) of Phase-III project on 29/03/2012.
- With Commissioning of CDU and VDU-III before 31/03/2012 your Company is eligible for benefits under Section 80(IB) of the Income Tax Act, 1962 for Phase-III project.
- Government of Karnataka has sanctioned an attractive Tax Incentive package for the Phase-III project.
- Diesel Hydro Treater/ Hydrogen Generation/ Coker Gas Oil Hydro Treater Units were mechanically completed before 31/03/2012.
- DPE Adjudged performance of your company as "Excellent" for the year 2010-11 against the MoU target.

1.1 FINANCIAL PERFORMANCE

	Year ended 31 st March, 2012	Year ended 31 st March, 2011
	(₹ In Million)	
Turnover	572,068	437,236
Profit before Depreciation Interest and Tax	19,608	22,332
Interest and Finance Charges	2,067	1,047
Gross Profit after interest but before Depreciation and Tax	17,541	21,285
Depreciation and Amortizations	4,339	3,914
Profit Before Tax	13,202	17,371
Provision for Taxation	4,116	5,605
Profit after Tax	9,086	11,766
Balance of Profit/(Loss) brought forward from previous year	42,998	33,959
Surplus available for appropriation	52,074	45,727
Appropriations:		
Proposed dividend on Preference Shares (₹ 9,186)	0.000	0.00
Proposed Dividend on Equity Shares	1,753	2,103
Tax on Dividend	284	341
Transfer to Capital Redemption Reserve	46	-
Transfer to General reserve	-	295
Balance carried to Balance Sheet	49,991	42,988

1.2 DIVIDEND

The Board of Directors of your company is pleased to recommend dividend payout of 10% (₹ 1/- per equity share) of ₹ 10/- each fully paid-up in view of the ongoing project investment and the reduced profitability. This will absorb ₹ 2,036 Million including ₹ 284 Million as dividend distribution tax.

1.3 OPERATIONAL PERFORMANCE

The Highest ever Refinery thrupt was 12.82 MMTPA for the year 2011-12 compared to 12.64 MMTPA during the previous year. During the last fiscal, your Company has completed the revamp of its CDU/ VDU –I unit as well as Hydro Cracker Unit-II. Your company, keeping in view the process requirement and to maintain high utilization of its assets, has planned these revamps along with the turnaround shutdowns during the year 2011-12. During the year 2011-12, your company has processed three new crudes i.e., Agbami, COCO, Mellitah and continues to expand its crude basket.

1.4 EXPORTS

Your company has achieved highest ever export turnover of ₹ 234,183 Million during the year 2011-12 by exporting products like Motor Spirit (MS), Naphtha, Mixed Xylene, High Speed Diesel (HSD), Jet fuel and Fuel Oil (FO).

Your Company continues to have the Term export contract for the supply of petroleum products to Mauritius with the State Trading Corporation (STC), Mauritius.

In the global competitive market, your company has secured its place by exporting the petroleum products and continues to explore opportunities for its growth.

1.5 SAFETY PERFORMANCE

The year 2011-12 witnessed successful and safe commissioning of CDU/VDU-III of Phase-III. Your company has also recorded longest accident free period of 1662 days during the year by surpassing previous best record of 1301 days during the year.

Your company is committed towards imparting continuous training in fire & safety practices. During the year under review, 885 Nos. of Plant employees and 7,184 Nos. of contract employees were trained in Fire and Industrial Safety. Employees of your company were also trained on safety aspects and practices during the year.

Your company has conducted Multidisciplinary Internal Safety Audit and OISD external surprise audit was also conducted during the year and its recommendations are being complied with.

1.6 ENVIRONMENT MANAGEMENT

Your company believes in "Perform beyond Compliance" for Protection of the Environment. Your Company is ISO 14001:2004 certified company, authenticated by TUV Rheinland.

Your Company has undertaken following major initiatives for Greener Environment during the last fiscal :

- Wet Air Oxidation Unit is under trial to treat Spent Caustic and to improve the WWTP performance.
- An advanced Reverse Osmosis Plant is being commissioned for maximizing the quantity of treated effluent recycle.
- Condensate Recovery Unit commissioned in CDU-1 resulting reduction in fresh water consumption. Similar units are planned for other process units as well.
- Second continuous ambient air quality monitoring system was installed in the refinery to monitor the ambient air quality.
- An external agency monitors Ambient Air Quality at 7 locations in and around the refinery.
- A Closed Bioremediation Unit is being commissioned in the refinery to treat oily sludge generated in the refinery.
- VOC Emission monitoring is being done at 74,000 points in the refinery through reputed agency and corrective measures taken to effectively minimize the same.
- Community awareness programme was organized in the neighboring villages in association with Karnataka State Pollution Control Board.
- In a unique partnership with Karnataka Forest Department, your company is developing green belt in 120 acres of land. As a first stage, 40,000 saplings are being grown in an offsite nursery by the Forest Department, which will be later transplanted in the green belt.

Mangalore Refinery and Petrochemicals Limited

1.6.1 Environmental Performance:

Your company continues to comply with the Environmental Regulations and also making its best efforts for protection of environment by taking various steps.

Following major actions were taken to prevent water and air pollution.

Water:

- Effluent treatment plant operation was normal throughout the year.
- Treated effluent quality was well within the prescribed limits.
- Seawater quality monitoring carried out by M/s. College of Fisheries indicates no adverse effect on the marine environment due to treated effluent discharge.
- Average treated effluent recycle to cooling towers during the year was about 74%
- Treated effluent after maximum recycle and within the stipulated standards are discharged into sea at a distance of 700 m and at a depth of 6.5m through diffusers for maximum dispersion & dilutions. Independent government agency monitors the marine ecology at the outfall point in the sea on a fortnight basis. Till date there has been no adverse effect on the marine eco-system.
- Cooling towers are operated at greater than 6 Cycles of concentration, this measure has brought down the cooling tower blow down. Refinery practices the cascade blow down system in the cooling towers to conserve water and chemicals.

Air:

- Various energy conservation schemes are implemented for reducing air emission.
- Utilization of low sulphur (less than 1% S) fuel oil in furnaces, with average sulphur content, less than 1% maintained into fuel oil.
- Maximum utilization of Ultra Low Sulphur Fuel Gas (less than 10 ppm S) in furnaces.
- SRU units are running with more than 99% efficiency.
- Ambient air quality monitoring being done inside and outside the Refinery by reputed external agency as per revised National Ambient Air Quality Monitoring Standard set by Ministry of Environment & Forests (MoEF).
- Regular monitoring has minimized flaring.
- Daily average Sulphur dioxide emissions from the refinery kept beneath the prescribed limits of 40.0 T/day.

1.6.2 Solid Waste Management and implementation of Supreme Court Monitoring Committee (SCMC) Recommendations:

- 125 MT of spent activated carbon was disposed off.
- Bioremediation of 2000 Tonnes of oily sludge has been completed successfully.

1.6.3 Noise Pollution Control:

Acoustic enclosures are provided for DG sets at Sarapady and APMC pumping station.

1.6.4 Future Plans:

- Utilization of Liquefied Natural Gas (LNG) as alternative fuel in the Refinery.
- Vapour recovery System for light hydrocarbon storage tanks in Phase – III Refinery Project.
- VOC Recovery system in Waste Water Treatment Plant (WWTP) of Phase- III.

1.7 MARKETING

Domestic Marketing of Products

Your Company continues to increase its market share in the direct sales segment of petroleum products in the state of Karnataka and its adjoining states. The direct sales turn over during the year was ₹ 27,552 Million compared to ₹ 22,912 Million in the previous fiscal.

During the year Bitumen sales was increased to 293 TMT from 248 TMT sold during the previous year, registering a growth of 18%. Furnace Oil sales was increased to 146 TMT during the year from 99 TMT sold during the previous year, registering a growth of 47% and Mixed Xylene sales was also increased by threefold during the year.

1.7.1 Retail Operations

Keeping in view the under recoveries in retail marketing of auto-fuels, your company continues to adopt a non aggressive approach with its miniscule presence in the retail marketing.

1.7.2 New Products Marketing Plan

Your company is setting up a Polypropylene (PP) plant with the capacity of 440 KTPA, integrated with Phase- III expansion of refinery complex with an investment of ₹ 18,037.8 Million for supplying to downstream processing industry. Detailed business plan for sale of Polypropylene in domestic market is being finalized. Storage infrastructure for Polypropylene is being developed at Hassan in the State of Karnataka.

Your company is also setting up a Delayed Coker Unit (DCU) in its Phase- III expansion project, which will produce Petcoke, a new product in the product basket. Detailed business plan is being finalized for sale of Petcoke to major Industrial consumers in Southern India.

1.7.3 Joint Ventures

Your Company is in Joint Venture (JV) with Shell B.V. Netherland known as Shell MRPL Aviation Fuel Services Private Limited (SMAFSPL) which supplies Aviation Turbine Fuel (ATF) to both domestic and international airlines at Indian airports.

SMAFSPL is aggressively acquiring market share in both domestic and international airlines at Indian airports. It has commenced its refuelling operations at Mangalore airport.

Your company continues to hold 50% equity in the Joint Ventures by holding 15 Million equity shares worth of ₹ 150 Million.

Turnover of this JV Company was ₹ 5,173.48 Million during the year against ₹ 2,867.03 Million during the previous year and the Pre-tax profit of ₹ 181.59 Million during the year against ₹ 136.28 Million during the previous year.

The JV Company declared its maiden dividend of ₹ 1 per equity share of ₹ 10 each fully paid during the year.

2. AWARDS AND RECOGNITION:

Your company has been recognized for its excellence in all of its operational areas and received following awards during the year:

- Won the “Unnatha Suraksha Puraskara” award – 2011 conferred by National Safety Council –Karnataka Chapter for Outstanding Performance in Safety Management Systems.
- “Excellent” MoU rating received from Department of Public Enterprise, Government of India for the year 2010-11.
- Secured second prize for outstanding performance in the area of Hindi implementation for the year 2010-2011 by the Town Official Language Committee (TOLIC), Mangalore.
- Won BT- STAR PSU Excellence award 2012 for Excellence in Market Capitalization.
- Won OISD ‘Most Consistent Performer (Refineries)’ Award for 2009-10

3. CREDIT PROFILE

3.1 ICRA Limited has reaffirmed Issuer Rating “Ir AAA” (pronounced IR Triple A) to your company. This rating indicates the highest credit quality rating assigned by ICRA and the rated entity i.e., which carries the lowest credit risk.

3.2 ICRA has reaffirmed the rating assigned to the ₹ 15,000 Million Fund- Based limits of your company at “[ICRA] AAA” (pronounced ICRA Triple A). The outlook on the rating is “Stable”.

3.3 ICRA has also reaffirmed the rating reassigned to the ₹ 55,000 Million Non-Fund based limits of your company at “[ICRA] A1+” (pronounced as ICRA A one plus).

3.4 ICRA has reaffirmed “[ICRA] A1+” (pronounced as ICRA A one plus). This rating indicates the very strong degree of safety regarding timely payment of financial obligations i.e., which carries the lowest credit risk.

3.5 CRISIL has reaffirmed “[CCR AAA] (pronounced as CCR Triple A). This rating indicates highest degree of strength with regard to honoring debt obligations by your company.



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4. FINANCIAL ACCOUNTING

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) and in compliance with all applicable accounting standards and as per the guidance note on accounting for activities of the company issued by The Institute of Chartered Accountants of India (ICAI) and provisions of the Companies Act, 1956. The financial statements have been prepared under the Revised Schedule VI format of the Companies Act, 1956 pursuant to notification of Ministry of Corporate Affairs (MCA), Government of India.

5. INTERNAL CONTROL SYSTEM

Your company remains committed to ensure an effective internal control environment that provides assurance on the efficiency of operations and security of assets.

Internal audit department functions under the supervision of the Audit Committee chaired by an Independent Director. Your company has a well established internal control review mechanism which assures effective internal control environment to the Audit Committee and Board of Directors.

6. PROJECTS

6.1 Phase-III Refinery Expansion and Up gradation Project

As you are aware that your company is implementing Phase-III refinery expansion and up gradation project at an estimated cost of ₹ 121,600 Million, which will drive the future growth of the company.

Major highlights of Phase-III refinery expansion and up gradation project are as under:

- With the increased capacity of 15 MTPA your company is well placed in the market vis-e-vis its peers in the Industry.
- Your company is the second refinery in the country, capable of processing high TAN crudes.
- The 'Nelson Complexity Index' of the refinery of your company enhanced to approximately 9.0 from 6.0.
- The Distillate yield of the refinery will be increased by approximately 80%.
- Your company will produce value added products like Propylene from the low value black oil.
- The Diesel Hydro Treater (DHDT) of the refinery of your company will convert the High Speed Diesel (HSD) into Euro -III, IV and V grade for domestic and global market.

The Phase-III project is being executed in hybrid mode consisting of various modes of execution viz., Engineering, Procurement and Construction Management (EPCM), Open Book Execution (OBE) and Lump Sum Turn Key (LSTK). M/S Engineers India Limited (EIL) is the Project Management Consultant. M/S Jacob is the EPCM Contractor for the CDU/VDU and M/S EIL is the contractor for Petro Fluidized Catalytic Cracking Unit (PFCCU) and Sulphur Recovery Unit (SRU) which are executed under OBE and LSTK.

Your company has achieved an overall progress of 95.7% against scheduled target of 100% as of 15/07/2012 in Phase-III project and is in the process of progressive commissioning of the following major units:-

- Hydrogen Generation Unit (HGU)
- Diesel Hydro Treater Unit (DHDT)
- Sulphur Recovery Unit (SRU)
- Captive Power Plant (CPP)
- Petro Fluidized Catalytic Cracking Unit (PFCCU)
- Delayed Coker Unit (DCU)
- Coker Gas Oil Hydro Treater Unit (CHTU)

The crude was cut into CDU and VDU of Phase-III on 25/03/2012 after mechanical completion of necessary fire water network, flare network, utilities control systems and various finished products were routed to respective storage tanks on 29/03/2012.

Hydrogen Generation Unit (HGU) was successfully commissioned on 18/07/2012. Two crude storage tanks each having 60,000 m³ capacity were commissioned on 30/3/2012 to enhance the crude storage capacity of the refinery of your company.

Wet Air Oxidation unit, a part of the auxiliary units/facilities was commissioned on 13/12/2011.

The Phase-III project has Hydrocarbon streams interconnections with the existing Phase- I & II of the refinery of your company. Revamp of the existing Hydro Cracker Units (HCU-1 and HCU-2) has been successfully completed and commissioned during May, 2012.

Your company is pleased to inform that the Government of Karnataka has given an attractive incentive package consisting of following fiscal benefits for Phase-III project:

- Exemption from payment of Entry Tax on plant and machinery and capital goods during the initial period of 4 years from the date of commencement of project implementation.
- Exemption from payment of Entry Tax on the crude oil thruput in Phase-III for 15 years from the start of commercial production of the Phase-III.
- Exemption from Central Sale Tax for 15 years from the date of commencement of commercial production for all the interstate sales.
- Interest free soft loan at the rate of 100% of eligible gross VAT for first 3 years and 60% of eligible gross VAT on the sale of Polypropylene, Petroleum Coke, LSHS, Naphtha, LPG (incremental production), Mixed Xylenes and reformat to non SEZ units for next 12 years to be repaid after 15 years by 15 equal annual installments limited to ₹ 5000 Million per annum.

The Phase-III project of your company is now eligible for Income Tax benefit under Section 80(IB) of the Income Tax Act, 1962 as it has successfully commissioned CDU and VDU of Phase-III project on 29/03/2012 before the sunset deadline of 31/03/2012. This benefit will place your company in a better position for competing with its peers in the market.

Hydrogen Generation (HG), Diesel Hydro Treater (DHDT), and Coker Gas Oil Hydro Treater (CHT) units along with related utilities were also mechanically completed before March 2012. The pre-commissioning activities of these units are nearing completion by extending steam and power from the existing facilities of Phase-I and Phase-II due to delay in commissioning of Captive Power Plant (CPP) of Phase-III by its LSTK contractor (M/s BHEL). It is expected that M/s BHEL will be able to commission CPP of Phase-III by the end of September 2012 as assured by it.

6.2 Polypropylene Project

As you are aware that your company is setting up a Polypropylene (PP) unit integrated with the Phase-III project at an estimated Capex of ₹ 18,037.8 Million. M/s. Engineers India Limited (EIL) has been engaged to implement this project under OBE convertible to LSTK methodology and M/s. Novolon Technology, Germany has been selected as the licensor for the same.

Project Displaced Families (PDF) problems had delayed the site work which resulted in shifting the location of this project. Fresh environmental clearance has been obtained from the Ministry of Environment and Forest (MoEF) due to shifting of the location.

Polypropylene Project has achieved an overall progress of 82.2% against scheduled target of 97.7% as of 15/07/2012. Cost commitment made for this project was ₹ 12,976.6 Million and the cumulative expenditure incurred was ₹ 5,492.1 Million as of 31/03/2012.

6.3 Single Point Mooring (SPM) Project

Your company is setting up Single Point Mooring (SPM) project along with coastal booster pumping station within the port limits at a location of 16 kilometers inside the sea (High-Seas) having draft availability of 30 meters for handling Very Large Crude Carrier (VLCC) at an estimated cost of ₹ 10,440 Million.

SPM facility will have following advantages:

- Use of VLCC will reduce the average freight cost of crude.
- Flexibility to receive opportunity crudes from West African and Latin American countries.
- De-congestion of existing jetties at New Mangalore Port Trust (NMPT) will result in handling more petroleum products.
- Crude will be pumped to the Indian Strategic Petroleum Reserve Limited (ISPRL) underground cavern for storage of Crude oil at Mangalore and Padur.

Mangalore Refinery and Petrochemicals Limited

Single Point Mooring (SPM) project has achieved an overall progress of 95.6% against the scheduled target of 100% as of 15/07/2012 and is expected to commence trial operation by the end of September, 2012.

6.4 Future Projects for Growth

During Global Investors Meet on 7th & 8th June, 2012 at Bengaluru, your company has signed a Memorandum of Understanding with the Government of Karnataka for setting up a Linear Alkyl Benzene Plant (a raw material to manufacture Detergents) and to expand its refining capacity to 21 MMTPA subject to techno- economic viability and availability of required infrastructure at Mangalore with an approximate investment of ₹ 85,000 Million.

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

The additional information required to be disclosed pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings & outgo are furnished in 'Annexure- I' which forms part of this Report.

8. PARTICULARS OF EMPLOYEES

Your company being a government company is exempted from disclosure of particulars of employees under Section 217(2A) of the Companies Act, 1956, and the Particulars of Employees Amendment Rules, 2011.

9. RIGHT TO INFORMATION ACT, 2005

Your company has a RTI manual posted in the website www.mrpl.co.in.

During the year 87 applications were received, out of which 82 were disposed off before 31/03/2012 and balance 5 applications disposed off after 01/04/2012.

10. HUMAN RESOURCES

- During the year 2011-12, your company continued to enjoy cordial and harmonious relations with the collectives and as evidence to the same not a single man-hour was lost on account of any industrial disturbance.
- Your company has recruited 168 employees including 13 women employees during the year 2011-12, out of these 20 employees are Schedule Caste (SC), 12 Schedule Tribe (ST) and 1 Physically Challenged (PC).
- Total employee strength as on 31/03/2012 was 1500 including 104 women employees, out of these employees, 597 are from Management cadre whereas 903 are from Non-Management cadre. The number of employees belonging to SC/ST categories are 129 and Physically Challenged are 5.
- During the year 2011-12, your company devoted 5095 man-days for Training, Development and Learning which amounts to an average 3.45 man-days per employee. This includes functional, developmental and special training programs covering the entire spectrum of employees.

11. OFFICIAL LANGUAGE (OL)

Your company continues to implement Official Language (OL) Policy as per the Annual Programme prescribed by the Department of Official Language, Ministry of Home Affairs, Government of India, in this regard following steps were undertaken during the year.

- Periodical reports are sent to all the Government agencies including Administrative Ministry, Ministry of Petroleum and Natural Gas (MoP&NG) highlighting the progress made in promotion of Hindi.
- Hindi workshops and Hindi classes namely Prabodh, Praveen and Pragya are organized on a regular basis.
- Special efforts were made to activate Unicode facilities on all the computers used in the office for increasing the correspondence in OL.
- To motivate employees, incentive schemes such as cash award and personal pay is introduced.
- An OL inspection of various departments and offices was carried out.

Hindi Fortnight was celebrated and many Hindi competitions such as Hindi dictation, Handwriting, Admin-Glossary, speech etc. were conducted for the employees and their family members during the year.

Competitions are also held in Hindi language for employees and their family members during National Safety Day, Environment Day, Security awareness week and Vigilance awareness week.

Hindi Hasya Kavi Sammelan was held on 30/03/2012, 5 National level eminent Hindi poets from different parts of the country participated in this programme organized by your company.

Official Language Implementation Committee (OLIC) meetings, were held on quarterly basis under the chairmanship of Managing Director. All out efforts are being made to promote OL in your company.

Your company has been awarded first prize for outstanding performance in Hindi implementation for the year 2011-12 by the Town Official Language Implementation Committee (TOLIC), Mangalore. Your company also won eight prizes and stood Second at the TOLIC level competitions.

12. VIGILANCE FUNCTION

Your company has developed a structured mechanism of vigilance functions and its practices are focused towards creation of value for all the 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. Guidelines of Central Vigilance Commission are being followed. Officers in sensitive posts are rotated regularly.

Whistle Blower Policy for employees is in place which ensures that a genuine whistle blower is granted due protection from any victimization. In compliance with CVC instruction, your company has implemented a complaint handling policy in which all complaints received from various sources can get recorded and can be examined by vigilance. Further, in line with CVC instruction, your company has achieved very high compliance level with regard to e-payment and e-tender.

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

13. SECURITY MEASURES

Your company continues to improve the security measures at the refinery. The following steps were taken to improve the security during the year:

13.1 CISF Induction

Ministry of Home Affairs (MHA) has approved induction of 200 CISF personnel for security of the refinery. A Quick Reaction Team (QRT) team consisting of 22 CISF personnel was inducted to guard the refinery. Construction of an exclusive Township for CISF personnel is underway at a cost of ₹ 320 Million and is scheduled for completion in April, 2013. The second phase of CISF induction with an additional 80 personnel is expected to take place by September, 2012. The remaining CISF manpower will be inducted after completion of CISF Township.

13.2 CCTV Surveillance

The refinery is under surveillance of state-of-the art CCTV Network designed to cover all the access control gates and other strategic locations.

13.3 Access Control

Access to refinery area is controlled by computerised Smart Card & Manual Pass system for contract labourers and RFID smart card for employees. Access control to the refinery area is being improved by completion of the proposed new refinery gate and security building. The security building will be equipped with multi-zone metal detectors and X-ray baggage scanners. This gate will also have turnstiles controlled through bio-metric card readers for strict access control to refinery area. Anti-vehicle intrusion systems like Tyre Rippers are also being planned to be installed at refinery gates. Marketing operation and security infrastructure is being built in the lower plateau of the Refinery.

13.4 IB Recommendations

A team from Industrial Security Branch of Intelligence Bureau (IB) visits the refinery of your company once in every two years to inspect security arrangements, identify grey area and recommend / suggest improvements. All the recommendations given by the IB in the year 2008 have been complied. The last IB inspection was carried out during December, 2010 and out of 30 Recommendations, majority have been complied. The remaining recommendations are under varying stages of compliance.

