



मंगलूर रिफाइनरी एण्ड पेट्रोकेमिकल्स लिमिटेड
MANGALORE REFINERY AND PETROCHEMICALS LIMITED

(ऑयल एण्ड नेचुरल गैस कॉर्पोरेशन लिमिटेड की सहायक कंपनी) (A SUBSIDIARY OF OIL AND NATURAL GAS CORPORATION LIMITED)
भारत सरकार का उपक्रम Government of India Undertaking

प्लॉट नं. A-1, के.एस.एस.आई.डी.सी.-प्रशासनिक कार्यालय के सामने, इंडस्ट्रीयल एस्टेट, राजाजीनगर, बेंगलूर - 560 010
Plot A-1, Opp. KSSIDC A.O. Building, Industrial Estate, Rajajinagar, Bangalore - 560 010

दूरभाष Tel : (का) (O) 080-22642200, फैक्स Fax : 080 - 23505501 CIN : L85110KA1988GO1008959

आई.एस.ओ. ९००१-२००० एवं १४००१ प्रमाणित कंपनी AN ISO 9001 : 2000 AND ISO 14001 CERTIFIED COMPANY

12th May, 2016

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001
Scrip Code No.: 500109

The National Stock Exchange of India Limited
Exchange Plaza, Bandra - Kurla Complex
Bandra (E), Mumbai – 400 051
Symbol : MRPL, Series : EQ

Dear Sir,

Subject: Audited Financial Results for the Quarter / Year ended 31st March, 2016

Pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we enclose the audited standalone Financial Results for the Quarter ended 31/03/2016, consolidated financial results for the year ended 31/03/2016 duly approved by the Board in its meeting held today i.e 12/05/2016.

The Auditors Reports on the Financial Statement for the FY 2015-16 alongwith Form A are also enclosed herewith.

We inform that the Board has not recommended any dividend for the FY 2015-16.

Thanking you,

Yours faithfully,
for MANGALORE REFINERY & PETROCHEMICALS LTD.


DINESH MISHRA
COMPANY SECRETARY

Encl.: A/a



MANGALORE REFINERY AND PETROCHEMICALS LIMITED
(A subsidiary of Oil and Natural Gas Corporation Limited - ONGC)
Regd. Office : Mudapadur, Kuthathoor P.O., Via Kattipalla, Mangalore - 575 030, Karnataka.
CIN: L65110KA1988G000955



STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2016

PART I

₹ In Crore

Sl.No	Particulars	Standalone				Consolidated	
		Quarter Ended		Year Ended		Year Ended	
		31.03.2016 Unaudited	31.12.2015 Unaudited	31.03.2015 Unaudited	31.03.2016 Audited	31.03.2015 Audited	31.03.2015 Audited
1	Income from Operations						
	Gross Sales / Income from Operations	13,477.38	11,193.15	13,155.94	50,864.18	62,411.98	62,340.93
	Less: Excise Duty	4,192.58	2,376.57	2,093.15	11,232.14	4,954.61	4,954.61
	a) Net Sales/ Income from Operations	9,284.80	8,816.58	11,092.79	39,632.04	57,457.37	57,386.32
	b) Other operating Income (Refer note no. 3)	8.11	2.09	171.04	15.40	5.16	12.15
	Total Income from Operations (net) (a+b)	9,292.91	8,818.67	11,263.83	39,647.44	57,462.53	57,398.47
2	Expenses						
	(a) Cost of Materials consumed	6,811.44	8,070.54	9,639.25	34,551.61	55,961.51	55,959.68
	(b) Changes in Inventories of Finished goods and Stock in Process (Increase)/ decrease	725.75	(415.81)	139.56	683.17	1,866.13	1,664.17
	(c) Employee benefits expense	88.38	68.82	69.51	285.03	240.74	245.58
	(d) Depreciation and Amortisation Expense (Refer note no.4)	244.90	159.59	148.90	712.40	498.61	521.65
	(e) Other Expenses (Refer note no.5)	129.70	648.59	167.09	2,338.01	1,462.78	1,469.24
	Total (a to e)	8,000.17	8,531.73	10,164.31	38,570.22	60,049.77	39,072.11
3	Profit/ (loss) from operations before other Income, Finance Costs and Exceptional Items (1-2)	1,292.74	286.94	1,099.52	1,077.22	(2,587.24)	694.71
4	Other Income	239.41	163.62	210.60	857.12	604.99	608.56
5	Profit/ (loss) before Finance Costs and Exceptional Items (3+4)	1,532.15	450.56	1,310.12	1,934.34	(1,782.25)	1,547.26
6	Finance Costs	145.76	151.51	113.81	577.84	407.09	448.21
7	Profit/ (loss) after Finance Costs but before Exceptional Items (5-6)	1,386.39	299.05	1,196.31	1,356.50	(2,189.34)	489.43
8	Exceptional Items (Refer note no.6)	7.69	0.63	0.00	182.99	(33.45)	182.99
9	Profit/ (loss) from ordinary activities before tax (7-8)	1,378.70	298.42	1,196.31	1,173.51	(2,155.89)	306.44
10	Tax Expense	25.35	-	26.61	25.35	(443.66)	25.80
11	Net Profit/ (loss) from Ordinary Activities after tax (9-10)	1,353.35	298.42	1,169.70	1,148.16	(1,712.23)	280.64
12	Extraordinary Items (net of tax expense)	-	-	-	-	-	-
13	Net Profit/ (loss) for the period (11-12)	1,353.35	298.42	1,169.70	1,148.16	(1,712.23)	280.64
14	Share of Profit/ (loss) in associates	-	-	-	-	-	-
15	Minority Interest	-	-	-	-	-	(48.58)
16	Net Profit/ (loss) after taxes, minority interest and share of profit/ (loss) of associates (13+14-15)	1,353.35	298.42	1,169.70	1,148.16	(1,712.23)	709.56
17	Paid up Equity Share Capital (face value ₹ 10/- each)	1,752.60	1,752.60	1,752.60	1,752.60	1,752.60	1,752.60
18	Reserves excluding Revaluation reserves as per Balance sheet	4,667.78	3,347.11	3,552.30	4,667.78	3,552.30	4,154.88
19.i	Earnings per Share (EPS) (before extraordinary items) (of ₹ 10/- each) (not annualised)						
	Basic	7.72	1.70	6.67	6.55	-9.77	4.05
	Diluted	7.72	1.70	6.67	6.55	-9.77	4.05
19.ii	Earnings per Share (EPS) (before extraordinary items) (of ₹ 10/- each) (not annualised)						
	Basic	7.72	1.70	6.67	6.55	-9.77	4.05
	Diluted	7.72	1.70	6.67	6.55	-9.77	4.05

