

MANGALORE REFINERY AND PETROCHEMICALS LIMITED

(A subsidiary of ONGC)

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PRESS RELEASE

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MRPL POSTS OPERATING GRM OF 6.74 \$/bbl in Q3 FY 2014-15

The Board of Directors of Mangalore Refinery and Petrochemicals Limited, a subsidiary Company of ONGC and a Category I Mini Ratna, today approved its un-audited results for the third quarter of 2014-15.

<u>Highlights</u>	<u>Q3 FY 2014-15</u>
• Throughput (MMT)	3.86
• Gross Revenue(₹ in Crore)	15,833
• Operating GRM(₹ in Crore)	1,209
• EBITA(₹ in Crore)	(-) 1,623
• PAT(₹ in Crore)	(-) 1,894

MRPL, posted a gross revenue of ₹ **15 833 Crore** for the 3 months period October to December 2014 which is down by 19% as compared to ₹ **19,506 Crore** in the corresponding quarter of FY 2013-14. The reduction in Gross Revenue is mainly due to steep reduction in crude and product prices by around 30% in the reporting quarter compared to previous quarter prices.

The core operating margin was **6.74 \$/bbl** for Q3 FY 2014-15 as compared to **(-) 0.95 \$/bbl** in Q3 FY 2013-14. The Managing Director of the company Mr. H Kumar stated that with the completion of Phase III expansion and up gradation project and units running consistently on sustained basis, the throughput, distillate yield and energy consumption is stabilizing. He expressed that all the secondary units are being fully operational and the throughput is being maximized for attaining higher margins.

The table below gives summarized financial highlights and key indicator.

Particulars		Q3		IX Months	
		2014-15	2013-14	2014-15	2013-14
Throughput	(MMT)	3.86	3.75	10.53	10.71
Total Turnover	(₹ In Crore)	15,833	19,506	49,256	55,195
Operating GRM	(US \$/bbl)	6.74	-0.95	2.92	0.62
	(₹ In Crore)	1209	-162	1428	301
Inventory Gain/ Loss	(US \$/bbl)	-13.48	0.37	-6.50	1.80
	(₹ In Crore)	-2,419	63	-3,181	878
EBITA	(₹ In Crore)	-1,623	31	-2,709	338
PBT	(₹ In Crore)	-1,894	-246	-3,352	-454
PAT	(₹ In Crore)	-1,894	-248	-2,882	-466

FINANCIAL PERFORMANCE REVIEW AND ANALYSIS:

A. Analysis of results Q3 FY 2014-15

The Company achieved a throughput of **3.86 MMT** for the Q3 FY 2014-15 as against **3.75 MMT** in Q3 FY 2013-14.

MRPL achieved a turnover of ₹ **15,833 Crore** (Exports ₹ **6,305 Crore**) for the Q3 FY 2014-15 as against ₹ **19,506 Crore** (Exports ₹ **9,269 Crore**) during the corresponding quarter of FY 2013-14 (decrease of 19% and export by 32%). The decrease is mainly on account of decline in product prices which in turn is linked to the declining crude prices.

MRPL posted for Q3 FY 2014-15 a net loss after tax adjustments of ₹ **1,894 Crore** (after considering ₹ **143 Crore** as Depreciation, ₹ **128 Crore** as Interest Cost, Net Foreign Exchange loss of ₹ **343 Crore**). The loss for the corresponding quarter of FY 2013-14 was ₹ **248 Crore** (after considering ₹ **184 Crore** as Depreciation, ₹ **93 Crore** as Interest Cost and Foreign Exchange gain of ₹ **189 Crore**).

B. Analysis of results IX MONTHS FY-2014-15

The Company has achieved a throughput of **10.53 MMT** for nine months period ended 31st December, 2014 as against **10.71 MMT** during corresponding period of last year (reduction of 2%).

MRPL has achieved a turnover of **₹ 49,256 Crore** (Exports **₹ 18,130 Crore**) for the nine months period ended 31st December, 2014 as against **₹ 55,195 Crore** (Exports **₹ 26,485 Crore**) during the corresponding nine months period of 2013-14 (decrease of 11% and Export by 32%)

MRPL has posted loss after tax of **₹ 2,882 Crore** (after considering **₹ 350 Crore** as Depreciation, **₹ 293 Crore** as Interest Cost, Net Foreign Exchange loss of **₹ 852 Crore**). The loss after tax for the corresponding nine months of 2013-14 was **₹ 466 Crore** (after considering **₹ 529 Crore** as Depreciation, **₹ 263 Crore** as Interest Cost and Foreign Exchange loss of **₹ 577 Crore**).

MARKETING INITIATIVES:

The Company has retained its strong market presence in its Refinery zone for products (viz. Bitumen, CRMB) and has also been able to get a good market reach for Petcoke. Company could evacuate on a consistent basis Petcoke and Sulphur in domestic as well as export market. During Q3 FY 2014-2015 the bulk product movement was to the extent of 0.16 MMT as against 0.05 MMT in corresponding period of Q3 FY 2013-14.

The company could evacuate more products in domestic market there by reducing the exports. The percentage of domestic volume during Q3 FY 2014-15 stood at 53 % as against 47 % in Q3 FY 2013-14.

The deregulation of HSD pricing has opened up opportunities for recommencing the retail business. MRPL has drawn up plans for opening over 100 retail outlets in the near short term.

AWARDS:

The Phase III Refinery Expansion and Up gradation Project has bagged the "India's Best Project-2014" by SKOCH group.

MRPL was awarded Silver Trophy in residual category of MSME category at FIEO (Federation of Indian Exports Organisation)"Niryat Shree Awards-2014".

PHASE III REFINERY PROJECT:

The Company has successfully completed the commissioning of Phase III Refinery Project during the last quarter and the units are performing consistently well.

The Polypropylene Unit (PPU) is expected to be commissioned by end of February 2015.

CORPORATE SOCIAL RESPONSIBILITY:

The Company, during the quarter has committed its causes to Govt. of India by way of "Swachh Vidhyalay Abhiyan Programme" by completing construction of one model toilet at Govt. High school, Soorinje. Work Order for 8 toilets in 6 schools has been issued and work is in progress. For balance 42 toilets in 21 schools, tendering activities has been initiated. Apart from the above, regular "Shramadan"s by the volunteers of MRPL is going on at weekends, wherein MRPL Team goes in & around the local area and takes up cleanliness drive.

The Company, as a socially conscious corporate, continues its 'Samrakshan' programme like skill up gradation programmes, distribution of meritorious scholarships, financial aids to girl students, Mid-day meal etc.