13.5 Security Audit by ONGC

Chief of Security, Oil and Natural Gas Corporation (ONGC), carries out periodical review of security of the refinery besides periodical security audits, and recommends for improvement which are implemented.



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13.6 Mock Drills

A "Protection Scheme" to safeguard the refinery of your company from the events of strike, law & order situation have been finalized with the district Commissioner and Police Commissioner, Mangalore. Regular security mock drills and district level security exercises are conducted jointly with State Police and Coast Guards. Your company is actively involved in the coastal security exercises conducted at the coastal area jointly with Coast Guard.

14. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

Your company's CSR initiative continues to be influenced by the needs and concerns of the community residing in the close proximity of the refinery.

The CSR initiative of your company known as "Samrakshan" have 5 areas with a vision to protect, preserve and promote people, peace and progress in and around of the refinery as under.

- Shikshana Samrakshan,
- Arogya Samrakshan
- Bahujan Samrakshan
- Prakrithi Samrakshan
- Sanskrithi Samrakshan

With these objectives, your company has implemented number of CSR schemes during the year. The major schemes covered under the CSR activities during the year includes construction of community hall, Road asphaltting, mid-day meal to school students, construction of school building, toilet blocks for schools, scholarship for meritorious students including SC/ST students, add on facilities to SC/ST community, self employment training for women, free distribution of sewing machines to women, construction of Anganwadi, artificial limb camp, mega medical camp and running a free primary health centre.

The main thrust areas where your company has taken various initiatives are in line with DPE guidelines and has spent ₹ 240 Million in various CSR schemes during last 4 years.

15. DIRECTORS

During the year following changes took place in Board of Directors of your company:

- 15.1 I, Shri Sudhir Vasudeva took over as Chairman of your Company from 03/10/2011.
- 15.2 Shri Vishnu Agrawal has assumed the office of Director (Finance) with effect from 01/04/2011 pursuant to his appointment as Director (Finance) of MRPL by the Ministry of Petroleum & Natural Gas (MoP&NG), Government of India.
- 15.3 Shri D.K.Sarraf has resigned on 16/09/2011 from the Board consequent upon his appointment as Managing Director of ONGC Videsh Limited (OVL).
- 15.4 The nomination of Shri A.K.Hazarika, and Shri K.S.Jamestin, was withdrawn by ONGC the parent company with effect from 31/10/2011 for optimizing the strength of the Board in compliance with Clause 3.1.3 of the mandatory guidelines of corporate governance for Central Public Sector Enterprises (CPSE) issued by Department of Public Enterprises (DPE), Government of India. Shri A.K.Hazarika and Shri K.S.Jamestin are continuing as special invitees on the Board of the company.
- 15.5 Shri U.K. Basu, Former Managing Director superannuated from the services of MRPL on 30/06/2012 and resigned from the Board of the company with effect from 01/07/2012.
- 15.6 Shri P.P. Upadhyya, has assumed the office of Managing Director with additional change of Director (Technical) MRPL w.e.f. 01/07/2012, pursuant to his appointment as Managing Director and additional charge of Director (Technical) of MRPL by the Ministry of Petroleum & Natural Gas (MoP&NG), Government of India.
- 15.7 The Board wishes to place on records its appreciation for the services rendered by Shri U.K. Basu as Managing Director and Shri D.K.Sarraf as Director during their tenure on the Board of the Company.
- 15.8 In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Dr. A.K. Rath will retire by rotation at the 24th Annual General Meeting of the Company. Dr. A.K. Rath, being eligible, offers himself for re-appointment as Director of the company.

15.9 Dr. D.Chandrasekharam was nominated by ONGC pursuant to clause 6.1 of the guidelines on corporate governance for CPSEs and was appointed as an additional Director with effect from 10/01/2012 by the Board of Directors who vacates his office as Additional Director and being eligible offers himself for re-appointment as a Director in the 24th Annual General Meeting.

15.10 Brief resume of the Directors seeking appointment / re-appointment, together with the nature of their expertise in specific functional areas, the names of the companies in which they hold the directorship and the membership / chairmanship of committees of the Board, and their shareholding in the Company are furnished in the Annexure to the AGM notice.

15.11 Your Company has complied with all the mandatory provisions of clause 49 of the Listing Agreement relating to the corporate governance requirements and mandatory guidelines on corporate governance for CPSEs issued by Department of Public Enterprise (DPE), Government of India except having requisite number of Independent Directors on the Board of the Company. There are three Independent Directors on the Board of your company constituting 1/3rd of its strength. The company is pursuing with Ministry of Petroleum and Natural Gas (MoP&NG), Government of India for appointment of requisite number of Independent Directors. The Annual Report contains a separate section on corporate governance, which forms part of this report.

16. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed that:

- i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures from the same.
- ii) 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 as at 31st March,2012 and the Profit & Loss of the company for the year ended on that date.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities, and
- iv) The Directors have prepared the Annual Accounts of the Company on a "going concern" basis.

17. FIXED DEPOSIT

Your Company has not accepted any fixed deposit during the year from the public.

18. CORPORATE GOVERNANCE

- 18.1 Your Company has complied with all the mandatory provisions of Clause 49 of the Listing Agreement relating to the corporate governance requirements and mandatory guidelines on corporate governance for CPSEs issued by DPE, Government of India except having requisite number of Independent Directors on the Board of the Company. There are three Independent Directors on the Board of your company constituting 1/3rd of its strength. The company is pursuing with Ministry of Petroleum and Natural Gas (MoP&NG), Government of India for appointment of requisite number of Independent Directors.
- 18.2 The Annual Report contains a separate section on Corporate Governance, which forms part of this report.
- 18.3 Your Company is listed with the Bombay Stock Exchange Limited and National Stock Exchange Limited.
- 18.4 Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, your Company has obtained the Certificate from the Joint Statutory Auditors of the Company, for Compliance of Corporate Governance which is annexed to and forms part of this report.
- 18.5 As a measure of good corporate governance, your Company has engaged M/s Ullas Kumar Melinamogaru & Associates Practicing Company Secretaries for conducting Annual Secretarial Compliance Audit for the year 2011-2012. M/s. Ullas Kumar Melinamogaru & Associates, Practicing Company Secretaries have issued Annual Secretarial Compliance Audit Report for the year 2011-12 which forms part of this report.

Mangalore Refinery and Petrochemicals Limited

18.6 Chairman speech at the 24th Annual General Meeting (AGM) will be distributed to shareholders during the meeting and will be published in the leading news papers.

18.7 Your Company has despatched a copy of Annual Report consisting of Directors Report, Auditors Report, Balance Sheet and Profit & Loss Statement and other documents as required to be sent under the provisions of Companies Act 1956 to all, its members as on the records date i.e. 13.07.2012 pursuant to Section 219 and the Companies Act, 1956.

19. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of Clause 49 (IV) (F) of the Listing Agreement with the Stock Exchanges, the Management Discussion and Analysis Report have been attached and forms part of this report.

20. AUDITORS

20.1 M/s. Maharaj N. R. Suresh & Co., Chennai and M/s. Gopalaiyer and Subramanian, Coimbatore have been appointed as joint Statutory Auditors of the Company for the Financial Year 2011-12 by Comptroller & Auditor General of India (C&AG).

20.2 The report of the C&AG at Annexure III forms part of this Report.

20.3 Particulars of the Cost Auditor for the financial year 2011-12

- M/s. Musib and Associates, Cost Accountants has been appointed as Cost Auditor for the year 2011-12.
- Cost Audit report for the year 2011-12 will be filed before the due date i.e. 27/09/2011.

21. ACKNOWLEDGEMENT

21.1 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 Enterprise (DPE), Ministry of Environment and Forest (MoEF), Ministry of External Affairs (MEA), Ministry of Shipping (MoS), Ministry of Home Affairs (MHA) other Ministries and Departments of the Central Government and the Government of Karnataka, for their valuable support, guidance and continued co-operation.

21.2 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.

21.3 Your Directors wish to thank the shareholders for the continued confidence reposed on their Company.

21.4 Your Directors acknowledge the continuing co-operation and support received from New Mangalore Port Trust, Financial Institutions, Banks and all other stakeholders such as suppliers of crude oil, vendors, contractors, transporters.

21.5 Your Directors recognize the patronage extended by the valued customers for the products of the company and promise to provide them the best satisfaction.

21.6 Your Directors wish to place on record their sincere appreciation of the sustained and dedicated efforts put in by all the employees collectively and concerted as a Team known as "Team MRPL".

For and on behalf of the Board

(Sudhir Vasudeva)
Chairman

Place : New Delhi
Date : 3rd August, 2012

ANNEXURE- I TO THE DIRECTOR'S REPORT

A. CONSERVATION OF ENERGY

Your company continued its emphasis on energy conservation through operational optimization, continuous monitoring and implementation of several energy conservation schemes

- Major energy conservation measures taken during the year
 - Additional interconnection between Phase-1 & Phase-2 Low Pressure steam headers for better steam distribution & minimizing intermittent LP steam venting.
 - Ceramic coating carried out for VBU-1, HCU-1 heaters, which resulted in lesser Specific Fuel consumptions.
 - CDU-1 and VDU-1 heaters provided with Refractory Modules for better heat recovery.
 - Online chemical cleaning of CDU-1, VDU-1 and VDU-2 furnaces were carried out. This resulted in better heat recovery and also helped in increasing throughputs in both units.
 - Adsorbents of PSA unit were changed in Hydrogen Generation Unit-1 which improved Hydrogen recovery in this unit.
 - Steam Condensate Recovery schemes implemented in CDU-1 and CDU – 2 units.
- Additional investments and proposals, if any, being implemented/ under consideration for reduction of consumption of energy / resources
 - Repair & Maintenance of steam lines insulation and steam traps.
 - Steam Condensate Recovery in VBU-I and HCU-1 units.
 - Slop recycling provision with coalescer in CDU-1 & VBU-2 units.
 - Replacing CDU2 Air Pre-Heater for better heat recovery from flue gas.
- The measures (a) above resulted in energy consumption reduction by approx 6200 MT/Year, equivalent to a net saving of approx. ₹ 206 Million/year, with an investment of approximately ₹ 133 Million.

- Fuel & Loss in the refinery for the year 2011-12 was 6.75%, whereas it was 6.85% in 2010-11. The refinery achieved the lowest ever energy index (MBTU/BBL/NRGF) of 57.92 for the year 2011-12, improving upon the previous best of 58.13 for the year 2010-11.

MRPL's Energy performance during the last four years is as follows

Year	Crude throughput, MMTPA (Net Crude Basis)	Complexity, NRGF (CHT method)	Energy Index, MBN (MBTU/Bbl/ NRGF)
2011-12	12.818	5.487	57.92 *
2010-11	12.639	5.585	58.13
2009-10	12.497	5.371	58.27
2008-09	12.586	5.277	59.07

*Excluding – Phase-III

FORM – A

Total Energy consumption and Energy consumption per unit of production:

A)	Power and Fuel Consumption	Current Year 2011-12	Previous year 2010-11
1	Electricity		
a)	Purchased		
	Unit (Million KWH)	20.75	19.52
	Total Amount (₹ Million)	118.99	114.76
	Rate / Unit (₹ /KWH) *	5.73	5.88

* Includes demand charges of ₹13.18 Million (₹ 18.58 Million for 2010-11)

The unit cost per KWH excluding Demand charges is ₹ 5.10 (₹ 4.90 for 2010-11)

A)	Power and Fuel Consumption	Current Year 2011-12	Previous year 2010-11
b)	Own Generation		
i)	Through Diesel Generator (at Sarpady)		
	Unit (Million KWH)	0.10	0.08
	Unit per ltr. of Diesel (KWH/ltr.)	2.99	3.27
	Cost / Unit (₹ /KWH)	16.02	10.71
ii)	Through Steam turbine generator		
	Unit (Million KWH)	612.01	613.89
	Unit per liter of Fuel Oil (KWH/ltr) *	1.99	1.99
	Cost / Unit (₹ /KWH) *	16.18	11.8
	* Includes co generated Steam cost		
2	Fuel Oil		
	Quantity (MT) (Oil + Gas)	8,21,224	8,23,185
	Total Amount (₹ In Million)	27,649.37	20,226.67
	Average Rate (₹ /MT)	33,668.49	24,571.24
3	Others / Internal Generation		
	Diesel (at Sarapady)		
	Quantity (KL)	33.09	22.99
	Total Cost (₹ Million)	1.59	0.8
	Rate (₹ /KL)	47,911	34,990
4	Consumption per unit production		
	Total crude processed (TPA)	1,28,17,590	1,26,38,942
	Total Fuel Consumed (TPA) (includes fuel and loss)	8,65,043	8,66,087
	Total Electricity (Million KWH) (after deducting external supply)	632.76	627.7
	Fuel Consumption, MT/ MT of Crude processed (%)	6.75	6.85
	Electricity Consumption, KWH / MT of Crude processed	49.37	49.66

FORM - B

A) Research and Development (R&D)

1. Specific Areas in which R&D carried out by the company 2011-2012:

• Crude Assay

Crude Assay was carried out using TBP apparatus:

Azari
Aseng
Anton
Agbami

• Experiment on Polymer Modified Bitumen:

Experiments were carried out to study the stability of polymer modified Bitumen with various polymers and developed a formulation for Styrene-Butadiene polymer modified Bitumen.

• Experiments on method development using Ion chromatography

Experiments were carried out on spent caustic and a method developed for the determination of sulphate and thiosulphate content by using Ion chromatography.

• Additives Evaluation

Additives were evaluated for improving the Diesel Lubricity and H₂S Scavenging in export grade fuel oil.

• Ground water analysis

Experiments were carried out to assess the trace metal levels in ground water samples collected from bore-wells in and around the refinery.

2. Benefits derived as a result of the above R&D

- Assay of various crude helped operation to optimize unit-operating conditions to maximize product yield and product quality.
- Experiments on polymer modified bitumen has helped to make value added products form Bitumen.
- Additive evaluation has helped operation units to optimize the dosage levels
- Ground water trace metal analysis has helped to develop a base line data on trace metals in refinery area.

3. Future plan of Action

- To develop a formulation for bitumen emulsion.
- To study corrosion and efficiency of corrosion inhibitor using Potentiostat – Galvanostat Instrument.
- Study on FCC catalyst.

4. Expenditure on R&D

- Capital : ₹ 11.25 Million
- Recurring : ₹ 2.91 Millions
- Total : ₹ 14.16 Millions

B) Technology Absorption, Adaptation & Innovation

i) Efforts, in brief, made towards technology absorption, adaptation and innovation.

- Technologies for process units of Phase-1 & 2 have been fully absorbed.
- CDU1 unit has been revamped with pre-flash column to enhance unit capacity from 3.69 to 4.8 MMTPA without changing the furnace duty. The revamped unit was commissioned in October 2011.
- HCU1 unit has been revamped for enabling once-through mode operation to feed upcoming PFCC unit in Phase-III. The revamped unit was re-commissioned in October 2011.
- Gas Oil Hydro De-sulphurisation (GOHDS) unit capacity revamp completed during April, 2010 has improved the Refinery capability of producing Euro-III & Euro-IV grade Diesel.

ii) Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.

Refinery throughput sustained at 12.818 MMTPA while meeting clean fuel specifications, which required higher complexity operations.

GOHDS unit capacity revamp has improved the Refinery capability of producing Euro – III & Euro-IV grade Diesel.

iii) In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year), following information is furnished.

- Technology imported
GOHDS unit capacity revamp, HCU-1 revamp to once-through mode
- Year of import
2008-09, 2010-11
- Has technology been fully absorbed?
Yes.
- If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.
Not applicable.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ In Millions)

	Financial Year 2011- 2012	Financial Year 2010- 2011
Foreign Exchange Earnings –		
a) FOB value of exports	234,183.24	146,024.71
b) Deputation of specialist	-	6.87
Foreign Exchange Outgo	478,058.81	307,362.34

Mangalore Refinery and Petrochemicals Limited

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ANNEXURE - II

1. Economy Overview

According to the International Monetary Fund (IMF), the global economy may continue to remain on the lower side with the expected growth to the tune of 3.5% during 2012.

Global oil demand will grow by less than 1 % in 2012 as per International Energy Agency (IEA). It is expected that global energy consumption growth will remain approximately 1.6% per annum in the near future due to slow growth of the global economy.

The growth constraints in the wake of slow pace of fiscal consolidation, worsening external sector situation, inflationary pressures and tremendous macroeconomic fundamental & structural pressures has made India's economic growth lower than projected growth. The Gross Domestic Product (GDP) growth is projected at 6.9 % in 2012 lower than as against the 7.1 % in 2011.

2. Industry Overview

Global uncertainties coupled with falling Rupee value against USD and the volatile crude oil prices pose unprecedented challenges to the Indian refining industry. The emergence of new epicenters of economic growth, stricter environmental norms and availability of improved fuel technologies, have compelled the Indian refining industry to evolve a long term sustainable strategy.

The significant additional refining capacity in India, China and the Middle East has resulted in increased demand for heavier crude oil and increased product availability.

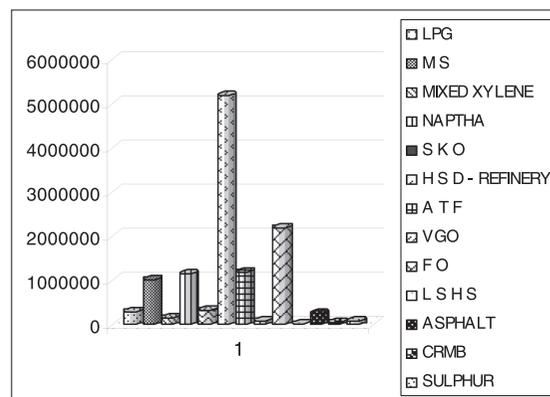
Increasing availability of natural gas has resulted in naphtha/fuel oil being replaced by natural gas for petrochemical, fertilizer feedstock and for heating. Subsidized diesel availability in the country has increased its consumption compared to motor spirit. These changes in consumption pattern of the petroleum products shifts demand from light distillates to middle distillates.

Amid these shifting trends, Indian Refiners are expected to be benefited in the long run and are better positioned to adapt to the changing trends in product usage due to proximity to high growth market, relatively complex plants and increasing vertical integration.

Your company has achieved highest ever refinery thrupt of 12.82 MMT during the year 2011-12 compared to 12.64 MMT during the previous year and likely to increase its thrupt in view of enhanced capacity of 15 MMTPA.

Production by your company during the year 2011-12.

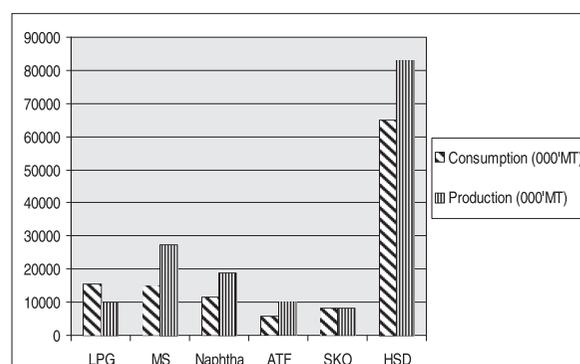
PRODUCT	Units in MT
LPG	289083
M S	1010525
MIXED XYLENE	155625
NAPHTHA	1142769
S K O	323470
H S D - REFINERY	5187140
A T F	1195738
VGO	87249
F O	2192380
L S H S	12826
ASPHALT	246165
CRMB	43691
SULPHUR	65886
TOTAL	11925247



India is a net exporter of petroleum products. Indian refiners have been venturing into capital investment in downstream to convert Negative/low margin products like naphtha, to produce higher value added products.

India's consumption & production pattern of petroleum products during 2011-12.

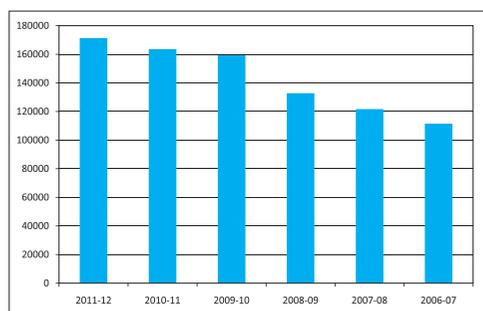
PRODUCT	Consumption (000'MT)	Production (000'MT)
LPG	15367	9554
MS	14993	27207
Naphtha	11188	18707
ATF	5536	10061
SKO	8229	8019
HSD	64753	82929
TOTAL	147991	156477



International crude oil prices has been on a roller-coaster ride over the past two year owing to geo-political developments such as the civil unrest in Libya and deadlock over Iran's nuclear plans. The price of oil, which averaged around \$80 in 2010, climbed to \$110 per barrel in 2011 and further to \$125 in March 2012. However, it fell sharply in April and May, this year and reached levels below \$ 100 per barrel in the first two weeks of June, 2012.

The crude oil import over the year has been growing due to increased refining capacities and is expected to grow further in future as there is stagnation in the domestic production and new findings.

Crude Imports by India : ('000'MT):



3. Opportunities & Threat

Energy is essential for economic growth and in absence of viable alternatives; consumption/ demand for petroleum products is expected to rise. Growth in refinery capacity addition is expected to outpace growth in demand and will keep a check on operating volumes. Demand in Europe and US is expected to shrink or at best stay unchanged. European refiners are already facing the brunt of economic slowdown and high oil prices. The year 2011-12 witnessed several refinery closures in Europe and US. These closures will increase the burden on refiners at Asia and Middle East.

Emerging economies, especially in Asia, may feel pressure from the sluggish European economy, and are likely to see some slowdown in demand growth. At a time when inflationary pressure has moderated, China and India could ease monetary policies to boost economic growth to maintain a strong outlook for Petroleum products growth in the region. Middle distillate sector will remain the driver for Asian refining margins; Subsidy on diesel in emerging economies in Asia will shield the retail consumers from high and volatile oil prices, supporting strong demand growth. Reconstruction work in Japan is also likely to provide further boost in demand. Asia's fuel oil market has eased due to an increase in the arrival of more bunker- grade fuel supplies from the Middle East. Overall, the outlook for Asian refining industries continues to remain positive.

In India, refinery business is basically US Dollar (USD) dominated. The prices for both the crude oil and products are based on international quote since both these are dollar denominated, exchange fluctuation in Rupee Dollar rate are automatically factored and provides a natural hedge against exchange rate volatility in normal course. However, sudden and too much fluctuation causes impact.

It was a year in which CDU/VDU of Phase-III project was successfully commissioned and other units are being progressively commissioned. CDU-I debottlenecking and revamp of both Hydro Cracker Units (HCU) has also been completed. Your company is setting up a Polypropylene plant and a SPM facility to sustain your Company's competitive advantage.

4. Risks & Concerns

Your Company operates in a business environment that is characterized by increasing globalization, intensifying competition and more complex technologies. These characteristics have their own sets of risks and concerns which your company factors in its business. Refineries are susceptible to the risk of timely supply of crude oil for smooth production to avoid shortage of crude which may result into reduction in thrupt. Crude Supply risk may be caused due to any stressed geo political situation with the supplier nation, non-availability of suitable vessel and reduction of crude supply by Organization of the Petroleum Exporting Countries (OPEC).