Segment wise Revenue, Results and Capital Employed

₹ In Crore

Sl.	Particulars	Standalone				Consolidated	
		Quarter Ended		Year Ended		Year Ended	
		31.03.2016 Unaudited	31.12.2015 Unaudited	31.03.2015 Unaudited	31.03.2016 Audited	31.03.2015 Audited	31.03.2015 Audited
1	Segment Revenue						
	A. Domestic Sale	5,910.11	6,287.97	6,432.88	27,016.50	34,667.51	38,995.51
	B. Export Sale	3,374.69	2,528.61	4,659.91	12,615.54	22,789.86	16,210.31
	Total	9,284.80	8,816.58	11,092.79	39,632.04	57,457.37	55,205.82
	Less: Inter Segment Sales	-	-	-	-	-	15,455.15
	Net Sales / Income from Operations	9,284.80	8,816.58	11,092.79	39,632.04	57,457.37	39,750.67
2	Segment Result Profit / (Loss) before tax and interest from each segment						
	A. Domestic Sale	857.14	266.71	563.51	1,716.69	(664.62)	1,664.67
	B. Export Sale	487.36	202.66	409.43	549.87	(1,058.50)	212.20
	Total	1,344.50	469.37	972.94	2,266.56	(1,723.12)	1,876.87
	Less:						
	i. Interest	145.76	151.51	113.81	577.84	407.09	1,057.83
	ii. Other unallocable expenditure net of unallocable income	(179.96)	39.64	(337.18)	515.21	25.68	512.60
	Profit / (loss) before Tax and Extraordinary Items	1,378.70	298.42	1,169.31	1,173.51	(2,155.89)	306.44
	Extraordinary Items	-	-	-	-	-	-
	Profit / (loss) before Tax	1,378.70	298.42	1,169.31	1,173.51	(2,155.89)	306.44
3	Capital Employed (Segment Assets - Segment Liabilities)						
	A. Domestic Sale	1,917.62	2,856.12	1,691.00	1,917.62	1,691.00	1,455.61
	B. Export Sale	451.41	511.51	667.82	451.41	667.82	607.84
	Total	2,369.03	3,367.63	2,358.82	2,369.03	2,358.82	2,063.45
	Unallocated	4,051.41	1,732.14	2,946.14	4,051.41	2,946.14	4,075.60
	Total Capital Employed	6,420.44	5,099.77	5,304.96	6,420.44	5,304.96	6,139.05

(₹ in Crore)

STATEMENT OF ASSETS AND LIABILITIES		Standalone		Consolidated	
		AS AT31.03.2016	AS AT31.03.2015	AS AT31.03.2016	AS AT31.03.2015
I. EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a)	Share capital	1,752.66	1,752.66	1,752.66	1,752.66
(b)	Reserves and Surplus	4,667.78	3,552.30	4,154.88	3,478.10
(c)	Minority Interest	-	-	231.51	660.43
Sub Total Shareholder's Funds		6,420.44	5,304.96	6,139.05	5,891.19
2 Non-current liabilities					
(a)	Long-term borrowings	6,820.42	7,864.65	8,979.83	11,749.20
(b)	Deferred tax liabilities (Net)	80.63	-	80.78	0.11
(c)	Other Long term liabilities	-	0.01	-	95.32
(d)	Long-term provisions	40.37	34.63	44.41	36.58
Sub Total Non Current Liabilities		6,941.42	7,899.29	9,105.02	11,881.21
3 Current liabilities					
(a)	Short-term borrowings	2.55	10.87	3,830.19	1,547.58
(b)	Trade payables	21,338.87	18,331.00	21,320.74	18,411.67
(c)	Other current liabilities	2,297.56	2,579.86	3,030.31	3,273.99
(d)	Short-term provisions	354.38	209.74	355.19	211.49
Sub Total Current Liabilities		23,993.37	21,131.47	28,536.43	23,444.73
Total (Equity and Liabilities)		37,355.23	34,335.72	43,780.50	41,217.13
II. ASSETS					
1 Non-current assets					
(a)	Fixed assets	15,104.53	15,486.76	21,862.76	22,433.62
(a)	Goodwill on Consolidation	-	-	695.64	595.63
(c)	Non-current investments	1,349.67	1,349.67	0.48	0.48
(d)	Long-term loans and advances	679.23	358.32	774.70	518.24
(e)	Other non-current assets	342.04	261.42	342.04	261.42
Sub Total Non Current Assets		17,475.47	17,456.17	23,575.62	23,809.39
2 Current assets					
(a)	Inventories	3,196.72	3,399.60	3,385.06	3,784.23
(b)	Trade receivables	2,369.03	2,358.82	2,063.45	2,251.30
(c)	Cash and Bank balances	13,712.73	10,268.71	13,859.50	10,306.64
(d)	Short-term loans and advances	423.61	690.00	718.93	903.15
(e)	Other current assets	177.67	162.42	177.94	162.42
Sub Total Current Assets		19,879.76	16,879.55	20,204.88	17,407.74
Total (Assets)		37,355.23	34,335.72	43,780.50	41,217.13

