

13TH
ANNUAL REPORT
2018-19



ONGC Petro additions Limited

Corporate Information

Board of Directors as on 03.09.2019

Shri Shashi Shanker	:	Chairman
Shri Avinash Kumar Verma	:	Managing Director
Shri Subhash Kumar	:	Director
Shri Rajesh Kakkar	:	Director
Shri S. Balachandran	:	Director
Shri Rajiv	:	Director
Shri Alope Kumar Banerjee	:	Director
Shri P.K. Gupta	:	Director
Shri Manoj R. Meshram	:	Director
Ms. Pomila Jaspal	:	Director

Key Managerial Personnel (KMP) as on 03.09.2019

Shri Avinash Kumar Verma	:	Managing Director
Shri Subodh Prasad Pankaj	:	Company Secretary
Shri Pradosh Kumar Basu	:	Chief Finance Officer

President as on 03.09.2019

Shri Manoj Kumar Srivastava



BANKERS/LENDERS/DEBENTURE TRUSTEE

Allahabad Bank	IndusInd Bank
Andhra Bank	Karnataka Bank Limited
Axis Bank	Karur Vysya Bank
Bank of Baroda	Oriental Bank of Commerce
Bank of India	Punjab National Bank
Bank of Maharashtra	Punjab & Sind Bank
Canara Bank	State Bank of India
Central Bank of India	Syndicate Bank
Corporation Bank	The Federal Bank Limited
Dena Bank	The Jammu & Kashmir Bank
EXIM Bank	The South Indian Bank Limited
Housing and Urban Development Corporation Ltd.	UCO Bank
ICICI Bank Limited	Union Bank of India
IDBI Bank Limited	United Bank of India
Indian Bank	Vijaya Bank
Indian Overseas Bank	SBICAP Trustee Company Ltd. (Debentures Trustee)

STATUTORY AUDITORS

M/s Parikh Mehta & Associates, Chartered Accountants, Vadodara-390020

SECRETARIAL AUDITOR

M/s Kumar Naresh Sinha & Associates, Company Secretaries, Noida-201307

INTERNAL AUDITOR

M/s S. K. Mehta & Co, Chartered Accountants, New Delhi

REGISTERED OFFICE

4th Floor, 35, Nutan Bharat Co-operative Housing Society Ltd. R.C. Dutt Road, Alkapuri, Vadodara-390007, Gujarat

ZONAL OFFICE - NEW DELHI

Unit No: 701, 7th Floor, World Trade Tower, Barakhambha Lane, New Delhi-110001

ZONAL OFFICE - MUMBAI

Unit No: 881, 8th Floor, Building No.8, Solitaire Corporate Park, Andheri Kurla Road, Andheri (East), Mumbai-400093

ZONAL OFFICE - CHENNAI

Unit No 301, 3rd Floor, Sigma Wing, Raheja Towers, Anna Salai, Chennai – 600002

ZONAL OFFICE - AHMEDABAD

13th Floor, A-1307 Mondeal Heights, Opp Karnavati Club, Near Novotel Hotel, Iscon Circle, SG Highway, Ahmedabad-380015, Gujarat

LOCATION OF PLANT

Plot No. Z-1, Z-83, C/o Dahej SEZ Limited, P.O. Dahej-392130, Taluka Vagra, District Bharuch, Gujarat

Website: www.opalindia.in

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BOARD'S REPORT**Dear Members,**

The Board of Directors have the pleasure of presenting the 13th Annual Report along with the Audited Statement of Accounts of the Company ('ONGC Petro additions Limited' or 'OPaL') for the financial year ended 31st March, 2019 together with the Auditors' Report and comments on the accounts by the Comptroller and Auditor General (C&AG) of India.

1. COMMERCIAL OPERATIONS

Stabilized operation of the entire complex started in a phased manner and during the financial year 2018-19, average plant capacity utilization was 70% (Previous year i.e. 2017-18 was 46.10%).

Average plant capacity utilization ramped up to 89.8% during the period April- July, 2019 (Previous Year i.e. April 2018 -August 2018 was 61 %).

2. FINANCIAL RESULTS

Key highlights of financial performance of your Company for the financial year ended 31st March, 2019 is summarized below:

Particulars	For the year ended on 31st March 2019 (Amount Rs. in millions)	For the year ended on 31st March 2018 (Restated) (Amount Rs. in millions)
Revenue from operations	97,387.20	55,918.21
Other Income	466.81	154.67
Expenses	119,577.63	80,773.88
Profit (Loss) before Taxation	(21,723.62)	(24,701.00)
Tax Expenses:		
Current Tax	NIL	NIL
Deferred Tax	(7,520.62)	(5,447.63)
Profit (Loss) for the Year	(14,203.00)	(19,253.37)
Other Comprehensive income	6.65	3.61
Total Comprehensive Income	(14,196.35)	(19,249.76)

Cumulative Capital expenditure of Rs. 2,96,279.23 million {Previous Year Rs. 2,90,287.37 million (Restated)} have been incurred up to 31st March, 2019 on cash basis.

3. ECONOMIC REVIEW & OUTLOOK

India emerged as the fastest growing major economy in the world during financial year 2018-19 with a Gross Domestic Product (GDP) growth of 7.2% as compared to 6.6% recorded in financial year 2017-18, backed by its strong domestic consumption. This growth in GDP in financial year 2018-19 is commendable as the economy overcame the initial slowdown owing to the implementation of the Goods and Services Tax (GST) in the previous year and signs of stress in major economies of the world.

The strong macroeconomic fundamentals and policy reforms including Insolvency and Bankruptcy Code, liberalization of Foreign Direct Investment (FDI) norms, and steps taken to improve Ease of Doing Business in India helped improve the investment and business climate and supported the overall pace of economic growth. Low inflation rates with Consumer Price Index (CPI) at 2.86% and Wholesale Price Index (WPI) at 3.18% enabled the interest rates to remain soft thus helping the domestic consumption. Rise in income tax collection, GST collection, increase in India's Foreign Direct Investment, maintaining current account deficit and fiscal deficit within the set targets speak well for the future of India's economy.

India's economic growth is estimated at 7% in financial year 2019-20 according to the International Monetary Fund (IMF) retaining its tag as the fastest growing large economy. Based on the economic reforms adopted in last few years, India is poised to remain the fastest growing large economy in the world and its GDP is expected to reach US\$ 5 Trillion by year 2025.

4. GLOBAL ECONOMY

The global economy, faced with trade policy tensions, imposition of Import tariffs between U.S.A. and China, weaker performance by Eurozone Countries, Japan and Britain, and rising interest rates resulting in capital outflows from some emerging markets, grew at 3.6% in year 2018. Emerging markets and developing economies witnessed a challenging environment in the later part of financial year 2018-19 owing to trade policy tensions, rising interest rates, dollar appreciation and volatile oil prices. Some of these challenges are likely to continue in the current year. The US-China trade war has adversely impacted consumption and resulted in softening of market sentiments affecting demand, trade flows and growth projections. As per IMF, the global economy is likely to grow at 3.3% in year 2019 and 3.6% in year 2020.

5. GLOBAL OIL DEMAND

Global oil demand grew by 1.3 mb/d in year 2018, supported by strong growth in US and positive momentum in Asia. US witnessed the highest oil demand growth in absolute terms across all countries, supported by robust economic activity, transportation demand and higher petrochemical feedstock demand. Growth in Asia was primarily driven by China and India with stable economic activities in these markets.

6. PETROCHEMICALS

6.1. POLYMERS

6.1.1. Feedstock and Polymers price trends

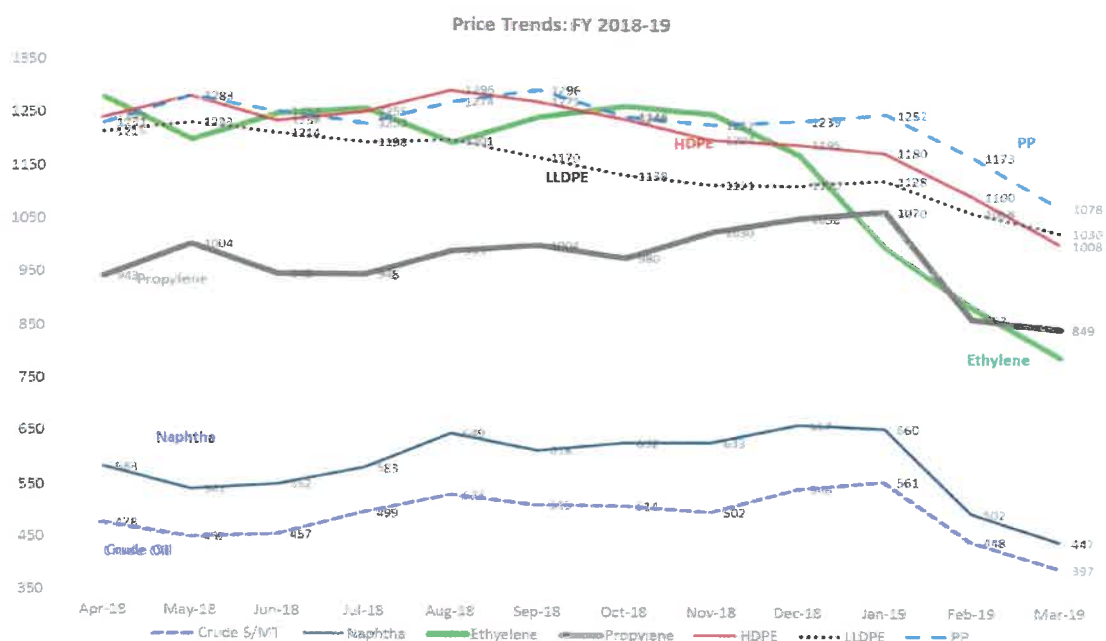
After a positive start in year 2018, the global petrochemical industry ended the year with trade and political tensions casting a shadow over prices and profitability in the business.

Crude prices exhibited high volatility during financial year 2018-19, amidst reduction in global demand projections, OPEC-led production cut and several geo-political concerns, including sanctions and trade conflicts.

Higher crude oil prices and healthy demand from downstream petrochemicals lead to increase in Asian Naphtha prices by 16% Y-O-Y in financial year 2018-19.

On Y-o-Y basis, Ethylene prices weakened by 3% in financial year 2018-19 on the back of ample supply from new cracker capacities in the US while Propylene prices in Asia increased by 13% during the year with healthy demand growth from downstream and seasonal turnaround in North East Asia.

During financial year 2018-19, Polypropylene (PP) prices were up 5% supported by a healthy supply-demand scenario and favourable demand from the application sectors. PP margins however were weakened by 17% to the level of \$250/MT due to higher propylene prices. Increased availability of material kept Polyethylene (PE) prices under pressure which weakened marginally during financial year 2018-19 (1% Y-o-Y). Higher Naphtha prices also suppressed PE margins to a great extent.



6.1.2. Indian Scenario:

In India, polymer demand registered healthy growth of ~ 5% during financial year 2018-19 on the back of support from the growth in demand for infrastructure project and the boom in e-commerce.

PP registered a growth of about 6% in financial year 2018-19 mainly driven by raffia, automotive, appliances sectors.

PE (HDPE + LLDPE) demand grew by 4% in financial year 2018-19 mainly driven by milk packaging and infrastructure pipe end-use sectors. Polyolefins {(PP and PE excluding Low Density Polyethylene (LDPE))} demand has almost achieved the milestone of 10 MMT.

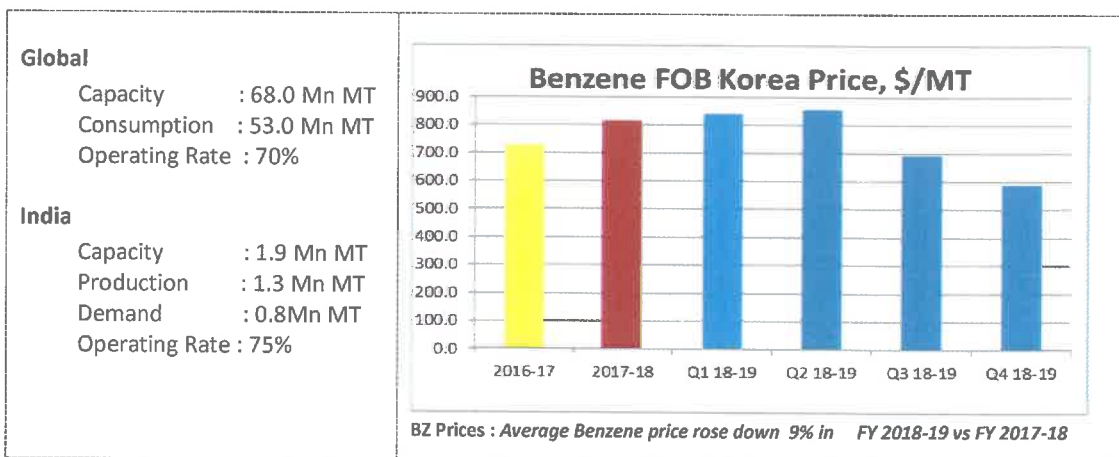
OPaL achieved market share of about 5% in PP, 10% in High Density Polyethylene (HDPE) and 16% of Linear Low Density Polyethylene (LLDPE) across India.

6.2. CHEMICALS

6.2.1. Benzene:

In year 2019, global nameplate capacity for Benzene increased to 68.0 million metric tons (Mn MT) with estimated consumption of 53.0 million metric tons, with average operating rate of 70%. Since, Benzene is produced primarily as a by-product, Benzene capacity is mostly feed-limited and the operating rate is less important for Benzene than for other prime commodity chemicals. The production and consumption of Benzene were mainly concentrated in Asia, North America and West Europe. Asia being the largest supplier with capacity accounting for 55% of the global capacity. China was the biggest importer globally with its major import origins from South Korea, Japan, India, Thailand and Malaysia.

Market prices rose sharply at the end of the year as energy costs pushed upwards, inventories needed replenishing, and planned outages were around the corner.



Source: IHS Chemicals, Platts, Industry Sources, In-house Compilation

In financial year 2018-19, Benzene production in India was approximately 1.5 million metric tons. Benzene production in India increased due to improved operating rates of Reliance Industries Limited (RIL), Para Xylene (PX) plant, OPaL cracker complex and ONGC Mangalore Petrochemicals Limited’s (OMPL) aromatic complex due to demand

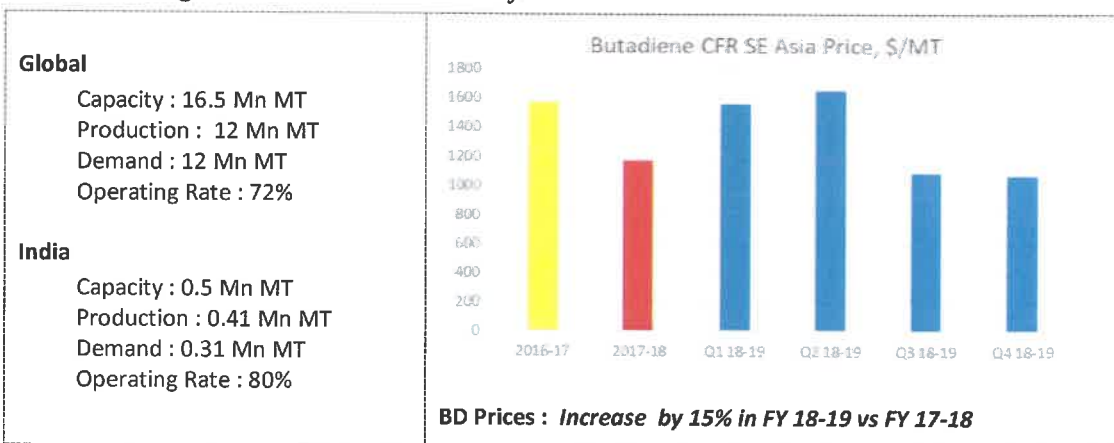
from Middle East (ME). Domestic demand has also been able to keep pace with production with start-up of Deepak Phenolics Phenol/Cumene plant.

India will continue to export surplus of its production in year 2019, China one of the major importers will cut back on its imports due to high inventories. Additional volumes are expected to move into the Middle East.

6.2.2 Butadiene

The global butadiene demand growth rate has been averaging at 2.6% per year. The largest butadiene consuming regions of the world (North America, West Europe, and Northeast Asia) accounted for over 80% of total global butadiene demand and the trend is expected to continue in future too.

US-China trade war seems to be impacting the downstream derivative market of Butadiene. The increase in tariffs for Chinese goods has impacted the GDP which has seen slowest growth of 6.0% – 6.5% in year 2019.



Source: IHS Chemicals, Platts, Market Information, In-house Compilation

In year 2018, Butadiene production in India was approximately 0.4 million metric tons with installed capacity of 0.5 million metric tons operating at 80% capacity utilization. Low domestic demand results in Butadiene being exported from India to South East Asia (SEA)/North East Asia (NEA).

China one of the major importers will cut back on its imports due to start-up of new capacities. By year 2020 China could start exports of Butadiene resulting in closure of EU-China arbitrage window.

7. OUTLOOK FOR FINANCIAL YEAR 2019-20

In India, demand is expected to be strong and sectors such as automotive, appliances, packaging, and construction shall drive growth.

Government of India’s initiatives such as Smart cities, Digital India, Swacch Bharat, Start-up India and skill enhancement programs are bound to fuel the demand growth of petrochemical sector.

Demand for polymers grew at ~ 5% in financial year 2018-19 and is expected to see a spike in growth to 8.5% and 7% in financial year 2019-20 and financial year 2020-21 respectively. India’s petrochemical industry, like the overall economy, faces near term challenges but the long term growth outlook for the industry remains positive. Expansions in capacity by other co-producers are moving ahead in pace.

It is expected that PE growth would be around 6% in financial year 2019-20 and about 7% in financial year 2020-21. PP is expected to continue with the healthy growth of about 8% in next couple of years.

8. PUBLIC DEPOSITS

The Company has not accepted any deposit from the public during the year under review.

9. DIVIDEND

In the absence of profits during the financial year 2018-19, your Directors do not recommend any dividend.

10. TRANSFER TO RESERVES

In view of absence of profits during the financial year 2018-19, your Directors are unable to transfer any amount to the General Reserve Account.

11. SHARE CAPITAL

During financial year 2018-19 there is no change in share capital of the Company.

12. AUDIT AND AUDITORS' REPORT

I. Statutory Audit

The Comptroller and Auditor General of India (C&AG) has appointed M/s Parikh Mehta & Associates, Chartered Accountants (Firm Registration No. 112832W), Vadodara, as Statutory Auditors for the financial year 2018-19. They have audited the Financial Statements for the financial year ended 31st March, 2019 and submitted their report which forms part of this report.

The Statutory Auditors were paid a remuneration of Rs. 2.00 million (previous year Rs. 1.24 million) towards audit fees (including Limited Review fee and other services). The above fees are exclusive of applicable taxes and reimbursement of reasonable travelling and out of pocket expenses actually incurred.

The Auditors' Report to the Members of the Company for the year under review is without any adverse remark or qualification statement and therefore no explanation is required to be given on the report of the Statutory Auditors.

There are no instances of frauds committed in the Company by its officers or employees reported by Statutory Auditors during the Financial Year 2018-19, pursuant to Section 143 (12) of the Companies Act, 2013.

The report given by the Comments of Comptroller & Auditor General of India (C&AG) on the financial statements of the Company forms part of the Annual Report.

The Comments of Comptroller & Auditor General of India (C&AG) and the reply of the management thereto form part of this report and are attached as **Annexure-I** to this Report.

II. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s Kumar Naresh Sinha & Associates a firm of Company Secretaries in practice to undertake the Secretarial Audit of your Company for the financial year 2018-19. M/s Kumar Naresh Sinha & Associates, Company Secretaries have submitted the Secretarial Audit Report dated 23rd July, 2019 to the Company. The Secretarial Audit Report is without any qualification, reservation, adverse remarks or disclaimer The Secretarial Audit Report in **Form No. MR-3** is attached as **Annexure-II** to this Report.

III Internal Audit

Pursuant to the provisions of Section 138(1) of the Companies Act, 2013 read with Rule 13(1) of the Companies (Accounts) Rules, 2014 and Rule 8(4) of the Companies (Meetings of Board and its Powers) Rules, 2014 the Board of Directors has appointed M/s S. K. Mehta & Co., Chartered Accountants to undertake the Internal Audit of your Company for the financial year 2018-19. Internal Auditor has carried out Internal Audit on quarterly basis and submitted its report to Audit Committee.

13. AUDIT COMMITTEE

In compliance with Section 177 (8) of the Companies Act, 2013, the details regarding Audit Committee are provided in Corporate Governance report. There has been no instance where recommendations of the Audit Committee have not been accepted by the Board.

14. ISSUANCE OF SECURITIES

During the financial year 2018-19, Company has issued following securities:

(i) Non-Convertible Debentures (NCDs):

Your Company successfully completed its maiden issue of Rated, Listed, Unsecured, and Redeemable Non-Convertible Debentures (NCDs) of Rs.335 crore (**Tranche-I**) at a cut off coupon rate of 8.60% payable annually with 3 years 3 months tenure through BSE Electronic Bidding Platform on 11.12.2018. These NCDs have been listed at stock exchange i.e. BSE Limited (BSE) for secondary trades and it was first ever listing of OPAL securities.

Subsequently another issue of Rated, Listed, Unsecured, Taxable and Redeemable NCDs of Rs.485 crore (**Tranche-II**) was successfully completed at a cut off coupon rate of 8.85% payable annually with 3 years 1 month tenure through BSE Electronic Bidding Platform on 19.03.2019. These NCDs were also listed at BSE for secondary trades.

Salient features of Non-Convertible Debentures are given below:

Particulars	Tranche-I	Tranche-II
Issue Size	Rs. 250 crore plus Rs. 750 crore greenshoe option	Rs. 665 crore including greenshoe option
Bid date	07.12.2018 (both 3 years 3 months and/or 5 years tenure)	18.03.2019 (both 3 years 1 month and/or 5 years tenure)
Amount and Tenure	Rs. 335 crore with 3 years 3 months tenure	Rs. 485 crore with 3 years 1 month tenure
Type of Issue	Private Placement	Private Placement
Face value of each NCD	Rs.10,00,000	Rs.10,00,000
Number of Securities	3,350	4,850
Allotment Date	11.12.2018	19.03.2019
Listing	BSE Limited	BSE Limited
Coupon	8.60 % Annually	8.85 % Annually
Maturity Date	11.03.2022	19.04.2022

ONGC Board has approved to provide Letter of Comfort (LoC) for raising funds upto Rs. 10,000 crore by OPaL. Accordingly, ONGC has issued LoC for fund raising by OPaL through NCDs of Rs. 820 crore and also by way of Rupee Term Loan (RTL) of Rs. 6,500 crore.

(ii) Warrants:

During the year your Company made an offer of 137,00,00,000 number Warrants having face value of Rs. 10/- each aggregating to Rs. 1370,00,00,000/- on rights basis to the existing shareholders. 63,60,00,000 number of Warrants were subscribed by Oil and Natural Gas Corporation Limited (ONGC)

Salient features of Warrants are given below:

Sl. No.	Particulars	Facts
1.	Date of Allotment	13/12/2018
2.	Number of Warrants	63,60,00,000
3.	Type of Issue	Rights Issue
4.	Face value of Warrant	Rs.10/- each
5.	Paid up value of Warrant	Rs. 9.75/- each
6.	Amount raised	Rs. 620,10,00,000/-

Terms & Conditions of Warrant is as under:

Infusion Methodology	Particulars	Period
Warrant Subscription Price First Payment Period	Rs. 09.75 per Warrant	Within 17 th November, 2018 to 1 st December, 2018
Warrant Exercise Price	Re. 0.25 per Warrant	Within 36 months from the date of issue of Warrants

(iii) Commercial Paper (CP)

During the financial year the Company has issued Rs. 1000 Crore of Commercial Paper (CP) with coupon ranging from 6.65% to 7.39%. The purpose of the issues were for funding the working capital fund base requirement with low cost funding from capital market. Issue of Commercial Paper by the Company were subscribed by various mutual funds at most competitive rates. The issues were unsecured and backed by credit rating agencies viz. CRISIL and India Ratings as "CRISIL A1+ and Ind A1+". ICICI Bank supported as the Issuing and Paying Agent "IPA" for the issues.

The details of Commercial Paper issued during financial year 2018-19 are given below:

Sl. No.	Amount (Rs. In Crore)	Deal Date	Issue Date	Redemption Date	Days	Rate	ISIN
1.	100	07/06/2018	07/11/2018	09/07/2018	58	6.70%	INE163N14030
2.	100	07/06/2018	07/11/2018	09/07/2018	58	6.65%	INE163N14030
3.	200	08/31/2018	09/05/2018	09/26/2018	21	6.77%	INE163N14055
4.	100	08/31/2018	09/05/2018	09/28/2018	23	6.77%	INE163N14048
5.	300	10/08/2018	10/09/2018	11/22/2018	44	6.95%	INE163N14063
6.	200	10/24/2018	10/26/2018	12/24/2018	59	7.39%	INE163N14071

Note:

1. Purpose of Issue: For working Capital funding
2. Rating : A1+
3. Security of the issue: Unsecured

15. HUMAN RESOURCE (HR)

Employees are the prime movers and our most valuable asset. In OPaL we are committed to create an open and transparent organization with focus on overall employee development and fostering an environment that enables them to deliver superior performance.

As on 31st March, 2019 total numbers of employees on the Company rolls were 930 and total numbers of employees working on deputation basis were 4. Average age of employees at OPaL is 32 years. It will be OPaL's constant endeavor to continuously upgrade and innovate HR practices and policies. HR policies and practices have been revisited and new HR policy manual have been implemented with effect from 1st April, 2018.

OPaL is fully committed to promote an environment of structured and systematic training and capability building for all its employees. OPaL recognises the importance of having a skilled workforce in order to achieve strategic and operational plans and OPaL is committed to provide necessary infrastructure to effectively promote training and development opportunities to all staff. In financial year 2018-19 total 1867 Man-days of training participation were achieved through various on-going training initiatives.

16. PARTICULARS OF EMPLOYEES AND REMUNERATION

During the year under review no employee was in receipt of remuneration exceeding the limits set out under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

17. DEMATERIALISATION OF EXISTING SECURITIES

The Ministry of Corporate Affairs (MCA) vide notification dated 10th September, 2018 made compulsory to issue of securities in dematerialized form and dematerialization of exiting securities by unlisted companies. Accordingly, exiting Equity Shares and Warrants of the Company were dematerialized with National Securities Depository Limited (NSDL).

18. DIRECTORS

- i) Shri Sanjib Datta (Nominee GAIL) ceased to be Director with effect from 19th June, 2018. The Board of Directors places on record their deep appreciation for the valuable advice and guidance provided by him during his tenure as Director.
- ii) Shri M. B. Lal ceased to be Director on the Board with effect from 22nd January, 2019. Board placed on record the excellent guidance, support and contribution received from Shri M.B. Lal, during his tenure as a member of OPaL Board.
- iii) Ms. Gita Singh, Woman Director (Nominee ONGC) ceased to be Director with effect from 1st February, 2019. Board placed on record the excellent guidance, support and contribution received from Ms. Gita Singh during her tenure as a member of OPaL Board.
- iv) Shri Avinash Joshi, Managing Director ceased to be Director with effect from 23rd February, 2019. The Board placed on record the excellent guidance, support and contribution received from Shri Avinash Joshi as the Managing Director of the Company.
- v) The term of Shri S. Balachandran, Independent Director has been expired on 31st March, 2019 after completing 5 years. Subsequently, Shri S. Balachandran was re-appointed as an Independent Director of the Company pursuant to provisions of Section 149, Section 150, Section 152, Schedule IV of the Companies Act, 2013 for another term of two consecutive years commencing from 1st April, 2019 to 31st March, 2021 with the approval of members on 12th Extraordinary General Meeting held on 14th June, 2019.
- vi) The term of Shri M.M. Chitale, Independent Director has been expired on 31st March, 2019 after completing 5 years. Therefore, he ceased to be an Independent Director of the Company with effect from 1st April, 2019. The Board placed on record the excellent guidance, support and contribution received from Shri M.M. Chitale as the Independent Director of the Company.
- vii) Shri M. R. Meshram (Nominee GAIL) was appointed as a Director of the Company with effect from 7th August, 2018.
- viii) Pursuant to provisions of Section 161, Section 196 and Section 197, Schedule V and all other applicable provisions, if any of the Companies Act, 2013, on the recommendations of Nomination and Remuneration Committee (NRC) and approval of the Board, Shri Avinash Kumar Verma was appointed as an Additional Director and Managing Director of the Company with effect from 15th April, 2019 with the approval of members on 12th Extraordinary General Meeting held on 14th June, 2019.

Shri Verma is a Mechanical Engineering Graduate of 1982 batch from G.S. Institute of Technology & Science, Indore, and holds a Post Graduate Diploma in Management from Management Development Institute (MDI), Gurgaon.

Shri Avinash Kumar Verma is well known in the country's Petrochemical industry and has been closely working with various Government-recognized bodies. Shri Verma has close to four decades of experience in the field of petrochemical and hydrocarbon sector focusing on sales, business development, team leadership, organization building, strategy formulation & implementation, driving business growth & profitability. Prior to his appointment as MD-OPaL, he was working as Executive Director, Petrochemicals with Indian Oil Corporation Limited (IOCL), a globally recognised, fortune 500 company. Shri Verma has been associated with IOCL since 1983, in various positions in Oil & Gas and Petrochemical marketing. Shri Verma also piloted the launch of its Petrochemicals business.

- ix) Pursuant to provisions of Section 149, Section 150, Section 152, Section 161, Schedule IV of the Companies Act, 2013 Shri Rajiv was appointed as an Independent Director of the Company for a term of five consecutive years commencing from 18th April, 2019 to 17th April, 2024 with the approval of members on 12th Extraordinary General Meeting held on 14th June, 2019.
- x) Pursuant to provisions of Section 161 and Section 149 of the Companies Act, 2013 and Articles of Association of the Company Ms. Pomila Jaspal (Nominee ONGC) was appointed as an Additional Director and Woman Director of the Company with effect from 29th April, 2019.
- xi) Pursuant to provisions of Section 149, Section 150, Section 152, Section 161, Schedule IV of the Companies Act, 2013 Shri Alope Kumar Banerjee was appointed as an Independent Director of the Company for a term of five consecutive years commencing from 7th May, 2019 to 6th May, 2024 with the approval of members on 12th Extraordinary General Meeting held on 14th June, 2019.

As on date of this report and during the financial year 2018-19, there was no change in the composition of the Board other than appointment of Shri Manoj R. Meshram, Shri Avinash Kumar Verma, Shri Rajiv, Ms. Pomila Jaspal and Shri Alope Kumar Banerjee and re-appointment of Shri S. Balachandran as Independent Director of the Company and cessation of Shri Sanjib Datta, Shri M.B. Lal, Ms. Gita Singh, Shri Avinash Joshi and Shri M.M. Chitale.

In accordance with the provisions of the Companies Act and the Articles of Association of the Company Shri Shashi Shanker, Director and Shri Subhash Kumar, Director are liable to retire by rotation at the ensuing Annual General Meeting and being eligible for re-appointment.

None of the Directors of the Company are disqualified from being appointed as Directors in term of provisions of the Companies Act, 2013.

19. KEY MANAGERIAL PERSONNEL (KMP)

Pursuant to provisions of Section 203 of the Companies Act, 2013 read with Rule 8 and Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following persons act as Key Managerial Personnel (KMP) of the Company :-

- i) Shri Avinash Kumar Verma, appointed as Managing Director of the Company with effect from 15th April, 2019. Due to cessation of Shri Avinash Joshi, as Managing Director and Key Managerial Personnel with effect from 23rd February, 2019, Shri Avinash Kumar Verma, Managing Director has been appointed as a Key Managerial Personnel (KMP) of the Company with effect from 15th April, 2019.
- ii) Shri Subodh Prasad Pankaj was initially appointed as Company Secretary (CS) with effect from 11th January, 2010 and as per Companies Act, 2013, he has been appointed as Company Secretary and a Key Managerial Personnel (KMP) of the Company with effect from 26th July, 2014.

Further, as per Regulation 6 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), Shri Subodh Prasad Pankaj, Company Secretary, has been designated by the Board as Company Secretary & Compliance Officer of the Company with effect from 10th May, 2019.

- iii) Shri Pradosh Kumar Basu has been appointed as Chief Finance Officer (CFO) and a Key Managerial Personnel (KMP) of the Company with effect from 6th February, 2018.

20. INDEPENDENT DIRECTORS

I. Declaration by Independent Directors

The Company has received necessary declaration from the Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

II. Independent Directors Meeting

During the year under review, an Independent Directors meeting was held on 19th December, 2018 at New Delhi, in accordance with the provisions of Section 149 (8) of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013, wherein all Independent Directors were present. Such meeting was conducted to enable Independent Directors to discuss matter pertaining to the Company's affairs. No sitting fees were paid to the Independent Directors of the Company for participating in the said meeting.

21. COST AUDIT

Pursuant to the Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 4(3)(ii) of Companies (Cost Records and Audit) Amendment Rules, 2014, Cost Audit is not applicable to the Company which is operating from Special Economic Zone (SEZ). Since, ONGC Petro additions Limited is operating from Dahej SEZ, accordingly, Cost Audit was not applicable for the period under review.

22. CORPORATE GOVERNANCE

A separate section on Corporate Governance practices followed by the Company, forms an integral part of this Report.

The Report on Corporate Governance for the financial year 2018-19 is attached herewith as **Annexure-III** to this report.

23. BOARD AND COMMITTEES OF THE BOARD

The details of the Board and Committees thereof along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

24. DISCLOSURE ON COMPLIANCE WITH SECRETARIAL STANDARD

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) constituted under Section 3 of the Company Secretaries Act, 1980 and approved by the Central Government as per Section 118(10) of the Companies Act, 2013.

25. EXTRACT OF ANNUAL RETURN

The extract of Annual Return in **Form No. MGT-9** pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached herewith as **Annexure-IV** to this Report.

Further, in accordance with Section 134(3)(a) of the Companies Act, 2013, amended provision, the provisional Annual Return in the prescribed format i.e. Form No. MGT-7 has been made available on the website of the Company at www.opalindia.in.

26. RELATED PARTY TRANSACTIONS

During the financial year all related party transactions were entered on arm's length basis and in the ordinary course of the business.

Accordingly, the particulars of Contracts or Arrangements made with related parties pursuant to Section 188 of the Companies Act, 2013 & Rules made thereunder, and the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 is in the prescribed format **Form No. AOC-2** attached herewith as **Annexure-V** to this Report.

27. RISK MANAGEMENT

Risk Management is embedded in the Company's operating framework. Your Company believes that risk resilience is key to achieving higher growth. To this effect, there is a

robust process in place to identify key risks across the Company and prioritize relevant action plans to mitigate these risks. Risk Management framework is reviewed by the Risk Management Committee and Board, which includes discussing the management submissions on risks, prioritising key risks and approving action plans to mitigate such risks.

The Company has laid down Risk Management Policy and also has a Risk Management Committee to understand and assess various kinds of risks associated with the running of business, suggesting/implementing ways and means for eliminating/minimizing risks to the business of the Company. The Risk Management Policy, inter-alia, includes identification therein of elements of risk, including those which in the opinion of the Board may threaten the existence of the Company. Risk management process has been designed to identify, assess and frame a response to risks that affect the achievement of its objectives. Risk Management Policy which is approved by the Board is available on the website of the Company at www.opalindia.in.

28. VIGIL MECHANISM

To ensure that the highest standards are maintained in these aspects on an on-going basis and to provide safeguards to various stakeholders, the Company has formulated the "Whistle Blower Policy of the Company" which is in compliance with the relevant provisions of Section 177(9) and Section 177(10) of the Companies Act, 2013, read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 4(2)(d) of the Listing Regulations. The Policy provides an opportunity to address serious concerns arising from irregularities, malpractices and other misdemeanors committed by the Company's personnel.

The Policy is intended to encourage reporting of suspected or actual occurrence of illegal, unethical or inappropriate actions, behaviour or practices by staff without fear of retribution. This Policy can be used regularly as a tool to voice concerns on irregularities, malpractices and other misdemeanors. This would create a business culture of honesty, integrity and compliance and would encourage speaking up so that preventive action is initiated.

During the financial year 2018-19, no case of Whistle Blower has been reported in the Company. The Whistleblower Policy is available on Company's website at www.opalindia.in.

29. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Board has constituted a Corporate Social Responsibility (CSR) Committee under the Chairmanship of a Non-Executive Director. A dedicated CSR team i.e. the CSR sub-committee, comprising of Senior Officials of the Company has been constituted to undertake and monitor all CSR activities of the Company. Compositions of CSR Committee of your Company and other relevant details have been provided in the Corporate Governance Report which forms part of this Annual Report.

The Company has a CSR Policy in compliance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder. The said CSR Policy has been uploaded on the website of the Company at www.opalindia.in.

The objective of CSR policy is as per given below:

- The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.
- The Company is conducting CSR activities preferably in and around the area of its operations presently being Dahej, in Gujarat. However, the Board/Committee may identify such other areas in addition to above, as it may deem fit, for undertaking CSR activities.
- The Company has developed a Greenfield Petrochemical Complex at Dahej SEZ-Gujarat. To achieve this, we make effective use of technology, while being sensitive towards the environment at all times. OPaL aspires to establish a suitable relationship with community at large for mutual benefit.
- OPaL is committed to achieve leadership role in Health, Safety and Environment management through continual improvement by innovative and sustainable endeavours with all levels of resources support.
- OPaL believes that protection of environment and ecology, the safety and occupational health of employees and stakeholders will always be core value along with the organizational mission and vision.
- We don't just plant-but create a wide socio-environmental impact. Together with Corporates we embark upon a journey which starts with planting trees, becomes visible as they grow taller and shall touch many hearts as their roots get deeper into the ground.
- Through sustainable measures, actively contribute to the Social, Economic and Environmental Development of the community at large in which we operate ensuring participation from the community and thereby create value for the nation.
- This policy, which embraces the Company's philosophy for portraying its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking social useful programs for welfare and sustainable development of the community at large.

Your Company has spent an amount of Rs. 3.37 Million (Previous Year Rs. 7.14 Million) in CSR activities during the financial year 2018-19.

30. NOMINATION AND REMUNERATION POLICY

The Company's philosophy for remuneration of Directors, Key Managerial Personnel (KMP), Vice President & above and Functional Heads is based on the commitment of fostering a culture of leadership with trust. The Company has adopted 'Nomination and Remuneration Policy', which is aligned to this philosophy.

Accordingly, all matters related to the Appointment, Re-appointment, Remuneration and other facilities of Directors, Key Managerial Personnel (KMP), Vice President & above and Functional Heads are deliberated in the Nomination & Remuneration Committee Meeting and recommended to the Board for approval.

31. BOARD EVALUATION

In your Company the Board Evaluation Policy has been framed in compliance with the requirements under the Companies Act, 2013. Nomination & Remuneration Committee constituted under Section 178 of the Companies Act, 2013 has defined the evaluation criteria of performance of Director, Key Managerial Personnel (KMP) and Senior Management Personnel yearly or at such intervals as may be considered necessary.