Your Company has been continuously diversifying the sources of procurement of crude by adding more countries and crude. Your company initially had only term contracts with Iran and at present crude are being procured from SAUDI ARAMCO (National Oil Company of Kingdom of Saudi Arabia), ADNOC (National Oil Company of Government of Abu Dhabi), NIOC (National Oil Company of Iran) and Kuwait Petroleum Corporation (KPC). Bombay High, Nile blend and Sakhalin Crude from ONGC Group Companies are also procured on arm's length basis. During the year 2011-12, your company has processed three new crudes i.e., Agbami, COCO, Mellitah and continues to expand its crude basket.

The Indian Rupee (INR) depreciated by nearly 20% against the US Dollar (USD) during the year 2011-12. Your Company is also exposed to the risk

of volatility in international prices of crude oil and petroleum products along with foreign exchange volatility which could impact the import of crude on term basis as against buying crude in spot market on month to month basis, ensuring firm supply of crude to its refinery. Your company imports around 80% of its requirement of crude oil and is presently exporting approximately 47% of the total production volume where sale proceeds are realized in USD and even in case of domestic sales where the sale prices are based on trade/ import parity prices derived from product prices in International market converted from USD, there is a natural hedge to a large extent. However sudden fluctuations in crude and product prices will have significant effect on the margins of the company.

Price of major products (Petrol and Diesel) in Domestic Sales is based on Trade Parity Prices (80% Import Parity Price + 20% Export Parity principles), which is fixed based on the product prices of preceding fortnight, Hence any fluctuation in the international crude prices gets captured in the sale price to a large extent so long as the prices of products follow the same pattern as that of fluctuation in crude oil prices.

Your company exports its major products like HSD, ATF and MX under tender on average of the month prices, which reduces the risk of intra month price fluctuations. Exports of FO & Naphtha are evenly spread over the year thereby averaging the gains/losses of 5 days pricing to Monthly Average Pricing for taking care of fluctuations of the prices during the month.

Non availability of suitable vessel for confirmed lay days resulting in shortage of crude and reduction in thrupt/ non lifting claim from suppliers, particularly in case of Iranian crude purchases, however options are available to lift Iranian crude oil on CIF basis in the Iranian vessels which may mitigate the risk of crude supply. Chartering of vessels of your company is being done by TRANSSHART (Ministry of Shipping, Government of India). Your company is continuously monitoring and coordinating with TRANSSHART and ship-owners to identify and finalize suitable vessels well in advance and have been able to manage lifting of all contracted/ spot crude parcels.

Your company is facing difficulty in remitting the payments for the import of crude oil from Iran due to European Union (EU) sanctions and dismantling of Asian Clearing Union (ACU) by Reserve Bank of India (RBI) with effect from 23rd December 2010. India has been given waiver by US from the sanctions against Iran on par with countries like Japan, Turkey and South Korea who are all importers of Iranian Oil to overcome this crisis. Due to the impending EU sanctions threat on Iran, it could be possible that vessels would not be available with 3rd party insurance cover from P&I clubs, mostly based out of Europe when calling Iranian ports. This may affect availability of tonnage to load cargoes from Iran both from the COA holders and spot market.

Insurance cover for the Iranian crude up-liftment is presently arranged through the National Iranian Oil Company (NIOC), for which, the payment is being remitted to NIOC, in the existing payment methodology for crude oil purchases. Your company is in the process of evolving alternative arrangement for sourcing crude with the help of the other industry members under the guidance of Ministry of Petroleum and Natural Gas (MoP&NG), in case the US and European Union sanctions are fully functional and sourcing of Iran crude becomes difficult.

Your company has perceived risk as regards to supply of utilities viz. steam and power from the Captive Power Plant (CPP) of the Phase-III unit being built by M/s BHEL due to continuous delay. Your company could run part of the units of the Phase-III with the extended steam and power facilities from Phase-I and Phase-II facilities of the refinery.

Petro Fluidized Catalytic Cracking Unit (PFCCU) and Delayed Coker Unit (DCU) which are margin drivers of your company can be commissioned only on availability of steam and power from BHEL's Captive Power Plant (CPP) of the Phase-III.

Your company also perceived certain risk as regards to infrastructure developed by Mangalore SEZ (MSEZ) Limited which could impact the smooth operation of Phase-III facilities. The Phase-III project was implemented based on the assurance by MSEZ Limited for supplying raw water through pipeline, infrastructure for effluent disposal, corridor for movement of trucks and other vehicles, All these facilities required to be developed by MSEZ Limited for smooth functioning of various units of Phase-III project. However, your company is expecting delays for these upcoming facilities and infrastructure by MSEZ which could impact the operation of unit of Phase-III.

Your company is concerned on timely development of infrastructure for marketing of various new products like Pet coke and polypropylene. Your company is also concerned on various negative factors like shortage of water,

Mangalore Refinery and Petrochemicals Limited

depleted reservoirs due to poor monsoon and other natural calamities which could impact the operation of the refinery.

However, your company has taken a comprehensive mega risk insurance cover for its asset to safeguard them from these unforeseen risks as well as loss of profit due to business interruptions.

Your Company has formulated a well-defined policy framework including implementation procedure and monitoring mechanism for the risk management system in place. Risk Managers are evaluating the identified risks on quarterly basis and identifying new risks with the mitigation measures. The risk environment of your company is being re-assessed by Independent Risk Management consultancy of International repute.

5. Strategic Business Pursuits & Future Outlook

Your company is implementing Phase-III refinery expansion and up gradation project and has achieved an overall progress of 95.7% as of 15/07/2012. The nameplate capacity of the refinery has been enhanced to 15 MMTPA on 29/03/2012 by successful commissioning of 3 MMTPA Crude and Vacuum Distillation Unit during the year 2011-2012.

The other units of Phase-III project viz. Hydrogen Generation unit (HGU), Diesel Hydro Treater Unit (DHDTU), Sulphur Recovery Unit (SRU), Captive Power Plant (CPP), Petro Fluidized Catalytic Cracking Unit (PFCCU), Delayed Coker Unit (DCU), and Coker Gas Oil Hydro Treater Unit (CHTU) are being progressively commissioned. Your company will be benefited with the commissioning of these units by producing value added products like Propylene from the low value black oil, producing Euro -III, IV and V grade of High Speed Diesel (HSD) and distillate yield of the refinery will go beyond 80% .

Your Company is setting up a Polypropylene plant integrated with Phase-III project for ready availability of raw material to downstream processing industry and has achieved an overall progress of 82.2% as of 15/07/2012.

Your company is setting up a Polypropylene (PP) plant with the capacity of 440 KTPA, integrated with Phase- III expansion of refinery complex with an investment of ₹ 18,037.8 Million for supplying to downstream processing industry. Detailed business plan for sale of Polypropylene in domestic market is being finalized. Storage Infrastructure for Polypropylene is being developed at Hassan in the State of Karnataka.

Keeping in view the under recoveries in retail marketing of auto-fuels, your company continues to adopt a non aggressive approach with its miniscule presence in the retail marketing.

Your company is also setting up a Single Point Mooring (SPM) facility along Coastal Booster pumping station within New Mangalore Port limits at a location of 16 kilometers inside the sea, which would receive bigger vessels (VLCC) for availing benefit of freight on transportation of crude oil. With SPM, your company can source opportunity crudes from West African and Latin American countries. De-congestion of existing jetties at New Mangalore Port Trust (NMPT) will be utilized for handling more petroleum products. Through the SPM facility, crude will be pumped to the Indian Strategic Petroleum Reserve Limited (ISPRL) underground cavern for storage of Crude oil, is likely to be operational only by 2013-14. Full benefit of SPM facility will be available only after ISPRL is operational.

Your company's margins are expected to increase significantly with operation of all the above facilities. Government of Karnataka has also given attractive incentive package like entry tax exemption, sales tax exemption; waiver of VAT on Phase-III which will increase the profit margins.

During Global Investors Meet on 7th & 8th June, 2012 at Bengaluru, your company has signed a Memorandum of Understanding with the Government of Karnataka for setting up a Linear Alkyl Benzene Plant, a raw material to manufacture Detergents and to expand its Refining capacity to 21 MMTPA subject to techno- economic viability and availability of required infrastructure at Mangalore with an approximate investment of ₹ 85,000 Million.

6. Internal Control Systems

Your company remains committed to ensure an effective internal control environment that provides assurance on the efficiency of operations and security of assets. Internal audit department functions under the supervision of the Audit committee chaired by an Independent Director. Your company has a well established internal control review mechanism which assures effective internal control environment to the Audit committee and Board of Directors.

Apart from the above, the Company's Vigilance Department has been carrying out various vigilance activities by means of inspections, detailed examinations, study of major work orders/ purchase orders, scrutiny of deemed single tenders and tenders on nomination basis

7. Performance

During the financial year 2011-12 your Company has achieved new heights of performance both on physical and financial parameters and surpassed its past performance by setting up a new bench mark.

Your company achieved highest ever refinery crude thruput at 12.82 MMT against 12.64 MMT during the previous year, Turnover at ₹ 572,068 Million against ₹ 437,236 Million during the previous year, Export Turnover at ₹ 234,183 Million against ₹ 146,042 Million during the previous year and achieved lowest ever energy consumption index of 57.92 MBN.

8. Human Resources

During the year 2011-12, your company continued to enjoy cordial and harmonious relations with the collectives and as evidence to the same not a single man-hour was lost on account of any industrial disturbance.

The number of employees as on 31/03/2012 was 1500 including 104 women employees, Out of these employees 597 are from Management cadre whereas 903 are from Non-Management cadre. The number of Employees belonging to SC/ST categories are 129 and PC are 5.

9. Cautionary Statement

Statements in the Management Discussion and Analysis and Directors Report describing the Company's objectives, projections and estimates, are forward-looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.

ANNEXURE - III

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF MANGALORE REFINERY AND PETROCHEMICALS LIMITED, MANGALORE FOR THE YEAR ENDED 31 MARCH, 2012.

The preparation of financial statements of Mangalore Refinery and Petrochemicals Limited, Mangalore for the year ended 31 March, 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 23.5.2012.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of Mangalore Refinery and Petrochemicals Limited, Mangalore for the year ended 31 March, 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor 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 Auditor's report under Section 619(4) of the Companies Act, 1956.

Place : Chennai
Date : 10th July, 2012

(S. RAJANI)
Principal Director Of Commercial Audit
And Ex-Officio Member Audit Board, Chennai



AUDITORS' REPORT

To,

The Members of Mangalore Refinery and Petrochemicals Limited

1. We have audited the attached Balance Sheet of *Mangalore Refinery and Petrochemicals Limited*, as at 31st March, 2012, the Statement of Profit and Loss and also the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956.

We enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred under Paragraph (3) above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion. Proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- iii. The Balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this report are in agreement with the books of account.

- iv. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 and without qualifying our opinion reference is drawn to note no 30.05 on AS-17 Segment Reporting.
- v. Being a Government Company Provision of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956, is not applicable as per notification no. GSR 829(E) dated October 21, 2003, issued by the Ministry of Corporate Affairs.
- vi. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012;
 - b. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - c. in the case of the Cash Flow statement, of the cash flows for the year ended on that date.

For **MAHARAJ N.R.SURESH & CO**
Chartered Accountants
Firm Registration No 001931S

C.A. N.R.SURESH
Partner
Membership No. 021661

Place: New Delhi
Date: 23rd May, 2012.

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants
Firm Registration No 000960S

C.A. S.SUNDAR
Partner
Membership No.202725

Referred to in paragraph 3 of 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 the nature of its assets. No material discrepancies have been noticed on such verification.
 - c) In our opinion and according to the explanations given to us, the Company has not disposed off substantial part of fixed assets, during the year and the Going Concern Concept of the Company has not been affected.
- (ii)
 - a) We are informed that the inventories of stores and spares are physically verified, during the year, by the management on a continuing basis as per programme of perpetual inventory. Inventories of other items have been physically verified at the year end, the frequency of which, in our opinion is reasonable, having regard to the size of the company and nature of its business.
 - b) In our opinion and according to the explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The company is maintaining proper records of inventory. The discrepancies noticed on verification by the Management between the physical stock and book records have been properly dealt with in the books of account and were not material.
- (iii)
 - a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business, with regard to the purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.
- (v) According to the information and explanation given to us
 - a) particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into and the register required to be maintained under that Section.
 - b) transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.

Mangalore Refinery and Petrochemicals Limited

- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year and hence the directives issued by the Reserve Bank of India and provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.
- (vii) In our Opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the Cost Records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209 (1) (d) of the Companies Act 1956, for maintenance of Cost Records and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix) a) According to the information and explanations given to us and as per the records of the company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and other statutory dues with the appropriate authorities during the year. There are no arrears of undisputed statutory dues of material nature outstanding for a period of more than 6 months, from the date on which they became payable.
- b) According to the information and explanations given to us and as per our verification of records of the company, the disputed amounts of tax which are not deposited with appropriate authorities as at 31st March 2012, are as follows:

Name of the Statute	Nature of the Dues	Total Amount (₹ Millions)	Period to which the amount relates (Financial Year)	Forum where the dispute is pending
The Karnataka Sales Tax Act, 1957/ Central Sales tax Act, 1956/ The Karnataka Tax on Entry of Goods Act, 1979.	Sales Tax/ Entry Tax/ Interest and Penalty	321.49	1993-94 to 1998-99	Assessment are pending before the Assessing Authorities
Income Tax Act, 1961	Income Tax / Interest / Penalty	122.48	2005-06	Income Tax Appellate Authority and Commissioner of Income Tax(Appeals)
Central Excise Act, 1944	Central Excise Duty/ Service Tax/ Interest/ Penalty	461.09	1996-97 to 2011-12	Central Excise Appellate Authorities/ Ministry of Finance, Government of India.
The Customs Act, 1962	Customs Duty/Interest/ Penalty	647.54	1998-99 to 2009-10	Customs Appellate Authorities.

- (x) The Company has no accumulated losses at at 31st March 2012. The Company has not incurred cash losses during the year and in the immediately preceding Financial Year.
- (xi) According to information and explanations given to us and as per our verification of the records of the company, the company has not defaulted in repayment of dues to the financial institutions and banks.
- (xii) The Company has not granted any loans or advances on the basis of the security by way of pledge of share, debenture and other securities.
- (xiii) Since the company is not a Chit Fund/ Nidhi/ Mutual Benefit Fund/ Society, the related reporting requirements are not applicable.
- (xiv) The Company was dealing in Mutual Fund Investments during the Year. Proper Records of Transactions and Contracts have been maintained and timely entries have been made. The said investments have been held by the company in its own name.
- (xv) According to the information and explanations given to us, the terms and conditions of the Guarantees given by the Company, for the loans taken by New Mangalore Port Trust from Banks and Financial Institutions, are not prejudicial to the Interest of the Company. Except for the above, the Company has not given any guarantee, for loans taken by others, from banks or financial institutions.
- (xvi) According to the information and explanations given to us, the company has availed term loans during the year and the same have been applied for the purpose for which the Loans were obtained except Rs.640 Million availed at the end of the year invested in deposits with banks.
- (xvii) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company we report that the funds raised on short term basis have not been utilized for long term investment.
- (xviii) During the year the Company has not made any preferential allotment of shares .
- (xix) The Company has no outstanding debentures at the end of the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

For **MAHARAJ N.R.SURESH & Co**
Chartered Accountants
Firm Registration No. : 001931S

CA N R SURESH
Partner
Membership No. 021661

New Delhi : 23rd May, 2012

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants
Firm Registration No. : 000960S

CA S. SUNDAR
Partner
Membership No. 202725



Annual Report 2011-12

BALANCE SHEET AS AT 31ST MARCH 2012

Particulars	Note No.	₹ in Million	
		AS AT 31st March 2012	AS AT 31st March 2011
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	17,572.57	17,618.50
(b) Reserves and Surplus	3	54,719.37	47,670.51
2 Non-current liabilities			
(a) Long-term borrowings	4	38,919.12	10,656.67
(b) Deferred tax liabilities (Net)	5	4,531.40	3,471.64
(c) Other Long term liabilities	6	20.29	33.59
(d) Long-term provisions	7	288.67	234.79
3 Current liabilities			
(a) Short-term borrowings	8	18,597.93	599.03
(b) Trade payables	9	111,046.60	88,922.12
(c) Other current liabilities	10	12,819.35	11,012.05
(d) Short-term provisions	11	3,045.62	4,792.42
TOTAL		261,560.92	185,011.32
II. ASSETS			
Non-current assets			
1 (a) Fixed assets	12		
(i) Tangible assets		40,525.04	30,818.54
(ii) Intangible assets		73.39	77.63
(iii) Capital work-in-progress		70,891.74	39,953.35
(b) Non-current investments	13	150.02	150.02
(c) Long-term loans and advances	14	7,530.51	15,613.06
(d) Other non-current assets	15	21.40	13.04
2 Current assets			
(a) Current investments	16	272.78	272.78
(b) Inventories	17	78,175.76	40,973.84
(c) Trade receivables	18	34,592.66	25,300.80
(d) Cash and Bank balances	19	22,347.16	24,676.48
(e) Short-term loans and advances	20	5,761.20	6,582.62
(f) Other current assets	21	1,219.26	579.16
TOTAL		261,560.92	185,011.32
Significant Accounting Policies	1		
Other Disclosure	30		
See accompanying notes to the Financial Statements			

As per our report of even date attached

For MAHARAJ N.R.SURESH & Co
Chartered Accountants
Firm Registration No. : 001931S

CA N R SURESH
Partner
Membership No. 021661
New Delhi : 23rd May, 2012

For GOPALAIYER AND SUBRAMANIAN
Chartered Accountants
Firm Registration No. : 000960S

CA S. SUNDAR
Partner
Membership No. 202725
DINESH MISHRA
Company Secretary

For and on behalf of the Board

SUDHIR VASUDEVA
Chairman

U. K. BASU
Managing Director

VISHNU AGRAWAL
Director (Finance)

Mangalore Refinery and Petrochemicals Limited

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Refer Note No.	For the year ended 31.03.2012	For the year ended 31.03.2011
(₹ in Million)			
I. Revenue from operations	22	572,136.88	437,304.57
Less: Excise Duty		34,434.12	48,435.66
Net Revenue from Operations		537,702.76	388,868.91
II. Other income	23	3,473.76	2,103.83
III. Total Revenue (I + II)		541,176.52	390,972.74
IV. Expenses:			
Cost of materials consumed (Refer note 30.14)		512,367.50	372,193.37
Increase (-) / decrease In stock	24	-1,502.05	-8,152.71
Employee benefits expense	25	1,606.42	1,845.35
Finance costs	26	2,066.77	1,046.54
Depreciation and amortization expense	27	4,338.73	3,914.19
Other expenses	28	9,097.12	2,755.18
Total expenses		527,974.49	373,601.92
V. Profit before exceptional and extraordinary items and tax (III-IV)		13,202.03	17,370.82
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		13,202.03	17,370.82
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		13,202.03	17,370.82
X Tax expense:			
(1) Current tax		3,042.27	8,780.50
(2) Prior Year's Tax adjustments		14.23	-45.43
(3) Deferred tax		1,059.75	-3,130.58
XI Profit (Loss) for the year (IX - X)		9,085.78	11,766.33
XII Earnings per equity share:	29		
(1) Basic		5.18	6.71
(2) Diluted		4.94	6.21
Significant Accounting Policies	1		
Other Disclosure	30		
See accompanying notes to the Financial Statements			

As per our report of even date attached

For MAHARAJ N.R.SURESH & Co
Chartered Accountants
Firm Registration No. : 001931S

CA N R SURESH
Partner
Membership No. 021661
New Delhi : 23rd May, 2012

For GOPALAIYER AND SUBRAMANIAN
Chartered Accountants
Firm Registration No. : 000960S

CA S. SUNDAR
Partner
Membership No. 202725
DINESH MISHRA
Company Secretary

For and on behalf of the Board

SUDHIR VASUDEVA
Chairman

U. K. BASU
Managing Director

VISHNU AGRAWAL
Director (Finance)



Annual Report 2011-12

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	For the year ended 31.03.2012	For the year ended 31.03.2011
(₹ in Million)		
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit Before Tax	13,202.03	17,370.82
Adjustments for :		
- Depreciation / Amortisation	4,393.80	3,930.30
- Loss/ (Profit) on sale of Fixed Assets	12.66	18.31
- Provisions Written back	(61.10)	(201.36)
- Provision for Doubtful Debts/ Advances	-	106.53
- Provision for Non-Moving Inventory/ Stock Loss	1.68	0.40
- Interest Expense	2,066.77	1,046.54
- Interest/ Dividend Income	(3,241.26)	(1,848.68)
Operating Profit before Working Capital changes	16,374.58	20,422.86
Adjustment for :		
- Trade and other receivables	(1,365.93)	(14,609.74)
- Inventories	(37,203.65)	(9,830.69)
- Trade payable and provisions	19,959.88	31,673.90
Cash generated from operations	(2,235.12)	27,656.33
- Direct taxes paid (net of refunds)	(4,322.56)	(8,212.21)
Cash flow before Prior Period items	(6,557.68)	19,444.12
- Prior Period items (cash items)	(33.25)	(20.35)
Net Cash flow from Operating Activities	(6,590.93)	19,423.77
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(32,648.92)	(35,623.01)
Sale of Fixed assets	13.04	6.84
Interest/ Dividend Income received	3,285.96	2,623.87
Investment in Associate/ Joint venture companies	-	-
Tax Paid on Interest Income	(292.65)	(219.93)
Net Cash flow from Investing Activities	(29,642.57)	(33,212.23)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	(45.93)	-
Proceeds from Long Term Borrowings	28,262.45	0.00
Proceeds from Short Term Borrowings	17,998.91	(1,394.22)
Interest and Finance charges paid	(2,065.63)	(1,046.53)
Dividend and Dividend tax paid	(2,444.31)	(2,452.43)
Net Cash flow from Financing Activities	41,705.49	(4,893.18)
-Net Increase / (Decrease) in Cash and Cash Equivalents	(a+b+c) 5,471.99	(18,681.64)
Cash and Cash Equivalents as at the beginning of the year	16,698.10	35,379.74
Cash and Cash Equivalents as at the end of the year	22,170.09	16,698.10
	5,471.99	(18,681.64)
1) Cash and Cash Equivalents		
Cash balances including imprest	0.78	0.20
Cheques on Hand	-	-
Bank Balances with Schedule Banks**	22,169.31	16,697.90
	22,170.09	16,698.10

** Excludes balances in current account/deposit account of interest warrant/refund accounts, under lien, pledge with banks / Govt. authorities ₹ 177.07 (Previous Year ₹ 7,978.38 Million)

2) Previous Year's figures have been re-grouped/ re-arranged wherever necessary to conform to the current year's presentation.

As per our report of even date attached

For MAHARAJ N.R.SURESH & Co
Chartered Accountants
Firm Registration No. : 001931S

CA N R SURESH
Partner
Membership No. 021661
New Delhi : 23rd May, 2012

For GOPALAIYER AND SUBRAMANIAN
Chartered Accountants
Firm Registration No. : 000960S

CA S. SUNDAR
Partner
Membership No. 202725
DINESH MISHRA
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For and on behalf of the Board

SUDHIR VASUDEVA
Chairman

U. K. BASU
Managing Director

VISHNU AGRAWAL
Director (Finance)

Mangalore Refinery and Petrochemicals Limited

NOTES

NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

1 Accounting Conventions and Basis of Presentation / Accounting

- 1.1 The financial statements are prepared under the historical cost convention, in accordance with the Generally Accepted Accounting Principles (GAAP), the provisions of the Companies Act, 1956 and the Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006
- 1.2 All income and expenses to the extent considered receivable / payable with reasonable certainty are accounted for on accrual basis.