NOTES:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 12th May 2016.
- The Audited Accounts are subject to Supplementary Audit by the Comptroller and Auditor General of India under Section 143(6) of the Companies Act 2013.
- Other Operating Income for the three months ended 31st March, 2015 includes net exchange gain of ₹ 168.31 Crore.
- Pursuant to notification of MCA dated 29th August, 2014 on Part C, paragraph 4 (a) to (c) in Schedule II to the Companies Act 2013 ("The Act"), the company has determined the useful life of component of various Assets, except in case of certain components of the Plant and Equipment whose useful lives are determined different from the life specified in Schedule II based on technical evaluation. Accordingly, the carrying amount of the assets as on April 1, 2015 has been depreciated over the remaining useful life of the fixed assets. Consequently, the depreciation charge for the year is higher and profit before tax is lower to the extent of ₹ 72.82 Crore for the year ended 31st March, 2016. Further an amount of ₹ 49.97 Crore (net of tax ₹ 32.67 Crore) representing the carrying amount of fixed assets whose useful life is Nil as at April 1, 2015 has been charged to the opening balance of surplus as on April 1, 2015 as required in Schedule II to the Act.
- Other Expenses for the three months ended 31st March, 2016, 31st December, 2015, year ended 31st March, 2016 and 31st March, 2015 includes net exchange fluctuation loss of ₹14.27 crore, ₹ 163.09 crore, ₹ 1,190.27 Crore and ₹ 683.50 crore respectively.
- The exceptional items consists of ₹ 154.19 Crore expenses arising out of differential wharfage for the period 16.10.2009 to 31.03.2015 paid as per order issued by Ministry of Shipping, Government of India , ₹ 21.11 Crore towards Adhoc contribution to Super Annuation Benefit Fund for the non-management staff as per Long Term settlement signed effective 01/04/2007 (contribution pertains to the period April 2007 to March 2015) and ₹ 7.69 Crore on account of re-worked out Custom Duty on the basis of judgement of Hon'ble Supreme Court in MRPL's Civil Appeals..
- During the year Company has recognised deferred tax liability to the extent of ₹ 97.92 crore.
- The Consolidated Financial Results have been prepared in line with requirements of Accounting standard (AS)-21 'Consolidated Financial Statements', Accounting Standard (AS)-27 'Financial Reporting on Interest in Joint Ventures'. This includes ONGC Mangalore Petrochemicals Ltd. as Subsidiary, Shell MRPL Aviation Fuels and Services Limited and Mangalam Retail Services Limited as Joint Venture.
- Figures for the previous year/period are regrouped / rearranged wherever considered necessary.
- The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter.

By Order of the Board
For Mangalore Refinery and Petrochemicals Limited

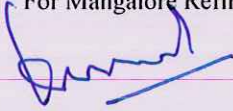
Place : Bengaluru
Date : 12/05/2016


A K SAHQO
Director (Finance)
DIN: 07355933

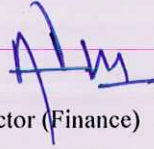
FORM - A

1.	Name of the Company	Mangalore Refinery and Petrochemicals Limited
2.	Financial Statement for the period ended	31.03.2016
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable

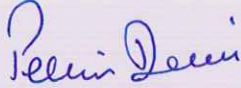
For Mangalore Refinery and Petrochemicals Ltd.



Managing Director

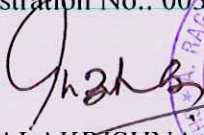


Director (Finance)



Chairman Audit Committee
Mangalore Refinery and Petrochemicals Ltd.