To review and improve the efficiency of the Board, Committees and each individual director, a formal Board review has been undertaken by the Independent Directors in their meeting held on 19th December, 2018.

32. MANAGERIAL REMUNERATION

The remuneration of the Board members is based on the Company's size, its economic & financial position, industrial trends; compensation paid by the peer Companies, etc. Compensation reflects each Board member's responsibility and performance. The Company pays remuneration to Executive Director on recommendation of the Nomination & Remuneration Committee, approval of the Board and the shareholders.

All the Directors in the Company are Non-executive Directors except the Managing Director. Remuneration paid to the Managing Director is within the limits prescribed under Section 197 of the Companies Act, 2013 and rules made thereunder and read with Schedule V of the Companies Act, 2013.

During the financial year 2018-19 there were two Independent Directors in the Company. The Independent Directors are paid sitting fees of ₹ 15,000/- per meeting for attending meetings of the Board and Committee of Board. During the financial year 2018-19 no directors has received any commission from the Company.

Further, all elements of remuneration package of all the Directors have been given in Form No. MGT-9 (Annexure IV) of this report.

33. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your Company framed "Prevention of Sexual Harassment at Workplace Policy", pursuant to which Company has constituted Internal Complaint Committees (ICC).

The summary of complaints received and disposed-off during the financial year 2018-19 is as under:

Number of complaints received during the year : Nil

Number of complaints disposed off during the year : Nil

34. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Directors of the Company to the best of their knowledge and ability hereby state and confirm that:

- a) in the preparation of the annual accounts for the year ended 31st March, 2019, the applicable accounting standards have been followed and there are no material departures from the same;
- b) they have selected such accounting policies and applied them consistently and made judgements 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, 2019 and of the profit and loss of the Company for the year ended on that date;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a 'going concern' basis;
- e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

35. OTHER MATERIAL CHANGES

Pursuant to Section 134(3)(l) and other applicable provisions of the Companies Act, 2013, save as mentioned in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company i.e., 31st March, 2019 and the date of this report.

36. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES

Your Company does not have any Subsidiary and Joint Venture company during financial year 2018-19 and as on date of this Report. However, OPaL is an Associate Company of Oil and Natural Gas Corporation Limited (ONGC) and GAIL (India) Limited (GAIL) under Section 2 (6) of the Companies Act, 2013.

37. HOLDING COMPANY

Your Company is not a subsidiary of any Company.

38. HEALTH, SAFETY AND ENVIRONMENT (HSE)

Your Company is committed to ensure best Health, Safety & Environment (HSE) and sustainability practices across all spheres of business activities to achieve highest standards in the area of HSE and sustainability. The Company has adopted Integrated Management System (IMS) policy for Quality, Environment, Health, Safety and Security for sustainable development and has been certified for Integrated Management System. The Company has been making continuous improvements in the systems & procedures with focus to further enhance the HSE performance.

Your Company has implemented Process Safety Management (PSM) principles throughout the complex. For effective PSM implementation, the Company has obtained membership of Centre for Chemical Process Safety (CCPS - AIChE) and participated in PSM conference & training during the financial year 2018-19.

Considering active participation & vital role of contractors at work place, safety management, top management have started interaction with Contractors.

Environment Management is fundamental responsibility while carrying out day to day operations of the plant. Your Company monitors Environment parameters on continuous basis to ensure reduction in emissions, reduction in pollution loads in treated effluent and ensuring conservation of resources. Your company has set up one of the most modern Effluent Treatment Plants for treated effluent recycling to minimize water foot print. The continuous Emission & Effluent monitoring system have been connected with CPCB and SPCB servers.

39. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

During the year under review Company has not made any loan, investment and guarantee.

40. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company's internal control systems commensurate with the nature of Petrochemicals business, the size and complexity of its operations. These are routinely tested and verified by Statutory as well as Internal Auditors.

The internal control is supplemented by extensive program of internal audits, review by Audit Committee and Board of the Company. The system has been designed to ensure that financial and other records are reliable for preparing financial information and for maintaining accountability of assets. All financial and audit control systems are also reviewed by the Audit Committee of the Board of the Company.

Significant audit observations, if any and follow up actions thereon are reported to the Audit Committee. Further, to maintain its objectives and independence, the Internal Auditors reports to the Audit Committee.

41. REPORT OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The report on energy conservation, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is attached herewith as **Annexure VI** to this report.

42. AWARDS AND ACCOLADES

- Your Company has won 17th Annual Green Tech Safety Award for the financial year 2017-18 in the Platinum Category in the Petrochemical Sector.
- ONGC Petro additions Limited is the proud winner of the Economic Times Best Brand in Plastics & Polymer Industry award for 2019.
- ONGC Petro additions Limited has been conferred with the coveted "Golden Jubilee Memorial Trust Award 2017-18 for outstanding performance in Environment Conservation and Pollution control" by Southern Gujarat Chamber of Commerce and Industry (SGCCI).

43. ACKNOWLEDGEMENTS AND APPRECIATION

The Board of Directors places on record its gratitude and deep appreciation to the Ministry of Corporate Affairs (MCA), Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), other Statutory and Regulatory Authorities, Financial Institutions, Stock Exchanges, Registrar of Companies and all regulatory authorities of the Central Government and all State Governments in India along with Share Transfer Agent, Debenture Trustees, Depositories, Dahej SEZ, Rupee Loan Lenders, ECB Lenders, Debentures holders and Correspondent Banks for their continued support and coordination. The Board also places on record its appreciation to the Promoter Companies i.e. ONGC, GAIL and GSPC, the Independent Directors and the Non-Executive Directors for strategic guidance, sharing of knowledge, experience and wisdom which helped the Company to take right decisions in achieving its business goals. Your Board takes this opportunity to thank all its vendors, suppliers, dealers and other stakeholders as it considers them essential partners in progress.

The Board also expresses its deep sense of appreciation to the relentless efforts of all the employees, workmen and staff including the management team headed by all the departmental heads and officers of OPaL for their strong work ethic, excellent performance, professionalism, teamwork, commitment and initiatives which has led to the Company reinforcing its customer centric image and making commendable progress in today's challenging environment.

**on behalf of the Board of Directors
for ONGC Petro additions Limited**

**Sd/-
(Shashi Shanker)
Chairman**

**Date : 3rd September, 2019
Place : New Delhi**



कार्यालय प्रधान निदेशक वाणिज्यिक लेखा परीक्षा
एवम् पदेन सदस्य, लेखा परीक्षा बोर्ड II, मुंबई
भारतीय लेखा एवम् लेखा परीक्षा विभाग
सी-25, 'ऑडिट भवन', 8वाँ तल, बांद्रा कुर्ला कॉम्प्लेक्स, मुंबई - 400 051
फैक्स : 022-26573814 टेलिफोन : 022-26573813 / 26573942
ई मेल : mabmumbai2@cag.gov.in

Office of the Principal Director of Commercial Audit
& ex-officio Member, Audit Board-II, Mumbai
Indian Audit & Accounts Department
C-25, 'Audit Bhavan', 8th Floor, Bandra-Kurla Complex, Mumbai - 400 051.
Fax : 022-26573814 Telephone : 022-26573813 / 26573942
e-mail : mabmumbai2@cag.gov.in

संख्या : एमएबी IIओपीअएल/लेखों/18-19/त-1697/350

20 अगस्त 2019

सेवा में,

अध्यक्ष,
ओएनजीसी पेट्रो एडीशस लिमिटेड,
वड़ोदरा, गुजरात

विषय : कंपनी के अधिनियम 2013 के धारा 143(6)(b) के अधीन ओएनजीसी पेट्रो एडीशस लिमिटेड के
31 मार्च 2019 को समाप्त लेखों पर भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियां।

महोदय,

मैं ओएनजीसी पेट्रो एडीशस लिमिटेड के 31 मार्च 2019 को समाप्त लेखों पर कंपनी के
अधिनियम 2013 के धारा 143(6)(b) के अधीन भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियां
प्रेषित कर रही हूँ।

वार्षिक आम सभा में लेखों तथा नियंत्रक-महालेखापरीक्षक के टिप्पणियों को अंगीकरण करने के
कार्यवाही के कार्यवृत्त की एक प्रतिलिपि इस कार्यालय को प्रेषित करें। साथ में प्रकाशित वार्षिक रिपोर्ट की
10 प्रतिलिपियाँ भेजें।

कृपया इस पत्र की पावती भेजें।

भवदीया,

रूप राशि

महानिदेशक वाणिज्यिक लेखापरीक्षा
एवं पदेन सदस्य, लेखा परीक्षा बोर्ड II, मुंबई

संलग्न : यथोपरि

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ONGC PETRO ADDITIONS LIMITED FOR THE YEAR ENDED 31 MARCH 2019.

The preparation of financial statements of ONGC Petro additions Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10 May 2019.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of ONGC Petro additions Limited for the year ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

Comments on Financial Position

Balance Sheet

Equity and Liabilities

Current Liabilities

Other Current Liabilities: (Note No. 22) ₹.444.44 million

1. The above does not include ₹.1154.40 million payable to ONGC Ltd towards taking over of partly constructed Hazira Dahej Naphtha Pipeline (HDNPL).

OPaL's Board of Directors accorded approval (Dec.2018) for taking over of partly constructed HDNPL owned by ONGC on as is where is basis. An agreement was entered into between ONGC and OPaL on 29 March 2019, which was accorded *post facto* approval by the Board in May 2019. As per the agreement, ONGC agreed to transfer the ownership of the said partly constructed HDNPL in favour of OPaL on reimbursement of all expenses incurred to the tune of ₹.1154.40 million.

Since the Company was aware of the liability before the closing of its account for FY 2018-19, the same should have been provided in the accounts. Non provision has resulted in understatement of Other Current Liabilities and Non-Current Asset by ₹.1154.40 million.

Notes to the Financial Statements

2. Board of Directors of the Company approved (May 2018) a proposal for exit of OPaL from SEZ. ONGC Board also accorded its approval (30 May 2019) for exit of its Dahej C2-C3 Plant along with OPaL from Dahej SEZ on the condition that OPaL will have to reimburse all cost, charges, fees, taxes and incidental expenditure payable on account of such exit. Dahej SEZ Ltd. has also accorded in principle approval and issued (January 2019) No Objection Certificate in response to the application filed by OPaL for exit along with ONGC's C2-C3 Plant. Though the demand notice from the authorities is still not received, the financial implication of exit has been worked out by the Consultant, M/s SBI Caps, to the tune of ₹.16816.30 million. Since the decision to exit SEZ will have material impact in the operations of the Company, the fact should have been disclosed in the notes to the Financial Statements for the period ended 31 March 2019.

For and on behalf of the
Comptroller & Auditor General of India



Roop Rashi
Director General of Commercial Audit &
ex-officio Member Audit Board-II, Mumbai

Place: Mumbai
Date: 20 August 2019

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ONGC PETRO ADDITIONS LIMITED FOR THE YEAR ENDED ON 31ST MARCH, 2019

No.	Comments on Financial position	Management Reply
	<p>The preparation of financial statements of ONGC Petro additions Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10 May 2019.</p> <p>I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of ONGC Petro additions Limited for the year ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.</p> <p>Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.</p>	<p>Statement of Fact</p>
1.	<p>Balance Sheet Equity and Liabilities Current Liabilities Other Current Liabilities: (Note No. 22) ₹.444.44 million</p>	<p>The Heads of Agreement (HoA) was entered between ONGC and OPaL on 29th March, 2019, whereby ONGC agreed to</p>

No.	Comments on Financial position	Management Reply
	<p>The above does not include ₹.1154.40 million payable to ONGC Ltd towards taking over of partly constructed Hazira Dahej Naphtha Pipeline (HDNPL).</p> <p>OPaL's Board of Directors accorded approval (Dec.2018) for taking over of partly constructed HDNPL owned by ONGC on as is where is basis. An agreement was entered into between ONGC and OPaL on 29 March 2019, which was accorded <i>post facto</i> approval by the Board in May 2019. As per the agreement, ONGC agreed to transfer the ownership of the said partly constructed HDNPL in favour of OPaL on reimbursement of all expenses incurred to the tune of ₹.1154.40 million.</p> <p>Since the Company was aware of the liability before the closing of its account for FY 2018-19, the same should have been provided in the accounts. Non provision has resulted in understatement of Other Current Liabilities and Non-Current Asset by ₹.1154.40 million.</p>	<p>transfer the ownership of the said partly constructed HDNPL in favour of OPaL on the reimbursement of all expenses incurred. However, a detailed agreement between M/s ONGC and M/s OPaL is yet to be executed.</p> <p>As per Para 7 of Ind as 116 An item of property, plant and equipment is recognised as an asset if:</p> <p><i>"it is probable that future economic benefits associated with the item will flow to the entity; and the cost of the item can be measured reliably."</i></p> <p>Therefore, sufficient certainty that future economic benefits will flow to the entity is normally achieved only when the risks and rewards of the asset have passed to the entity. Normally, the transfer of risks and rewards is assumed to occur when an unconditional and irrevocable contract is in place. In practice, the transfer of risks and rewards often occurs when the asset is delivered. Hence, the asset is not recognised until the transfer of risks and rewards has occurred.</p> <p>Mere signing of Heads of agreement does not transfer Risk and reward of ONGC constructed Pipeline as custody of the same is also not transferred to OPaL.</p> <p>Moreover, the Heads of Agreement was approved by OPaL Board on 10th May, 2019 which is also the date of approval of accounts for FY 2018-19. Accordingly, the liability could not recognize in books of account.</p> <p>For transfer of these asset an agreement comprising of detailed terms and conditions will be executed between OPaL and ONGC. As on date the same is still pending.</p> <p>Therefore, the assets and liabilities corresponding to assets constructed by ONGC is not recognised in books of OPaL during the FY 2018-19.</p>

No.	Comments on Financial position	Management Reply
2	<p>Notes to the Financial Statements</p> <p>Board of Directors of the Company approved (May 2018) a proposal for exit of OPaL from SEZ. ONGC Board also accorded its approval (30 May 2019) for exit of its Dahej C2-C3 Plant along with OPaL from Dahej SEZ on the condition that OPaL will have to reimburse all cost, charges, fees, taxes and incidental expenditure payable on account of such exit. Dahej SEZ Ltd. has also accorded in principle approval and issued (January 2019) No Objection Certificate in response to the application filed by OPaL for exit along with ONGC's C2-C3 Plant. Though the demand notice from the authorities is still not received, the financial implication of exit has been worked out by the Consultant, M/s SBI Caps, to the tune of ₹.16816.30 million. Since the decision to exit SEZ will have material impact in the operations of the Company, the fact should have been disclosed in the notes to the Financial Statements for the period ended 31 March 2019.</p> <p style="text-align: center;">For and on the behalf of the Comptroller & Auditor General of India</p> <p style="text-align: center;">Sd/- Roop Rashi Director General of Commercial Audit & Ex-officio Member Audit Board-II, Mumbai</p> <p>Place: Mumbai Date : 20 August 2019</p>	<p>During the year 2018-19 in the matter of SEZ exit, only No Objection Certificate from Developer (Dahej SEZ Ltd.) was received. However, application of SEZ exit of company is still pending with Development Commissioner, SEZ, Government of India.</p> <p>The amount shown in the Audit para is estimated figure provided in Board agenda. However, the final Demand notice from concerned authority will be issued only after approval of SEZ exit. It is to be noted that once OPaL receives final demand notice, evaluation/comparison of cost with benefits associated with it will be made. If it results in to net savings for OPaL, then only exit option will exercise be exercised.</p> <p>Hence, mere receiving No Objection Certificate for SEZ exit can not to be treated as final approval and no financial liability arise which requires to be recognized in books of OPaL.</p> <p>The final decision on SEZ exit would be dependent on receipt of Demand notice and evaluation of the same.</p> <p style="text-align: center;">For and on the behalf of ONGC Petro additions Limited</p> <p style="text-align: center;">Sd/- (Shashi Shanker) Chairman</p> <p>Date : 3rd September, 2019 Place : New Delhi</p>

Form No. MR – 3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,
ONGC Petro additions Limited
[CIN: U23209GJ2006PLC060282]
4th Floor, 35, Nutan Bharat Co-operative Housing Society Limited,
R.C. Dutt Road, Alkapuri,
Vadodara – 390007, Gujarat

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ONGC Petro additions Limited** (hereinafter called "The Company"), having its Registered Office at **4th Floor, 35, Nutan Bharat Co-operative Housing Society Limited, R.C. Dutt Road, Alkapuri, Vadodara – 390007, Gujarat**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2019** complied with the statutory provisions prescribed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2019** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;



- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable during the period under review)**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable during the period under review)**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable during the period under review)**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable during the period under review)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable during the period under review); and**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable during the period under review)**
- (vi) The other laws, as informed by the management of the Company which, are specifically applicable to the Company based on their sector/ industry are:
- a) Petroleum Act, 1934 and Rules made thereunder
 - b) The Special Economic Zones Act, 2005 and Rules made thereunder
 - c) Petroleum and Minerals Pipelines (Acquisition of Right of User Inland) Act, 1962
 - d) Explosives Act, 1884
 - e) Petroleum and Natural Gas Regulatory Board Act, 2006
 - f) The Oil Industry (Development) Act, 1957
 - g) The Territorial Waters, Continent shelf, Exclusive Economic Zone and Other Maritime Zone Act, 1976

For the compliances of Labour Laws & other General Laws, our examination and reporting is based on the documents, records and files as produced and shown to us and the information and explanations as provided to us, by the management of the Company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company, in our opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General Laws and Labour Laws.



The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory financial auditor and other designated professionals.

We have also examined compliance with the applicable clauses/Regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- (iii) DPE Guidelines **(Not Applicable during the period under review)**

During the period under review and as per the explanations and representations made by the management and subject to the clarifications given to us, the Company has satisfactorily complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company consists of Executive Director, Non-Executive Directors including Woman Director and Independent Directors on the Board as per the Section 149 of the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, including Committees thereof, along with agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period i.e. Financial Year 2018-19, the Company has issued following securities:

Sl. No.	Particulars	Face Value per security	No. of Securities	Date of Allotment
1.	Non-Convertible Debentures (NCDs)	Rs. 10,00,000/-	3,350	11/12/2018
2.	Convertible Warrants paid up value Rs. 9.75/-	Rs.10/-	63,60,00,000	13/12/2018
3.	Non-Convertible Debentures (NCDs)	Rs. 10,00,000/-	4,850	19/03/2019



We further report that:

- Shri Avinash Joshi, Managing Director ceased to be a Managing Director on the Board and a Key Managerial Personnel (KMP) on completion of his tenure as Managing Director w.e.f. 23rd February, 2019.
- Shri Avinash Kumar Verma has been appointed as Managing Director and a Key Managerial Personnel (KMP) of the Company for a period of three Years w.e.f. 15th April, 2019.
- Shri M.B. Lal a Non-Executive Director ceased to be a Director on the Board of the Company w.e.f. 22nd January, 2019.
- Shri Sanjib Datta, ceased to be a Director on the Board of the Company w.e.f. 19th June, 2018.
- Ms. Gita Singh, ceased to be a Director on the Board of the Company w.e.f. 1st February, 2019.
- Shri Manoj R. Meshram, was appointed as a Director on the Board of the Company in place of Shri Sanjib Datta w.e.f. 7th August 2018.
- Shri M.M. Chitale, an Independent Director ceased to be Director on the Board of the Company w.e.f. 1st April, 2019 on completion of his tenure on 31st March, 2019.
- The tenure of Shri S. Balachandran, Independent Director completed on 31st March, 2019. However, he was re-appointed w.e.f. 1st April, 2019 for a period of 2 years.
- Shri Rajiv has been appointed as an Independent Director of the Company for a period of five years w.e.f. 18th April, 2019.
- Ms. Pomila Jaspal, has been appointed as a Woman Director of the Company w.e.f. 29th April, 2019.
- Shri Alope Kumar Banerjee has been appointed as an Independent Director of the Company for a period of five years w.e.f. 7th May, 2019.