2 Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

3 Cash Flow Statement

Cash Flow Statement has been prepared in accordance with the indirect method prescribed in Accounting Standard - 3 issued under the Companies (Accounting Standards) Rules, 2006 and as required by the Securities and Exchange Board of India.

4 Fixed Assets

- 4.1 Land is stated at historical cost less amortisation wherever applicable.
- 4.2 Other Fixed assets are stated at historical cost less accumulated depreciation/ Amortisation and impairment.
- 4.3 Spares received along with the Plant or Equipment and those purchased subsequently for specific machinery and having irregular use are capitalised.
- 4.4 During the period of construction, directly identifiable expenses are capitalised at the first instance and all other allocable expenses are capitalised proportionately on the basis of the value of the assets.
- 4.5 Cost for this purpose includes purchase prices, duties (net of cenvat), taxes, incidental expenses, erection / commissioning expenses, technical knowhow fee, professional fee, interest upto the date the asset is put to use and exchange rate differences arising on long term foreign currency monetary items in so far as they relate to the acquisition of depreciable assets etc.

5 Impairment

Impairment of cash generating units / assets is ascertained and considered where the carrying cost exceeds the recoverable amount being the higher of net realisable amount and value in use.

6 Depreciation / Amortisation

- 6.1 Depreciation on Fixed Assets (including those taken on lease) is provided on Straight Line Method, at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
- 6.2 Cost of leasehold land is amortised over the lease period. Cost of leasehold lands where the transfer of ownership to the company on expiry of the lease period is eventually certain are not amortised.

6.3 Depreciation on amounts capitalised on account of foreign exchange fluctuation is provided prospectively over residual life of the assets.

6.4 Depreciation on spares, having irregular use and purchased subsequent to the installation of specific machinery is provided prospectively over residual life of the specific machinery and written down value of the spare is charged to Profit and Loss Account as and when replaced.

7 Intangible Assets:

Cost incurred on intangible asset, resulting in future economic benefits are capitalised as intangible assets and amortised on equated basis over the estimated useful life of such assets.

8 Investments

- 8.1 Long term investments are valued at cost. Provision is made for any diminution, other than temporary in the accounts.
- 8.2 Current Investments are valued at lower of cost and fair value.

9 Inventories

Inventories are valued at lower of cost and net realisable 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:

- 9.1 Raw material - on First in First out (FIFO) basis.
- 9.2 Finished Products - at Raw material ,Conversion cost and excise duty.
- 9.3 Stock-in-Process - at Raw material and Proportionate Conversion cost.
- 9.4 Stores, Spares and other trading Goods - on weighted average cost basis

10 Revenue Recognition

- 10.1 Sales are recognised on transfer of custody to customers and includes all statutory levies except Value Added Tax (VAT) and is net of discounts.
- 10.2 Dividend income is recognised when the right to receive the dividend is established.
- 10.3 Interest income is recognised on a time proportion basis
- 10.4 Revenue from sale of scrap are recognised on transfer of custody to customers.
- 10.5 Revenue in respect of Liquidated Damages from contractors/ suppliers is recognised when determined as not payable.
- 10.6 Excise duty recovery from customer is deducted from Turnover (gross). Excise duty differential between closing and opening stock of excisable goods is included under other expenses.

11 Claims

- 11.1 Claims/Surrenders on/to Petroleum Planning and Analysis Cell, Government of India are booked on 'in principle acceptance' thereof on the basis of available instructions/clarifications subject to final adjustments, as stipulated.

11.2 Insurance Claims

11.2.1 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 Profit and Loss account.

11.2.2 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 the corresponding expenditure is incurred.

11.2.3 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 Profit and Loss account.

11.3 All other claims and provisions are booked on the merits of each case.

12 Foreign Currency Transactions

12.1 Foreign Currency Transactions are accounted for at the exchange rates prevailing on the date of the transactions.

12.2 The foreign currency assets / liabilities of monetary items are translated using the exchange rates prevailing on the reporting date.

12.3 The exchange differences on translation of foreign currency transactions on the reporting date are recognised as income or expense and adjusted to the profit and loss account except exchange differences arising on reporting of long term foreign currency monetary items in so far as they relate to the acquisition of depreciable capital assets are added to /or deducted from cost of the assets.

12.4 The mark to market losses (net) in respect of un-expired forward contracts entered into to hedge the risk of changes in foreign currency exchange rates on future export sales against the existing contract are recognised in the profit and loss account.

13 Employee Benefits

13.1 All short term employee benefits are recognised at their undiscounted amount in the accounting period in which they are incurred. Employee Benefits under defined contribution plans comprising provident fund and superannuation fund are recognised on the undiscounted obligations of the company to contribute to the plan. The same is paid to Provident Fund Trust authorities and to Life Insurance Corporation of India respectively, which are expensed during the year.

13.2 Employee benefits under defined benefit plans comprising of Gratuity, leave encashment, long service emblem, post retirement medical benefits and other long term retirement benefits are recognised based on the present value of defined benefit obligation, which is computed on the basis of actuarial valuation using the Projected Unit Credit Method. Actuarial liability in excess of respective plan assets in respect

of gratuity is recognised during the year.

13.3 Actuarial gains and losses are recognised in the Profit and Loss account as income or expenses.

13.4 Undiscounted amount of short-term liability on account of un-availed leave is determined and provided for at the year end.

13.5 Provision for Gratuity as per actuarial valuation is funded with a separate trust.

14 Leases

14.1 Lease rentals in respect of finance lease are segregated into cost of assets and interest component by applying the implicit rate of return.

14.2 Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis.

15 Borrowing Costs

Borrowing costs that are attributable to acquisition, construction or production of qualifying assets, are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to the Profit and Loss Account.

16 Research and Development expenditure

Capital expenditure on Research and Development is capitalised under the respective fixed assets. Revenue expenditure thereon is charged to Profit and Loss account.

17 Taxes on Income

17.1 Current tax is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

17.2 Deferred tax is recognised on timing differences between taxable and accounting income/expenditure that originates in one period and are capable of reversal in one or more subsequent period(s). Deferred Tax Asset is recognised on the basis of virtual/reasonable certainty about its realisability, as applicable.

18 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities, if material, are disclosed by way of notes. Contingent Assets are neither recognised nor disclosed in the financial statements. .

Mangalore Refinery and Petrochemicals Limited

NOTE 2 SHARE CAPITAL

2.1 Details of Authorised, Issued and Subscribed and Paid up share capital

	AS AT 31st March 2012		AS AT 31st March 2011	
	Number	₹ in Million	Number	₹ in Million
2.1.1 Equity Share Capital				
Authorised				
Equity Shares of ₹ 10 each	1,900,000,000	19,000.00	1,900,000,000	19,000
Redeemable Preference Shares @ 0.01% Non Cumulative, ₹ 5 each (Previous Year ₹ 10 each)	100,000,000	1,000	100,000,000	1,000
Total	2,000,000,000	20,000.00	2,000,000,000	20,000
2.1.2 Equity Share Capital				
Issued Subscribed & Paid up				
Equity Shares of ₹ 10 each	1,752,598,777	17,525.99	1,752,598,777	17,525.99
Forfeited Shares		0.65		0.65
Total	1,752,598,777	17,526.64	1,752,598,777	17,526.64
2.1.3 Preference Share Capital				
Issued Subscribed & Paid up				
0.01% Non Cumulative, Redeemable Preference Shares of ₹ 5 each (Previous Year ₹ 10 each)	9,186,242	45.93	9,186,242	91.86
Total	9,186,242	45.93	9,186,242	91.86
2.1.4 Total Issued, Subscribed & paid Up (2.1.2+2.1.3)	1,761,785,019	17,572.57	1,761,785,019	17,618.50
2.2 Reconciliation of shares				
2.2.1 Equity Shares				
Shares outstanding at the beginning of the year	1,752,598,777	17,525.99	1,752,598,777	17,525.99
Shares outstanding at the end of the year	1,752,598,777	17,525.99	1,752,598,777	17,525.99
2.2.2 Preference Shares				
Shares outstanding at the beginning of the year	9,186,242	91.86	9,186,242	91.86
Shares redeemed during the year	-	45.93	-	-
Shares outstanding at the end of the year	9,186,242	45.93	9,186,242	91.86

2.3 Rights, preferences and restrictions attached

Particulars	Equity Shares	Preference Shares
Distribution of Dividend	As approved by Shareholders in AGM	Fixed @ 0.01% on Face Value
Repayment of Capital	Not Fixed	Redemption in two Equal Installment (1st July 2011 and 1st July 2012)

2.4 Shares held by holding or ultimate holding company or its subsidiaries or associates

1,255,354,097 Equity Shares (1,255,354,097 Equity Shares) are held by ONGC Limited, the holding company.

2.5 Details of shareholders holding more than 5% of total shares

2.5.1 Equity Shares

Name of Shareholder	AS AT 31st March 2012		AS AT 31st March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Oil and Natural Gas Corporation Limited	1,255,354,097	71.63%	1,255,354,097	71.63%
Hindustan Petroleum Corporation Limited	297,153,518	16.96%	297,153,518	16.96%
2.5.2 Preference Shares				
IFCI Limited	7,148,949	77.82%	7,148,949	77.82%
State Bank of Hyderabad	2,037,293	22.18%	2,037,293	22.18%

2.6 No shares are reserved for issue under options and contracts/commitments for the sale of shares/disinvestment



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2.7 Convertible securities to equity or preference shares

Name of the security	No. of securities	Terms of conversion	As At	As At
			31st March 2012	31st March 2011
			No of Shares	No of Shares
Zero Coupon Bond	142,809,235	Convertible into Equity Shares of ₹ 10 each at par upon default in repayment of principle or interest.	71,404,618	142,809,235

2.8 Forfeited Shares

AS AT 31st March 2012		AS AT 31st March 2011	
No. of Shares Forfeited	Amount paid up in ₹ Million	No. of Shares Forfeited	Amount paid up in ₹ Million
-	0.65	-	0.65

NOTE 3 RESERVES AND SURPLUS

Particulars	AS AT 31st March 2012 ₹ in Million	AS AT 31st March 2011 ₹ in Million
3.1 Capital Redemption Reserve (Refer Note a)		
Transfer from Profit and Loss account	45.93	-
3.2 Securities Premium Account		
As per Last Balance Sheet	3,490.53	3,490.53
3.3 General Reserve		
As per Last Balance Sheet	1,192.00	897.00
Add : Current Year Transfer	-	295.00
Closing Balance	1,192.00	1,192.00
3.4 Profit and Loss Account		
As per Last Balance Sheet	42,987.98	33,959.49
Add : Profit for the year	9,085.78	11,766.33
Add : Excess Provision for Dividend in earlier Years	-	1.47
Less : Transfer to Capital Redemption Reserves	45.93	-
Less : Transfer to General Reserves	-	295.00
Less : Proposed Dividends on		
Equity Dividend (@ ₹ 1.00 per share (Previous year ₹ 1.20 per share))	1,752.60	2,103.12
Preference Dividend (Fixed @ 0.01% on Face Value of each Share)	0.00	0.01
Tax on Dividend	284.32	341.18
Closing Balance	49,990.91	42,987.98
Total	54,719.37	47,670.51

Notes

- a Capital redemption Reserve created on Redemption of Preference share capital of ₹ 45.93 Million during 2011-12.

NOTE 4 LONG TERM BORROWINGS

4.1 SECURED

Term loans : From Banks

4.1.1 Rupee term Loan (Refer Note a)	-	714.05
(Term Loan including current maturities vide Note 10 are Secured By Equitable mortgage over the immovable properties, both present & future and also by hypothecation over the present and future movable properties. These Rupee Term Loans are convertible into Equity Shares in case of default in repayment of loans.)		
4.1.2 External Commercial Borrowing (ECB) (Refer Note b)	2,576.50	-
(Secured by first pari passu Charge over immovable fixed assets and first ranking pari passu charge over movable fixed assets both present and future. Charge/security is in the process of being created)		
Terms of Repayment:		
During 2015-16 : ₹ 386.47 Million		
During 2016-17 : ₹ 644.13 Million		
During 2017-18 : ₹ 772.95 Million		
During 2018-19 : ₹ 772.95 Million		
	2,576.50	714.05

Mangalore Refinery and Petrochemicals Limited

Particulars	AS AT 31st March 2012 ₹ in Million	AS AT 31st March 2011 ₹ in Million
4.2 UNSECURED		
4.2.1 From Others : Term Loan from OIBD (Refer Note c)		
Terms of Repayment:	4,000.00	-
During 2013-14 : ₹ 1,000.00 Million		
During 2014-15 : ₹ 1,000.00 Million		
During 2015-16 : ₹ 1,000.00 Million		
During 2016-17 : ₹ 1,000.00 Million		
4.2.2 Deferred payment liabilities (Refer Note d)	2,742.62	2,742.62
Terms of Repayment:		
During 2014-15 : ₹ 134.34 Million		
During 2015-16 : ₹ 555.83 Million		
During 2016-17 : ₹ 458.17 Million		
During 2017-18 : ₹ 530.30 Million		
During 2018-19 : ₹ 400.00 Million		
During 2019-20 : ₹ 400.00 Million		
During 2020-21 : ₹ 263.98 Million		
4.2.3 Loans and advances from related parties (Refer Note e)		
Loan 1	3,600.00	7,200.00
Loan 2	26,000.00	-
Terms of Repayment:		
Loan 1		
During 2012-13 : ₹ 3,600.00 Million		
During 2013-14 : ₹ 3,600.00 Million		
Loan 2		
During 2013-14 : ₹ 928.60 Million		
During 2014-15 : ₹ 3,714.30 Million		
During 2015-16 : ₹ 3,714.30 Million		
During 2016-17 : ₹ 3,714.30 Million		
During 2017-18 : ₹ 3,714.30 Million		
During 2018-19 : ₹ 3,714.30 Million		
During 2019-20 : ₹ 3,714.30 Million		
During 2020-21 : ₹ 2,785.60 Million		
Total	38,919.12	10,656.67
Notes:		
a Rupee Term Loan from banks represents ZERO Coupon Loan (Nil Interest rate) .		
b The interest rate for ECB is LIBOR 0.7368 pct. p.a plus margin 3.30 pct.		
c The interest rate for OIBD term loan are 8.89 % and 9.04% on ₹ 3,650.00 Million and ₹ 350.00 Million respectively.		
d Deferred Payment liability representing Sales Tax deferment is with Nil Interest rate .		
e The interest rate on Term loan from related Parties i.e ONGC are 7.00 % and 10.90 % (SBAR minus 3.85%) on ₹ 3,600.00 Million and ₹ 26,000.00 Million respectively.		
NOTE 5 DEFERRED TAX LIABILITIES (NET)		
The Company has Deferred Tax Liabilities as at 31st March 2012 of ₹ 4,531.40 Million(Previous Year ₹ 3,471.64 Million). The Breakup of Deferred Tax Liabilities is as under:		
5.1 Deferred Tax Liabilities		
WDV Difference on Assets	6,162.27	6,414.05
Total 5.1	6,162.27	6,414.05



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Particulars	AS AT 31st March 2012 ₹ in Million	AS AT 31st March 2011 ₹ in Million
5.2 Deferred Tax Assets		
43B Disallowances	1,395.15	2,690.33
Others	235.72	252.08
Total 5.2	1,630.87	2,942.41
Net Deferred Tax Liabilities (5.1-5.2)	4,531.40	3,471.64
NOTE 6 OTHER LONG TERM LIABILITIES		
Other Liabilities	20.29	33.59
Total	20.29	33.59
NOTE 7 LONG TERM PROVISIONS		
Employee Benefits		
Leave Encashment (unfunded) (Refer Note 30.11.01)	251.51	212.26
Post retirement Medical and Other Benefits (Unfunded) (Refer Note 30.11.01)	37.16	22.53
Total	288.67	234.79
NOTE 8 SHORT TERM BORROWINGS		
8.1 Secured		
Short term Loan From Banks : Working Capital	47.13	599.03
(Secured by way of hypothecation of Company's stocks of raw materials, finished goods, stock-in-process, stores, spares, components, book debts, outstanding moneys receivable, claim, bills, contracts, engagements, securities, both present and future and further secured/to be secured by residual charge on Company's immovable and movable properties(save and except Current Assets) both present and future, ranking pari passu inter se and including a lien over Company's Fixed Deposit amounting to Nil (Previous Year ₹ 7,830.00 Million))		
	47.13	599.03
8.2 Unsecured : External borrowing		
Short term Loan From Banks : Buyers Credit	18,550.80	-
	18,550.80	-
Total	18,597.93	599.03
NOTE 9 TRADE PAYABLES		
Trade Payables		
Outstanding dues to Micro & Small Enterprises	-	-
Outstanding dues to other than Micro & Small Enterprises	111,046.60	88,922.12
Total	111,046.60	88,922.12
NOTE 10 OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (Secured) (Refer note 4.1.1)	714.05	714.05
Current maturities of long-term debt (UnSecured)	3,600.00	3,600.00
Unpaid dividends (Refer Note a)	155.79	127.75
Interest on Matured Debentures (Refer Note b)	0.19	0.19
Deposits from Suppliers/Contractors/Others	90.15	75.53
Liability for Gratuity (Refer note c)	32.16	69.04
Payable against Capital goods	3,113.01	1,291.06
Liability for Statutory Payments	636.46	461.99
Liability for Employees	238.18	317.62
Interest Accrued but not due	70.00	-
Payable to Oil Companies on refund from Commercial taxes	2,884.48	2,884.48
Others payables	1,284.88	1,470.34
Total	12,819.35	11,012.05
Notes		
a No amount is due for payment to Investor Education Protection Fund.		
b Provision for Interest towards disputed Claims		
c Net of amount receivable from Gratuity trust		

Mangalore Refinery and Petrochemicals Limited

Particulars	AS AT 31st March 2012 ₹ in Million	AS AT 31st March 2011 ₹ in Million
NOTE 11 SHORT TERM PROVISIONS		
11.1 Employee Benefits		
For Leave (Unfunded) (Refer Note 30.11.01)	38.68	31.55
For Post retirement Medical and Other Benefits (Unfunded) (Refer Note 30.11.01)	5.05	0.49
For Salary & Other Reimbursements	31.22	16.72
11.2 Others		
For Taxation (Net of Advance Tax)	219.84	1,034.83
For Dividend	1,752.60	2,103.13
For Corporate Dividend Tax	284.32	341.18
Others (Refer Note a)	713.91	1,264.52
Total	3,045.62	4,792.42

Notes

The company had recognised liability based on substantial degree of estimation for excise duty payable on clearance of goods lying in stock as on 31st march 2012 and for 31st march 2011 for ₹ 692.71 Million and ₹ 1,241.72 Million respectively

NOTE 12 FIXED ASSETS

Fixed Assetst	Refer Note	Useful Life in Years	Gross Block				Depreciation/ Amortisation				Net Block	
			As at 01-04-2011	Additions	Deductions/ Adjustments	As at 31-03-2012	As at 01-04-2011	Charge for the year	Deductions/ Adjustments	As at 31-03-2012	As at 31-03-2012	As at 31-03-2011
			₹ in Million	₹ in Million	₹ in Million	₹ in Million	₹ in Million	₹ in Million	₹ in Million	₹ in Million	₹ in Million	
12.1 Tangible Assets												
Land : Freehold			17.65	-	-	17.65	-	-	-	17.65	17.65	
Land under lease	a, b		268.61	0.63	-	269.24	0.45	0.08	-	0.53	268.16	
Buildings			2,932.24	410.20	-	3,342.44	670.81	59.31	-	730.12	2,261.43	
Plant and Equipment	c, d		72,397.05	13,674.58	48.66	86,022.97	44,417.57	4,279.74	37.96	48,659.35	27,979.48	
Furniture and Fixtures			115.62	5.97	1.18	120.41	61.58	8.07	0.96	68.69	51.72	
Vehicles			226.70	5.27	30.87	201.10	66.88	19.84	12.45	74.27	126.83	
Assets not in use held for Disposal	e											
Land : Freehold			77.96	-	-	77.96	-	-	-	-	77.96	
Others			2.58	3.93	0.11	6.40	2.58	0.33	2.73	0.18	6.22	
Total Tangible Assets			76,038.41	14,100.58	80.82	90,058.17	45,219.87	4,367.37	54.10	49,533.14	40,525.04	
12.2 Intangible Assets												
Goodwill	f	10	20.13	-	-	20.13	8.05	2.01	-	10.06	10.07	
Computer software		10	4.47	-	-	4.47	1.44	0.45	-	1.89	2.58	
Computer software		3	69.82	25.46	-	95.28	11.58	25.39	-	36.97	58.31	
Computer software		7	0.81	-	-	0.81	0.21	0.12	-	0.33	0.48	
Computer software		4	7.39	-	-	7.39	3.71	1.73	-	5.44	1.95	
Licenses and franchise		3	56.50	-	-	56.50	56.50	-	-	56.50	3.68	
Total Intangible Assets			159.12	25.46	-	184.58	81.49	29.70	-	111.19	73.39	
Total			76,197.53	14,126.04	80.82	90,242.75	45,301.36	4,397.07	54.10	49,644.33	40,598.43	
Previous Year			74,351.65	1,929.64	83.76	76,197.53	41,428.08	3,931.89	58.61	45,301.36	30,896.17	
12.3 Capital Work In Progress	g											
Total			-	-	-	-	-	-	-	70,891.74	39,953.35	

Notes

- Includes ₹ 261.50 Million (Previous Year ₹ 260.87 Million) which has not been amortised in view of the fact that eventually the ownership will get transferred to the Company on expiry of the lease period, of which ₹ 11.52 Million (Previous Year ₹ 11.52 Million) is in the process being surrendered to Competent Authority. Net Block ₹ 11.52 Million (Previous Year ₹ 11.52 Million) .
- Includes land value ₹ 29.99 Million (Previous Year ₹ 29.99 Million), which is in possession of the company towards which formal lease deeds are yet to be executed . Net Block ₹ 29.92 Million (Previous Year ₹ 29.92 Million)
- Includes ₹ 782.98 Million (Previous Year ₹ 782.98 Million) being Company's share of an asset jointly owned with another Company. Net Block ₹ 120.73 Million (Previous Year ₹ 162.07 Million).
- Includes Office Equipments
- Assets not in use and held for sale is shown at lower of cost or estimated realisable value.
- Represents consideration for purchase of business (Nitrogen Plant) in excess of book value of net assets acquired.