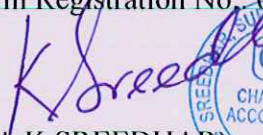
For A.RAGHAVENDRA RAO & ASSOCIATES
Chartered Accountants
Firm Registration No.: 003324S



(CA. GOPALAKRISHNA BHAT T.M.)
Partner
Membership.No. 019798



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



(CA. K SREEDHAR)
Partner
Membership.No.024314



Place: Bengaluru
Date: 12th May, 2016

M/S.A.RAGAVENDRA RAO & ASSOCIATES
CHARTERED ACCOUNTANTS
G.H.S ROAD
MANGALORE-575001
Phone: 0824-2425966/2421566
Fax: 0824-2442766-2423302
E-mail: raghmegh.rao@gmail.com

M/S.SREEDHAR, SURESH & RAJAGOPALAN
CHARTERED ACCOUNTANTS
3-B, GREEN HAVEN, 26, THIRD MAIN ROAD
GANDHI NAGAR, ADYAR
CHENNAI-600020
Phone: 044-24453149/24453159
E-mail: office@ssrcas.co.in

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the members of MANGALORE REFINERY AND PETROCHEMICALS LIMITED Report on the Consolidated Financial Statements.

We have audited the accompanying Consolidated financial statements of MANGALORE REFINERY AND PETROCHEMICALS LIMITED (hereinafter referred to as "the Holding Company"), its subsidiary "ONGC MANGALORE PETROCHEMICALS LIMITED" (the Holding Company and its subsidiary together herein after referred to as "the Group") and its Jointly controlled entities "SHELL MRPL AVIATION FUELS AND SERVICES LIMITED" and "MANGALAM RETAIL SERVICES LIMITED", comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and its jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group and its jointly controlled entities are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.



Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

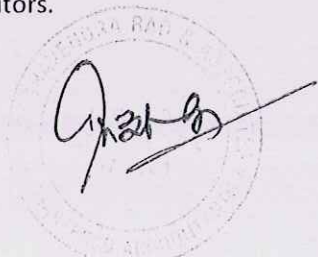
We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, are sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entities as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements / financial information of one subsidiary and two jointly controlled entities, whose financial statements / financial information reflect total assets of Rs. 77,500.68 Million as at 31st March, 2016, total revenue of Rs. 43,510.04 Million and net cash flows amounting to Rs.135.83 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and jointly controlled entities, and our report in terms of sub section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary and jointly controlled entities, is based solely on the reports of the other auditors.



Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditors' report of the Holding company, subsidiary company and jointly controlled entities incorporated in India, we have given in Annexure A, a statement on the matters specified in paragraph 3 and 4 of the order, to the extent applicable.
2. Based on the verification of Records of the Holding Company and based on information and explanations given to us, , we give below a report on the Directions issued by the Comptroller and Auditor General of India in terms of Sec 143(5) of the Companies Act, 2013.. For the subsidiary and jointly Controlled Entities no directions have been issued.
 - a) The Holding Company has clear title/lease deeds for freehold and lease hold land respectively.
 - b) There is one case of write off of debt amounting to Rs.0.70 million in addition to Central Sales Tax on sales to PSU Oil Marketing Companies amounting to Rs. 2,183.92 million and both are being expensed to the Statement of Profit and Loss, the latter has arisen on account of prevailing industry practice.
 - c) The Holding Company has maintained adequate records in respect of inventories lying with third parties. No assets have been received by the Holding Company as gift from Government or other authorities.
3. As required by Section 143 (3) of the Act, as per explanations and information furnished, we report to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



e)

i) As far as Holding Company and Subsidiary Company are concerned disqualification of directors stated under Section 164(2) of the Act is not applicable to a Government Company as per notification no. GSR 463(E) of the Ministry of Corporate Affairs dated 05/06/2015

ii) In respect of jointly controlled entities based on the reports of the statutory auditor's and on the basis of written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors of the jointly controlled entities incorporated in India, none of the directors of the jointly controlled entities is disqualified from being appointed in terms of Section 164(2) of the Act

f) With respect to the adequacy of internal financial controls over the financial reporting of the Holding Company, subsidiary and jointly controlled entities and the operating effectiveness of such controls, refer to our separate Annexure B.