Date: 23.07.2019

Place: NOIDA



**For Kumar Naresh Sinha & Associates
Company Secretaries**


**Naresh Kumar Sinha
(Proprietor)**

**FCS No.: 1807
CP No.: 14984**

Note: This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

To,
The Members,
ONGC Petro additions Limited
[CIN: U23209GJ2006PLC060282]
4th Floor, 35, Nutan Bharat Co-operative Housing Society Limited,
R.C. Dutt Road, Alkapuri, Gujarat.
Vadodara - 390007

Our Report of even date is to be read along with this letter.


1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our finding/ audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. We have relied upon the Reports of statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating to maintenance of Books of Accounts, papers and financial statement of the relevant financial year, which give a true and fair view of the state of the affairs of the Company.
4. We have relied upon the reports of statutory auditors regarding compliance of Fiscal Laws including Goods and Service Tax and not gone into that.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis, which satisfies the compliances of applicable laws.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 23.07.2019

Place: NOIDA



For Kumar Naresh Sinha & Associates
Company Secretaries


Naresh Kumar Sinha
(Proprietor)
FCS No.: 1807
CP No.: 14984

CORPORATE GOVERNANCE REPORT

1. Corporate Governance

Corporate Governance is a necessary discipline and proper governance would lead effectiveness and transparency in the functioning of any corporate entity. The compliance of Corporate Governance has been given top priority by the regulatory bodies and by your Company with the objective of providing better and effective protection to investors and also to make the Stakeholders confident and vibrant.

The Company always endeavours to carry its business operations in a fair, transparent and ethical manner and also holds itself accountable and responsible to the society it belongs. The Company considers it absolutely essential to abide by the laws of the land in letter and spirit and is committed to the highest standards of Corporate Governance and be considered as a good corporate citizen of the Country.

Company's Corporate Governance practices are a reflection of our value system encompassing our culture, policies, and relationships with the stakeholders. OPAL's Integrity and transparency is the key to our Corporate Governance practice to ensure that we gain and retain the trust of our stakeholders' at all time.

OPAL deduces that the codification of Corporate Governance and its effective implementation in true spirit would bring radical changes in the way in which Company is directed and controlled. Sound Corporate Governance is critical for enhancing and retaining investor trust and your Company always seeks to ensure that its performance goals attain the international benchmark.

Your Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to fulfil its overall responsibilities and to provide management with the strategic direction needed to create long term Shareholders' value. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of Good Corporate Governance.

The Company's Governance framework is based on the following principles:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- Timely disclosure of material, operational and financial Information to the stakeholders;
- Systems and processes in place for internal control; and
- Proper business conduct by the Board, Senior Management and Employees.

2. Shareholders

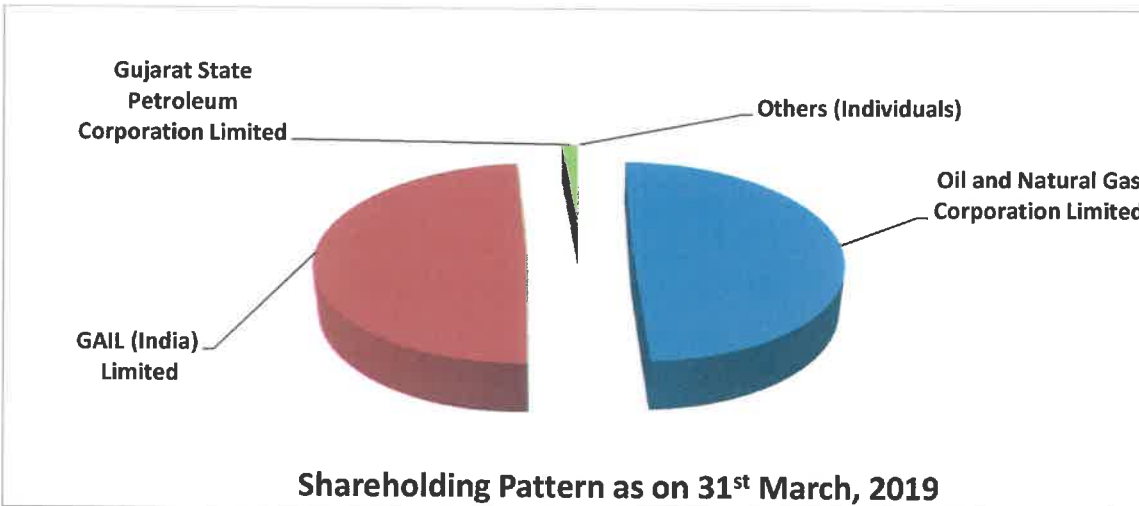
The Shareholders, being the real owner of the Company, secure a bundle of rights and powers. These rights and powers usually relate to having a voice in the running of the Company.

Shareholders are entitled to the rights and powers like attending general meetings and voting on key issues; transferring ownership; receiving company's reports, announcements, other financial and non-financial distributions; and participating in corporate actions etc. These rights and powers exemplifies the Company's vigorous practice to guarantee that utmost transparency is upheld and the shareholders decisions are well informed and are of paramount significance.

2.1 Shareholding Pattern

Shareholding pattern of the Company as on 31st March, 2019 and up to date of this report is given below:

Sl. No.	Name of Shareholders/Member	No. of Equity Shares held @ Rs. 10/- each	% of Shares held
1.	Oil and Natural Gas Corporation Limited	99,79,80,632	49.36%
2.	GAIL (India) Limited	99,49,45,000	49.21%
3.	Gujarat State Petroleum Corporation Limited	2,90,04,033	1.43%
4.	Others (Individuals)	6	0.00 %
	Total	202,19,29,671	100%



3. The Board of Directors - "The Spearheads"

The Board of Directors is the apex body for overseeing the Company's overall functioning. The Board provides and appraises the Company's strategic direction, management policies and their effectiveness, and ensures that shareholders' long-term interests are being served.

In pursuance of all the applicable provisions of the Companies Act, 2013, the relevant Rules made thereunder, the Shareholders' Agreement and the Articles of Association of the Company, composition of the Board of Directors stands validated.

The combination of complementary talent and experience of members that enables OPaL Boards to steer the Company towards success and long term stability.

Directors of your Company are in a fiduciary position, vouched to preside over the management functions with a view to ensure its effectiveness and amplify the stakeholder value. The Board also appraise and approves management's strategic plan & business objectives and track the Company's strategic direction.

Your Company concede and embrace the significance of Board's diversity in an organisation's success. OPaL concur that diversified Board will lead to different perspectives, ideas, areas of expertise, industry experience, knowledge, skill, geographical background, age, ethnicity, race and gender that will be helpful in retaining our competitive advantage.

Directors who have served on the Board for a long time, provided valuable insight based on their through knowledge of the Company and its business, thereby improved decision making process. Awareness of strengths and weakness of the management and its operations helped to mitigate the risk. Therefore, extended board term indicates the competence and commitment of Board members.

3.1 Composition

The following were the members of the Board as on 31st March, 2019:

Sl. No.	Name of Directors	Designation	Category
1	Shri Shashi Shanker	Chairman	Non-Executive
2.	Shri Subhash Kumar	Director	Non-Executive
3.	Shri Rajesh Kakkar	Director	Non-Executive
4.	Shri M. M. Chitale	Director	Independent & Non-Executive
5.	Shri S. Balachandran	Director	Independent & Non-Executive
6.	Shri P. K. Gupta	Director	Non-Executive
7.	Shri Manoj R. Meshram	Director	Non-Executive

Composition of Board of Directors of the Company during the financial year 2018-19 i.e. from 1st April, 2018 to 31st March, 2019 and up to date of this report is as follows:

Sl. No.	Name of Directors	Designation	Date of Appointment	Date of Cessation
1.	Shri Shashi Shanker	Chairman	11/10/2017	Continue
2.	Shri Avinash Kumar Verma	Managing Director	15/04/2019	Continue
3.	Shri Subhash Kumar	Director	06/02/2018	Continue
4.	Shri Rajesh Kakkar	Director	24/03/2018	Continue
5.	Shri S. Balachandran	Independent Director	29/11/2010	Continue
6.	Shri P. K. Gupta	Director	22/09/2015	Continue
7.	Shri Manoj R. Meshram	Director	07/08/2018	Continue

Sl. No.	Name of Directors	Designation	Date of Appointment	Date of Cessation
8.	Shri Rajiv	Independent Director	18/04/2019	Continue
9.	Ms. Pomila Jaspal	Woman Director	29/04/2019	Continue
10.	Shri Alope Kumar Banerjee	Independent Director	07/05/2019	Continue
11.	Shri Sanjib Datta	Director	18/01/2017	19/06/2018
12.	Shri M. B. Lal	Director	23/08/2013	22/01/2019
13.	Ms. Gita Singh	Woman Director	06/02/2018	01/02/2019
14.	Shri Avinash Joshi	Managing Director	01/02/2017	23/02/2019
15.	Shri M. M. Chitale	Independent Director	20/03/2008	01/04/2019

3.2 Classification of the Board

Category	Number of Directors	% to Total Number of Directors
Executive Directors (Managing Director)	1	10 %
Independent Directors	3	30 %
Non-Executive Directors (including a Woman Director)	6	60 %
Total	10	100 %

4. Board/Committees Meetings and Procedures

- 4.1 Board meetings are characterised by high attendance, active participation either in person or by video conference and constructive & open discussions.
- 4.2 The Board meeting agenda is set by the Chairman in consultation with the Managing Director, Chief Finance Officer and the Company Secretary. Board/Committee meeting agenda as well as accompanying papers are distributed to the Directors/Committee members well in advance of each meeting, and each Director/Committee member may request adding items to the agenda.
- 4.3 The Chairman ensures that the Board is properly briefed on issues arising at Board meetings and receives, in a timely manner, adequate information which must be accurate, clear, complete and reliable, to fulfill its duties, while the Chairman ensures that the management gives appropriate priority to providing reports which contain all the information necessary to the Board to fulfill its duties.
- 4.4 The Regular Board/Committee meeting schedules are made available to all Directors/Committee members. Unscheduled supplementary meetings may also take place as and when necessary at reasonable notice.
- 4.5 Board/Committee meetings are held in an inclusive environment where open debates and constructive challenges are encouraged and embraced. Directors/Committee members are free to contribute alternative views at meetings and major decisions would only be made after thorough deliberations.
- 4.6 The Minutes of Board/Committee meetings record the matters deliberated and decisions reached in sufficient detail, and reflect any concerns raised or any dissent expressed. All discussions of the Board/Committees and their record are maintained in confidence unless there is a specific decision or legal requirement to

make disclosure. Draft/final minutes are circulated to all Board/Committee members for their comment/records within a reasonable time after the meeting was held.

- 4.7 Approved Minutes of the Board/Committee meetings are kept in safe custody by the Company Secretary and are open for inspection by the respective Board/Committee members.
- 4.8 President, Chief Financial Officer, Department Head and other senior officials of the Company are invited to attend Board and Committee meetings, for providing clarification on the relevant subjects from time to time and to enhance the Board's understanding of any business proposals.
- 4.9 Senior officials deliver presentations on the status and performance of the businesses and matters reserved for the Board, including the approval of budgets, financial statements and business strategies, and answer the Board's enquiries.
- 4.10 The Board ensures that Directors, especially Non-executive Directors, are provided with sufficient resources in the furtherance of their duties as Board/Committee members, including access to independent professional advice, if necessary.
- 4.11 Your Company maintains robust procedures to identify, disclose and manage any potential conflicts of interest, so as to ensure that there is no compromise to the independence of those Directors who have board appointments or relationships with companies. Directors are required to make declaration of interests in other businesses upon appointment or election to the Board, and provide prompt updates on any subsequent changes and confirmation on an annually basis.
- 4.12 Information about the related party transactions under the applicable accounting standards and connected transactions under the Listing Rules is disclosed as required in the financial statements.
- 4.13 Directors who have material interests in a transaction, arrangement or contract or a proposed transaction, arrangement or contract to be discussed would abstain from the meeting.
- 4.14 Interests (such as directorships, office held, and shareholding/economic interests) declared by Directors are recorded in a register which is accessible by all Directors.
- 4.15 The guidelines for Board/Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof.
- 4.16 Important decisions taken at Board/Committee meetings are communicated promptly to the concerned departments/divisions. Action taken report on decisions/minutes of the previous meeting(s) is placed at the succeeding meeting of the Board/Committees for noting.

5. Board Meetings

During the financial year 2018-19 Five (5) Board meetings were held and the maximum time gap between two consecutive meetings did not exceed one hundred and twenty (120) days. The dates of the Board meetings and other details are as follows:

Sl. No.	Serial Number of Board Meeting	Date of Board Meeting	Place of Board Meeting
1.	75 th	18-05-2018	Board Room of ONGC, 5 th Floor, Deendayal Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070
2.	76 th	08-08-2018	Board Room of ONGC, 5 th Floor, Deendayal Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070
3.	77 th	20-09-2018	Board Room of ONGC, 5 th Floor, Deendayal Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070
4.	78 th	26-12-2018	Board Room of ONGC, 5 th Floor, Deendayal Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070
5.	79 th	23-03-2019	Board Room of ONGC, 5 th Floor, Deendayal Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070

The necessary quorum was present for all the above Board Meetings.

The details of Director's attendance in the Board Meetings during the financial year 2018-19 i.e. from 1st April, 2018 to 31st March, 2019 are as follows:

Sl. No.	Name of Directors	Executive/Non-Executive/Independent	Number of Meetings Held	Number of Meetings Attended
1.	Shri Shashi Shanker (DIN : 06447938)	Chairman & Non-Executive Director	5	5
2.	Shri Avinash Joshi ¹ (DIN: 06723083)	Managing Director	4	4
3.	Shri Subhash Kumar (DIN : 07905656)	Non-Executive Director	5	5
4.	Shri Rajesh Kakkar (DIN : 08029135)	Non-Executive Director	5	5
5.	Shri M.M. Chitale ² (DIN : 00101004)	Independent & Non-Executive Director	5	3
6.	Shri S. Balachandran ³ (DIN : 01962996)	Independent & Non-Executive Director	5	4
7.	Shri M.B. Lal ⁴ (DIN : 00129965)	Non-Executive Director	4	3
8.	Shri P.K. Gupta (DIN : 01237706)	Non-Executive Director	5	4
9.	Shri Sanjib Datta ⁵ (DIN : 07008785)	Non-Executive Director	1	0
10.	Shri Manoj R. Meshram ⁶ (DIN : 08195079)	Non-Executive Director	4	3
11.	Ms. Gita Singh ⁷ (DIN : 08060707)	Woman & Non-Executive Director	4	3

Note:

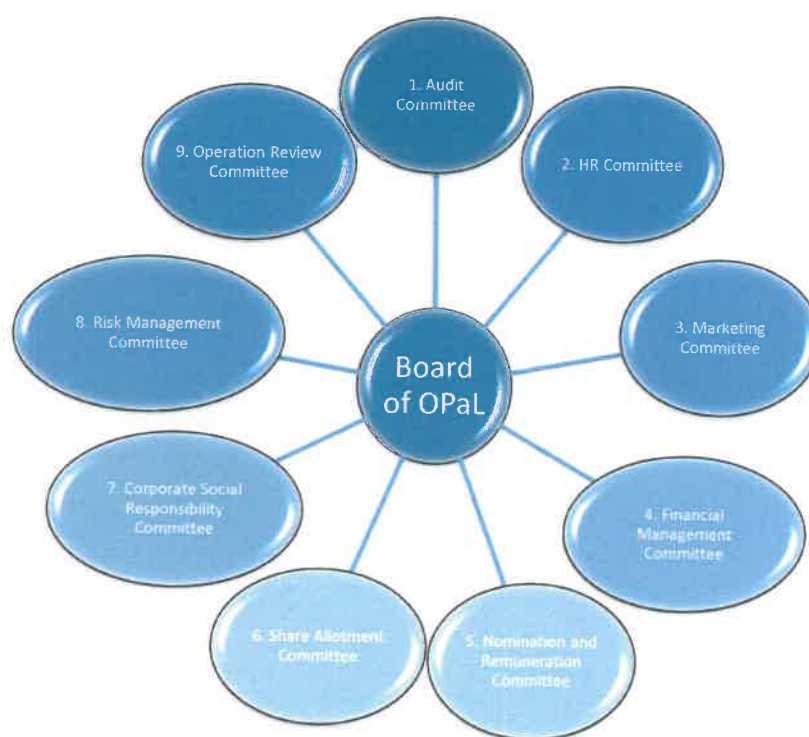
1. Shri Avinash Joshi ceased to be Director with effect from 23rd February, 2019.
2. Shri M.M. Chitale ceased to be Director with effect from 1st April, 2019.
3. Shri S. Balachandran has been re-appointed as an Independent Director with effect from 1st April, 2019.
4. Shri M.B. Lal ceased to be Director with effect from 22nd January, 2019.
5. Shri Sanjib Datta ceased to be Director with effect from 19th June, 2018.
6. Shri Manoj R. Meshram appointed as a Director with effect from 7th August, 2018.
7. Ms. Gita Singh ceased to be Director with effect from 1st February, 2019.

6. Board Committees

The Board Committees are set up under the recognized authorization of the Board to carry out well-defined roles which are considered to be accomplished by Members of the Board, as a part of good governance practice.

The Company's in-house procedures for Board Committees meeting facilitate decision-making process at its meetings in a well-versed and well-organized way. Each Committee of the Board is guided by its Charter, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board for information or approval. The Minutes of the meetings of all Committees are placed before the Board for noting. The Board Committees can request special invitees to join the meeting, as appropriate.

There were 9 Committees of the Board during the financial year 2018-19 and in each such Committee Independent Director is one of the member. Normally, all Committees meet regularly on need basis during the year. The Board or its Committees also take decision by circular resolutions in case of business exigency or urgency. During the financial year 2018-19, the Board has generally accepted the recommendations of Committees on matters where such a recommendation is required.



Shri Subodh Prasad Pankaj, Company Secretary of the Company acts as a Coordinator & Secretary to all the following Committees of the Board:

(i) Audit Committee

Terms of reference of the Committee

As per Section 177 of the Companies Act, 2013, Audit Committee shall have power in respect of the following matters namely:

- (i) to investigate any activity within its terms of reference;
- (ii) to seek information from any employee;
- (iii) to obtain outside legal or other professional advice;
- (iv) to secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of Audit Committee is to monitor the Management's financial reporting process and ensure that the disclosures are not only accurate and timely, but follow the highest levels of transparency, integrity and quality of financial reporting. All possible measures are taken by the Committee to ensure the objectivity and independence of the auditor.

Composition and Meetings

Composition of the Audit Committee during the financial year 2018-19 i.e. from 1st April, 2018 to 31st March, 2019 and up to date of this report are as follows:

Sl. No.	Members of the Committee	Executive/Non-Executive/ Independent	Position in the Committee
1.	Shri S. Balachandran	Independent & Non-Executive Director	Chairman
2.	Shri Subhash Kumar	Non-Executive Director	Member
3.	Shri M.M. Chitale ¹	Independent & Non-Executive Director	Member
4.	Shri Rajiv ²	Independent & Non-Executive Director	Member
5.	Shri Alope Kumar Banerjee ³	Independent & Non-Executive Director	Member

Note:

1. Shri M. M. Chitale ceased to be a Member of the Audit Committee with effect from 1st April, 2019.
2. Shri Rajiv appointed as an Independent Director with effect from 18th April, 2019 and Member of the Audit Committee with effect from 6th May, 2019.
3. Shri Alope Kumar Banerjee appointed as an Independent Director with effect from 7th May, 2019 and Member of the Audit Committee with effect from 7th May, 2019.