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g) Capital Work In Progress (Including Project expenses to be Capitalised appropriately)

(₹ in Million)

Particulars	AS AT	AS AT	AS AT	AS AT
	31/03/2012	31/03/2012	31/03/2011	31/03/2011
Capital Work-in-Progress		82,913.95		40,962.36
Project expenditure to be Capitalised appropriately				
Salaries, Wages & Gratuity	499.72		330.26	
Contribution to P.F & Superannuation Fund	63.81		43.14	
Staff Welfare Expenses	0.41		0.41	
Rates & Taxes	2.77		1.61	
Insurance	361.99		292.16	
Miscellaneous Expenses	132.46		82.11	
ERV Loss/ (gain)	26.14		0.01	
Interest and Finance Cost	889.56		-	
Depreciation	8.02	1,984.88	4.75	754.45
Total (a+b)		84,898.83		41,716.81
Less : Amount Capitalised to Fixed assets during the year		14,007.09		1,763.46
Net Capital Work-in-Progress		70,891.74		39,953.35

h) Depreciation provided during the year includes:

- Charged to Profit & Loss Account : ₹ 4,338.73 Million (Previous Year ₹ 3,914.19 Million)
- Charged to Adjustments related to Prior Period (Net) : ₹ 55.07 (Previous Year ₹ 16.11 Million)
- Charged to Capital Work in Progress: ₹ 3.27 Million (Previous Year ₹ 1.59 Million)

NOTE 13 NON CURRENT INVESTMENTS

Particulars	AS AT 31st March 2012 ₹ in Million	AS AT 31st March 2011 ₹ in Million
Trade Investments		
Investment in Equity instruments : Unquoted at Cost		
Shell MRPL Aviation Fuels and Services Pvt. Ltd.(1,50,00,000 Equity Shares of ₹ 10 each fully paid (Previous year ₹ 10 each)) (Refer Note a)	150.00	150.00
ONGC Mangalore Petrochemicals Ltd.(1,500 Equity Shares of ₹ 10 each fully paid (Previous year ₹ 10 each)) (Refer Note b)	0.02	0.02
Total	150.02	150.02
Notes		
a Shell MRPL Aviation Fuels and Services Pvt. Ltd.	Joint Venture	
b ONGC Mangalore Petrochemicals Ltd.	Associate	

NOTE 14 LONG TERM LOANS AND ADVANCES

(Unsecured and Considered good unless and otherwise stated)

Particulars	AS AT 31st March 2012		AS AT 31st March 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
14.1 To related Party				
Advance towards Equity share		600.98		600.98
14.2 Others				
Capital Advance		6,755.03		14,839.46
Advance towards Equity share				
Employee Advance				
Secured, considered good (Refer Note a)	119.21		112.69	
Secured, considered Doubtfull (Refer Note a)	0.81		0.81	
Less: Provision for doubtful loans and advances	0.81	119.21	0.81	112.69
Deposits with Custom, Port etc		0.01		0.01
Deposit with Others				
Unsecured, considered good	55.28		59.92	
Unsecured, considered doubtful	4.35		4.35	
Less: Provision for doubtful loans and advances	4.35	55.28	4.35	59.92
Total		7,530.51		15,613.06

Mangalore Refinery and Petrochemicals Limited

Notes

- a Represents secured loans having repayment schedule of more than 7 years

Employee Advance stated above includes :	AS AT 31st March 2012 ₹ in Million	AS AT 31st March 2011 ₹ in Million
Directors	1.23	-
Total	1.23	-

NOTE 15 OTHER NON CURRENT ASSETS

Particulars	AS AT 31st March 2012 ₹ in Million	AS AT 31st March 2011 ₹ in Million
<i>Accrued Interest On Employees Loan scheme</i>	21.40	13.04
Total	21.40	13.04

NOTE 16 CURRENT INVESTMENTS

Particulars	AS AT 31st March 2012 ₹ in Million	AS AT 31st March 2011 ₹ in Million
Non Trade		
Investment in government securities : Unquoted at cost		
7% GOI Oil Bonds,2012	272.78	272.78
(27,278 bonds of ₹ 10,000 each fully paid (Previous year ₹ 10,000 each))		
Total	272.78	272.78

Note 17 INVENTORIES

Particulars	AS AT 31st March 2012		AS AT 31st March 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
Raw Materials	19,430.50		7,382.23	
Raw Material in transit	35,179.34	54,609.84	12,035.34	19,417.57
Work-in-progress		1,961.45		2,414.79
Finished goods	19,927.90		17,972.51	
Less : Provision for Stock Loss	5.91	19,921.99	6.98	17,965.53
Stores and spares	1,638.87		1,218.08	
Stores and spares in transit	129.09		43.97	
Less : Provision for Slow/Non Moving Inventories	85.48	1,682.48	86.10	1,175.95
Total		78,175.76		40,973.84

NOTE 18 TRADE RECEIVABLES

Trade Receivables (Unsecured)	AS AT 31st March 2012 ₹ in Million	AS AT 31st March 2011 ₹ in Million
Due for a period less than six months		
Considered good	32,205.60	23,645.57
Considered doubtful	12.62	20.43
Less: Provision for doubtful debts	12.62	20.43
	32,205.60	23,645.57
Due for a period exceeding six months		
Considered good	2,387.06	1,655.23
Considered doubtful	617.33	640.22
Less: Provision for doubtful debts	617.33	640.22
	2,387.06	1,655.23
Total (Refer note a)	34,592.66	25,300.80

Notes	AS AT 31st March 2012 ₹ in Million	AS AT 31st March 2011 ₹ in Million
a		
Above includes ₹ 780.00 Million (Previous year ₹ 420.92 Million) backed by Bank Guarantee. Trade Receivable stated above include debts due by: Private Company in which Director of the company is a Director	407.73	283.12
	<u>407.73</u>	<u>283.12</u>

NOTE 19 CASH AND BANK BALANCES

Particulars	AS AT 31st March 2012		AS AT 31st March 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
19.1 Cash & Cash Equivalents				
Balances With Banks				
Current Accounts	9.89		2.45	
Deposit Accounts : Upto 3 Months Maturity	16,469.42	16,479.31	4,170.00	4,172.45
Cash on Hand including Imprest (Refer Note a)		0.78		0.20
Investment in UTI Mutual Funds		-		525.45
19.2 Other Bank balances				
Deposit Accounts : beyond 3 to 12 months maturity	5,690.00		12,000.00	
Unpaid Interest on debentures Account	0.19		0.19	
Unpaid Dividend Account	155.79		127.74	
Employee Benevolent Fund	4.87		4.24	
Deposit with Banks as security deposit and as security against the borrowing	16.22	5,867.07	7,846.21	19,978.38
		<u>22,347.16</u>		<u>24,676.48</u>

Notes
Includes Gold Coins valued ₹ 0.06 Million (Previous year ₹ 0.01 Million)

NOTE 20 SHORT TERM LOANS AND ADVANCES

(Unsecured and Considered good unless and otherwise stated)

Particulars	AS AT 31.03.2012 ₹ in Million	AS AT 31.03.2011 ₹ in Million
20.1 To related party		
Other Advances	25.06	-
20.2 To others		
Balance with Custom, Port, Trust etc.	3,063.05	3,710.64
Security Deposits with Customer	7.52	7.52
Advance to Employees	64.37	30.04
Other Deposits	2,601.20	2,834.42
Total	<u>5,761.20</u>	<u>6,582.62</u>
Advance to Employees stated above includes : Other officers of the Company	0.43	0.47
Total	<u>0.43</u>	<u>0.47</u>

NOTE 21 OTHER CURRENT ASSETS

Other current assets		
Interest Accrued but not due on Fixed Deposits	218.32	271.39
Claim Receivable from Insurance Company	0.02	63.26
Income Tax Paid Under Disputes	1,000.92	244.51
Total	<u>1,219.26</u>	<u>579.16</u>

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NOTE 22 REVENUE FROM OPERATIONS

₹ in Million

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
22.1 Sale of products	572,067.55	437,236.56
22.2 Other operating revenues		
Sale Of Scrap	21.43	33.60
Income From Retail Outlet	0.67	2.21
Deputation Services to other Company	-	6.87
Tender form Sale	0.79	0.91
Liquidated Damages	38.27	9.70
Taxable Services	8.17	14.72
Total	69.33	68.01
Total	572,136.88	437,304.57

NOTE 23 OTHER INCOME

23.1 Interest Income		
On Bank Deposit (Tax Deducted at Source ₹ 274.25 Million (Previous Year ₹ 219.26 Million)	2,586.34	1,293.89
On Inter Corporate Deposit (Tax Deducted at Source ₹ 18.40 Million (Previous Year Nil)	184.03	-
On NMPT Loan (Tax Deducted at source Nil (Previous Year ₹ 0.67 Million)	-	6.68
From Direct Marketing Customer	47.78	24.84
On Contractor Mobilisation Advance	71.87	161.69
On Employees Loan Scheme	11.94	8.40
On Oil Bonds	19.09	19.09
On Others	0.75	0.08
Total	2,921.80	1,514.67
23.2 Dividend Income		
Dividend received on UTI Investments	319.46	334.01
23.3 Other non-operating income		
Liability no longer required written back	28.10	77.51
Excess Provisions written back	33.00	123.85
Recoveries from Employee	4.32	3.47
Insurance Claim	88.46	-
Miscellaneous Receipts	78.62	50.32
Total	232.50	255.15
Total	3,473.76	2,103.83

NOTE 24 INCREASE (-) / DECREASE IN STOCK

24.1 Closing Stock of:		
Finished Goods	19,927.90	17,972.51
Intermediate Stock	1,961.45	2,414.79
Total Closing Stock	21,889.35	20,387.30
24.2 Opening Stock of:		
Finished Goods	17,972.51	11,143.67
Intermediate Stock	2,414.79	1,090.92
Total Opening Stock	20,387.30	12,234.59
Increase (-) / Decrease in Stock	-1,502.05	-8,152.71

NOTE 25 EMPLOYEE BENEFIT EXPENSES

Salaries and Wages	1,234.90	1,450.67
Contribution to Provident and Other Funds	149.99	167.35
Staff Welfare Expenses	76.81	68.28
Provision for Leave	76.44	87.21
Provision for Gratuity	32.65	71.26
Provision for Post - Retirement, Medical and other long term benefits	35.63	0.58
Total	1,606.42	1,845.35



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Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
NOTE 26 FINANCE COST		
Interest expense	1,332.26	1,039.16
Other borrowing costs	561.10	7.38
Net(Gain)/ Loss on Foreign Currency transactions and translation		
Exchange (gain)/ loss (net)	173.41	-
Total	2,066.77	1,046.54
NOTE 27 DEPRECIATION AND AMORTISATION EXPENSE		
On Tangible Assets	4,309.03	3,860.56
On Intangible Assets	29.70	53.63
Total	4,338.73	3,914.19

NOTE 28 OTHER EXPENSES

Particulars	For the Year ended 31.03.2012 ₹ in Million		For the Year ended 31.03.2011 ₹ in Million	
28.1 Other Expenses				
Power & Fuel	27,769.09		20,346.93	
Less : Own Consumption	27,649.37	119.72	20,226.72	120.21
Repairs and Maintenance				
Plant and Machinery	790.49		728.53	
Building	34.63		9.37	
Others	173.91	999.03	121.87	859.77
Stores, Spares and Chemical Consumed	950.11		737.39	
Less : Shown Under Other Heads	413.19	536.92	290.33	447.06
Packing Material Consumed		91.37		85.60
Rent		57.86		62.71
Insurance		91.59		75.31
Rates and Taxes		523.75		610.42
Excise Duty on Stock (Net)		-606.16		-118.06
Exchange Rate Fluctuation Loss		6,482.20		-184.48
Director's Sitting Fees		0.80		0.86
Loss on Sale of Fixed Assets		11.37		7.34
Miscellaneous Expenses		765.17		685.76
Total		9,073.62		2,652.50
28.2 Provision and Write Offs				
For Doubtful Debts		-		106.53
For Slow/Non Moving Inventory		1.68		0.39
Total		1.68		106.92
28.3 Prior Period Items (Net)				
Depreciation(Net)		55.07		16.11
Repairs and Maintenance		6.75		-
Rent		-		0.34
Salary & Wages		0.86		-32.49
Miscellaneous Expenses		-1.65		-1.48
Sales		2.06		13.28
Others		-41.27		-0.00
Total		21.82		-4.24

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Particulars	For the Year ended 31.03.2012 ₹ in Million	For the Year ended 31.03.2011 ₹ in Million
Grand Total (28.1+28.2+28.3)	<u>9,097.12</u>	<u>2,755.18</u>
NOTE 29 EARNINGS PER EQUITY SHARE		
Particulars	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Numerator : Net Profit (₹ in Million)		
Basic	9,085.78	11,766.33
Diluted	9,085.78	11,766.33
Denominator : Average number of Equity Shares outstanding during the year		
Basic	1,752,598,777	1,752,598,777
Diluted	1,837,898,633	1,895,408,012
Nominal value Per Share		
Earnings Per Share (in ₹)		
Basic (₹)	5.18	6.71
Diluted (₹)	4.94	6.21
Reconciliation of Basic and Diluted Earning Per Share		
Net Profit (₹ in Million)	9,085.78	11,766.33
Add : Interest on diluted portion of loans (Net of Tax) (₹ in Million)	-	-
Total	<u>9,085.78</u>	<u>11,766.33</u>
Average No of Equity Shares	1,752,598,777	1,752,598,777
Number of Share in respect of loans having conversion clause	85,299,856	142,809,235
Average No of Equity Shares for Diluted Earnings per share	1,837,898,633	1,895,408,012

Note 30 Other Disclosures

30.01 Accounting for Research & Development (AS-8)

The company during the year has carried out activities relating to study of Crude Assay, Organic Chloride and PMB Testing, ICP-MS analysis, Ion-Chromotography as a part of its R & D activities and has incurred expenditure as mentioned below.

(₹ in Million)

Particulars	Revenue Expenditure	Capital Expenditure	Total
R & D Expenditure	2.91	11.25	14.16
	(1.11)	(Nil)	(1.11)

Note: Figures in brackets represent previous year figure.

30.02 Effects of changes in Foreign Exchange Rates (AS 11)

Pursuant to Notification no. G.S.R.(914)E dated 29th December 2011, issued by MCA, from the current financial year, the Company has opted to adjust exchange differences arising on reporting of long term foreign currency monetary items, in so far as they relate to the acquisition of depreciable assets, against the cost of such assets and depreciate the said adjustment over the balance life of the asset. Had the option not been exercised, the difference amounting to ₹ 26.14 million on long term foreign currency monetary items relating to depreciable assets would have been charged to Profit and Loss Account and Capital Work in Progress would have been lesser to that extent.

30.03 Employee Benefits (AS-15)

30.03.01 Brief Description: A general description on the type of Defined Benefit Plans are as follows:

a Earned Leave Benefit (EL):

Accrual – 32 days per year
Accumulation up to 300 days allowed
EL accumulated in excess of 15 days is allowed for encashment while in service provided the EL encashed is not less than 5 days.

b Sick Leave (SL):

Accrual – 10 days per year
Encashment while in service is not allowed
Encashment on retirement is permitted and entire accumulation is allowed for encashment

c Gratuity:

15 days salary for every completed year of service. Vesting period is 5 years and the payment is restricted to ₹ 1 million.

d Long Service Emblem:

On completion of each milestone of service from the date of joining and also at the time of retirement, employees will be gifted with Gold Coin, weight depends on the milestone of service completed.

e 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.

f Retirement Benefits:

At the time of superannuation, employees are entitled for reimbursement of expenses towards travel, transportation of personal effects from their place of retirement to the new location upto certain limits depending on the designation of the employee at the time of retirement and one month's salary as settling allowance.

30.03.02 The following contributions to Defined Contributions Plans are treated as expenses during the year:

(₹ in Million)

Defined Contribution Plan	Expenses recognised during 2011-12	Contribution to Key Management Personnel
Employer's contribution to Provident Fund	92.99 (120.57) [45.24]	0.47 (0.33) [0.21]
Employer's contribution to Superannuation Fund	55.07 (44.68) [37.43]	0.59 (0.41) [0.27]

30.03.03 The amount recognised in the Balance Sheet for next Employment Benefit Plans are as follow:

(₹ in Million)

SI No.	Particulars	Gratuity (Funded)	Post Retirement Medical Benefit (Unfunded)	Other Retirement Benefits (Unfunded)
1	Present value of Funded Obligation	294.21 (254.34) [175.15]	-	-
2	Fair Value of Plan Asset	261.55 (183.09) [144.36]	-	-
3	Present Value of Unfunded Obligation	-	35.60 (16.74) [16.74]	6.61 (6.04) [6.28]
4	Unrecognised Past Service Cost	-	-	-
5	Net Liability	32.66 (71.25) [30.79]	35.60 (16.74) [16.74]	6.61 (6.04) [6.28]

30.03.04 The amount included in the fair value of plan assets of gratuity fund are as follows:

Defined Contribution Plan	2011-12	2010-11	2009-10
Reporting Enterprise's own financial instruments	Nil	(Nil)	[Nil]
Any Property occupied by, or other assets used by the reporting enterprise	Nil	(Nil)	[Nil]

30.03.05 Reconciliation showing the movements during the period in the net liability recognised in the balance sheet:

(₹ in Million)

SI No.	Particulars	Gratuity (Funded)	Post Retirement Medical Benefits	Other Retirement Benefits
1	Opening defined benefit obligation	254.34 (175.15) [135.27]	16.74 (16.74) [8.08]	6.04 (6.28) [5.64]
2	Service Cost	20.81 (15.25) [12.55]	18.36 (1.01) [0.46]	0.19 (0.17) [0.13]
3	Interest Cost	20.98 (14.93) [11.41]	1.38 (1.35) [0.64]	0.50 (0.46) [0.44]
4	Actuarial Losses / (Gains)	8.89 (56.63) [16.94]	-0.65 (-0.72) [8.13]	0.14 (0.46) [0.21]
5	Liability transfer in	0.36 Nil [0.12]	-	-
6	Benefits paid	-11.18 (-7.62) [-1.14]	-0.23 (-1.64) [-0.58]	-0.26 (-1.33) [-0.14]
7	Closing defined benefit obligation	294.21 (254.34) [175.15]	35.60 (16.74) [16.74]	6.61 (6.04) [6.28]

30.03.06 The total expenses recognised in the statement of profit and loss are as follows:

(₹ in Million)

SI No.	Particulars	Gratuity (Funded)	Post Retirement Medical Benefits	Other Retirement Benefits
1	Current Service Cost	20.81 (15.25) [12.55]	1.13 (1.01) [0.46]	0.20 (0.17) [0.13]
2	Interest on obligation	20.98 (14.93) [11.41]	1.38 (1.35) [0.64]	0.50 (0.46) [0.44]
3	Expected return on plan assets	-16.48 (-15.42) [-10.78]	-	-
4	Net actuarial losses / (gains) recognised in the year	4.82 (56.50) [17.61]	-0.64 (-0.72) [8.13]	0.14 (0.46) [0.21]
5	Past Service Cost	- (-) [-]	17.22 (-) [-]	- (-) [-]
6	Losses / (Gains) on curtailments and settlements	-	-	-
7	Total included in 'employee benefit expenses'	30.13 (71.26) [30.79]	19.09 (1.64) [9.23]	0.84 (1.09) [0.78]
8	Actual return on plan assets	20.55 (15.56) [10.11]	-	-

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30.03.07 Statement of Reconciliation of balance of Fair value of Plan Assets in respect of Gratuity :-

(₹ in Million)

SI No.	Particulars	31.03.2012	31.03.2011	31.03.2010
1	Fair Value of Plan Assets at the beginning of the period	183.09	144.36	81.5
2	Expected return on plan assets	16.48	15.42	10.78
3	Contributions	68.74	30.79	53.76
4	Transfer from other Company	0.36	Nil	0.12
5	(Transfer to other Company)	Nil	Nil	Nil
6	(Benefit Paid)	(11.18)	(7.62)	(1.14)
7	Actuarial gains/ (losses) on Plan Assets	4.07	0.14	(0.67)
8	Fair Value of Plan Assets at the end of the period	261.55	183.09	144.36

30.03.08 Other disclosures

(₹ in Million)

Gratuity	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Present value of Funded obligation as at the end of the period	294.21	254.34	175.15	140.25	78.41
Fair value of plan assets as at the end of the period	261.55	183.09	144.36	81.5	56.27
Surplus/(Deficit)	32.66	71.25	30.79	58.75	22.14
Experience Adjustment on plan liabilities loss/(gains)	24.33	65.37	22.95	-4.64	10.64
Experience Adjustment on plan assets (loss) /gains	4.07	0.14	(0.67)	0.98	0
Post retirement Medical Benefits	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Present value of Unfunded obligation as at the end of the period	35.60	16.74	16.74	8.08	6.78
Experience Adjustment on plan liabilities (loss)/gain	1.29	-0.28	8.64	0.36	-0.44
Other Retirement Benefits	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Present value of Unfunded obligation as at the end of the period	6.61	6.04	6.28	5.64	5.15
Experience Adjustment on plan liabilities (loss)/gain	0.28	0.56	0.79	0.45	0.46

30.03.09 Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

SI No.	Particulars	Gratuity (Funded)	Post Retirement Medical Benefits	Other Retirement Benefits
1	Discount Rate	8.75% (8.25%) [8.00%]	8.75% (8.25%) [8.00%]	8.75% (8.25%) [8.00%]
2	Expected return on plan assets previous	9.00%	-	-
3	Expected return on plan assets Current	9.00%	-	-
4	Annual increase in premium of med claim policy	-	NA (5.00%) [5.00%]	-
5	Annual increase in Salary	5.00% (5.00%) [5.00%]	-	5.00% (5.00%) [5.00%]

30.03.10 Gratuity (Funded) Defined Benefit Obligation - Category of Plan Assets

(₹ in Million)

SI No.	Particulars	2011-12	2010-11	2009-10
1	Government of India Bonds	129.96	88.18	67.54
		49.69%	48.17%	46.79%
2	Corporate Bonds	120.83	88.48	73.08
		46.20%	48.32%	50.62%
3	Others	10.76	6.43	3.74
		4.11%	3.51%	2.59%
	Total	261.55 100.00%	183.09 100.00%	144.36 100.00%

30.03.11 Sensitivity of Post Retirement Medical Expenses

(₹ in Million)

SI No.	Particulars	2011-12	2010-11	2009-10
1	Change in Liability for 1% increase in discount rate	-1.71	-0.80	-0.80
2	Change in Liability for 1% decrease in discount rate	1.94	0.91	0.91
3	Change in Service Cost for 1% increase in discount rate	-0.06	-0.06	-0.06
4	Change in Service Cost for 1% decrease in discount rate	0.12	0.12	0.12

Note: Figures in parenthesis () represents figure of 2010-11 and [] represents figures of 2009-10



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30.04 Borrowing Costs (AS-16)

Amount of borrowing costs capitalised during the year ₹ 889.56 million (Previous year Nil)

30.05 Segment Reporting (AS 17)

The Company is engaged in the business of refining crude oil, all activities of the Company revolve around this business and the operations are in India. As such there is no other reportable segment as defined by the Accounting Standard 17 – Segment Reporting issued under The Companies (Accounting Standards) Rules, 2006. The clarification sought for by the Company on the EAC opinion is under consideration by ICAI and hence segment reporting is not made.

30.06 Related Party Disclosure (AS-18)

30.06.01 The Company is a state controlled enterprise and the transactions with other state controlled enterprises are not required to be disclosed as per AS-18.