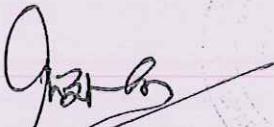
g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the group and its jointly controlled entities.– Refer Note 31.05 and 31.06 to the consolidated financial statements;

ii) Provision has been made in the consolidated financial statements as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary company and its jointly controlled entities incorporated in India.

For A.RAGHAVENDRA RAO & ASSOCIATES
Chartered Accountants
Firm Registration Number: 003324S


CA. GOPALAKRISHNA BHAT T. M
Partner
Membership no: 019798

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


CA. K SREEDHAR
Partner
Membership no: 024314

Place: BENGALURU
Date: 12TH MAY, 2016

ANNEXURE 'A' REFERRED TO UNDER PARAGRAPH 1 OF THE REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF THE AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS.

(i)

- (a) As per the information and explanations given to us the Group and its jointly controlled entities have 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 of the Holding Company, its subsidiary and its jointly controlled entities during the year, but there is a regular programme of verification, which, in our opinion is reasonable having regard to the size of the group and its jointly controlled entities and nature of its assets. As per the reports submitted by the Holding Company, its subsidiary and jointly controlled entities no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and the records of the Holding Company and based on the audit reports of the subsidiary and jointly controlled entities, the group and its jointly controlled entities, hold proper title deeds of immovable properties which are held in the name of the respective Company.
- (ii) As per the information and explanations given to us by the holding company and based on our verification and based on the audit reports of the subsidiary and jointly controlled entities, the inventory of stores and spares are physically verified during the year by the management on a continuous basis as per programme of perpetual inventory. Inventories of other items have been physically verified at the year end, the frequency of which, in our opinion is reasonable, having regard to the size of the group and its jointly controlled entities and nature of its business.
- (iii) According to the information and explanations given to us, by the Holding Company and based on our verification and based on the Audit reports of the subsidiary and jointly controlled entities, the group and its jointly controlled entities have not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, reporting under clauses 3 (iii) (a), (b) and (c) of the Order is not applicable to the group and its jointly controlled entities and hence not commented upon.
- (iv) According to the information and explanations given to us by the Holding Company, and based on our verification and based on the audit reports of the subsidiary and its jointly controlled entities, the group and its jointly controlled entities have not advanced any loan, given any guarantee or provided any security to the parties covered under Section 185 and the Group company and its jointly controlled entities have not given any loan or made any investment covered under Section 186 of the Companies Act, 2013. Accordingly, reporting under clause 3(iv) of the Order does not arise.
- (v) According to the information and explanations given to us by the Holding Company, and based on the audit reports of the subsidiary and jointly controlled entities, the group and its jointly controlled entities have not accepted any deposits within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Accordingly, reporting under clause 3(v) of the Order does not arise.



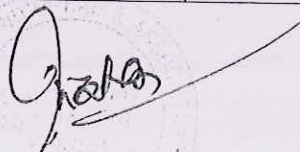
(vi) As far as the holding company is concerned, the Central Government has specified the maintenance of cost records under section 148(1) of Companies Act, 2013. As per the information and explanations given to us by the Holding company and based on our verification and based on the audit reports of the subsidiary and jointly controlled entities, we report that the directions specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 with regard to maintenance of Cost Records have been complied with by the holding company. Based on the audit reports maintenance of cost records is not prescribed to Subsidiary and its Jointly Controlled entities.

(vii)

(a) According to the information and explanations given to us by the holding company and based on our verification and based on the audit reports of the subsidiary and jointly controlled entities, the Group and jointly controlled entities have been generally regular in depositing undisputed statutory dues including provident fund, Income tax, sales tax, service tax, duty of excise, value added tax and other statutory dues applicable to it during the year with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, income tax, sale tax, service tax, duty of excise, value added tax and other statutory dues outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable.