Audit Committee met three times during the financial year 2018-19. These meetings were held on 17th May, 2018, 30th July, 2018 and 19th December, 2018. All the above members have adequate knowledge and vast experience in the field of Finance and Accounting. Further Shri Avinash Kumar Verma-Managing Director, Shri P.K. Gupta-Director and Shri Pradosh Kumar Basu-Chief Finance Officer are special invitees to the Audit Committee.

The Chairman of the Audit Committee is a Non-Executive Independent Director, he attended the last Annual General Meeting of the Company to address the Shareholders Queries. The Audit Committee satisfies the criteria of two third of its members being Independent Directors.

(ii) HR Committee

Terms of reference of the Committee

HR Committee was constituted to review and recommend to the Board various HR matters/policies of the Company.

Composition and Meetings

Composition of the HR Committee during the financial year 2018-19 i.e. from 1st April, 2018 to 31st March, 2019 and up to date of this report are as follows:

Sl. No.	Members of the Committee	Executive/Non-Executive/ Independent	Position in the Committee
1.	Shri S. Balachandran	Independent & Non-Executive Director	Chairman
2.	Shri Rajesh Kakkar	Non-Executive Director	Member
3.	Shri Avinash Joshi ¹	Managing Director	Member
4.	Shri M.B. Lal ²	Non-Executive Director	Member
5.	Shri P.K. Gupta	Non-Executive Director	Member
6.	Ms. Gita Singh ³	Non-Executive Director	Member
7.	Shri Avinash Kumar Verma ⁴	Managing Director	Member

Note:

1. Shri Avinash Joshi ceased to be a Member of the HR Committee with effect from 23rd February, 2019.
2. Shri M.B. Lal ceased to be a Member of the HR Committee with effect from 22nd January, 2019.
3. Ms. Gita Singh ceased to be a Member of the HR Committee with effect from 1st February, 2019.
4. Shri Avinash Kumar Verma appointed as a Member of the HR Committee with effect from 15th April, 2019.

HR Committee met two times during the financial year 2018-19. These meetings were held on 31st July, 2018 and 19th December, 2018.

(iii) Marketing Committee

Terms of reference of the Committee

Marketing Committee was constituted to review and recommend to the Board various Marketing matters/Marketing plan and strategy of the Company.

Composition and Meetings

Composition of the Marketing Committee during the financial year 2018-19 i.e. from 1st April, 2018 to 31st March, 2019 and up to date of this report are as follows:

Sl. No.	Members of the Committee	Executive/Non-Executive/ Independent	Position in the Committee
1.	Shri Subhash Kumar	Non-Executive Director	Chairman
2.	Shri Avinash Joshi ¹	Managing Director	Member
3.	Shri Rajesh Kakkar	Non-Executive Director	Member
4.	Shri S. Balachandran	Independent & Non-Executive Director	Member
5.	Shri M. B. Lal ²	Non-Executive Director	Member
6.	Shri Avinash Kumar Verma ³	Managing Director	Member

Note:

1. Shri Avinash Joshi ceased to be a Member of the Marketing Committee with effect from 23rd February, 2019.
2. Shri M. B. Lal ceased to be a Member of the Marketing Committee with effect from 22nd January, 2019.
3. Shri Avinash Kumar Verma appointed as a Member of the Marketing Committee with effect from 15th April, 2019.

Marketing Committee met three times during the financial year 2018-19. These meetings were held on 31st July, 2018, 19th December, 2018 and 20th February, 2019.

(iv) Financial Management Committee

Terms of reference of the Committee

The Financial Management Committee of the Board was constituted to deal and recommend to the Board all matters related to Financing of the Petrochemical project of OPaL and any other matter as may be referred to this Committee by Chairman-OPaL.

Composition and Meetings

Composition of the Financial Management Committee during the financial year 2018-19 i.e. from 1st April, 2018 to 31st March, 2019 and up to date of this report are as follows:

Sl. No.	Members of the Committee	Executive/Non-Executive/ Independent	Position in the Committee
1.	Shri S. Balachandran	Independent & Non-Executive Director	Chairman
2.	Shri Subhash Kumar	Non-Executive Director	Member
3.	Shri Rajesh Kakkar	Non-Executive Director	Member
4.	Shri M. M. Chitale ¹	Independent & Non-Executive Director	Member
5.	Shri Sanjib Datta ²	Non-Executive Director	Member

Note:

1. Shri M. M. Chitale ceased to be a Member of the Financial Management Committee with effect from 1st April, 2019.

2. Shri Sanjib Datta ceased to be a Member of the Financial Management Committee with effect from 19th June, 2018.

Financial Management Committee met three times during the financial year 2018-19. These meetings were held on 17th May, 2018, 19th December, 2018 and 23rd March, 2019.

(v) Nomination & Remuneration Committee

Terms of reference of the Committee

The terms of reference of Nomination & Remuneration Committee (NRC) are in accordance with the requirements of the Companies Act, 2013. The Nomination and Remuneration Committee determines and recommend to the Board the appointment and compensation payable to Directors, Functional Head, Vice President & above level positions. All Board level compensation is approved by the shareholders and disclosed in the financial statement. The annual compensation of the executive director is recommended by the Nomination and Remuneration Committee to Board and after Board approval, placed before the shareholders at their meeting.

Composition and Meetings

Composition of the Nomination & Remuneration Committee during the financial year 2018-19 i.e. from 1st April, 2018 to 31st March, 2019 and up to date of this report are as follows:

Sl. No.	Members of the Committee	Executive/Non-Executive/Independent	Position in the Committee
1.	Shri Rajiv ¹	Independent & Non-Executive Director	Chairman
2.	Shri S. Balachandran ²	Independent & Non-Executive Director	Member
3.	Shri Rajesh Kakkar	Non-Executive Director	Member
4.	Shri M. M. Chitale ³	Independent & Non-Executive Director	Member
5.	Shri M.B. Lal ⁴	Non-Executive Director	Member
6.	Shri Alope Kumar Banerjee ⁵	Independent & Non-Executive Director	Member

Note:

1. Shri Rajiv appointed as the Chairman of the Nomination & Remuneration Committee in place of Shri S. Balachandran with effect from 18th April, 2019.
2. Shri S. Balachandran ceased to be the Chairman of the Nomination & Remuneration Committee with effect from 18th April, 2019.
3. Shri M. M. Chitale ceased to be a Member of the Nomination & Remuneration Committee with effect from 1st April, 2019.
4. Shri M.B. Lal ceased to be a Member of the Nomination & Remuneration Committee with effect from 22nd January, 2019.
5. Shri Alope Kumar Banerjee appointed as a Member of the Nomination & Remuneration Committee with effect from 7th May, 2019.

Nomination and Remuneration Committee met four times during the financial year 2018-19. These meetings were held on 30th July, 2018, 17th October, 2018, 19th December, 2018 and 17th January, 2019.

(vi) Share Allotment Committee

Terms of reference of the Committee

Role of Share Allotment Committee is to issue and allotment of Securities in the Company.

Composition and Meetings

Composition of the Share Allotment Committee during the financial year 2018-19 i.e. from 1st April, 2018 to 31st March, 2019 and up to date of this report are as follows:

Sl. No.	Members of the Committee	Executive/Non-Executive/Independent	Position in the Committee
1.	Shri Subhash Kumar	Non-Executive Director	Chairman
2.	Shri Rajesh Kakkar	Non-Executive Director	Member
3.	Shri S. Balachandran	Independent & Non-Executive Director	Member
4.	Shri P. K. Gupta	Non-Executive Director	Member

Share Allotment Committee met two times during the financial year 2018-19. These meetings were held on 9th April, 2018 and 13th December, 2018.

(vii) Corporate Social Responsibility Committee

Terms of reference of the Committee

The Corporate Social Responsibility Committee of the Board was constituted as per provisions of Section 135 of the Companies Act, 2013 to perform various CSR activities.

Composition and Meetings

Composition of the Corporate Social Responsibility Committee during the financial year 2018-19 i.e. from 1st April, 2018 to 31st March, 2019 and up to date of this report are as follows:

Sl. No.	Members of the Committee	Executive/Non-Executive/Independent	Position in the Committee
1.	Shri M.B. Lal ¹	Non-Executive Director	Chairman
2.	Shri Avinash Joshi ²	Managing Director	Member
3.	Shri S. Balachandran	Independent & Non-Executive Director	Member
4.	Shri Rajesh Kakkar	Non-Executive Director	Member
5.	Shri P.K. Gupta	Non-Executive Director	Member
6.	Shri Avinash Kumar Verma ³	Managing Director	Member

Note:

1. Shri M.B. Lal ceased to be a Member and Chairman of the Corporate Social Responsibility Committee with effect from 22nd January, 2019.
2. Shri Avinash Joshi ceased to be a Member of the Corporate Social Responsibility Committee with effect from 23rd February, 2019.
3. Shri Avinash Kumar Verma appointed as a Member of the Corporate Social Responsibility Committee with effect from 15th April, 2019.

Corporate Social Responsibility Committee met one time during the financial year 2018-19. The meeting was held on 17th January, 2019.

(viii) Risk Management Committee

Terms of reference of the Committee

Risk Management Committee prepared a comprehensive framework for Risk Management which includes identification of risk elements, their assessment and determination of responses to those risks.

Composition and Meetings

Composition of the Risk Management Committee during the financial year 2018-19 i.e. from 1st April, 2018 to 31st March, 2019 and up to date of this report are as follows:

Sl. No.	Members of the Committee	Executive/Non-Executive/Independent	Position in the Committee
1.	Shri M.B. Lal ¹	Non-Executive Director	Chairman
2.	Shri Avinash Joshi ²	Managing Director	Member
3.	Shri M.M. Chitale ³	Independent & Non-Executive Director	Member
4.	Shri Sanjib Datta ⁴	Non-Executive Director	Member
5.	Shri Pradosh Kumar Basu	Chief Finance Officer (CFO)	Member
6.	Shri Avinash Kumar Verma ⁵	Managing Director	Member

Note:

1. Shri M.B. Lal ceased to be a Member and Chairman of the Risk Management Committee with effect from 22nd January, 2019.
2. Shri Avinash Joshi ceased to be a Member of the Risk Management Committee with effect from 23rd February, 2019.
3. Shri M.M. Chitale ceased to be a Member of the Risk Management Committee with effect from 1st April, 2019.
4. Shri Sanjib Datta ceased to be a Member of the Risk Management Committee with effect from 19th June, 2018.
5. Shri Avinash Kumar Verma appointed as a Member of the Risk Management Committee with effect from 15th April, 2019.

Risk Management Committee met two time during the financial year 2018-19. These meetings were held on 18th May, 2018 and 17th January, 2019.

(ix) Operation Review Committee

Terms of reference of the Committee

Operation Review Committee of the Board has been constituted to review the operations of the Company.

Composition and Meetings

Composition of the Operation Review Committee during the financial year 2018-19 i.e. from 1st April, 2018 to 31st March, 2019 and up to date of this report are as follows:

Sl. No.	Members of the Committee	Executive/Non-Executive/Independent	Position in the Committee
1.	Shri Rajesh Kakkar	Non-Executive Director	Chairman
2.	Shri Avinash Joshi ¹	Managing Director	Member
3.	Shri Subhash Kumar	Non-Executive Director	Member
4.	Shri S. Balachandran	Independent & Non-Executive Director	Member
5.	Shri M. B. Lal ²	Non-Executive Director	Member
6.	Ms. Gita Singh ³	Non-Executive Director	Member
7.	Shri Manoj R. Meshram ⁴	Non-Executive Director	Member
8.	Shri Avinash Kumar Verma ⁵	Managing Director	Member

Note:

1. Shri Avinash Joshi ceased to be a Member of the Operation Review Committee with effect from 23rd February, 2019
2. Shri M. B. Lal ceased to be a Member of the Operation Review Committee with effect from 22nd January, 2019.
3. Ms. Gita Singh ceased to be a Member of the Operation Review Committee with effect from 1st February, 2019.
4. Shri Manoj R. Meshram appointed as a Member of the Operation Review Committee with effect from 20th September, 2018.
5. Shri Avinash Kumar Verma appointed as a Member of the Operation Review Committee with effect from 15th April, 2019.

Operation Review Committee met two times during the financial year 2018-19. These meetings were held on 31st July, 2018 and 19th December, 2018.

7. General Meetings

Location, date and time of the Annual General Meetings (AGM) held during the preceding three years are as under:

Sl. No.	Year	Serial Number of Meeting	Date of Meeting	Time	Place of Meeting	Total Number of Special Resolution(s)
1.	2015-16	10 th AGM	29-09-2016	15.00 Hrs	Omkara Building, Sai Chokdi, Manjalpur, Vadodara - 390011 (Gujarat)	One
2.	2016-17	11 th AGM	09-09-2017	17.00 Hrs	Omkara Building, Sai Chokdi, Manjalpur, Vadodara - 390011 (Gujarat)	NIL
3.	2017-18	12 th AGM	29-09-2018	17.00 Hrs	35, Nutan Bharat Co-operative Housing Society Limited, R. C. Dutt Road, Alkapuri, Vadodara - 390007 (Gujarat)	NIL

Attendance of Directors in the 12th Annual General Meeting held on 29th September, 2018 is as under:

Sl. No.	Name of Directors	Executive/Non-Executive/Independent	Attendance at the Meeting
1.	Shri Shashi Shanker	Chairman & Non-Executive Director	No
2.	Shri Avinash Joshi	Managing Director	No
3.	Shri Subhash Kumar	Non-Executive Director	No
4.	Shri Rajesh Kakkar	Non-Executive Director	No
5.	Shri M. M. Chitale	Independent & Non-Executive Director	No
6.	Shri S. Balachandran	Independent & Non-Executive Director	Yes
7.	Shri M. B. Lal	Non-Executive Director	No
8.	Shri P. K. Gupta	Non-Executive Director	No
9.	Ms. Gita Singh	Non-Executive Director	Yes
10.	Shri Manoj R. Meshram	Non-Executive Director	Yes

During the financial year 2018-19 one Extraordinary General Meetings (EGM) was held and the details are as under:-

Sl. No.	No. of Meeting	Date of Meeting	Time	Place of meeting
1.	10 th EGM	21-08-2018	16.00 Hrs	Board Room of ONGC, 5 th Floor, Deendayal Urja Bhawan, Vasant Kunj, New Delhi- 110070

Attendance of Directors in 10th Extraordinary General Meeting held on 21st August, 2018 is as under:

Sl. No.	Name of Directors	Executive/Non-Executive/Independent	Attendance at 10 th EGM
1.	Shri Shashi Shanker	Chairman & Non-Executive Director	Yes
2.	Shri Avinash Joshi ¹	Managing Director	No
3.	Shri Subhash Kumar	Non-Executive Director	No
4.	Shri Rajesh Kakkar	Non-Executive Director	Yes
5.	Shri M. M. Chitale ²	Independent & Non-Executive Director	No
6.	Shri S. Balachandran	Independent & Non-Executive Director	No
7.	Shri M. B. Lal ³	Non-Executive Director	Yes
8.	Shri P. K. Gupta	Non-Executive Director	No
9.	Ms. Gita Singh ⁴	Non-Executive Director	No
10.	Shri Manoj R. Meshram ⁵	Non-Executive Director	No

Note:

1. Shri Avinash Joshi ceased to be Director with effect from 23rd February, 2019.
2. Shri M. M. Chitale ceased to be Director with effect from 1st April, 2019.
3. Shri M. B. Lal ceased to be Director with effect from 22nd January, 2019.
4. Ms. Gita Singh ceased to be Director with effect from 1st February, 2019.
5. Shri Manoj R. Meshram appointed as a Director with effect from 7th August, 2018.

8. Company Policies and Manuals

As per statutory requirements following policies had been adopted in OPaL:

- (i) Health, Safety and Environment (HSE) Policy
- (ii) Whistle Blower Policy
- (iii) Corporate Social Responsibility Policy
- (iv) Risk Management Policy
- (v) Nomination and Remuneration Policy
- (vi) Board Evaluation Policy
- (vii) Policy for Preservation of Documents

Apart from above to conduct our business in an effective and efficient manner the Company had adopted following Manuals which are as under:

- (i) Information Technology (IT) Manual
- (ii) Material Management (MM) Manual
- (iii) Marketing Manual
- (iv) Finance & Accounts (F&A) Manual
- (v) Internal Audit Manual
- (vi) HR Manual

9. Legal Compliance Mechanism

In compliance of Section 205 of the Companies Act, 2013, Legal Compliance mechanism has been established in OPaL.

The Board takes note, on the recommendation of Audit Committee, quarterly legal compliance report from various departments i.e. Finance, Company Secretary, HR & Admin, Corporate Communication, Legal, Logistics, Project & Operations, HSE, Material Management and Marketing with respect to all laws applicable to the Company.

10. Listing on Stock Exchanges

The Non-Convertible Debentures (NCDs) are listed on the Wholesale Debt Market (WDM) segment of BSE Limited and the details are as below:

Name and Address	Telephone/Fax/E-Mail ID/Website ID
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 India	Telephone : 022-22721233/22721234 Fax : 022-22721919 E-mail : info@bseindia.com Website : www.bseindia.com

11. ISIN Number and Scrip Code of NCDs

ISIN : INE163N08065
BSE Code – 958456 (OPAL-8.60%-11-3-22-PVT)

ISIN : INE163N08073
BSE Code - 958672 (OPAL- 8.85%-19-4-22- PVT)

12. Credit Ratings

The details of Credit Ratings held by the Company as on March 31, 2019 are as under:

	ICRA Limited	India Ratings & Research Private Limited	CRISIL Limited
Company Long Term Rating	"ICRA AA" Stable Outlook	"IND AA" Stable Outlook	"CRISIL AA-" Stable Outlook

Instruments	ICRA Limited	India Ratings & Research Private Limited	CRISIL Limited	CARE Rating Limited
Compulsorily Convertible Debentures (CCD-I) of Rs. 5615 Crore	"ICRA AAA (SO)" Stable Outlook	-	-	"CARE AAA (SO)" Stable Outlook
Compulsorily Convertible Debentures (CCD-II) of Rs. 1671 crore	"ICRA AAA (SO)" Stable Outlook	"IND AAA (SO)" Stable Outlook	-	-
Compulsorily Convertible Debentures (CCD-III) of Rs. 492 Crore		"IND AAA (SO)" Stable Outlook	-	"CARE AAA (SO)" Stable Outlook
Non Convertible Debentures (NCD)	"ICRA AAA (S)" Stable Outlook	-	-	"CARE AAA (SO)" Stable Outlook
Commercial Paper (CP)	"ICRA A1+"	"IND A1+"	"CRISIL A1+"	

13. Details of Debenture Trustee

SBICAP Trustee Company Limited
Apeejay House, 6th Floor,
3, Dinshaw Wachha Road,
Churchgate, Mumbai-400020

Phone No. : 022 – 43025555, Fax No. : 022 – 22040465

Contact Person : Ms. Savitri Yadav

Email : savitri.yadav@sbicaptrustee.com

14. Address for Correspondence for Investors

Shri Subodh Prasad Pankaj
Company Secretary and Compliance Officer
4th Floor, 35, Nutan Bharat Co-operative Housing Society Limited
R.C. Dutt Road, Alkapuri, Vadodara - 390007
Phone No. : 0265 – 6192600, Fax No. : 0265 – 6192666
[E-mail : subodh.pankaj@opalindia.in](mailto:subodh.pankaj@opalindia.in)

15. Means of Communication

Half yearly/Annual Results : The Company regularly intimated un-audited as well as audited financial results to the Stock Exchange, immediately after they were approved. These financial results were normally published in the leading English daily having wide circulation across the country. The results are also displayed on the website of the Company i.e. www.opalindia.in

Website : The Company's website www.opalindia.in contains separate dedicated section 'Investors' wherein information for shareholders/debenture holders is available.