30.06.02 Key Management Personnel:

- (i) Shri. U.K.Basu, Managing Director
- (ii) Shri P.P.Upadhyaya, Director (Technical)
- (iii) Shri Vishnu Agrawal, Director (Finance)

30.06.03 Related Party details:

Particulars	(₹ in Million)				
	ONGC Mangalore Petrochemicals Limited	Shell MRPL Aviation Fuels & Services Pvt. Limited	Mangalam Retail Services Limited	Mangalore SEZ Limited	Petronet MHB Limited
Relationship	Associate	Joint Venture	Joint Venture	Associate	Associate
Sale of Products	Nil (Nil)	4,647.31 (2457.04)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Transportation charges payable	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	-37.96 (124.34)
Reimbursement of expenditure by MRPL	Nil (79.50)	Nil (Nil)	Nil (Nil)	-2.38 (161.68)	Nil (Nil)
Salary and other establishment related expenses incurred by MRPL reimbursable by JV/ Associate.	18.40 (36.50)	0.78 (1.44)	Nil (Nil)	3.82 (9.54)	24.08 (188.35)
Advance against Equity investment in JV / Associates	599.99 (599.99)	Nil (Nil)	1.00 (1.00)	Nil (Nil)	Nil (Nil)
Amount receivable as on 31st March 2012.	25.06 (Nil)	408.47 (272.13)	Nil (Nil)	844.23 (712.42)	Nil (Nil)
Amount payable as on 31st March, 2012.	Nil (27.42)	Nil (Nil)	Nil (Nil)	Nil (Nil)	8.55 (83.09)

Note : Figures in brackets represent previous year figure.

30.07 Leases (AS-19)

30.07.01 The company has taken various premises under cancellable operating lease.

30.07.02 These lease agreements are normally renewed on expiry of the term.

30.07.03 Lease rental expenses for the year ended 31st March, 2012 in respect of above operating leases are ₹ 34.75 Million (pre. year ₹ 44.22 Million)

30.08 Accounting for taxes on income(AS-22)

30.08.01 The company has commenced commercial refining of crude oil from its Phase III refinery during the year and accordingly is entitled to the deduction u/s 80 IB of the Income Tax Act, 1961.

30.09 Financial Reporting of Interests in Joint Ventures (AS-27)

(₹ in Million)

Particulars	Shell MRPL Aviation Fuel Services Pvt. Limited		Mangalam Retail Services Limited	
	2011-12 (Audited)	2010-11 (Audited)	2011-12 * Un audited See Note below	2010-11 (Audited)
Proportion of the ownership interest	50%		45%	
Country of incorporation	India		India	
Assets	864.98	1,057.99	0.91	0.91
Liabilities	612.15	852.95	0.01	0.01
Income	2635.55	1455.59	-	Nil
Expenditure including Tax Expenses	2,570.33	1,400.85	-	0.01
Contingent Liabilities	Nil	Nil	-	Nil
Capital Commitments	Nil	Nil	-	Nil

* There is no transaction in this company during the year 2011-12

30.10 Provisions, Contingent Liabilities and Contingent Assets (AS -29)

30.10.01 Movement in Provisions

(₹ in Million)

Year	2011-12		2010-11	
	Debtors	Others	Debtors	Others
Opening Balance	660.65	98.25	607.50	97.85
Add : Provision made during the year	-	1.68	106.53	0.40
Less: Provision written back / reclassified / reduction during year	30.70	3.38	53.38	-
Closing Balance	629.95	96.55	660.65	98.25

30.11 Provisions, Contingent Liabilities and Contingent Assets (AS -29)

30.11.01 Employee Benefits

(₹ in Million)

Year	2011-12		2010-11	
	Leave	Other benefits	Leave	Other benefits
Opening Balance	243.81	41.68	180.38	42.20
Add : Provision made during the year	76.44	36.49	87.20	0.59
Less: Provision written back / reclassified / reduction during year	30.06	2.05	23.77	1.11
Closing Balance	290.19	76.12	243.81	41.68

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30.11.02 Contingent Liabilities not provided for in respect of :

- a Corporate Guarantee given by the Company towards loan of ₹ 3,372.30 Million sanctioned by certain bankers / financial institutions to New Mangalore Port Trust (NMPT) for construction of Jetties. Amount outstanding as at the close of the year ended 31st March, 2012, after adjusting the repayment made by NMPT is ₹ Nil (Previous Year ₹ Nil).
- b Claims against the Company not acknowledged as debt :

(₹ in Million)

Sr. No.	Particulars	As on 31.03.2012	As on 31.03.2011
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 would be capitalised ₹ 306.73 million / Reimbursable ₹ 37.63 million [Previous year ₹ 314.74 million and ₹ 37.73 million respectively]	344.36	352.47
2	Claims / counter claims of Customers		
(a)	The company had gone into an international arbitration at London against one of its export customers. The arbitration Tribunal has dismissed the company's claims relating to throughput loss and non-full fulfilment of contractual obligations and has ordered the company to bear the customer's advocate cost along with refund of part of adhoc amount paid by the customer along with interest. The company has preferred an appeal in the Mumbai High Court against this arbitral award. In case of unfavourable award the amount payable would be debited to Profit & Loss Account.	18.85	16.17
(b)	One of the customers has lodged a claim for damages for pre-closure of the contract. The company has disputed the claim basis Force Majeure condition. In case of non acceptance of the stand taken by the company the amount will be debited to the Profit & Loss account.	85.20	85.20
3	Others		
(a)	The New Mangalore Port Trust (NMPT) has claimed from the company notified wharfage charges for handling cargo at oil berths. The company has claimed that Memorandum of understanding, on completion provides for mutually agreeable rate subject to Ministry of Shipping approval. The issue is before the Minister of Shipping. The differential amount between the notified wharfage rate and the wharfage rate being paid by the company, if any, will be debited / credited to the Profit & Loss Account in the year of such settlement.	1,288.07	606.42
(b)	This represents the potential liability which the company has undertaken towards reimbursement to lessors in case of any liability in their respective tax assessments. In case of any claim by lessors the same will be debited to Profit & Loss Account.	133.67	133.67
(c)	The claim of Mangalore SEZ Ltd. over and above the advance paid for land and rehabilitation & resettlement work.	37.43	-
	Total	1,907.58	1,193.93

In respect of all these claims, which are 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.

30.11.03 Disputed tax / Duty demands pending in appeal:

- a) Income Tax: ₹ 1123.40 Million (Previous Year ₹ 373.90 Million). (against this ₹ 1000.92 Million is adjusted / paid under protest and is included under loans & advances. Note 21)
- b) Commercial Tax: ₹ 321.49 Million (Previous Year ₹ 1217.84 Million) – includes ₹ 321.49 Million (Previous Year ₹ 524.87 Million) relating to projects.
- c) Excise Duty: ₹ 488.10 Million (Previous Year ₹ 360.26 Million). (against this ₹ 27.01 Million is paid under protest and is included under loans & advances Note -20)
- d) Customs Duty: ₹ 647.54 Million (previous year ₹ 130.19 Million).

30.11.04 a) The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 31,185.31 Million (Previous Year ₹ 57,527.76 Million).

- b) Other commitments
- i) ECB Loan to be availed USD 200 million
- ii) ONGC Loan to be availed ₹ 24000 million
- iii) Pending commitment on account of Refinery performance improvement programme by M/s.Shell Global International Solution (M/s.Shell GIS) USD 0.50 Million USD

30.12 Foreign Exchange exposures

30.12.01 Exposures not hedged by Derivative instruments or otherwise (net):

(₹ in Million)

Particulars.	2011-2012		2010-2011	
	Foreign Currency	Equivalent Rupees	Foreign Currency	Equivalent Rupees
Imports USD	2,476.18	127,597.56	1,548.58	69,902.90
Creditors USD	0.03	1.55	0.01	0.32
Exports USD	200.79	10,222.22	211.43	9,351.55
Loans USD	410.00	21,127.30	Nil	Nil

30.12.02 Value of Imports on CIF basis:

(₹ in Million)

Particulars	2011-2012	2010-2011
Capital Goods	1396.91	0.76
Raw materials	476,186.50	306,596.89
Stores, Spares & Chemicals	316.25	659.35

30.12.03 Expenditure in Foreign Currency: (₹ in Million)

Interest	73.30	Nil
Others	85.85	105.34

30.12.04 Earnings in Foreign Currency (₹ in Million)

Exports (FOB Value)	234,183.24	146,024.71
Deputation of Specialists	Nil	6.87



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30.13 Auditor's Remuneration:

As Auditor	1.50	1.50
For taxation Matters	0.38	0.38
For Company law Matters	0.03	0.03
For Certification Fees	1.60	0.85
For other services	0.20	0.20
Reimbursement of Expenses	1.71	1.63

30.14 Consumption of Raw Materials, Trading Goods, Stores, Spares and Chemicals

(₹ in Million)

Particulars	2011-2012		2010-2011	
	Value in ₹ Million	(%)	Value in ₹ Million	(%)
Raw Material: Crude Oil				
Imported	444,149.47	86.69%	320,131.12	86.01%
Indigenous	68,100.07	13.29%	51,964.65	13.96%
CRMB Modifier Cost				
Imported				
Indigenous	117.82	0.02%	97.60	0.03%
Total	512,367.35	100.00%	372,193.37	100.00%
Stores, Spares and Chemicals (Gross)				
Imported	407.07	42.84%	382.12	51.82%
Indigenous	543.04	57.16%	355.27	48.18%
Total	950.11	100.00%	737.39	100.00%

30.15 The details about Non-resident shareholders are as follows:

Particulars	As on 31.03.12	As on 31.03.11
Number of Non-resident shareholders	20,434	22,415
No. of shares held by Non-resident shareholders	26,447,524	28,201,675
Dividend remitted to Non-resident shareholders during the year	₹ 42.42 Million	₹ 33.84 Million

30.16 Loans and Advances :

Loans and advances (Note 20) include refund claims for Custom Duty on project imports ₹ 378.71 Million (Previous year ₹ 378.71 Million) and Commercial Taxes ₹ 548.48 Million (previous year ₹ 476.34 Million). A further refund due towards Commercial Taxes ₹ 2,884.43 Million is also included therein for which there is a matching liability to pay to customers on receipt of the refund which is included under other current liabilities - liability for statutory payments(Note 10).

30.17 Commercial Tax incentives:

30.17.01 The Company, as per the Government of Karnataka notification, is entitled to Sales Tax deferment loan as follows:

Refinery Project	Amount (₹ in Million)	Availment period
Phase I (3 MMTPA)	400.00 per annum	11 years from the date of issue of notification viz, 29th August 1998
Phase II (6 MMTPA)	2,500.00 per annum *	14 years from the date of issue of notification viz., 14th August 2000

* Can also be availed as exemption of CST.

30.17.02 The Sales tax deferment loan shown under Unsecured Loans (Note-4) includes a sum of ₹ 290.17 Million (Previous Year ₹ 290.17 Million) relating to CST on excise duty included under refund from Commercial Tax Department (Note 20) for the years 2000-01 and 2001-02, which were earlier paid under protest and are now being claimed as sales tax deferment loan by the Company.

30.18 The Company is yet to receive response for its confirmation letters from some of the trade receivables , Loans and Advances and trade payables. Reconciliation and adjustment will be effected on receipt of confirmations, which in the opinion of the management will not be significant.

30.19 Following expenses are included under other heads of expenses

Insurance charges amounting to ₹ 20.22 Million (Previous year ₹ 17.13 Million) relating to crude purchase and staff welfare has been charged under respective heads.

30.20 Dues to Micro, Small & Medium enterprises:

The classification of the suppliers under Micro, Small and Medium Enterprises Development Act, 2006 is made on the basis of information made available to the company. The Company has neither paid any interest in the terms Section 16 of the above said Act nor any interest remain unpaid and no payments were made beyond the 'appointed date' to such enterprises during the year ended 31.03.2012. Amount outstanding to these enterprises for the year ended 31st March, 2012 is ₹ Nil (Previous year: ₹ Nil)

30.21 The financial statements for the year ended March, 31,2011 had been prepared as per the then applicable , pre Revised Shedule VI to the Companies Act,1956 . Consequent to the notification of Revised Schedule VI under the Companies Act,1956, the financial statements for the year ended March,31,2012 are prepared as per Revised Schedule VI. Accordingly, the previous year's figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year's figures does not impact recognition and measurement principles followed for preparation of financial statements.

As per our report of even date attached

For MAHARAJ N.R.SURESH & Co
Chartered Accountants
Firm Registration No. : 001931S

CA N R SURESH
Partner
Membership No. 021661
New Delhi : 23rd May, 2012

For and on behalf of the Board

For GOPALAIYER AND SUBRAMANIAN
Chartered Accountants
Firm Registration No. : 000960S

SUDHIR VASUDEVA
Chairman

CA S. SUNDAR
Partner
Membership No. 202725

U. K. BASU
Managing Director

DINESH MISHRA
Company Secretary

VISHNU AGRAWAL
Director (Finance)

Mangalore Refinery and Petrochemicals Limited

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2011-2012

Corporate Governance is based on principles of conducting business with all integrity and fairness, being transparent with regard to all transactions making all disclosures, complying with laws of land, accountability and responsibility towards the shareholders and commitment to conduct the business in an ethical manner.

We at MRPL are committed to good governance practices that create long-term sustainable value for its stakeholders. Our Corporate Governance framework is based on the following principles:

- Ensuring maximum disclosure of information to the Board/Committees of the Board for meaningful and focused discussions in meetings;
- Committed to a transparent system and values;
- 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.

1) BOARD OF DIRECTORS:

A) COMPOSITION OF DIRECTORS AS ON 31/03/2012

Executive Directors	:	3
Non Executive Directors	:	6
Including Three Independent Directors)		

(i) BOARD OF DIRECTORS AS ON 31.03.2012

Director	Executive/ Non-Executive	Category	No. of other Directorship		No. of outside Committees	
			Public	Private	Member	Chairman
Shri Sudhir Vasudeva	Chairman Non-Executive	Promoter Company's Director	7	1	-	-
Shri U.K. Basu	Executive	Managing Director	2	1	-	1
Shri P.P. Upadhyaya	Executive	Director (Technical)	1	-	1	-
Shri Vishnu Agrawal	Executive	Director (Finance)	1	1	-	-
Shri Vivek Kumar	Non-Executive	Government Director	1	-	-	1
Shri K. Murali	Non-Executive	Promoter Company's Director	5	-	-	-
Dr. A.K.Rath	Non-Executive	Independent Director	2	-	3	3
Shri.B Ravindranath	Non-Executive	Independent Director	3	-	1	-
Dr. D. Chandrasekharam	Non-Executive	Independent Director	3	1	-	1

BRIEF RESUME OF BOARD OF DIRECTORS (QUALIFICATION/ EXPERTISE IN TERMS OF CLAUSE 49 (G) OF THE LISTING AGREEMENT)

Director	Brief Resume (Qualification/ Expertise)	Name of the other Companies/Firms where Directorship held
Shri Sudhir Vasudeva	Shri Sudhir Vasudeva is also Chairman & Managing Director in ONGC. He is a Chemical Engineer and a Management Graduate. He joined ONGC as an executive trainee in the first batch, 1976, and after topping in the batch he worked his way up, with majority of his assignments in offshore oil field. Known across ONGC for his team management capabilities, Shri Sudhir Vasudeva before taking over as a C & ND was Director offshore.	<ol style="list-style-type: none"> 1. Oil and Natural Gas Corporation Limited. 2. ONGC Videsh Limited. 3. Pawan Hans Helicopters Limited. 4. ONGC Petro- additions Limited. 5. Mangalore SEZ Limited. 6. ONGC Tripura Power Company Limited. 7. Petronet LNG Limited. 8. ONGC Mangalore Petrochemicals Limited.
Shri U.K. Basu	Shri Uttam Kumar Basu, a Chemical Engineer, carries with him over 3 decades of professional experience in Refinery Operations & Management in India's foremost Fortune Global 200 Oil company-Indian Oil Corporation Ltd. Shri U K Basu made his mark in Indian Oil & in the Indian Oil Refining Sector through his contribution during "construction to commissioning" of Mathura Refinery's Capacity Augmentation Project, and that of Panipat Refinery. He also served in various capacities in Indian Oil Refinery Headquarters and in the refineries at Mathura, Haldia, Barauni, Panipat and Gujarat ranging from the company's largest to the most modern.	<ol style="list-style-type: none"> 1. Shell MRPL Aviation Fuel and Services Private Limited. 2. ONGC Mangalore Petrochemicals Limited. 3. Petronet MHB Limited.
Shri P.P. Upadhyaya	Shri P.P.Upadhyaya is a Chemical Engineer and holds Masters in Engineering in Chemical Plant Design. Shri P.P.Upadhyaya started his professional career in India's foremost Fortune Global 200 Oil Company – Indian Oil Corporation Limited in 1978 and served for nearly 15 years before he joined Mangalore Refinery and Petrochemicals Limited in 1993 and played vital role in steering MRPL to unprecedented heights in the refinery performance. Shri P.P.Upadhyaya carries with him over 3 decades of professional experience in Refinery Operation and Management.	<ol style="list-style-type: none"> 1. Petronet MHB Limited.
Shri Vishnu Agrawal	Shri Vishnu Agrawal is a fellow member of the Institute of Chartered Accountants of India and has over 30 years of functional experience in Finance and Accounts, Commercial, International Trade, Treasury, Corporate Finance, Marketing, Management Information Systems – Primarily in Oil Sector (both in down stream and upstream sector). He was instrumental in achieving many mile-stones in IOCL and ONGC. He has got credit to his account in contributing development of various systems and procedures and various system software for upgraded computerization.	<ol style="list-style-type: none"> 1. Shell MRPL Aviation Fuels and Services Private Limited. 2. Mangalore SEZ Limited.



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Shri Vivek Kumar	Shri Vivek Kumar is an I.A.S Officer and Joint Secretary (MOP & NG) and has over 17 years experience in Public Affairs having held different administrative posts in West Bengal. He has worked with West Bengal Rural Energy Development Corporation Limited as Executive Director. He has designed and implemented innovative schemes for power distribution in the countryside as a part of Power Sector reforms in the country.	1. ONGC Videsh Limited
Shri K. Murali	Shri K Murali is Director (Refineries) HPCL. He is a Chemical Engineer having wide experience in refinery operations. During his long career spanning more than 30 years, he has handled various critical positions including as head of both the refineries of HPCL at Mumbai and Visakhapatnam.	1. Hindustan Petroleum Corporation Limited. 2. HPCL - Mittal Energy Limited. 3. HPCL - Bio Fuels Limited. 4. Creda - HPCL Bio Fuels Limited. 5. Prize Petroleum Company Limited.
Dr. A.K.Rath	Presently, Dr.A.K.Rath is Chairman and Professor of Centre for CG & SR at IMI, New Delhi. He was an IAS Officer has put in over 35 years of service in the Government of India. He has served as a Director in SAIL, RINL, NMDC, KIOCL and MECON during his tenure as Additional Secretary and Financial Advisor in the Ministry of Steel, Secretary Ministry of HRD GOI. He was the architect of the land mark bill "Right of Children to Free and Compulsory Education Bill, 2008".	1. Coal India Limited. 2. Mahanadi Coalfield Limited.
Shri.B Ravindranath	Shri B. Ravindranath, a Mechanical Engineer, is the nominee director of IDBI Bank Ltd. (IDBI), one of the sponsors of Arcil. Shri B. Ravindranath presently holds the position of Executive Director of IDBI. He joined IDBI in 1982 as Industrial Finance Officer. His significant contribution in the Corporate Finance Department and in the Project Appraisal Department at Head Office handling various industrial / infrastructure projects on his portfolio saw him rapidly climbing the corporate ladder. He headed the Southern Regional Office of IDBI, His leadership of the Southern Zone ensured phenomenal business growth in that zone.	1. IDBI Infratin Limited. 2. Stock Holding Corporation of India Limited. 3. Asset Reconstruction Company (I) Limited.
Dr. D. Chandrasekharam	Dr. D. Chandrasekharam is a Professor in the Department of Earth Sciences, Indian Institute of Technology Bombay. He obtained his M.Sc. degree in Applied Geology in 1972 and Ph.D. (Thesis: Tectonism and Volcanism of the Deccan Traps) in 1979. He is working in the fields of volcanology, groundwater pollution and geothermics over the past 30 years. With his vast experience in geothermics, Indian Institute of Technology Bombay encouraged him to incubate M/s GeoSyndicate Power Private Ltd., the only geothermal company in India. He is currently the Chairman of M/s GeoSyndicate Power Private Ltd, India. He is also a member of the Advisory committee of the ONGC Energy Centre.	1. Geosyndicate Power Private Limited. 2. Indian Rare Earths Limited. 3. Western Coalfields Limited. 4. Oil and Natural Gas Corporation Limited.

Note: At present there are Three Independent Directors on the Board which constitute 1/3rd of Board strength. The company has taken up with Ministry of Petroleum and Natural Gas (MOP&NG) Government of India for appointment of requisite number of independent Directors to comply with the requirement of Clause 49 (I) (A) (ii) of the listing agreement.

(ii) PAST DIRECTORS

Director	Executive/ Non-Executive	Category	No. of other Directorship		No. of outside Committees	
			Public	Private	Member	Chairman
Shri A.K.Hazarika	Non-Executive	Promoter Company's Director	7	-	-	-
Shri D.K.Sarraf	Non-Executive	Promoter Company's Director	7	-	3	-
Shri K.S. Jamestin	Non-Executive	Promoter Company's Director	4	-	2	-

(iii) CHANGES IN THE BOARD OF DIRECTORS DURING 2011-2012

Director	Date of Appointment	Date of Cessation	Remarks
Shri Vishnu Agrawal	01/04/2011	Not Applicable	Pursuant to order dated 01/04/2011 by Ministry of Petroleum & Natural Gas, (MoP&NG), Government of India Shri Vishnu Agrawal was appointed as Director (Finance).
Shri D. K. Sarraf	29/07/2010	16/09/2011	Resigned from the Board of MRPL consequent upon his appointment as Managing Director on the Board of ONGC Videsh Limited.
Shri K.S Jamestin	26/09/2011	31/10/2011	ONGC had nominated Shri K.S.Jamestin as a Director on the Board in place of Shri D.K.Sarraf to fill the casual vacancy. The nomination of Shri K.S.Jamestin as a Director has been withdrawn by ONGC the parent company, from the Board of MRPL for optimizing the strength of the Board in compliance with Clause 3.1.3 of the mandatory Guidelines of Corporate Governance for Central Public Sector Enterprises (CPSE) issued by Department of Public Enterprises (DPE), Government of India Shri K.S Jamestin is continuing as special invitee on the Board.
Shri A.K.Hazarika	01/02/2011	31/10/2011	ONGC had nominated Shri A.K.Hazarika as a Chairman / Director on the Board in place of Shri R.S.Sharma consequent upon his superannuation from the services of ONGC. The nomination of Shri A.K.Hazarika as a Director has been withdrawn by ONGC the parent company, from the Board of MRPL for optimizing the strength of the Board in compliance with Clause 3.1.3 of the mandatory Guidelines of Corporate Governance for Central Public Sector Enterprises (CPSE) issued by Department of Public Enterprises (DPE), Government of India Shri A.K.Hazarika is continuing as special invitee on the Board.
Dr. D. Chandrasekharam	10/01/2012	Not Applicable	Pursuant to the nomination of ONGC the parent company, in terms of Clause 6.1 of the Guidelines on Corporate Governance of Central Public Sector Enterprises (CPSE) issued by Department of Public Enterprises (DPE), Government of India Dr. D. Chandrasekharam has been appointed as Independent Director

Mangalore Refinery and Petrochemicals Limited

(iv) **CHANGES IN THE BOARD OF DIRECTORS AFTER 31/03/2012**

- Shri U.K. Basu, Managing Director has been superannuated from the services on 30/06/2012.
- Shri P.P. Upadhyaya has assumed the charge of Managing Director w.e.f. 01/07/2012.