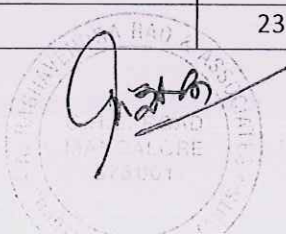
(b) According to information and explanations given to us and as per our verification of records of the Group Company and its jointly controlled entities, the disputed tax which are not deposited with the appropriate authorities as at 31st March, 2016 are as follows:

Name of the Statute	Nature of the Dues	Total Demand (Rs.Millions)	Total Amt Paid under protest/ adjusted (Rs.Millions)	Period to which the Amount Relates (Financial Year)	Forum Where the dispute is pending
The Karnataka Sales tax Act, 1957/ Central Sales Act, 1956	Central Sales Tax – Penalty	4.53	Nil	2009-10	Karnataka Appellate Tribunal
	Central Sales Tax – Interest	18.33	12.10	2009-10	Karnataka Appellate Tribunal
	Value Added Tax – Interest	0.43	0.21	2006-07	Appellate Authority – Mangalore
	Value Added Tax – Interest	0.13	0.13	2009-10	Karnataka Appellate Tribunal
	Value Added Tax – Interest	0.66	0.66	2010-11	Karnataka Appellate Tribunal
	Value Added Tax – Penalty	3.48	Nil	2011-12	Appellate Authority – Mangalore
	Value Added Tax – Interest	4.80	2.48	2011-12	Appellate Authority – Mangalore





Income Tax Act, 1961	Income Tax / Interest / Penalty	296.30	296.30	AY 1993-03	Mumbai High Court
		10.93	10.93	AY 2003-04	Income Tax Appellate Tribunal – Mumbai
		233.50	111.10	AY 2006-07	Income Tax Appellate Tribunal – Mumbai
		129.39	129.39	AY 2007-08	Income Tax Appellate Tribunal – Mumbai
		362.49	362.49	AY 2008-09	Income Tax Appellate Tribunal – Mumbai
		1,014.82	1,014.82	AY 2009-10	Income Tax Appellate Tribunal – Mumbai
		126.72	Nil	AY 2008-09	Commissioner of Income Tax (Appeals) – Mumbai
		754.77	698.00	AY 2010-11	Commissioner of Income Tax (Appeals) – Mumbai
		594.02	297.00	AY 2011-12	Commissioner of Income Tax (Appeals) – Mumbai
		546.70	453.70	AY 2012-13	Commissioner of Income Tax (Appeals) – Mumbai
	Disallowance under Section 14A of the Income Tax Act	10.05	3.22	AY 2011-12	Commissioner of Income Tax (Appeals)
The Customs Act, 1962	Custom Duty / Interest / Penalty	55.57	Nil	1997-2000	Supreme Court Of India
		682.26	Nil	1997-2000	CESTAT – Bangalore
		23.40	0.30	2009-10 to	Commissioner



Central Excise Act, 1944	Central Excise Duty / Service Tax / Interest / Penalty			2015-16	(Appeals) – Mangalore
		205.06	37.12	1996-97 to 2013-14	CESTAT - Bangalore
		2.33	0.72	2002-03 to 2015-16	Joint Secretary, MOF
		53.70	21.64	1999-2000 to 2010-11	Commissioner – Mangalore
		20.31	-	1996-1997 to 2003-2004	Supreme Court
Total		5,154.68	3,452.31		

(viii) As per the information and explanations given to us by the Holding company and based on our verification and based on audit reports of the subsidiary and its jointly controlled entities, the holding company has not defaulted in repayment of loans or borrowings to any bank or Government during the year and the holding company did not have any loans or borrowings from any financial institutions. The subsidiary and its jointly controlled entities have not defaulted in repayment of loans or borrowings to any bank and they did not have any loans or borrowings from any financial institution or Government and the group and its jointly controlled entities have not issued any debentures.

(ix) As per the information and explanations given to us by the Holding Company and based on our verification and based on the audit reports of subsidiary, and its jointly controlled entities, the group and its jointly controlled entities have neither raised any money by way of initial public offer or further public offer (including debt instruments) nor have availed any term loans during the year. Accordingly reporting under Clause 3 (ix) of the Order does not arise.