Annual Report : Annual Report containing inter-alia, Audited Accounts, Board's Report, Corporate Governance Report, Auditor's Report including information for the shareholders and other important information is circulated to the members and others entitled thereto.

SEBI Complaints Redress System (SCORES) : The investor complaints were processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints; online upload of Action Taken Reports (ATRs) by concerned companies; and online viewing by investors of actions taken on the complaint and its current status.

Designated Exclusive Email-ID: The Company has designated the following email-id exclusively for investor servicing i.e. subodh.pankaj@opalindia.in

16. Transfer to Investor Education and Protection Fund (IEPF)

The Company has not accepted any deposits from the public and also the Company has not declared any dividend since its incorporation. Interests on debentures were paid to debentureholders and no amount is lying as unclaimed. Therefore, there were no amounts which remained unpaid/unclaimed for a period of seven years and which were required to be transferred by the Company to the Investor Education and Protection Fund established by the Central Government pursuant to Section 124 of the Companies Act, 2013.

17. Disclosures

There were no significant related party transactions i.e. transactions of the Company of a material nature, with its promoters, the directors or the key managerial personnel or their subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company at large.

18. Compliances

The Company has complied with applicable rules (except as otherwise stated in this report) and the requirement of regulatory authorities on capital market and no penalties or strictures were imposed on the Company during last three years. All returns/reports were filed within stipulated time with stock exchanges/other authorities.

19. Board Support and Role of the Company Secretary

The Company Secretary is concerned for ordering, evaluation and dissemination of all credentials submitted to the Board and Committees for deliberation. Apart from the functions like preparation of the Agenda and convening of the Board and Committee meetings, Company Secretary plays an important role in company administration and plays a three-fold role as a statutory officer and compliance officer, as a coordinator and as an administrator. Being a vital link between the Company, the Board, Shareholders and Governmental and regulatory agencies, Company Secretary has the responsibility of counselling the Board in preparation of representations, agreements, resolutions and memorandums. Further, Company Secretary has to review recurrently developments in Corporate Governance; facilitating the proper induction of Directors into their role; advising and assisting and assuring the Directors with respect to their duties and responsibilities, in particular compliance with Company Law, Stock Exchange requirements, Governance principles and other industry specific laws applicable on the organisation.

He looks after the entire secretarial functions which include preparing agenda, convening, conducting and recording Minutes of the meetings of Board and the Committees thereof, Annual General Meetings, Extra-ordinary General Meeting, Inter-departmental meetings and meetings with outside delegations, Financial Institutions, regulatory authorities, and storing statutory registers and records. Company Secretary plays an important part in the introduction of professionalism in the area of Corporate Management and Corporate Governance.

**on behalf of the Board of Directors
for ONGC Petro additions Limited**

**Sd/-
(Shashi Shanker)
Chairman**

Date : 3rd September, 2019

Place : New Delhi

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
(As on the financial year ended on 31st March, 2019)
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]
I. REGISTRATION AND OTHER DETAILS:

Sl.No.	Particulars	Facts
(i)	CIN	U23209GJ2006PLC060282
(ii)	Registration Date	15 th November, 2006
(iii)	Name of the Company	ONGC Petro additions Limited
(iv)	-Category / -Sub-Category of the Company	Company Limited by Shares/ Non-Government Company
(v)	Address of the Registered office and contact details	4 th Floor, 35, Nutan Bharat Co-operative Housing Society Limited, R.C. Dutt Road, Alkapuri, Vadodara - 390007, Gujarat Telephone No. : 0265 - 6192600 Fax No. : 0265 - 6192666 Email : secretarial@opalindia.in Website : www.opalindia.in
(vi)	Whether Listed Company	No
(vii)(a)	Name, Address and Contact details of Registrar and Transfer Agent	Beetal Financial & Computer Services (P) Ltd. Beetal House, 3 rd Floor, 99 Madangir, Behind LSC, New Delhi-110062 Telephone No. : 011 - 29961281-83 Fax No. : 011 - 29961284 Email : beetal@beetalfinancial.com Website : www.beetalfinancial.com <i>[In respect of Equity Shares, Warrants, Compulsorily Convertible Debentures (CCDs) and Non-Convertible Debentures (NCDs) of the Company]</i>
(vii)(b)	Name, Address and Contact details of Registrar and Transfer Agent	MCS Share Transfer Agent Limited A-209, C Wing, 2 nd Floor, Gokul Industrial Estate Building, Sagbaug, Marol Co-op Industrial Area, B/H Times Square, Andheri East, Mumbai-400059 Telephone No. : 022 -28516020/28516021/28516022/28516023 Fax No. : 022 - 28516021 Email : helpdeskmm@mcsregistrars.com Website : www.mcsregistrars.com <i>[In respect of Commercial Paper (CP) of the Company]</i>

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10% or more of the total turnover of the Company are stated as under:

Sl. No.	Name and Description of Main Products / Services	* NIC Code of the Product/ Service	# % to Total Turnover of the Company
1.	Petrochemicals	201	100%

* As per National Industrial Classification 2008 - Ministry of Statistics and Programme Implementation

During Financial Year 2018-19 HDPE, LLDPE, PP, CBFS, C9+Fraction, Benzene, Butadiene, Hydrogenated Pygas, Butene-1 and MFO were sold

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Oil and Natural Gas Corporation Limited Address: Deendayal Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi - 110070	L74899DL1993GOI054155	Associate	49.36%	Section 2(6) of the Companies Act, 2013
2.	GAIL (India) Limited Address: 16, Bhikaji Cama Place, R K Puram, New Delhi- 110066	L40200DL1984GOI018976	Associate	49.21%	Section 2(6) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year (i.e. April 01, 2018)				No. of Shares held at the end of the year (i.e. March 31, 2019)				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/HUF	-	-	-	-	-	-	-	-	-
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt. (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	-	202,19,04,672	202,19,04,672	100	202,19,29,665	-	202,19,29,665	100	0.0012
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	-	202,19,04,672	202,19,04,672	100	202,19,29,665	-	202,19,29,665	100	0.0012
(2) Foreign									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter	-	202,19,04,672	202,19,04,672	100	202,19,29,665	-	202,19,29,665	100	0.0012
(A)= (A) (1)+(A) (2)									
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/FI	-	-	-	-	-	-	-	-	-
(c) Central Govt.	-	-	-	-	-	-	-	-	-
(d) State Govt.(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
(2) Non- Institutions									
(a) Bodies Corp.									
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	-	24,999	24,999	0.00	-	6	6	0.00	(99.9759)
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
(c) Others	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	-	24,999	24,999	0.00	-	6	6	0.00	(99.9759)
Total Public Shareholding (B)=(B)(1)+(B) (2)	-	24,999	24,999	0.00	-	6	6	0.00	(99.9759)
(C) Shares held by custodian for GDRs & ADRs									
Total (C)	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	202,19,29,671	202,19,29,671	100	202,19,29,665	6	202,19,29,671	100	0.00

ONGC Petro additions Limited

(ii) Shareholding of Promoters :

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year (i.e. April 01, 2018)			Shareholding at the end of the year (i.e. March 31, 2019)			% Change in Shareholding during the Year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to Total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to Total Shares	
1.	Oil and Natural Gas Corporation Limited (ONGC)	99,79,55,639	49.36 %	0.00 %	99,79,80,632	49.36 %	0.00 %	0.0025 %
2.	GAIL (India) Limited (GAIL)	99,49,45,000	49.21 %	0.00 %	99,49,45,000	49.21 %	0.00 %	0.00 %
3.	Gujarat State Petroleum Corporation Limited (GSPC)	2,90,04,033	1.43 %	0.00 %	2,90,04,033	1.43 %	0.00 %	0.00%
Total		202,19,04,672	100 %	0.00 %	202,19,29,665	100 %	0.00 %	0.0012 %

(iii) Change in Promoters' Shareholding :

Sl. No.	Name of the Shareholders (Promoters)	Date	Reason for Increase /Decrease (e.g. Allotment/Transfer/ Bonus/Sweat equity etc.)	Shareholding at the beginning of the year as on 01.04.2018		Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	Oil and Natural Gas Corporation Limited (ONGC)						
	At the beginning of the Year	01.04.2018	-	99,79,55,639	49.36 %	99,79,55,639	49.36 %
	Increase during the Year	18.05.2018	Transfer	24,993	0.00 %	99,79,80,632	49.36 %
	Decrease during the Year	-	-	-	-	99,79,80,632	49.36 %
	At the end of the Year	31.03.2019	-	-	-	99,79,80,632	49.36 %
2.	GAIL (India) Limited (GAIL)						
	At the beginning of the Year	01.04.2018	-	99,49,45,000	49.21 %	99,49,45,000	49.21 %
	Increase during the Year	-	-	-	-	99,49,45,000	49.21 %
	Decrease during the Year	-	-	-	-	99,49,45,000	49.21 %
	At the end of the Year	31.03.2019	-	-	-	99,49,45,000	49.21 %
3.	Gujarat State Petroleum Corporation Limited (GSPC)						
	At the beginning of the Year	01.04.2018	-	2,90,04,033	01.43 %	2,90,04,033	01.43 %
	Increase during the Year	-	-	-	-	2,90,04,033	01.43 %
	Decrease during the Year	-	-	-	-	2,90,04,033	01.43 %
	At the end of the Year	31.03.2019	-	-	-	2,90,04,033	01.43 %

ONGC Petro additions Limited

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of the Top 10 Shareholders	Date	Reason for Increase/ Decrease (e.g. Allotment/ Transfer/ Bonus/ Sweat Equity etc.)	Shareholding at the beginning of the year as on 01.04.2018		Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	Shri Vijay N. Iyah						
	At the beginning of the Year	01.04.2018	-	4999	0.00 %	4999	0.00 %
	Increase during the Year	-	-	0	0.00 %	4999	0.00 %
	Decrease during the Year	18.05.2018	Transfer	4998	0.00 %	1	0.00 %
	At the end of the Year	31.03.2019	-	1	0.00 %	1	0.00 %
2.	Shri A. Satish Kumar						
	At the beginning of the Year	01.04.2018	-	4997	0.00%	4997	0.00%
	Increase during the Year	-	-	0	0.00%	4997	0.00%
	Decrease during the Year	18.05.2018	Transfer	4996	0.00%	1	0.00%
	At the end of the Year	31.03.2019	-	1	0.00%	1	0.00%
3.	Shri R. Banerjee						
	At the beginning of the Year	01.04.2018	-	1	0.00%	1	0.00%
	Increase during the Year	-	-	0	0.00%	1	0.00%
	Decrease during the Year	-	-	0	0.00%	1	0.00%
	At the end of the Year	31.03.2019	-	1	0.00%	1	0.00%
4.	Shri Rakesh Kaul						
	At the beginning of the Year	01.04.2018	-	0	0.00%	0	0.00%
	Increase during the Year	18.05.2018	Transfer	1	0.00%	1	0.00%
	Decrease during the Year	-	-	0	0.00%	1	0.00%
	At the end of the Year	31.03.2019	-	1	0.00%	1	0.00%
5.	Shri Ashok Kumar Mishra						
	At the beginning of the Year	01.04.2018	-	0	0.00%	0	0.00%
	Increase during the Year	18.05.2018	Transfer	1	0.00%	1	0.00%
	Decrease during the Year	-	-	0	0.00%	1	0.00%
	At the end of the Year	31.03.2019	-	1	0.00%	1	0.00%
6.	Shri K. Gopal						
	At the beginning of the Year	01.04.2018	-	0	0.00%	0	0.00%
	Increase during the Year	18.05.2018	Transfer	1	0.00%	1	0.00%
	Decrease during the Year	-	-	0	0.00%	1	0.00%
	At the end of the Year	31.03.2019	-	1	0.00%	1	0.00%
7.	Shri Vivek Chandrakant Tongaonkar						
	At the beginning of the Year	01.04.2018	-	1	0.00 %	1	0.00 %
	Increase during the Year	-	-	0	0.00 %	1	0.00 %
	Decrease during the Year	18.05.2018	Transfer	1	0.00 %	0	0.00 %
	At the end of the Year	31.03.2019	-	0	0.00 %	0	0.00 %
8.	Shri Kotipalli Satyanarayana						
	At the beginning of the Year	01.04.2018	-	1	0.00 %	1	0.00 %
	Increase during the Year	-	-	0	0.00 %	1	0.00 %
	Decrease during the Year	18.05.2018	Transfer	1	0.00 %	0	0.00 %
	At the end of the Year	31.03.2019	-	0	0.00 %	0	0.00 %

ONGC Petro additions Limited

Sl. No.	For each of the Top 10 Shareholders	Date	Reason for Increase/ Decrease (e.g. Allotment/ Transfer/ Bonus/ Sweat Equity etc.)	Shareholding at the beginning of the year as on 01.04.2018		Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
9.	Shri Sunil Kumar Gupta						
	At the beginning of the Year	01.04.2018	-	5000	0.00 %	5000	0.00 %
	Increase during the Year	-	-	0	0.00 %	5000	0.00 %
	Decrease during the Year	18.05.2018	Transfer	4999	0.00 %	1	0.00 %
	Decrease during the Year	18.05.2018	Transfer	1	0.00 %	0	0.00 %
	At the end of the Year	31.03.2019	-	0	0.00 %	0	0.00 %
			-				
10.	Shri Sidharatha Sur						
	At the beginning of the Year	01.04.2018	-	5000	0.00%	5000	0.00%
	Increase during the Year	-	-	0	0.00%	5000	0.00%
	Decrease during the Year	18.05.2018	Transfer	4999	0.00 %	1	0.00 %
	Decrease during the Year	18.05.2018	Transfer	1	0.00 %	0	0.00 %
	At the end of the Year	31.03.2019	-	0	0.00 %	0	0.00 %
			-				
11.	Shri Neeraj Lal						
	At the beginning of the Year	01.04.2018	-	5000	0.00 %	5000	0.00 %
	Increase during the Year	-	-	0	0.00 %	5000	0.00 %
	Decrease during the Year	18.05.2018	Transfer	4999	0.00 %	1	0.00 %
	Decrease during the Year	18.05.2018	Transfer	1	0.00 %	0	0.00 %
	At the end of the Year	31.03.2019	-	0	0.00 %	0	0.00 %

Note:

(i) There were no joint shareholders of the Company during the financial year 2018-19.

(ii) There were 5 shareholders in the aforesaid table at Point No. 7 to 11 who holds some shares during financial year 2018-19, however they holds nil shares at the end of the financial year 2018-19.

(iii) There were 6 shareholders who holds only 1 share at the end of financial year 2018-19.

(v) Shareholding of Directors and Key Managerial Personnel :

During the financial year 2018-19, no Directors and Key Managerial Personnel (KMP) of the Company holds any shares in the Company, except the following:

Sl. No.	For Directors and Key managerial Personnel (KMP)	Date	Reason for Increase/ Decrease (e.g. Allotment/ Transfer/ Bonus/ Sweat Equity etc.)	Shareholding at the beginning of the year as on 01.04.2018		Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	KMP						
1.	Shri Kotipalli Satyanarayana (CEO) 1						
	At the beginning of the Year	01.04.2018	-	1	0.00 %	1	0.00 %
	Increase during the Year	-	-	0	0.00 %	1	0.00 %
	Decrease during the Year	18.05.2018	Transfer	1	0.00 %	0	0.00 %
	At the end of the Year	31.03.2019	-	0	0.00 %	0	0.00 %
			-				

Note:

1. Shri Kotipalli Satyanarayana, ceased to be Chief Executive Officer (CEO) and Key Managerial Personnel (KMP) of the Company with effect from 30th April, 2017. Further his one share has been transferred to Oil and Natural Gas Corporation Limited (ONGC) on 18th May, 2018.

ONGC Petro additions Limited

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹. in Million)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year as on 01.04.2018				
i) Principal Amount	137847.99	75909.21	-NIL-	213757.20
ii) Interest due but not paid	-NIL-	-NIL-	-NIL-	-NIL-
iii) Interest accrued but not due	6.15	4734.87	-NIL-	4741.02
Total (i+ii+iii)	137854.14	80644.08	-NIL-	218498.22
Change in Indebtedness during the financial year				
Addition	95920.00	73200.00	-NIL-	169120.00
Reduction	-109105.53	-52987.31	-NIL-	-162092.84
Net Change	-13185.53	20212.69	-NIL-	7027.16
Indebtedness at the end of the financial year as on 31.03.2019				
i) Principal Amount	124664.55	96018.99	-NIL-	220683.54
ii) Interest due but not paid	-NIL-	-NIL-	-NIL-	-NIL-
iii) Interest accrued but not due	4.06	4837.78	-NIL-	4841.84
Total (i+ii+iii)	124668.61	100856.77	-NIL-	225525.38

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director (MD), Whole-time Directors (WTD) and/or Manager :

(₹ in Million)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager #				Total Amount
		Shri Avinash Joshi * (Managing Director)	----	----	----	
1.	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	6.30	-	-	-	6.30
	(b) Value of perquisites under Section 17(2) of the Income- tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission					
	- as % of profit	-	-	-	-	-
	- others	-	-	-	-	-
5.	Others	-	-	-	-	-
	Total	6.30	-	-	-	6.30
	Ceiling as per the Act	As per Schedule V of the Companies Act, 2013				

Note:

The Company does not have any Whole-time Director and/or Manger during the financial year 2018-19 except Shri Avinash Joshi as Managing Director (MD).

* Shri Avinash Joshi ceased to be Managing Director (MD) and a Key Managerial Personnel (KMP) of the Company with effect from 23rd February, 2019.

ONGC Petro additions Limited
B. Remuneration to other Directors :

(₹ in Million)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Shri S. Balachandran	Shri M. M. Chitale	Shri M. B. Lal	
1.	Independent Directors				
	• Fee for attending Board/Committee meetings	0.315	0.195	-	0.510
	• Commission	-	-	-	-
	• Others	-	-	-	-
	Total (1)	0.315	0.195	-	0.510
2.	Other Non-Executive Directors				
	• Fee for attending Board/Committee meetings	-	-	0.150	0.150
	• Commission	-	-	-	-
	• Others	-	-	-	-
	Total (2)	-	-	0.150	0.150
	Total = (1)+(2)	0.315	0.195	0.150	0.660
	Total Managerial Remuneration	0.315	0.195	0.150	0.660
	Overall Ceiling as per the Act	<i>The sitting fees of Directors are not exceeding one lakh rupees per meeting as required under Section 197(5) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014</i>			

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD:

(₹ in Million)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Shri S.P. Pankaj (Company Secretary)	Shri Pradosh Kumar Basu (Chief Finance Officer)	Total
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	3.28	4.90	8.18
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others	-	-	-
5.	Others	-	-	-
	Total = (1)+(2)+(3)+(4)=(5)	3.28	4.90	8.18

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type		Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fee imposed	Authority [RD/ NCLT/ Court]	Appeal made
(A) Company	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
(B) Directors	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
(C) Other Officers in Default	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-

There were no penalties/punishment/compounding of offences for the breach of any Section of Companies Act against the Company or its Directors or other Officers in Default, during the financial year 2018-19.