A) **ATTENDANCE OF DIRECTORS AT THE BOARD MEETING HELD DURING THE FINANCIAL YEAR 2011-12 AND 23rd ANNUAL GENERAL MEETING HELD ON 27/08/2011**

(i) **DETAILS OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2011-12.**

Date of meeting	Meeting no.	Place
30.04.2011	160	Mangalore
20.05.2011	161	New Delhi
23.06.2011	162	New Delhi
26.07.2011	163	New Delhi
27.08.2011	164	Mangalore
26.09.2011	165	New Delhi
21.10.2011	166	New Delhi
25.11.2011	167	Mumbai
24.01.2012	168	New Delhi
10.03.2012	169	New Delhi

Note: During the year 2011-12 total 10 Board Meetings were held.

(ii) **ATTENDANCE OF DIRECTORS DURING THE YEAR 2011-12.**

Director	No. of Board Meetings attended	Attended Last AGM
Shri Sudhir Vasudeva	10	Yes
Shri U.K Basu	10	Yes
Shri P.P. Upadhyaya	10	Yes
Shri Vishnu Agrawal	9	Yes
Shri Vivek Kumar	7	No
Shri K. Murali	6	Yes
Shri B. Ravindranath	9	Yes
Dr. A. K. Rath	9	Yes
Dr. D. Chandrasekharam	2	No

(iii) **ATTENDANCE OF THE PAST DIRECTORS DURING THE YEAR 2011-12.**

Director	No. of Board Meetings attended	Attended Last AGM
Shri D.K. Sarraf	3	No
Shri A.K. Hazarika	7	Yes
Shri K S Jamestin	1	No

Shri D. K. Sarraf has resigned from the Board of MRPL consequent upon his appointment as Managing Director on the Board of ONGC Videsh Limited.

The nomination of Shri A.K.Hazarika, and Shri K.S.Jamestin, was withdrawn by ONGC the parent company with effect from 31/10/2011 for optimizing the strength of the Board in compliance with Clause 3.1.3 of the mandatory Guidelines of Corporate Governance for Central Public Sector Enterprises (CPSE) issued by Department of Public Enterprises (DPE), Government of India. Shri A.K.Hazarika and Shri K.S.Jamestin are continuing as special invitees on the Board of the company.

2) **AUDIT COMMITTEE**

(i) **TERMS OF REFERENCE:**

The Audit Committee was constituted on the terms of reference as prescribed under Section 292A of the Companies Act, 1956, Clause 49 of the Listing Agreement with the Stock Exchanges, and Guidelines on Corporate Governance for Central Public Sector Enterprise issued by Department of Public Enterprise (DPE), Government of India.

(ii) **COMPOSITION OF AUDIT COMMITTEE AS ON 31.03.2012**

Members of Audit Committee	Category
Shri B. Ravindranath	Chairman (Independent Director)
Dr. A.K. Rath	Member (Independent Director)
Dr. D. Chandrasekharam	Member (Independent Director) *
Shri K. Murali	Member

* Dr. D. Chandrasekharam has been inducted in to Audit Committee as a Member w.e.f. 07.02.2012.

Note:

- The Company complies with the requirement of Clause 49 (II) (A) of the listing agreement as regards to constitution of the audit committee.
- Director (Finance), Director (Technical) and General Manager (Internal Audit) are the permanent invitees to the Audit Committee meetings.
- Company Secretary is the Secretary to the Audit Committee.
- Statutory Auditors are special invitee while reviewing the financial accounts by the Audit Committee

(iii) **DETAILS OF THE AUDIT COMMITTEE MEETING HELD DURING THE FINANCIAL YEAR 2011-12**

Date of Meeting	Meeting no.	No. of members attended
20.05.2011	47	4
26.07.2011	48	4
26.08.2011	49	3
21.10.2011	50	2
24.01.2012	51	2

Note: During the year 2011-12 total 5 Audit Committee Meetings were held.

(iv) **ATTENDANCE IN AUDIT COMMITTEE MEETINGS.**

Members of Audit Committee	No. of Meetings attended	Remarks
Shri B. Ravindranath	4	
Shri Sudhir Vasudeva	2	Past member
Shri K. Murali	4	
Dr. A. K. Rath	5	
Dr. D. Chandrasekharam		New member since 10/01/2012

3) **REMUNERATION COMMITTEE:**

MRPL being a Government Company and CPSE, appointment, terms and conditions of remuneration of Managing Directors and Functional Directors (Whole-time Directors) are determined by the Government of India

Pursuant to Clause 49 of the Listing Agreement and also by DPE guidelines on Corporate Governance for CPSE, the Company has constituted a Remuneration Committee in April 2009. During the year 2011-12 total 3 Remuneration Committee Meetings were held. The Committee comprises following Directors as on 31/03/2012:

Members of Remuneration Committee	Attendance of Members
Dr. A.K. Rath Chairman (Independent Director)	3
Shri B. Ravindranath Member (Independent Director)	3
Shri Vivek Kumar Member (Government Director)	2

The Company pays the sitting fees only to Independent Directors for attending the Board Sub-Committee and Board meetings.



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(i) DETAILS OF REMUNERATION (SITTING FEES) PAID TO THE INDEPENDENT DIRECTORS DURING FY 2011-12:

Independent Directors	Sitting Fees (₹)
Shri B. Ravindranath	3,45,000
Dr. A. K. Rath	4,20,000
Dr. D.Chandrasekharam	30,000

(ii) DETAILS OF REMUNERATION PAID TO MANAGING DIRECTOR, DIRECTOR (FINANCE) AND DIRECTOR (TECHNICAL) DURING FY 2011-12 ON PAID BASIS :

(Amount in ₹)

Particulars	Managing Director	Director (Technical)	Director (Finance)	Total
Salaries and Allowances	35,64,781	24,12,778	17,74,167	77,51,726
Contribution to PF & Other Funds	3,95,635	3,39,697	3,24,647	10,59,952
Other Perquisites & Benefits	2,69,081	-	-	-
Total	42,29,497	27,52,448	20,98,814	90,80,759

Service Contract	5 years or the date of superannuation whichever is earlier
Notice period	Three Months Notice or on payment of three months salary in lieu thereof.
Severance fees	Not Applicable
Stock Options details (if any)	Not Applicable
Whether issued at discount	Not Applicable
Period over which it is accrued and is exercisable	Not Applicable

(iii) DIRECTOR'S SHAREHOLDING:

The following Directors are holding Equity shares of the Company as on 31/03/2012:

Name of the Director	No. of Shares held
Shri Sudhir Vasudeva	300
Shri Vishnu Agrawal	50

4) SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

- (i) The Company has constituted Shareholders'/ Investors' Grievance Committee pursuant to Clause 49(IV) (G) (iii) of Listing Agreement and Guidelines issued by SEBI.

COMPOSITION OF SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE AS ON 31/03/2012.

Members of Shareholders'/ Investors' Grievance Committee	Category
Shri B. Ravindranath	Chairman (Independent Director)
Shri U.K. Basu	Member
Shri P.P. Upadhyaya	Member
Shri Vishnu Agrawal	Member
Dr. A.K. Rath	Member (Independent Director)
Dr. D. Chandrasekharam	Member (Independent Director)

- (ii) A Share Transfer Committee is constituted to approve transfer, transmission, Dematerialization, rematerialization etc.

Note:

- Name and Designation of the Compliance officer: Shri Dinesh Mishra, Company Secretary.
- No. of Shareholder's complaints received during the FY 2011-2012: 101
- No. of complaints remains unresolved during the FY 2011-2012: NIL
- No. of pending share transfers as on 31/03/2012 : NIL

5) DETAILS OF GENERAL BODY MEETINGS

- (i) Location, place and time where last 3 AGMs were held

Year	Location	Date	Time
2011	Registered Office of the Company Mudapadav, Kuthethoor P.O. Via Katipalla, Mangalore -575 030	27/08/2011	4.00 p.m
2010	Registered Office of the Company Mudapadav, Kuthethoor P.O. Via Katipalla, Mangalore -575 030	04/09/2010	3.30 p.m
2009	Registered Office of the Company Mudapadav, Kuthethoor P.O. Via Katipalla, Mangalore -575 030	19/09/2009	3.30 p.m

- (ii) Whether any special resolutions passed in the previous 3 AGMs?

One special resolution was passed in the 21st AGM for:

- Increasing the number of Directors in MRPL Board from 12 to 16, and
- Decreasing the number of Nominee Directors of ONGC from 2 to 1 for the purpose of Quorum for the Board Meeting

One special resolution was passed in the 22nd AGM for:

Appointment of Dr. A.K. Rath as Independent Director of the company liable to retire by rotation

- (iii) Any special resolutions were put through Postal ballot last year:

No special resolution was put through postal ballot in the last AGM.

- (iv) Persons who conducted the Postal Ballot exercise:

Not Applicable.

- (v) Procedure for Postal Ballot:

Not Applicable.

6) DISCLOSURES:

- (i) MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

- (a) The Company is a State controlled enterprise and there are no transactions to be disclosed as per the Accounting Standard 18 (AS - 18) of Related Party Disclosures issued by the Institute of Chartered Accountants of India except 'b' and 'c' mentioned below.

- (b) Key Management Personnel:

Whole-time Directors:

Shri U.K. Basu : Managing Director

Shri P.P. Upadhyaya : Director (Technical)

Shri Vishnu Agrawal : Director (Finance)

Details of Transactions during financial year 2011-2012:

The Remuneration paid to Managing Director, Director (Technical) and Director (Finance) for the FY 2011-12.

- Salaries and Allowances ₹ 77,51,726 Million including Performance Related Pay as per Department of Public Enterprise guideline dated 9th Feb, 2009.
- Contribution to Provident Fund ₹ 10,59,952 Million.
- Other perquisite and benefits ₹ 2,69,081 Million.

(Excluding accrued leave salary and gratuity since the same is not available for individual employees)

Mangalore Refinery and Petrochemicals Limited

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

Name	Relationship	Nature of Transaction
ONGC Mangalore Petrochemicals Limited	Associate	Details furnished in Note-30 (Notes to Accounts)
Shell MRPL Aviation Fuel & Services Private Limited.	Joint Venture	
Mangalam Retail Services Limited	Joint Venture	
Mangalore SEZ Limited	Associate	

(ii) 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: NIL

(iii) **Non- Mandatory Requirements:**

- a) The Company maintains a Chairman's office at its expense.
- b) MRPL being a Government Company, appointment and terms and conditions of remuneration of Executive Directors (whole-time directors) are determined by the President of India except the Performance Related Pay which is approved by the Remuneration Committee within the limits fixed under DPE Guidelines.
- c) As the Company's Quarterly/ Half Yearly Financial results are displayed on the website of the company, the half-yearly report is not sent to each Shareholders residence.
- d) There are no qualifications in the Auditor's report on the financial statements to the shareholders of the Company.
- e) There is no formal policy at present for training of the Board members of the Company as the members of the Board are eminent and experienced professionals. However, the company is planning to conduct suitable training for Board Members.
- f) There is no formal mechanism existing in performance evaluation of non-executive directors.
- g) Whistle Blower Policy: The Company has formulated a Whistle Blower policy which has been approved by the Board.
- h) The company mandatorily complies with all the Accounting Standards issued by ICAI from time to time except Accounting Standard-17 Segment Reporting, in respect of which reference has been made to the Expert Advisory Committee of the ICAI.

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

The Board at its meeting held on 30/01/2006, has adopted a Code of Conduct ('Code') for Members of the Board and Senior Management. This Code is a comprehensive code applicable to Executive and Non-executive Directors as well as members of the Senior Management i.e. Managerial Personnel at the level of Group General Manager and above of the Company. A copy of the Code has been placed on the Company's website www.mrpl.co.in

The Code has been circulated to all the members of the Board and Senior Management and compliance of the same has been affirmed by them. A declaration signed by Managing Director is given below:

I hereby confirm that:

The Company has obtained affirmation from all the members of the Board and Senior Management that they have complied with the Code of Conduct for Members of Board and Senior Management, in respect of the financial year 2011-12.

P.P. Upadhya
Managing Director

(v) **MRPL CODE ON INSIDER TRADING**

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2008 the Board has approved the amended "Code of Conduct for Prevention of Insider Trading". This Code is followed by all Designated Employees of the Company.

(vi) **CEO & CFO CERTIFICATION**

In terms of revised Clause 49 of the Listing Agreement, the certification by the CEO & CFO on the financial statements and internal controls relating to financial reporting has been obtained.

7) MEANS OF COMMUNICATION:

- i) Quarterly Results : Quarterly Results of the Company are published in Business Standard (English), Udayavani -Manipal (Kannada) 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 sent to the Stock Exchanges.
- iii) Presentation to Institutional Investors /Analysts : No
- iv) Website : The Company's website www.mrpl.co.in contains a separate dedicated section 'Investor Services' where shareholders information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form.
- v) Annual Report : Annual Report containing, inter-alia, Audited Annual Accounts, Consolidated Financial Statements, Director's Report, Auditor's Report and other entitled thereto. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report and is displayed on the Company's website www.mrpl.co.in
- vi) Chairman's Communique : Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meetings. The same is also placed on the website of the Company and sent to Stock Exchanges and published in leading Newspapers.
- vii) Reminder to Investors : Reminders for unclaimed shares, unpaid dividend/unpaid interest or redemption amount on debentures are sent to the shareholders/debenture holders as per records every year.
- viii) Corporate Filing and Dissemination System(CFDS) : The CFDS portal jointly owned, managed and maintained by BSE and NSE is a single source to view information filed by listed companies. All disclosures and communications to BSE & NSE are filed electronically through the CFDS portal and hard copies of the said disclosures and correspondence are also filed
- ix) NSE Electronic Application Processing System (NEAPS) : The NEAPS is web based application designed by NSE for corporate, The Shareholding Pattern and Corporate Governance Report are also filed electronically on NEAPS.



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- x) SEBI Complaints Redress System (SCORES) : The investors complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- xi) Designated Exclusive email-id : The Company has designated the following e-mail-ids exclusively for investor servicing.
- a) For queries on Annual Report- investor@mrplindia.com
- b) For queries in respect of shares in physical mode- mrplirc@linkintime.co.in

8) GENERAL SHAREHOLDERS INFORMATION

24th ANNUAL GENERAL MEETING

- (i) Company Registration Details : The Company is registered in the State of Karnataka, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L85110KA1988GOI008959
- (ii) Day, Date, Time and Venue : 15th September, 2012, Saturday at 4.00 p.m., Registered Office: Mudapadav, Kuthethoor P.O.Via Katipalla, Mangalore -575 030
- (iii) Financial Year : 01/04/2011 to 31/03/2012.
- (iv) Date of Book Closure : 14th July 2012, Saturday, to 28th July 2012, Saturday (both days inclusive) for payment of dividend. Dividend will be paid only after obtaining approval by the Shareholders at the 24th Annual General Meeting to be held on 15th September, 2012.
- (v) Dividend Payment Date
- (vi) Listing on Stock Exchange
- A) Equity Shares : 1) Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 Scrip Code: 500109
- 2) The National Stock Exchange of India Limited, Exchange Plaza, Bandra (E), Mumbai - 400 051 Trading Symbol: MRPL ISIN: INE103A01014
- B) Payment of Listing Fees : Annual listing fee for the year 2012-13 has been paid by the Company to BSE and NSE.
- C) Payment of Depository Fees : Annual Custody/ Issuer fee for the year 2012-13 has been paid by the Company to NSDL and CDSL.
- (vii) Brief Resume of all Directors 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 Clause 49 of Listing agreement with Stock exchanges are provided in this report which forms part of the Annual Report.

(viii) Market Price Data

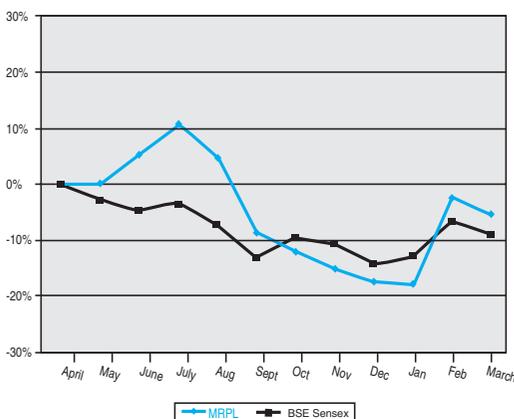
Month (2011-2012)	National Stock Exchange		Bombay Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2011	76.4	64.25	76.50	64.25
May 2011	76.65	67.85	76.65	67.90
June 2011	80.6	71	80.60	71.10
July 2011	84.5	76.8	84.75	76.50
August 2011	80.3	57.7	80.20	57.50
September 2011	69.75	61.1	69.90	61.35
October 2011	67.9	58.1	67.40	59.05
November 2011	66.9	56.2	65.00	58.45
December 2011	69	49.3	63.15	50.00
January 2012	62.2	50.25	62.90	51.00
February 2012	73.95	60.2	74.75	60.00
March 2012	72.45	58.3	72.40	58.25

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

NSE (NIFTY) 2011-12



BSE SENSEX 2011-12



- (x) Registrar and Transfer Agent: M/s Link Intime India Private Limited., C - 13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (W), Mumbai - 400 078 have been appointed as Company's R&T Agent w.e.f 1/1/2010. Earlier, M/s MCS Ltd was our R&T Agent upto 31/12/09 as per the terms of contract of appointment.

Mangalore Refinery and Petrochemicals Limited

(xi) Share transfer system:

The share transfer work is being handled by Company's R&T agents, M/s. Link Intime India Pvt Ltd., who also having connectivity with the depository's viz. NSDL and CDSL. The transfers are approved by the Share transfer Committee on weekly basis. Share transfers are registered and dispatched within a period of 30 days from the date of receipt provided they are complete in all respects.

(xii) Distribution of Shareholding as on 31/03/2012.

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	244489	249317	43578567	43203589	2.49	2.47
501-1000	1061	15205	815025	12156799	0.05	0.69
1001-2000	190	5385	277507	8141413	0.02	0.46
2001-3000	28	0.1447	70325	3698982	0	0.21
3001-4000	10	519	35208	1870757	0	0.11
4001-5000	16	460	75450	2170849	0	0.12
5001-10000	12	596	88150	4293977	0.01	0.25
10001 & above	8	410	247700	1631874479	0.01	93.11
Total	245814	273339	45187932	1707410845	2.58	97.42

(xiii) Shareholding Pattern as on 31/03/2012.

Particulars	No. of Shares	Percentage
Oil and Natural Gas Corporation Ltd.	1255354097	71.62
Hindustan Petroleum Corporation Ltd.	297153518	16.96
Resident Individuals	115169346	6.57
Non Resident Individuals	8744814	0.5
Domestic Companies	15255884	0.87
Overseas Corporate Bodies	17702710	1.01
GIC & Subsidiaries/Banks & Financial Institutions/Mutual Funds	43202453	2.47
Central/State Govt. Institutions	2700	0
Trusts	13255	0
Total	1752598777	100

(xiv) Dematerialization of Shares and liquidity

As on 31st March 2012, 170,74,10,845 equity shares representing 97.42 %, is in dematerialized form.

Both the promoters, ONGC and HPCL holdings are in dematerialized form pursuant to SEBI circular dated 17.06.2011.

(xv) Unclaimed/Undelivered Shares

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;	10098	1198725
2	Number of shareholders who approached the company for their undelivered shares during the year;	874	173700
3	Number of shareholders to whom undelivered shares were returned / re-posted during the year;	874	173700
4	Aggregate number of shareholders and the outstanding shares in the "Unclaimed Share Suspense Account" lying at the end of the year;	9224	1025025

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

(xvii) Plant Location : Mudapadav, Kuthethoor P.O.Via Katipalla, Mangalore-575 030, Karnataka.

(xviii) Address for Correspondence:

REGISTERED OFFICE AND INVESTOR RELATIONS CELL:

Mangalore Refinery and Petrochemicals Limited (MRPL)

Mudapadav, Kuthethoor, P.O.Via Katipalla, Mangalore-575 030, Karnataka.

Tele.No.:0824-2270400 Fax No.: 0824-2271404

Email: investor@mrplindia.com

Website: www.mrpl.co.in

M/S Link Intime India Private Limited, (R&T Agent)

UNIT: MRPL C - 13, Pannalal Silk Mills Compound,

L. B. S. Marg, Bhandup (West), Mumbai - 400 078.

Tele. No.: 25946970, 25963838, Fax No.: 25946969

Email: mrplirc@linkintime.co.in

Website: www.linkintime.co.in



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AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

The Members,
Mangalore Refinery and Petrochemicals Limited
Mangalore.

We have examined the compliance of conditions of Corporate Governance by M/s. Mangalore Refinery and Petrochemicals Limited for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange(s).

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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement except relating to appointment of Independent Directors other than government nominees on the Board/Audit committee of the company, which is being pursued with the Ministry of Petroleum and Natural Gas, Government of India.

We state that no investor grievance is pending with the company as at 31st March, 2012 for a period exceeding one month against the Company as per the records maintained and certified by the Company/Registrar and Transfer Agents of the Company.

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 **MAHARAJ N.R.SURESH & Co**
Chartered Accountants
Firm Registration No. : 001931S

CA N R SURESH
Partner
Membership No. 021661

New Delhi : 23rd May, 2012

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants
Firm Registration No. : 000960S

CA S. SUNDAR
Partner
Membership No. 202725

SECRETARIAL AUDIT REPORT

To,
The Board of Directors,
Mangalore Refinery and Petrochemicals Ltd.

We have examined the registers, records and documents of Mangalore Refinery and Petrochemicals Ltd. (the Company) for the financial year ended on 31.3.2012 according to the provisions of:

- The Companies Act, 1956 and Rules made under the Act;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed under the Act;
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and takeovers) Regulations, 1997;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- The Equity Listing Agreements with the Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd. and
- Guidelines on Corporate Governance for Central Public Sector Enterprises as stipulated in the O.M.No 18(8)/2005-GM dated 14th May, 2010 of the Ministry of Heavy Industries and Public Enterprises, Government of India ("the DPE Guidelines on Corporate Governance").

Based on our examination and verification of records produced to us and according to the information and explanations given to us by the Company, in our opinion:

1. We report that the Company has complied with the provisions of the Companies Act, 1956 ("the Act") and Rules made under the Act and the Memorandum and Articles of Association of the Company with regard to:
 - a. Maintenance of statutory registers and documents and making necessary entries therein;
 - b. Filing of the requisite forms and returns with the Registrar of Companies, Karnataka, Bangalore within the time prescribed under the Act and the Rules made thereunder.