(x) As per the information and explanations given to us by the Holding Company and based on our verification and based on Audit reports of the subsidiary and its jointly controlled entities carried out in accordance with generally accepted auditing practises in India, we have neither come across any instances of fraud by the Group and its jointly controlled entities or any instances of frauds on the Group and its jointly controlled entities by its officers or employees, noticed or reported during the year, nor we have been informed of such cases by the management.

(xi) According to the information and explanations given to us by the holding company and based on our verification and based on the audit reports of the subsidiary and its jointly controlled entities, in our opinion, managerial remuneration has been paid in accordance with the DPE Guide Lines /with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 wherever applicable.

(xii) According to the information and explanations given to us by the Holding Company and based on our verification and based on the audit reports of the subsidiary and its jointly controlled

entities, the group and its jointly controlled entities are not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order does not arise.

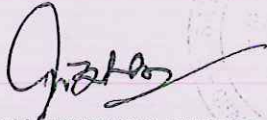
(xiii) According to the information and explanations given to us by the Holding Company and based on our verification and based on the audit reports of the subsidiary and its jointly controlled entities, in our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.

(xiv) According to the information and explanations given to us by the Holding Company and based on our verification and based on the audit reports of the subsidiary and its jointly controlled entities, the group and its jointly controlled entities have not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, reporting under clause 3(xiv) of the Order does not arise.

(xv) According to the information and explanations given to us by the Holding Company and based on our verification and based on the audit reports of the subsidiary and its jointly controlled entities, the group and its jointly controlled entities have not entered into any non-cash transactions with directors or persons connected with the directors during the year. Accordingly, reporting under Clause 3 (xv) of the Order does not arise.

(xvi) According to the information and explanations given to us by the Holding Company and based on our verification and based on the audit reports of the subsidiary and its jointly controlled entities, the group and its jointly controlled entities are not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3 (xvi) of the Order does not arise.

For A.RAGHAVENDRA RAO & ASSOCIATES
Chartered Accountants
Firm Registration Number: 003324S



CA. GOPALAKRISHNA BHAT T. M
Partner
Membership no: 019798

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



CA. K SREEDHAR
Partner
Membership no: 024314

Place: BENGALURU
Date: 12TH MAY, 2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MANGALORE REFINERY AND PETROCHEMICALS LIMITED

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of Mangalore Refinery and Petrochemicals Limited (hereinafter referred to as "the Holding Company") and its subsidiary and jointly controlled entities, which are companies incorporated in India, as of that date.

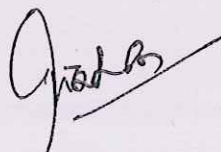
Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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



We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

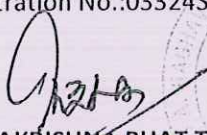
In our opinion, the Holding Company, its subsidiary and jointly controlled entities, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



Other Matters

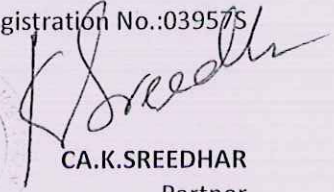
We did not audit the internal financial controls of one subsidiary and two jointly controlled entities. In respect of the one of the jointly controlled entities the auditors of that entity have reported that the Internal financial controls over financial reporting is not required to be given. The internal financial controls have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated report on internal financial controls in so far relates to the information included in respect of the subsidiary and jointly controlled entities, and our report in terms of clause 1 of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and jointly controlled entities, is based solely on the reports of the other auditors.

For A. RAGHAVENDRA RAO & ASSOCIATES
Chartered Accountants
Firm Registration No.:03324S


CA. GOPALAKRISHNA BHAT T.M.
Partner
Membership No.:019798



For SREEDHAR, SURESH & RAJAGOPALAN
Chartered Accountants
Firm Registration No.:03957S


CA. K. SREEDHAR
Partner
Membership No.:024314



Date : 12th MAY, 2016
Place: BENGALURU