

ATSL/CO/18-19/934
May 15, 2018

The Compliance Officer
ONGC Mangalore Petrochemicals Limited
Mangalore Special Economic Zone,
Permude, Mangalore, Karnataka - 574509

Sub: Letter of Debenture Trustee pursuant to Regulation 52 (5) of the SEBI (Listing Obligations and Disclosure Requirements) 2015- for the half year ended March 31, 2018.

Dear Sir/Madam,

This has reference to the privately placed Non-Convertible Debentures issued by **ONGC Mangalore Petrochemicals Limited** ("Company") and listed on the Stock Exchange ("Listed Debt Securities").

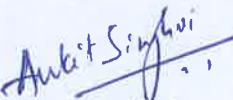
Pursuant to Regulation 52(4) read with Regulation 52 (5) of the SEBI (Listing Obligations and Disclosure Requirements) 2015, the Company is required to submit its half yearly/annual financial results to the Stock Exchange, with a letter of the Debenture Trustee (Axis Trustee Services Limited) that the Debenture Trustee has noted the contents furnished by the Company as per Regulation 52(4).

In pursuance thereof we hereby confirm that we have received the said aforesaid information vide Letter dated May 15, 2018 (enclosed herewith) along with the relevant/necessary supporting(s) and we have noted the contents in respect of the Listed Debt Securities issued by the Company.

Further please note that we have not independently verified the contents submitted vide your above letter and the aforesaid noting is subject to the following:

1. The Debenture Trustee is relying on the information/ status as submitted by the company for the purpose of submission to the Stock Exchange, without reconfirming;
2. Any commitment pertaining to the interest / principal payable on the future due dates are sole commitment on the company's part and Trustee is not liable in any manner if company fails to fulfill / does not fulfill its commitments.

Thanking You,
Yours Faithfully
For **Axis Trustee Services Limited**


Ankit Singhvi
Assistant General Manager
Encl: As above



AXIS TRUSTEE SERVICES LTD.

(A wholly owned subsidiary of Axis Bank)

Corporate Identity Number (CIN): U74999MH2008PLC182264

CORPORATE & REGISTERED OFFICE : Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.

TEL : 022-6226 0054 / 6226 0050 Website: www.axistrustee.com

Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

Independent Auditor's Report

(Pursuant to Regulation 52 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To the Board of Directors of ONGC Mangalore Petrochemicals Limited, Mangaluru

1. We have audited the accompanying Statement of Standalone Financial Results of ONGC MANGALORE PETROCHEMICALS LIMITED ("the Company") for the year ended 31st March, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related financial statements which are in accordance with the Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement. An audit includes examining, on a test basis, evidence supporting amounts disclosed in the Statement. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

2. In our opinion and to the best of our information and according to the explanations given to us, the Statement
 - (i) is presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - (ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net loss and other financial information of the Company for the year ended 31st March 2018.



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Emphasis of Matter

We draw attention to the following matters in the Notes to the financial results:

- a. Note 9 of the financial results regarding claims of differential duty against the company, impact of which is not known at this stage; and
 - b. Note 10 regarding preparation of financial statements on going concern basis though the Company has accumulated losses and its net worth has been substantially eroded, the Company has incurred a net loss/net cash loss during the current and previous year and the Company's current liabilities exceeded its current assets as at the balance sheet date. However, the financial statements of the Company have been prepared on a going concern basis as the Management is of the belief that there will be sufficient cash generation to sustain the operations and meet all its obligations and liabilities for reasons stated in the said note.
- Our opinion is not modified in respect of this matter.

For Manohar Chowdhry & Associates

Chartered Accountants

Firm Registration No. 001997S



CA Murali Mohan Bhat

Partner

Membership Number: 203592



Place: New Delhi

Date: 15th May, 2018



ONGC MANGALORE PETROCHEMICALS LIMITED
 (A subsidiary of Mangalore Refinery and Petrochemicals Limited)
 Mangalore Special Economic Zone, Permude, Mangaluru - 574509
 CIN : U40107KA2006GOI041258 Website: www.ompl.co.in
 Phone : +91-824 2872120 Fax : +91-824 2872004

UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED MARCH 31, 2018

Sl. No	Particulars	(₹ In Crore)			
		Six month ended 31.03.2018	Corresponding Six month ended in the previous year 31.03.2017	Year to date figures for period ended 31.03.2018	Previous accounting year ended 31.03.2017
		Unaudited	Unaudited	Audited	Audited
1	Income				
	Revenue from Operations	3,306.75	3,317.90	5,561.29	5,256.57
	Other Income	59.71	2.50	80.60	4.81
	Total Income	3,366.46	3,320.40	5,641.89	5,261.38
2	Expenses				
	Cost of materials consumed	2,968.38	2,798.20	4,892.58	4,475.02
	Changes in inventories of finished goods and work-in-progress	(103.49)	66.10	(114.83)	(32.44)
	Employee benefits expense	20.37	20.10	41.62	38.28
	Finance Costs	239.83	220.70	472.19	454.46
	Depreciation and amortisation expense	143.18	151.00	294.77	306.20
	Other expenses	277.32	295.60	531.41	513.14
	Total Expenses	3,545.59	3,551.70	6,117.74	5,754.66
3	Loss before tax (1-2)	(179.13)	(231.30)	(475.85)	(493.28)
4	Tax Expense				
	- Current Tax	-	-	-	-
	- Deferred Tax	46.19	(127.10)	(28.74)	(127.09)
5	Loss for the period (3-4)	(225.32)	(104.20)	(447.11)	(366.19)
6	Other Comprehensive Income				
	Items that will not be reclassified to profit or loss				
	(a) Remeasurement of defined benefit plans	0.61	-	0.42	(0.38)
	- Income tax relating to above	(0.21)	-	(0.15)	0.13
		0.40	-	0.27	(0.25)
7	Total Comprehensive loss (5+6)	(224.92)	(104.20)	(446.84)	(366.44)
8	Paid-up equity share capital (Face Value of ₹ 10/- each)	1,877.63	1,877.63	1,877.63	1,877.63
9	Paid up debt capital	2,500.00	2,500.00	2,500.00	2,500.00
10	Other Equity	-	-	(1,565.64)	(1,118.81)
11	Net Worth	311.99	758.82	311.99	758.82
12	Debenture Redemption Reserve	-	-	-	-
13	Earnings per Share (Face Value of ₹ 10/- each) - not annualised				
	Basic	(1.20)	(0.55)	(2.38)	(1.95)
	Diluted	(1.20)	(0.55)	(2.38)	(1.95)
14	Debt - Equity Ratio	12.14	5.38	12.14	5.38
15	Debt Service Coverage Ratio	0.15	(0.01)	(0.00)	(0.05)
16	Interest Service Coverage Ratio	0.25	(0.08)	(0.01)	(0.09)

STATEMENT OF ASSETS AND LIABILITIES

Particulars	(₹ In Crore)	
	As at March 31, 2018	As at March 31, 2017
	Unaudited	Audited
ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	5,800.85	6,080.29
(b) Capital work-in-progress	14.60	0.04
(c) Intangible assets	0.67	0.67
(d) Financial assets	-	-
(i) Investment	0.48	0.48
(ii) Loans	1.92	3.06
(e) Deferred tax assets (net)	815.95	787.35
(f) Other non-current assets	316.02	328.03
Total non-current assets	6,950.49	7,199.92
(2) Current assets		
(a) Inventories	520.72	397.79
(b) Financial assets	-	-
(i) Trade receivables	145.39	197.75
(ii) Cash and cash equivalents	0.02	12.99
(iii) Loans	0.36	-
(iv) Other financial assets	0.18	34.44
(c) Current tax assets (net)	0.27	0.24
(d) Other current assets	122.97	257.40
Total current assets	789.91	900.61
Total assets	7,740.40	8,100.53



EQUITY AND LIABILITIES			
(1)	Equity		
	(a) Equity share capital	1,877.63	1,877.63
	(b) Other equity	(1,565.64)	(1,118.81)
	Total equity	311.99	758.82
(2)	LIABILITIES		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	2,979.20	3,775.17
	(b) Provisions	5.97	6.49
	Total non-current liabilities	2,985.17	3,781.66
(3)	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	3,183.88	2,851.34
	(ii) Trade payables	308.33	244.90
	(iii) Other financial liabilities	949.20	461.13
	(b) Other current liabilities	1.41	2.45
	(c) Provisions	0.42	0.23
	Total current liabilities	4,443.24	3,560.05
	Total liabilities	7,428.41	7,341.71
	Total equity and liabilities	7,740.40	8,100.53

NOTES:

1. The Audit Committee has reviewed the above results and the same have been subsequently approved by the Board of Directors in their meeting held on May 15, 2018.

2. The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The figures of the second half year are the balancing figures between the audited figures of the financial year and the published results upto the first half year of the respective financial years. Hence, the results for the second half year are reported as unaudited.

3. The listed non-convertible debentures aggregating ₹ 2,500 Cr as on March 31, 2018 are secured by way of first pari passu mortgage on the Company's leasehold land and other fixed assets thereto and the asset cover thereof exceeds hundred percent of the principal amount of the said debentures.