Mangalore Refinery and Petrochemicals Limited

- c. Service of documents by the Company on its members and the Registrar of Companies.
 - d. Closure of Register of Members and Share Transfer Books of the Company.
 - e. Notice of Board Meetings and Committee meetings of Directors;
 - f. Convening and holding of the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
 - g. The 23rd Annual General Meeting held on 27th August 2011.
 - h. Recording and maintenance of the minutes of the proceedings of General Meetings and Meetings of the Board and committees thereof.
 - i. Constitution of Board of Directors and appointment, retirement and re-appointment of directors;
 - j. Appointment of Chairman and Managing Director, Whole Time Directors and non-executive Directors and their remuneration.
 - k. The Directors disclosed their interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities and their disclosures have been noted and recorded by the Board.
 - l. Transfer and transmission of shares within the stipulated time and issue and delivery of original and duplicate certificates of shares; dematerialization/rematerialization of shares;
 - m. Declaration and payment of dividend to Equity shareholders and Preference Shareholders.
 - n. The Company was not required to transfer any amount to the Investor Education and Protection Fund during the current financial year;
 - o. Investment of Company's funds including inter corporate loans and investments.
 - p. Appointment and payment of remuneration to Statutory Auditors.
 - q. Appointment of Cost Auditors under Section 233B of the Act.
 - r. The Company was not required to keep in abeyance rights to dividend declared at the Annual General Meeting held on 27th August, 2011 as there was no pending registration of transfer of shares.
 - s. The Company has not invited/accepted any deposits falling within the purview of Section 58A of the Act during the financial year.
 - t. The Company has not made any secured borrowings during the financial year ended on 31st March, 2012.
 - u. The Company has not bought back any shares during the financial year.
 - v. The Company has not altered any provisions of its Memorandum of Association or Articles of Association during the financial year.
 - w. The Company has created a Trust, namely, the Provident Fund of MRPL for its employees. The Company has deposited both the employees' and employer's contribution with the above Trust within the prescribed time pursuant to Section 418 of the Act.
 - x. There was no prosecution initiated against or show cause notice received by the Company and no fines or any other punishment was imposed on the Company, its Directors and officers during the financial year for any offences under the Act.
2. We further report that the Company has complied with the provisions of the Depositories Act, 1996 and Regulations framed there under with regard to dematerialization/rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
 3. We further report that:
 - i. The Company has complied with the requirements of Equity Listing Agreements entered into with the Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd. except that the Board of Directors does not comprise of the required number of independent directors as per clause 49(I)(A)(ii) of the Listing Agreements.
 - ii. The Company has complied with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 with regard to disclosures and maintenance of records required under the Regulations.
 - iii. The Company has complied with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 with regard to disclosures and maintenance of records required under the Regulations.
 4. In our opinion and to the best of our information and according to explanations given to us by the management, we certify that, except the composition of the Board of Directors with regard to independent Directors, the Company has complied with the DPE guidelines on Corporate Governance.

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

Date: 18/06/2012
Place: Mangalore

Ullas Kumar Melinamogaru
Proprietor
CP No. 6640

AGM NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the Members of **Mangalore Refinery and Petrochemicals Limited** will be held at the Registered office of the Company at Mudapadav, Kuthehor, P.O Via- Katipalla, Mangalore-575 030 on **Saturday, 15th September, 2012 at 4.00 p.m.**, to transact, with or without modifications, as may be permissible, the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012, the Statement of Profit and Loss for the year ended on that date including Schedules thereto and the reports of the Board of Directors, Auditors and Comptroller and Auditor General of India thereon.
- To confirm the payment of Dividend on Preference Shares for the Financial Year ended 31st March, 2012.
- To declare Dividend on Equity Shares for the Financial Year ended 31st March, 2012.
- To appoint a Director in place of Dr. A.K.Rath who retires from office by rotation and being eligible offers himself for re-appointment.
- To fix and / or to determine the payment of remuneration to the Joint Statutory Auditors of the Company to be appointed by the Comptroller and Auditor General of India for auditing the accounts of the Company for the Financial Year 2012-13.

SPECIAL BUSINESS

- To appoint Dr. D.Chandrasekharam, who was appointed as an Additional Director from 10/01/2012, pursuant to Article 140 of the Company's Articles of Association and who holds office as Additional Director under the said article and section 260 of the Companies Act, 1956 only up to the date of this meeting and in respect of whom the Company has received a notice along with a deposit of ₹ 500/- pursuant to Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Dr. D.Chandrasekharam as a candidate for the office of Director of the Company, and in that behalf, to consider and if thought fit, to pass the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 257, 260 and all other applicable provisions, if any, of the Companies Act, 1956, Dr. D.Chandrasekharam be and is hereby elected and appointed as a Director of the Company liable to retire by rotation."

- To consider and, if thought fit, to pass the following resolution as a special resolution:

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, Article 27(1) of Articles of Association of the Company, be and is hereby deleted and substituted by the following:

"Notwithstanding anything contained in the Articles, the Company shall have the power to purchase any of its own shares or other specified securities as it may consider necessary subject to such limits upon such terms and conditions and in accordance with the provisions of Sections 77A, 77B and other applicable provisions of the Companies Act, 1956 for the time being in force and the corresponding provisions, rules, regulations and guidelines on Buy-back of Securities prescribed by the Securities and Exchange Board of India (SEBI) and/or by the Central Government provided that, nothing herein contained shall be deemed to affect the provisions of Sections 100 to 104 and Section 402 of the Act insofar as and to the extent they are applicable."

Buy-back of shares

By Order of the Board

DINESH MISHRA
Company Secretary

27th July, 2012

Registered office

Mangalore Refinery and Petrochemicals Limited
Mudapadav, Kuthehor P.O Via Katipalla, Mangalore – 575 030

NOTES:

- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The proxy form should be lodged with the company at its registered office, not later than forty-eight hours before the time of commencement of the Annual General Meeting.
- Corporate members intending to send their authorized representatives to attend the Meeting are requested to send their nomination letter approved by competent authority authorizing their representative to attend and vote on their behalf at the Meeting.
- In terms of Article 151 to 153 of the Articles of Association of the company, read with Section 256 of the Companies Act, 1956 Dr. A.K.Rath retires by rotation in the ensuing meeting and being eligible offers himself for re-appointment.
- In respect of appointment/ re- appointment of the Directors, a brief resume containing details of the concerned Directors is annexed to this notice for the information of Members.
- In case of joint holders attending the meeting any such joint holders who is higher in the order of names in the Register of Members will be entitled to vote.
- The Company has notified that the Register of Members and Share Transfer Books of the Company will remain closed from 14th July, 2012 to 28th July, 2012 (Both days inclusive) for the purpose of determining the members eligible for dividend.
- Dividend on Equity Shares as recommended by the Board of Directors, if declared at the meeting, will be payable to those members, whose names appear on the Register of Members of the Company, after giving effect to valid share transfers in physical form lodged with the company at the close of business hours on 13th July, 2012 and to the beneficial owners as per the lists furnished by NSDL and CDSL at the close of business hours on 13th July, 2012
- Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days during the business hours of the Company, up to the date of the Annual General Meeting.
- Members are requested to provide their Folio Number along with Bank Account Number, Name and Address of the Bank/Branch to M/s. Link Intime, Mumbai, R&T Agent of the Company at C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai – 400078, in respect of shares held in physical mode and to their respective DPs for shares held in Demat mode to enable the Company to pay the dividend accordingly.
- Members holding shares in Demat form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat

accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company/ R&T Agents, M/s Link Intime, Mumbai.

- The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in Demat form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ R&T Agents, M/s Link Intime, Mumbai.
- Members holding more than one Share Certificate in the same name under different Ledger Folios are requested to apply for consolidation of such folios and send the relevant share certificate to the said Registrars.
- The Company has entered into an Agreement with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for custody and Dematerialization of securities. Members can avail of the depository facilities by approaching any of the Depository Participants of NSDL or CDSL.
The Companies (Amendment) Act, 1999 extended the nomination facility to individuals holding shares in Companies. Members holding shares in physical form and in particular whose holding is in single name, are requested to avail of the above facility by furnishing to the Company the particulars of their nomination. Members can download prescribed Nomination Form at "Investor Services" link of the Company website i.e. www.mrpl.co.in.
- Members are requested to register/ update their email address with the company by sending a written request duly signed by the member to the M/s. Link Intime, Mumbai, R&T Agent of the Company for receiving communication through their email address. Members may also register / update their email address with their depositories.
- The Company has listed its shares at the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. Listing fees have been paid to both the Stock Exchanges for the financial year 2012-2013.
- The Ministry of Corporate Affairs (vide circular Nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively) has undertaken a 'Green initiative in Corporate Governance' and allowed companies to share documents with its shareholders through electronic mode. Members are requested to support this green initiative by registering/updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form, with the Company's R&T Agent, M/s Link Intime, Mumbai.

Mangalore Refinery and Petrochemicals Limited

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No.6

Dr. D.Chandrasekharam, Non-official part-time Independent Director on the Board of ONGC (the parent Company) was nominated by ONGC in terms of Clause 6.1 of the Guidelines on Corporate Governance of Central Public Sector Enterprises (CPSE) issued by Department of Public Enterprises (DPE), Government of India. Dr D. Chandrasekharam who was appointed as an Additional Director w.e.f. 10.01.2012 under Article 140 of Articles of Association of the Company read with Section 260 of the Companies Act, 1956. Dr. D.Chandrasekharam holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice together with a deposit of Rs.500/- from a member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director. Accordingly, the Directors recommend the resolution set out in this item for your approval. None of the Directors, except Dr. D.Chandrasekharam is concerned or interested in this resolution.

Item No. 7

MRPL, being a listed Central Public Sector Enterprise (CPSE) shall abide by the guidelines issued by Govt. of India from time to time. Pursuant to Office Memorandum No.DPE/14(24)/2011-Fin dated 26th March, 2012 Department of Public Enterprise, Government of India, has advised all CPSEs to amend their Articles of Association to provide for buyback of shares, if such provision does not exist in their Articles. Since the existing Articles of Association of your Company does not contain any provisions relating to buyback of shares, the Articles of Association are proposed to be amended to provide for buyback of shares. Accordingly, the existing Article 27(1) is proposed to be deleted and shall be substituted in the manner set out in item 7 of the accompanying Notice.

Your Directors recommend the Special Resolution for the approval of the members. None of the Directors are interested or concerned in this resolution.

Copies of the Memorandum and Articles of Association of the Company are available for inspection by the members during business hours on any working day upto the date of the Annual General Meeting.

DETAILS OF THE DIRECTORS' SEEKING APPOINTMENT/ REAPPOINTMENT AT THE 24th ANNUAL GENERAL MEETING

Name of Director	Dr.A.K.Rath	Dr. D.Chandrasekharam
Date of Birth	09-01-1949	14-03-1948
Date of Appointment/ Reappointment	16-02-2010	10-01-2012
Expertise in specific functional areas	Presently, Dr.A.K.Rath is Chairman and Professor of Centre for CG & SR at IMI, New Delhi. He was an IAS Officer and has put in over 35 years of service in the Government of India. He has served as a Director in SAIL, RINL, NMDC, KIOCL and MECON during his tenure as Additional Secretary and Financial Advisor in the Ministry of Steel, Secretary, Ministry of HRD, Government of India. He was the architect of the land mark bill "Right of Children to Free and Compulsory Education Bill, 2008".	Dr. D. Chandrasekharam is a Professor in the Department of Earth Sciences, Indian Institute of Technology Bombay. He obtained his M.Sc. degree in Applied Geology in 1972 and Ph.D. (Thesis: Tectonism and Volcanism of the Deccan Traps) in 1979. He is working in the fields of volcanology, groundwater pollution and geothermics over the past 30 years. With his vast experience in geothermics, Indian Institute of Technology Bombay encouraged him to incubate M/s GeoSyndicate Power Private Ltd., the only geothermal company in India. He is currently the Chairman of M/s GeoSyndicate Power Private Ltd, India. He is also a member of the Advisory committee of the ONGC Energy Centre.
Qualification	Doctorate Degree in Business Administration.	M.Sc 1972 IIT Bombay Applied Geology, Ph.D 1979 IIT Bombay (Thesis: Tectonism and Volcanism of the Deccan Traps)
List of outside Directorships held.	1. Coal India Limited 2. Mahanadi Coalfields Limited	1. Geosyndicate Power Private Limited 2. Indian Rare Earths Limited 3. Western Coalfield Limited 4. Oil and Natural Gas Corporation Limited
Chairman/ Member of the Committees of the Board of Directors of the Company	1. Audit Committee- Member 2. Shareholders/ investor Grievance Committee- Member 3. Human Resource Management Committee- Chairman 4. Remuneration Committee- Chairman	1. Audit Committee- Member 2. Shareholders/ Investor Grievance Committee - Member
Chairman/ Member of the Committees of Director of other Companies in which he is a Director	1. Coal India Limited Audit Committee (Member) 2. Mahanadi Coalfields Limited - Audit Committee (Member) 3. Coal India Limited Corporate Governance Committee (Chairman) 4. Mahanadi Coalfields Limited Corporate Governance Committee (Chairman) 5. Coal India Limited Investor Grievance Committee (Chairman) 6. Mahanadi Coalfields Limited Human Resource Management Committee (Member)	1. Oil and Natural Gas Corporation Limited Audit Committee (Member)
Shareholding in MRPL as on 31 st March, 2012	Nil	Nil

ABSTRACT OF TERMS OF APPOINTMENT OF SHRI P.P.UPADHYA, DIRECTOR (TECHNICAL) AND SHRI VISHNU AGRAWAL, DIRECTOR (FINANCE) OF THE COMPANY PURSUANT TO SECTION 302 OF THE COMPANIES ACT, 1956

- Pay: In the pay scale of ₹ 65,000 – 75,000.
- D.A: In accordance with new IDA scheme spelt out in the Dept. of Public Enterprise, OM dated 26.11.2008 and 02.04.2009.
- Residential accommodation: Company's own accommodation.
- Conveyance: Entitled for the staff car for private use up to 1000 km at Delhi, Chennai, Kolkata, Bangalore, & Hyderabad and 750 Km all other cities.
- Others: Leave, Contributory Provident Fund, Gratuity, productivity Linked Incentives, Medical facilities, travel allowance, Leave travel Concession, Disability leave, two Club membership etc. in accordance with MRPL rules.
- Period: 5 years or till the superannuation or until further orders whichever is earlier. Termination with 3 months notice from either side or on payment of three months salary in lieu thereof.



Annual Report 2011-12

FIVE YEAR PERFORMANCE AT A GLANCE

(₹ in Million)

	2011-12	2010-11	2009-10	2008-09	2007-08
What We Owe					
Share Capital	17,572.57	17,618.50	17,618.50	17,618.31	17,618.21
Reserves	54,719.37	47,670.51	38,347.02	29,675.68	20,211.22
Net Worth	72,291.94	65,289.01	55,965.52	47,293.99	37,829.43
Borrowings	61,831.10	15,569.75	16,963.97	19,868.04	20,580.68
Deferred Tax Liability	4,531.40	3,471.64	6,602.22	5,685.53	5,307.79
TOTAL	138,654.44	84,330.40	79,531.71	72,847.56	63,717.90
What We Own					
Fixed Assets (Including Capital WIP)	161,134.49	130,871.85	92,954.50	78,390.04	75,053.07
Less : Depreciation	49,644.32	45,301.36	41,428.08	37,661.38	33,988.12
	111,490.17	85,570.49	51,526.42	40,728.66	41,064.95
Investments	422.80	948.25	16,236.62	6,428.93	6,451.36
Net Current Assets	26,741.47	(2,188.34)	11,768.67	25,689.97	16,201.59
TOTAL	138,654.44	84,330.40	79,531.71	72,847.56	63,717.90
Income					
Sales (Net Of Excise Duty)	537,633.43	389,566.73	318,851.74	382,437.41	325,751.28
Other Income	3,543.09	2,171.83	2,915.12	1,866.41	740.73
Exchange Fluctuation (net) : Gain	-	184.48	3,903.97	-	1,374.86
Increase/ (Decrease) in stocks	1,502.05	8,152.71	2,958.77	(5,968.56)	1,048.01
TOTAL	542,678.57	400,075.75	328,629.60	378,335.26	328,914.88
Expenditure					
Raw Materials	512,367.50	372,193.37	302,308.74	345,127.66	300,840.43
Operating expenses	2,431.61	2,270.15	1,679.76	1,280.26	1,335.52
Sales Tax & Excise Duty on Stocks (net)	(606.16)	647.77	894.23	559.01	2,242.82
Salaries & Other Expenses	1,606.42	1,845.35	958.95	1,130.30	1,248.17
Exchange Fluctuation (net) : Loss	6,482.20	-	-	6,104.96	-
Administration & Other Expenses	789.47	786.27	821.22	758.83	662.04
Interest	2,066.77	1,043.73	1,154.98	1,434.51	1,475.89
Depreciation	4,338.73	3,914.19	3,893.27	3,823.16	3,778.18
TOTAL	529,476.54	382,700.83	311,711.15	360,218.69	311,583.05
Profit Before Tax	13202.03	17374.92	16918.45	18116.57	17331.83
Provision for Taxation	4,116.25	5,608.59	5,794.68	6,191.13	4,609.55
Profit After Tax	9085.78	11766.33	11123.77	11925.44	12722.28
Dividend	1,752.60	2,103.13	2,103.13	2,103.49	2,103.49
Dividend Distribution Tax	284.32	341.18	349.30	357.49	357.49
GRM (\$/bbl)	5.60	5.96	5.51	5.38	6.92
Middle Distillate Yield (in %)	53.00	53.09	54.23	52.39	52.79
Capital Expenditure	30,262.64	39,896.78	14,139.16	2,813.92	933.09



MANGALORE REFINERY AND PETROCHEMICALS LIMITED

Registered Office : Mudapadav, Kuthethoor P.O. Via. Katipalla, Mangalore - 575 030, Karnataka.

ATTENDANCE SLIP

24th Annual General Meeting
15th September, 2012

Regd. Folio No.		*D.P Id	
No. of Shares held		*Client Id	

I certify that I am a registered Shareholder/ Proxy for the Registered Shareholder of the Company.

I hereby record my presence at the 24th Annual General Meeting of the Company held on **Saturday, 15th September, 2012 at 4.00 p.m** at Mudapadav, Kuthethoor P.O. Via. Katipalla , Mangalore - 575 030, Karnataka.

Members'/Proxy's Name in Block Letters

Members'/Proxy's Signature

Note : Please fill this Attendance Slip and HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

*Applicable for investors holding shares in electronic form.

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MANGALORE REFINERY AND PETROCHEMICALS LIMITED

Registered Office : Mudapadav, Kuthethoor P.O. Via. Katipalla, Mangalore 575 030, Karnataka.

FORM OF PROXY

24th Annual General Meeting
15th September, 2012

Regd. Folio No.		*D.P Id	
No. of Shares held		*Client Id	

I/We _____ of _____
being a Member /Members of the above named Company hereby appoint _____ of _____
_____ or failing him _____ of _____ as
my/our proxy to vote for me/us on my/our behalf at the Twenty Fourth Annual General Meeting of the Company to be held on **Saturday, 15th September, 2012 at 4.00 p.m**
and at any adjournment thereof.

Affix ₹ 1
Revenue
Stamp

(Signature)

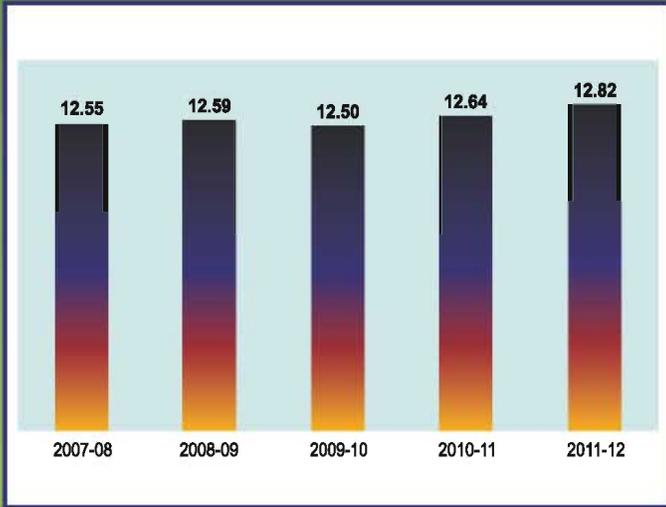
Signed this _____ day of _____ 2012.

*Applicable for investors holding shares in electronic form.

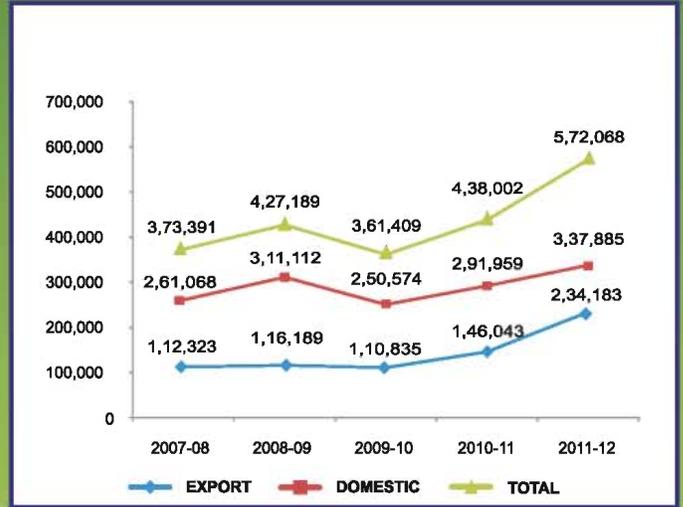
Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the time of commencement of the meeting.



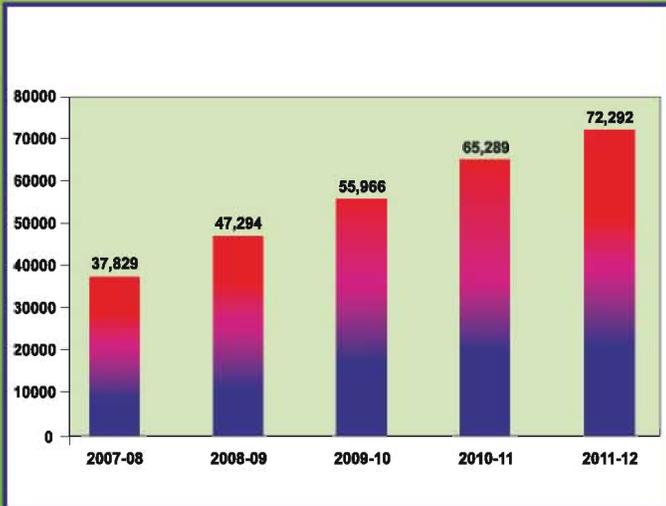
MRPL PERFORMANCE



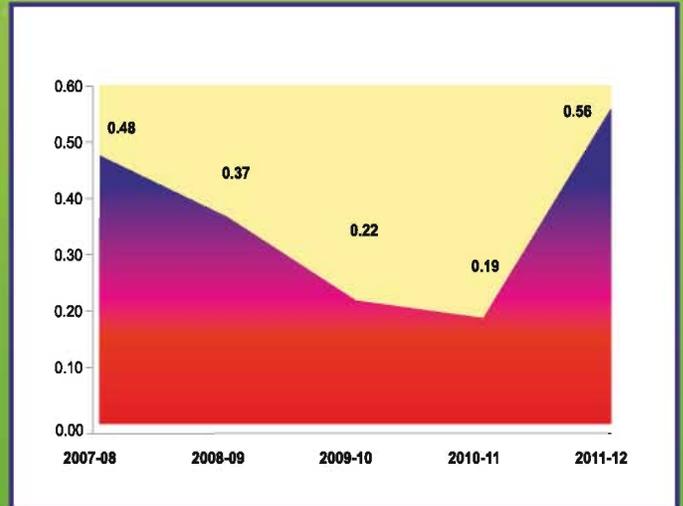
THRUPUT (MILLION TONES)



EXPORT AND DOMESTIC SALES (₹ IN MILLION)



NETWORK (₹ IN MILLION)



DEBT-EQUITY RATIO

BOOK-POST



CDU/VDU of Phase - III

If undelivered please return to:
M/S. LINK INTIME INDIA(P)LTD.
Unit - MRPL
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West),
Mumbai - 400 078
Tel : 022-25946970
Fax : 022-25946969
Email : mrplirc@linkintime.co.in