**on behalf of the Board of Directors
for ONGC Petro additions Limited**

Date : 3rd September, 2019
Place : New Delhi

**Sd/-
(Shashi Shanker)
Chairman**

Form AOC 2

Pursuant to Clause (h) of Sub Section (3) of Section 134 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL

2. Details of contracts or arrangements or transactions at arm's length basis:

Name(s) of the related party and nature of relationship (a)	Nature of contracts/ arrangements/ transactions (b)	Duration of the contracts / arrangements/ transactions (c)	Salient terms of the contracts or arrangements or transactions including the value, if any (d)	Date(s) of approval by the Board (e)	Amount paid as advances, if any (f)
Oil & Natural Gas Corporation Limited (ONGC) (Joint Venturer)	Purchase of Feed stock	01.04.2018 to 31.03.2019	Purchase of Feed stock from time to time at market determined price (Rs. 52,818.47 million)	Does not require Board Approval	Nil
	Reimbursement of Expenses on behalf of OPaL	01.04.2018 to 31.03.2019	Reimbursement of Salary to ONGC, for employees on deputation (Rs. 20.41 million)	Does not require Board Approval	Nil
	Reimbursement of Expenses by ONGC	01.04.2018 to 31.03.2019	Reimbursement of expenses by ONGC (Rs. 9.41 million)	Does not require Board Approval	Nil
	Money received against Share Warrant	01.04.2018 to 31.03.2019	Money received against Share Warrant (Rs. 6201.00 million)	-	-
GAIL (India) Limited (GAIL) (Joint Venturer)	Reimbursement of Expenses on behalf of OPaL	01.04.2018 to 31.03.2019	Reimbursement of Expenses to GAIL (India) Limited (Rs. 27.26 million)	-	-
	Purchase of Gas	01.04.2018 to 31.03.2019	Purchase of Gas (Rs. 2020.53 million)	Does not require Board Approval	Nil
	Repayment of Security Deposit	01.04.2018 to 31.03.2019	Rs. 0.20 million	-	-
Gujarat State Petroleum Corporation Limited (GSPC) (Joint Venturer)	Purchase of Gas	01.04.2018 to 31.03.2019	Purchase of Gas (Rs. 179.12 million)	Does not require Board Approval	NIL
Dahej SEZ Limited (DSL) (Common Directorship)	Repayment of Security Deposit	01.04.2018 to 31.03.2019	Rs. 0.20 million	-	-
Dahej SEZ Limited (DSL) (Common Directorship)	Lease Rental	01.04.2018 to 31.03.2019	Lease rent for land and DSZ charges (Rs. 125.59 million)	Does not require Board Approval	Nil
Mangalore Refinery & Petrochemical Limited (MRPL) (Common Directorship)	Reimbursement of Expenses on behalf of OPaL	01.04.2018 to 31.03.2019	Reimbursement of Salary to MRPL, for employees on deputation (Rs. 3.34 million)	Does not require Board Approval	Nil
Petronet LNG Limited (Common Directorship)	Purchase of Gas	01.04.2018 to 31.03.2019	Purchase of Gas (Rs.6762.15 million)	-	-
Hindustan Petroleum Corporation Limited (HPCL) (Common Directorship)	Purchase of Spares / Consumables	01.04.2018 to 31.03.2019	Purchase of Spares / Consumables (Rs. 2.01 million)	-	-
Shri Avinash Joshi (Managing Director)	Employment	01.04.2018 to 31.03.2019	Remuneration to Key Managerial Personnel (KMP) (Rs. 6.30 million)	-	Nil
Shri Manoj Kumar Srivastava (President)	Employment	01.04.2018 to 31.03.2019	Related party (Rs. 5.84 million)	-	Nil
Shri Subodh Prasad Pankaj (Company Secretary)	Employment	01.04.2018 to 31.03.2019	Remuneration to Key Managerial Personnel (KMP) (Rs.3.28 million)	-	Nil
Shri Saumya Chakraborty (Chief Operating Officer)	Employment	01.04.2018 to 31.03.2019	Related party (Rs. 5.42 million)	-	Nil
Shri Pradosh Kumar Basu (Chief Finance Officer)	Employment	01.04.2018 to 31.03.2019	Remuneration to Key Managerial Personnel (KMP) (Rs. 4.90 million)	-	-

on behalf of the Board of Directors
for ONGC Petro additions LimitedDate : 3rd September, 2019
Place : New DelhiSd/-
Shashi Shanker
Chairman

ANNEXURE - VI

**PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION,
FOREIGN EXCHANGE EARNINGS AND OUTGO**

**[In terms of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of
the Companies (Accounts) Rules, 2014]**

A. CONSERVATION OF ENERGY:

In financial year 2018-19, with improvement of capacity utilization to average plant load of about 70%, energy performance of complex has improved significantly.

With stabilization of operations, OPaL has formed Apex Energy Committee with objective to optimize energy performance of complex and measures are taken for conservation of energy consumed in any form e.g. raw materials, utilities, power & steam at OPaL complex.

Following to complex capacity utilization from about 46% in financial year 2017-18 to about 70% in financial year 2018-19, OPaL complex specific energy performance has improved by about 40% and energy bill has reduced by about 10%.

Energy Management System

- Third party energy audits carried out for different plants during last financial year.
- Steam network, steam trap system, condensate recovery system walkthrough audit done by third party for overall energy optimization. Process improvement are as follows;
 - PP plant steam consumption reduced by approx. 60 Kg/Ton of PP product between December, 2018 and March, 2019. Savings of around INR 56.30 Lakh achieved in this period.
 - Condensate recovery system implementation in CPP plant has given saving of INR 1.28 Lakh.

DFCU Plant

- In DFCU Plant, recycle of process condensate for furnace decoking to avoid use of fresh DM water, cost difference has annual saving of approx. INR 5.20 Lakh.

CPP Plant

- CPP plant intermittent air requirement now serviced with complex network and 450 KWh CPP plant air compressor stopped to have annual power saving of approx. INR 9.50 Lakh.
- Make up water heater pump (MUH pump-1) performance optimized and annual power saving of approx. INR 3.65 Lakh achieved.

Utilities and Offsites

- In Offsites area, HPMV lights retrofitted with LED lights to have better reliability, life cycle and energy saving of 80 watt per fixture. It is continued in other areas.
- Cooling tower fan blades replaced with efficiently designed blades having higher tip angle for improved air flow intake (4.6% more flow) and less power consumption with improved aero dynamics (28.0% less power). This has resulted in savings of approx. INR 38.87 Lakh per annum.

B. TECHNOLOGY ABSORPTION:

OPaL has started operations from March, 2017 and has achieved significant improvement in capacity utilization during the last financial year. We are adopting latest technologies and innovations to make operations more efficient and competitive. Also looking forward to adopt latest tools and techniques for advance troubleshooting and reliability improvement.

Process Improvement in Plant:

HDPE Plant

- Reactor-2 slurry cooler average run length increased by 30 days and thus increased the overall plant production.
- New modified multilayer film grade F5010 developed through in-house study for new market segment and trial is successful.
- US FDA 21 CFR 177.1520, EU 10/2011 & IS 9845 food grade certifications obtained for B6003, P50H03, B5004 and B55H03 grades.

PP Plant

- In PP Plant, hydrocarbon flaring during ICP grade production eliminated with process improvement and the same has given annual savings of approx. INR 308 Lakh.
- US FDA 21 CFR 177.1520, EU 10/2011 & IS 9845 food grade certifications obtained for MH13A and RH03 grades.
- Rotary feeder design changed to cutting type rotary feeder to resolve issue of frequent chocking and jamming of feeder valve. This has helped in reducing plant downtime and eliminating customer complaints on uneven size pellet, post modification Plant outage on account of this issue has come down by about 80 hours.

PE Swing

- Successfully customized operating window from wide range of licensor information for 2 MI grades and production successfully established with new operating parameter.
- Process optimization done and one nitrogen compressor out of two continuously running compressors stopped to achieve annual saving of approx. 335 KW and approx. INR 124.352 Lakh.
- Process improvement study implemented with change of filter backflush purging gas from Nitrogen to recycling Process gas (hydrocarbon) which has saved approx. 72Nm³/hr. nitrogen going to flare which is of approx. INR 21.024 Lakh per annum.

Butene-1

- New catalyst for Butene-1 operational trial completed, it is sourced from domestic vendor and will be used as an alternative supplier.
- Modification in operating procedure saved 24 MT of N₂ & 35 process hours, it has resulted in annual savings of about INR 14.57 Lakh.

ECTS

- Modification in backwash water collection of Ultrafiltration (UF) unit has resulted in annual saving of approx. INR 2.82 Lakh.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has earned foreign exchange equivalent to Rs. 20677.21 million (Previous Year Rs. 8246.09 million) on account of revenue from export sales and incurred foreign currency expenditure equivalent to Rs. 20625.50 million (Previous Year Rs. 22679.80 million) during the accounting period ended 31st March, 2019.

**on behalf of the Board of Directors
for ONGC Petro additions Limited**

**Sd/-
(Shashi Shanker)
Chairman**

Date : 3rd September, 2019

Place : New Delhi

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ONGC PETRO additions LIMITED.

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of ONGC PETRO additions LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.



Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of Ind AS financial statements of the current period. These matters were addressed in the context of our audit of Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter.

We have determined the matter described below to be the key matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's approach
1.	Re-instatement of Compulsory Convertible Debenture during the year as per Ind AS 32 (Financial Instruments) for debentures issued in July 2016, May 2017 & March 2018. (Refer Note No.38 of the Ind AS Financial Statements)	Key Observations: 1. During the F.Y.2018-19, the company has classified the Compulsory Convertible Debentures in to Debt & Equity as prescribed in Ind AS 32. 2. The Company has re-stated the affected line items of the financial statements for the F.Y. 2016-17 & F.Y.2017-18. 3. The cumulative impact of the same is decrease in the losses to the extent of Rs. 5772.10 millions before tax and Rs. 3075.49 millions after tax up to F.Y.2017-18

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the



standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

The other information is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act) with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- I. 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 Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- II. Based on verification of books of account of the Company and according to information and explanation given to us, we give below report on the directions/additional sub directions issued by the Comptroller and Auditors General of India in terms of Section 143 (5) of the Companies Act, 2013:
 - a. In our opinion and according to the information & explanation given to us, the company has system in place to process all the accounting transactions through IT systems.
 - b. According to information & explanation given to us, the company has neither re-structured any existing loans nor waived/written-off any debts/loans/interest during the year.
 - c. According to information & explanation given to us, the company not received/receivable any funds for specific schemes from Central/State agencies.
- III. As required by Section 143(3) of the Act, we report 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;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note 38.1 to the Standalone Ind AS Financial Statements;
 - ii. According to the information and explanations given to us, the company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There are no amounts that are required to be transferred to the Investor Education and Protection Fund by the company.

For Parikh Mehta and Associates
Chartered Accountants
(Firm's Registration No. 112832W)



Ashish Parikh
Partner
(Membership No.116745)

Date: 10/05/2019
Place: Vadodara



Annexure – A to Independent Auditor’s Report

The Annexure referred to in paragraph V(i) under “Report on Other Legal and Regulatory Requirements” in Independent Auditors’ Report to the members of the Company on the Standalone Ind-AS Financial Statements for the year ended 31st March, 2019, we report that:

- I. (a) The Company has in general maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Company has a regular programme of physical verification of fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, fixed asset having substantial value were verified during the year and no material discrepancy has been noticed. In our opinion this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of the records of the Company, the title deeds of the immovable properties are held in the name of the Company.
- II. According to the information and explanations given to us, the inventories were physically verified during the year by the management at reasonable intervals (excluding inventory lying with third parties/consignment stock agent) and no material discrepancies were noticed on physical verification.
- III. The Company has not granted any loan to companies, firms, limited liability partnership, or other parties covered in the register maintained under Section 189 of the Act.
- IV. The Company has not granted any loans, investments, guarantees and the securities as envisaged under Section 185 and 186 of the Act.
- V. In our opinion and according to information and explanations given to us, the Company has not accepted any deposit from the public as per the provisions of the Act.
- VI. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with the view to determine whether they are accurate or complete.



VII. According to the information and explanations given to us in respect of statutory dues;

(a) According to the information and explanation given to us, there are no disputed statutory dues payable in respect of Provident Fund, Investors Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Value Added Tax, Custom Duty, Excise Duty Service Tax, Goods And Service Tax, cess or any other statutory dues, as applicable, with the appropriate authorities. As explained to us, the Company didn't have any dues on account of Employees' State Insurance and duty of excise.

There was no amount payable in respect of undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Value Added Tax, Custom Duty, Excise Duty Service Tax, Goods And Service Tax, cess and other statutory dues in arrears as on 31st March, 2019 for the period of more than six months from the date they became payable,

(b) According to the information and explanation given to us there were no dues in respect of Income Tax, duty of Excise, duty of Customs, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax Act which have not been deposited on account of any dispute except the following :

(Rs. in million)

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates (F.Y.)	Gross Amount involved	Amount paid under protest	Amount unpaid
Income Tax Act, 1961	Income Tax	Commissioner Appeals	2014-15	36.78	7.40	29.38
Stamp Duty Act	Stamp Duty	Dy. Commissioner of Revenue and stamp, Mumbai	2009-10	2.00	-	2.00
Stamp Duty Act	Stamp Duty (Deficit Stamp Duty of Lease Deed)	Dy. Collector Office, Stamp Duty Valuation Department,	2017-18	6.74	-	6.74



- VIII. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, bank and Government or dues to debenture holder.
- IX. The company has raised money by way of term loan and Non-convertible Debentures during the year and in our opinion and according to the information and explanations given to us the said funds were applied for the purposes for which those were raised.
- X. According to information and explanations given to us, no material fraud committed by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- XI. According to the information and explanations given to us and based on our examination of records of the company, the company has paid/provided for the managerial remuneration in accordance with the provision of Section 197 read with Schedule V to the Act.
- XII. In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- XIII. According to the information and explanations given to us and based on our examination of the records of the company, transactions with related parties are in compliance with Section 177 & 188 of the Act, where applicable and the details of such transactions have been disclosed in Standalone Ind-AS Financial Statement as required by applicable accounting standards.
- XIV. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the company.
- XV. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.



XVI. In our opinion and according to the information and explanations given to us the company is not required to be registered u/s 45 IA of the Reserve Bank of India Act, 1934.



**For Parikh Mehta & Associates
Chartered Accountants**

Firm Registration No. 112832W

(ASHISH PARIKH)

Partner

Membership No. 116745

Place: Vadodara
Date: 10th May 2019



Annexure - B: Report on the Internal Financial Controls under Clause (I) of sub section 3 of Section 143 of the Companies Act 2013 ("the Act")

(Referred to in paragraph III(f) under "Report on other Legal and Regulatory requirements" section of our report of even date.)

We have audited the internal financial controls over financial reporting of ONGC Petro additions Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is 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 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.

Auditors' 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") 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 applicable to an audit of Internal Financial Controls and 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 a 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 judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained 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 standalone Ind AS 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 Standalone Ind AS financial statements in accordance with generally accepted accounting principle, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS 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.

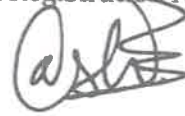


Opinion

In our opinion, the Company has, 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 31st March, 2019, 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.

**For Parikh Mehta & Associates
Chartered Accountants**

Firm Registration No. 112832W



(ASHISH PARIKH)

Partner

Membership No. 116745

Place: Vadodara.

Date: 10th May, 2019.



ONGC Petro additions Limited
Audited Financial Statements for FY 2018-19



Notes to the Financial Statements for the period ended March 31, 2019
(All amounts are in Rs. millions unless otherwise stated)

1. Corporate information

ONGC Petro additions Limited (“OPaL” or “the Company”) is a public limited company domiciled and incorporated in India having its registered office at 4th Floor, 35, Nutan Bharat Society, R C Dutt Road, Alkapuri, Vadodara - 390007, Gujarat. The principal activity of the Company is to manufacture, purchase, sale and trade petrochemicals, petrochemical products and its byproducts.

OPaL is a joint venture company was incorporated in 2006, as a Public Limited Company under the companies Act, 1956, promoted by Oil and Natural Gas Corporation (ONGC) and co-promoted by GAIL and GSPC.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on 10th May 2019.

2. Application of Ind AS

2.1. Basis of preparation

i) Compliance with Ind AS

The Consolidated financial statements comply in all the material aspects with the Indian Accounting Standards (referred to as “Ind AS”) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards Rules, 2015)] and other relevant provisions of the Act.

ii) Historic cost convention

The financial statements have been prepared on the historical cost basis except for the following:

Define benefit plans – Plan assets measured at fair value

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria’s set out in Ind AS-1 ‘Presentation of Financial Statements’ and Schedule III to the Companies Act, 2013.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company’s assumptions about pricing by market participants





iii) **New and amended standards adopted by the Company**

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2018

Ind AS 115, *Revenue from contracts with the customers*

Appendix B, Foreign Currency Translations and Advance Consideration to Ind AS 21, The effects of Changes in Foreign Exchange Rates

Amendments to Ind AS 12, Income Taxes

The Company change its accounting policies and make certain modified retrospective adjustments following the adoption of Ind AS 115. This is disclosed in note 23.1. Other amendments listed above did not have any impact on the amount recognised in prior period and are not expected to significantly affect the current or future periods.

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the company has not applied as they are effective from April 1, 2019:

a) **Ind AS 116 – Leases**

Ind AS 116 is effective for period beginning on or after April 1, 2019. It will replace previous lease standard Ind AS 17.

Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to accounting for finance leases under Ind AS 17. The standard includes two recognition exemption for leases: leases of 'low-value' assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing right to use the underlying asset during the lease term except for leases of biological assets, service concession arrangements, licenses of intellectual property, rights held by a lessee under licensing agreements and exploration of resources. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Ind AS 116 requires lessees to recognize a 'right-of-use asset' and a 'lease liability' for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. The lessor still has to classify leases as either finance or operating.

The company is currently evaluating the impact of the standard and amendment on the financial position and results of operation.

b) **Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12**

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty
- that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored





- that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment
- that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty, and
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

While there are no new disclosure requirements, entities are reminded of the general requirement to provide information about judgements and estimates made in preparing the financial statements. An entity shall apply these amendments for annual periods beginning on or after 1 April, 2019.

c) Plan Amendment, Curtailment or Settlement- Amendments to Ind AS 19

The amendments to Ind AS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must:

- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change
- any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling
- separately recognise any changes in the asset ceiling through other comprehensive income.

An entity shall apply these amendments for annual periods beginning on or after 1 April, 2019.

d) Other applicable amendments

- **Ind AS 23**- clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.
- **Ind AS 12**- clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

An entity shall apply these amendments for annual periods beginning on or after 1 April, 2019.

3. Significant accountin gpolicies

3.1. Revenue Recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The comparative information in the Statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18. The impact of the adoption of the standard on the financial statements of the Company is insignificant.





Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Company assess the goods or services promised in a contract with a customer and identifies the distinct performance obligations, Company's revenue comprising of sale of products and transportation services in case of sale of Chemical in the domestic markets.

In case of sale of product, Company recognize revenue when (or as) it satisfies the performance obligation by transferring a promised good to a customer by transferring the control of goods to the customer as per the sales terms of the contract with customer. In case of services, Company recognize revenue over the period of the services term as customer simultaneously receives and consumes the benefits provided by the Company's performance as the it performs.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceed one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

3.2. Government grant

The Government of India has introduced Merchandise Exports from India Scheme (MEIS) through the Foreign Trade Policy (FTP) 2015-20, w.e.f. April 1, 2015. As per this policy, in case of certain items of exports, the company is eligible to get export incentives in the form of Licenses which can be sold in the market on limited scale.

The Company recognizes such incentives in the books of accounts only when reasonable certainty is established as to the financial outcome/ realisability of such incentives.

3.3. Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance lease are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

3.4. Foreign Exchange Transactions

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.





Transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated using closing rate of exchange prevailing on the last day of the reporting period.