4. The Company has not created Debenture Redemption Reserve as the Company has not made Net Profit.

5. Due date and amount for principal and interest with respect to non-convertible debentures:

Sr. No	Particulars	Due date during financial year 2017-18 and Amount Paid		Next Due date during financial year 2018-19 and Amount Payable	
		Principal	Interest	Principal	Interest
1	INE053T07018 SECURED, NON-CUMULATIVE, REDEEMABLE, TAXABLE, LISTED, RATED, NON GUARANTEED, SENIOR, NON-CONVERTIBLE DEBENTURES - 8.40%	Nil	31st March 2018 Rs.42.00 Crore	14th March 2019 Rs 500.00 Crore	14th March 2019 Rs 40.04Crore
2	INE053T07026 SECURED, NON-CUMULATIVE, REDEEMABLE, TAXABLE, LISTED, RATED, NON GUARANTEED, SENIOR, NON-CONVERTIBLE DEBENTURES - 8.12%	Nil	31st March 2018 Rs.162.40 Crore	Nil	2nd April 2019 Rs. 163.29 Crore

6. Formulae for computation of ratios are as follows -

Debt Service Coverage Ratio = $\frac{\text{Earning before interest and Tax}/(\text{Finance Cost} + \text{Principal Repayments made during the period for long term loans})}{\text{Total Long Term Debt (excluding short term loan and commercial papers)}/\text{Net worth.}}$

Interest Service Coverage Ratio = $\frac{\text{Earning before interest and tax}/\text{Finance Cost}}{\text{Total Long Term Debt (excluding short term loan and commercial papers)}/\text{Net worth.}}$

Debt / Equity ratio = $\frac{\text{Total Long Term Debt (excluding short term loan and commercial papers)}/\text{Net worth.}}$

Net worth = $\text{Equity Share Capital} + \text{Other Equity}$

7. Company has retained its credit rating of "IND AAA" from M/s India Ratings and Research.

8. The Company operates only in one segment i.e. petrochemicals. As such reporting is done on a single segment basis

9. During the financial years 2015-16 and 2016-17, company had purchased additional aromatics from its holding Company. Company has reimbursed the cost on back to back basis including duties and taxes paid by holding company on import of reformate used towards this supply as per the agreed term sheet.

During the current financial year, in response to an enquiry from the Customs Department contending incorrect classification of reformate for the purpose of payment of import duty, the holding company has deposited an amount of ₹ 2,125.25 millions under protest towards differential customs duty being pre-deposit. As the duty paid under protest by the holding company could be refundable or otherwise only upon the completion of assessments and reaching finality, it is not practicable to make a realistic impact of the actual liability if any at this stage on the company.



10. The Financial Statements are prepared on going concern basis though the Company has incurred losses in the past including current year and there is erosion in net worth as the Company Management is of the belief that there will be sufficient cash generations to sustain the operations and meet all its obligations and liabilities based on the following grounds:-

Company is a Greenfield project and incurred losses due to lower capacity utilisation and stabilisation of the plant. The management has taken steps to achieve optimum capacity utilization in the future years,

Company has plans to increase its sales in the domestic markets which have higher contribution as compared to export sales for which certain firm commitment contracts have been entered into,

Company will be able to service its debt as well as interest obligation in time based on the ability of the Company to access the financial market with strong parentage from promoters.

Subsequent to the receipt of NOC from the Administrative Ministry, necessary actions have been initiated for the process of amalgamation of the Company with its Holding Company, MRPL.

11. The Board had accorded consent for amalgamation of the subsidiary ONGC Mangalore Petrochemicals Limited with the Mangalore Refinery and Petrochemicals Limited (MRPL), subject to necessary approvals. The Company has now received "No Objection" vide letter dated April 18, 2018 from Ministry of Petroleum & Natural Gas. No effect is considered towards the same in the financial statements as it is still at a preliminary stage.

12. The financial results for the second half year ended and financial year ended March 31, 2018 have been reviewed by the Statutory Auditors as required under Regulation 52 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

New Delhi
May 15, 2018



By order of the Board

H. Kumar
Director
DIN : 06851988



NBS & CO.
CHARTERED ACCOUNTANTS

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Behind Deepa Comforts
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TO WHOM SO EVER IT MAY CONCERN

We hereby Certify that M/s ONGC Mangalore Petrochemicals Limited has a Security Cover of 2.25 times. Calculation of existing Security Cover as on 31.03.2018 is arrived as below;

Sl. No.	Particulars	Rs. In Crs
1	Fixed Assets (Excluding leasehold properties of Rs.264 Cr)	6,696.68
2	CWIP	14.60
	Total Fixed Assets	6711.28
3	Loan Secured against Fixed Assets of Company	2979.20
	Assest Cover Ratio (Times) (Total F.A/Secured Loans)	2.25

* Details compiled from audited financial statements of the company.

This Certificate is issued at the specific request of ONGC Mangalore Petrochemicals Ltd.

For NBS & Co
Chartered Accountants
FRN: 110100W

Daniel Marsh Pereira - Partner
MN 231505

Date: 09th May 2018.