Exchange differences on monetary items are recognized in statement of profit and loss in the period in which they arise. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

3.5. Employee Benefits

Employee benefits include provident fund, gratuity and leave encashment

Defined contribution plans

Employee benefit under defined contribution plans comprising of provident fund is recognized based on the amount of obligation of the Company to contribute to the plan. The same is paid to a Regional Provident Fund Commissioner, which is expensed during the year.

Defined benefit plans

The company's gratuity plan is a defined benefit plan. The present value of defined benefit obligation is determined based on actuarial valuations using the projected unit credit method. Which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flow. The discount rate used for determining the present value of the obligation under defined benefit plans. Is based on the prevailing market yield on government bond as at the balance sheet date.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), is reflected immediately in the balance sheet with a charge or credit are recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss, Past service cost is recognized in profit and loss in the period of a plan amendment or curtailment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined liability or asset. Defined benefit cost are categorized as follows:

- Service Cost (including current service cost, past service cost as well as gains and losses on curtailment and settlements);
- Net interest expense or income; and
- Re-measurement

The company presents the first two components of defined cost in profit or loss in the line item 'Employee benefit expense'. Amount resulting from curtailment / plan amendment are accounted for as past service cost.

The company contributes all ascertained liabilities to a gratuity fund 'ONGC Petro additions Employees Group Gratuity Trust' administered which is governed by board of trustees. The trust has taken the group policy with life Insurance Corporation of India (LIC) to meet its obligation towards gratuity.





The gratuity benefit obligation recognized in the financial statement represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefit available in the form of refunds from the plan or reduction in future contribution to the plans.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and leave encashment which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term leave encashment is accounted as under:

- (a) In case of accumulated leave encashment, when employees render the services that increase their entitlement of future leave encashment; and
- (b) In case of non-accumulating leave encashment, when the absences occur.

Long-term employee benefits

Leave encashment which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the obligation as at the balance sheet date.

3.6. Earnings Per Share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Antidilutive options are not considered in computing dilutive earning per share.

3.7. Cash Flow Statement

Cash flows are reported using the indirect method, where by profit after tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

3.8. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

ii. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

iii. Deferred tax



Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred taxes are recognized in respect of temporary differences which originate during the tax holiday period but reverse after the tax holiday period. For this purpose, reversal of temporary difference is determined using first in first out method.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

iv. Current and deferred tax for the year

Current and deferred tax expense are recognized in Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax expense are also recognized in other comprehensive income or directly in equity respectively.

3.9. Property, plant and equipment

Buildings held for use in the production or supply of goods, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Property, plant and equipment (other than buildings) are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Capital work-in-progress

Property, Plant and Equipment (PPE) in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment losses. The cost of an asset comprises its purchase price or its construction cost (net of applicable tax credits) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories





of property, plant and equipment when completed and ready for intended use. Parts of an item of PPE having different useful lives and material value and subsequent expenditure on PPE arising on account of capital improvement or other factors are accounted for as separate components.

In respect of Dahej Project Turnkey Contracts, the value of supplies received at site, accepted and settled is treated as Capital work in progress.

The Company has received spares/ inventories as free supply of material from various contractors under LSTK Contracts. The same is incorporated in the books of account on the basis of value provided by the LSTK contractor. In the absence of the same, the fair market value or the value agreed by the material management department is taken in to account.

The quantity & the value of the material supplied is added to the particular capital inventory account and correspondingly is deducted from the relevant Fixed Asset/ Capital W.I.P. account.

Depreciation of these PPE commences when the assets are ready for their intended use.

Depreciation

Depreciation is provided on the cost of PPE less their residual values @ 2%, using the straight line method over the useful life of PPE as specified in Schedule II to the Companies Act, 2013 except in case of certain items of PPE where useful life has been considered based on technical assessment. Estimated useful lives of the assets are as follows:

Sl. No.	Particulars	Useful lives (in years)
1.	Buildings Temporary including Fences	1-5
2.	Building others	10-60
3.	Roads and Culverts	3-30
4.	Plant and Machinery	5-40
5.	Office equipment	3-10
6.	Computer and Server	3-6
7.	Furniture and fixtures	10-15
8.	Vehicles	8

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation on additions/deletions to PPE during the year is provided on pro rata basis with reference to the date of addition/deletions except for low value items not exceeding Rs.5,000/- which are fully depreciated at the time of addition.

Expenditure on overhaul and repairs on account of planned shutdown which are of significant value (5% of the value of particular assets) is capitalized as component of relevant items of PPE and is depreciated over the period till next shutdown on straight line basis. Catalyst whose life is more than one year is capitalized as property, plant and equipment and depreciated over the guaranteed useful life as specified by the supplier when the catalyst is put to use.





Insurance spares received along with the plant or equipment and those purchased subsequently for specific machinery and having irregular use are capitalized.

Major capital spares are capitalized as property, plant and equipment. Depreciation on such spares capitalized as property, plant and equipment are depreciated over the period starting when it is brought into service and continuing over the shorter of its useful life and the remaining expected useful life of the asset to which it relates and carrying value of the spare is charged to the statement of profit and loss as and when replaced.

De-recognition

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in statement of profit and loss.

3.10. Intangible assets

v. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives not exceeding five years from the date of capitalization. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on prospective basis.

vi. De-recognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in statement of profit and loss when the asset is derecognised.

vii. Useful lives of intangible assets

Estimated useful lives of the Software is 5 Years

3.11. Impairment of PPE and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its PPE and intangible assets of a cash generating unit to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.





If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in statement of profit and loss.

An assessment is made at the end of each reporting period to see if there are any indications that impairment losses recognized earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the statement of profit and loss.

3.12. Inventories

Inventories are valued at lower of cost or net realizable 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:

Raw material	On First in First out (FIFO) basis.
Finished products	At Raw material and Conversion cost
Stock-in-process	At Raw material and Proportionate Conversion cost.
Stores and spares (other than those capitalised as property, plant and equipment) and other trading goods	On weighted average cost basis.

3.13. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

3.14. Trade receivable

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

3.15. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its





carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent assets are disclosed in the financial statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefits is remote.

3.16. Financial instruments

Financial assets and financial liabilities are recognized when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Financial Assets

a) Classification

The Company classifies its financial assets in the following measurement categories: those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss) and those measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes

b) Measurement

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

(i) Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.





- (ii) **Financial assets at fair value through other comprehensive income**
Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both selling financial assets and collecting contractual cash flows, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (iii) **Financial assets at fair value through profit or loss**
Financial assets are subsequently measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in the statement of profit and loss.
- (iv) **Impairment of Financial assets**
The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes credit loss allowance at lifetime expected credit loss model for all contract assets and / or all trade receivables that do not constitute a financing transaction.
- (v) **Derecognition of financial assets**
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.
On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in statement of profit and loss.
- (vi) **Income recognition**
Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

Financial liabilities

- (i) Financial liabilities are initially recorded at a fair value and Subsequently financial liability are measured at amortized cost using effective interest method except for certain items of financial liabilities which are measured at fair value through profit & loss (FVTPL). For trade payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not





classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(ii) Borrowing Costs

Borrowing costs specifically identified to the acquisition or construction or production of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(iii) Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognized in the statement of profit and loss.

3.17. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company is responsible for assessing the financial performance and position of the Company, and makes strategic decisions. Therefore the board has been identified as being the chief operating decision maker. Refer note XX for segment information presented.

3.18. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

3.19. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

3.20. Critical judgements in applying accounting policies

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

a) Useful lives of property, plant and equipment and intangible assets

Management reviews its estimate of the useful lives of PPE and intangible assets at each reporting date, based on the future economic benefits expected to be consumed from the assets.

b) Defined benefit obligation (DBO)

Management's estimated of the DBO is based on a number of critical underlying assumption such as Standard rate of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increase, variation in these assumption may significantly impact the DBO amount and the annual defined benefit expense.

c) Recognition of revenue

Management estimate the transaction price in case of sale of products for any incentives, discounts, consideration paid to the customers at the contract inception

d) Recognition of deferred tax assets for carried forward tax losses

Management estimate the recoverability of deferred tax assets for carried forward tax losses based on the estimate of future profits as per the approved projections by the board and also based on the probability criteria as defined by Ind AS 12 – "IncomeTaxes".



ONGC Petro additions Limited
Balance Sheet



(All amounts are in Rs. millions unless otherwise stated)

Sl.No.	Particulars	Note No	As at March 31, 2019	As at March 31, 2018 (Restated)	As at April 1, 2017 (Restated)
	ASSETS				
(I)	Non-current assets				
	(a) Property, plant and equipment	4	2,36,896.01	2,45,358.31	2,24,017.15
	(b) Capital work- in- progress	5	20,031.54	18,014.72	47,324.23
	(c) Intangible assets	6	163.82	96.90	114.59
	(d) Intangible assets under development	7	3.67	67.36	24.66
	(e) Financial assets				
	(i) Loans	8	325.93	318.13	303.70
	(f) Non current tax assets	9	28.75	23.81	16.42
	(g) Other non-current assets	10	7,965.79	8,327.56	8,302.94
	(h) Deferred Tax Asset	11	18,601.81	11,081.19	4,512.44
	Total non-current assets		2,84,017.32	2,83,287.98	2,84,616.13
(II)	Current assets				
	(a) Inventories	12	15,787.87	17,892.55	9,555.38
	(b) Financial assets				
	(i) Trade receivables	13	1,740.81	1,309.59	341.62
	(ii) Cash and cash equivalents	14	154.50	113.79	52.43
	(iii) Bank balances other than (ii) above	15	-	15.36	19.05
	(c) Other current assets	10	2,783.17	2,123.20	2,380.16
	Total current assets		20,466.35	21,454.49	12,348.64
	Total assets (I+II)		3,04,483.67	3,04,742.47	2,96,964.77
	EQUITY AND LIABILITIES				
(I)	Equity				
	(a) Equity share capital	16	20,219.30	20,219.30	20,219.30
	(b) Other equity				
	(i) Equity component of compound financial instrument	17	65,550.31	65,550.31	47,164.04
	(ii) Reserve & surplus	17	(19,001.55)	(11,006.20)	8,243.56
	Total equity		66,768.06	74,763.41	75,626.90
(II)	Liabilities				
	Non-current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	18	1,79,240.87	1,22,795.30	1,29,577.35
	(b) Employee Benefit Obligations	20	4.15	6.92	78.92
	Total non-current liabilities		1,79,245.02	1,22,802.22	1,29,656.27
(III)	Current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	18	26,887.76	77,222.69	68,028.64
	(ii) Trade payable				
	- total outstanding dues of micro and small enterprises	21	15.74	30.32	23.40
	- total outstanding dues other than above	21	9,517.25	8,574.65	4,160.87
	(iii) Other financial liabilities	19	21,251.38	20,825.98	18,258.91
	(b) Contract liabilities				
	(i) Contract liabilities		198.47	236.78	1,033.78
	(c) Employee Benefit Obligations	20	155.55	124.44	2.83
	(d) Other current liabilities	22	444.44	161.98	173.17
	Total current liabilities		58,470.59	1,07,176.84	91,681.60
(IV)	Total liabilities (II+III)		2,37,715.61	2,29,979.06	2,21,337.87
	Total equity and liabilities (I+IV)		3,04,483.67	3,04,742.47	2,96,964.77

See accompanying notes to the financial statements 1 - 42

For Parikh Mehta & Associates
Chartered Accountants

(Ashish Parikh)
Partner
ML.No. : 116745
FRN No. : 112832W

Place : New Delhi
Date : 10th May, 2019

(Subodh Prasad Pankaj)
Company Secretary



For and on behalf of the Central Board

(Pradosh Kumar Basu)
Chief Finance Officer

(Subhash Kumar)
Director

(Manoj Kumar Srivastava)
President

(Avinash Verma)
Managing Director

ONGC Petro additions Limited



Statement of Profit and Loss

(All amounts are in Rs. millions unless otherwise stated)

Sl.No.	Particulars	Note No	For the year ended March 31, 2019	For the year ended March 31, 2018 (Restated)
I	Revenue from operations	23	97,387.20	55,918.21
II	Other income	24	466.81	154.67
III	Total Income (I+II)		97,854.01	56,072.88
IV	EXPENSES			
	Cost of raw materials consumed	25	59,749.80	36,017.17
	Changes in inventories of finished goods, WIP, stock in trade	26	1,952.28	(2,463.80)
	Employee benefit expense	27	1,228.89	1,030.72
	Finance costs	28	18,409.76	16,787.00
	Depreciation and amortisation expense	29	11,987.06	11,509.33
	Other expenses	30	26,249.84	17,893.46
	Total expenses (IV)		1,19,577.63	80,773.88
V	Profit/(Loss) before tax (III-IV)		(21,723.62)	(24,701.00)
VI	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax	31	(7,520.62)	(5,447.63)
			(7,520.62)	(5,447.63)
VII	Profit/(Loss) for the year (V-VI)		(14,203.00)	(19,253.37)
VIII	Other Comprehensive income			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of the defined benefit plans		6.65	3.61
	Total other comprehensive income		6.65	3.61
IX	Total comprehensive income for the year (VII+VIII)		(14,196.35)	(19,249.76)
X	Earnings per equity share (Face value of Rs. 10/ each):			
	(1) Basic & Diluted (in Rs.)	32	(7.02)	(9.52)

See accompanying notes to the financial statements 1 - 42

For Parikh Mehta & Associates
Chartered Accountants

(Ashish Parikh)
Partner
M.No. : 116745
RN No. : 112832W

Place : New Delhi
Date : 10th May, 2019



For and on behalf of the OPaL Board

(Subodh Prasad Pankaj)
Company Secretary

(Pradosh Kumar Basu)
Chief Finance Officer

(Subhash Kumar)
Director

(Manoj Kumar Srivastava)
President

(Avinash Verma)
Managing Director

ONGC Petro additions Limited
Statement of Cash Flows



(All amounts are in Rs. millions unless otherwise stated)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018 (Restated)	
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Profit after tax		(14,203.00)		(19,253.37)
Adjustments for:				
Tax expense recognised in profit or loss	(7,520.62)		(5,447.63)	
Depreciation and amortisation expense	11,987.06		11,509.33	
Interest expense	18,409.76		16,787.00	
Interest Income	(115.49)		(33.57)	
Profit on sale of Property plant & equipment	(0.15)		(0.01)	
Remeasurement of the defined benefit plans	6.65	22,767.21	3.61	22,818.73
Operating Profit/ (Loss) before Changes in assets and liabilities		8,564.21		3,565.36
Changes in assets and liabilities:				
Inventories	2,104.68		(8,337.17)	
Trade and other receivables	(431.22)		(967.97)	
Other assets	(295.58)		214.21	
Trade Payable and other liabilities	681.05		4,404.15	
Provisions	28.34	2,087.27	49.61	(4,637.17)
Net cash generated by/(used in) operating activities "A"		10,651.48		(1,071.81)
B. CASH FLOWS FROM INVESTING ACTIVITIES:				
Payments for property, plant and equipment including intangible assets		(4,434.75)		(2,163.95)
Interest received		115.49		33.57
Proceeds from disposal of property, plant and equipment		0.85		0.15
Net cash (used in) investing activities "B"		(4,318.41)		(2,130.23)
C. CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from Borrowings		1,69,120.00		1,57,178.40
Proceeds from equity component of convertible financial instrument		-		17,265.15
Repayments of Borrowings		(1,57,044.81)		(1,48,968.53)
Issue of Share warrants		6,201.00		-
Interest paid		(24,568.55)		(22,211.62)
Net cash generated by financing activities "C"		(6,292.36)		3,263.40
Net increase/(decrease) in cash and cash equivalents (A+B+C)		40.71		61.36
Cash and cash equivalents at the beginning of the year		113.79		52.43
Cash and cash equivalents at the end of the year		154.50		113.79

Notes:

- Cash and Cash equivalent represents Bank Balances with Scheduled Bank as per Note No. 14
- Previous years figures have been regrouped when necessary to conform to the year's classification

For Parikh Mehta & Associates
Chartered Accountants

(Ashish Parikh)
Partner
M.No. : 116745
FRN No. : 112832W

Place : New Delhi
Date : 10th May, 2019



(Subodh Prasad Pankaj)
Company Secretary

For and on behalf of the OPal. Board

(Pradosh Kumar Basu)
Chief Finance Officer

(Subhash Kumar)
Director

(Manoj Kumar Srivastava)
President

(Avinash Verma)
Managing Director

ONGC Petro additions Limited
Statement of Cash Flows



(All amounts are in Rs. millions unless otherwise stated)

Reconciliation of liabilities arising from financing activities 2018-19

Particulars	OP balance 01.04.2018	Cash Flow	Non Cash Change		Closing Balance 31.03.2019
			Processing Fees amortisation	Equity component of convertible debenture	
Compulsory Convertible Debentures (Restated)	9,194.21	-	60.05	(5,935.27)	3,318.99
Rupee Term Loan-Secured	1,21,937.84	(11,400.03)	7.29	-	1,10,545.10
Short term Loan	71,347.47	(47,253.40)	-	-	24,094.07
External commercial borrowings	11,277.68	(2,471.38)	719.08	-	9,525.38
Non Convertible Debentures	-	8,200.00	-	-	8,200.00
Rupee Term Loan-Unsecured	-	65,000.00	-	-	65,000.00
Total	2,13,757.20	12,075.19	786.42	(5,935.27)	2,20,683.54

Reconciliation of liabilities arising from financing activities 2017-18

Particulars	OP balance 01.04.2017	Cash Flow	Non Cash Change		Closing Balance 31.03.2018
			Processing Fees amortisation	Equity component of convertible debtenture	
Compulsory Convertible Debentures (Restated)	9,880.11	21,630.00	47.11	(22,363.00)	9,194.21
Rupee Term Loan-Secured	1,23,579.74	(1,603.62)	(38.28)	-	1,21,937.84
Short term Loan	63,887.48	7,459.99	-	-	71,347.47
External commercial borrowings	13,349.60	(2,011.35)	(60.58)	-	11,277.68
Total	2,10,696.93	25,475.02	(51.75)	(22,363.00)	2,13,757.20



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ONGC Petro additions Limited

(All amounts are in Rs. millions unless otherwise stated)

Statement of Changes in Equity

(a) Equity share capital

Particulars	Amount
Balance as at April 1, 2018	20,219.30
Changes during the year	-
Balance as at March 31, 2019	20,219.30

(b) Other equity

Particulars	Reserve & Surplus	Money received against share warrants	Equity component of compound financial instrument	Total
	Retained earnings			
Balance as at April 1, 2017 (as previously reported)	(10,629.24)	18,739.50	-	8,110.26
Correction of error related to Compulsory convertible debenture (incl of tax)	133.30	-	47,164.04	47,297.34
Restated balance at April 1, 2017	(10,495.94)	18,739.50	47,164.04	55,407.60
Loss for the year (restated)	(19,253.37)	-	-	(19,253.37)
Issue of compound financial instrument	-	-	17,265.15	17,265.15
Deferred tax impact on Equity component of compound financial instrument	-	-	1,121.12	1,121.12
Remeasurement of defined benefit plans	3.61	-	-	3.61
Total comprehensive income for the year (IV)	(19,249.76)	-	18,386.27	(863.49)
Balance as at March 31, 2018	(29,745.70)	18,739.50	65,550.31	54,544.11
Balance as at March 31, 2018 (as previously reported)	(32,821.19)	18,739.50	-	(14,081.69)
Correction of error related to Compulsory convertible debenture (incl of tax)	3,075.49	-	65,550.31	68,625.80
Restated Balance as at April 1, 2018	(29,745.70)	18,739.50	65,550.31	54,544.11
Loss for the year	(14,203.00)	-	-	(14,203.00)
Remeasurement of defined benefit plans	6.65	-	-	6.65
Total comprehensive income for the year	(14,196.35)	-	-	(14,196.35)
Issue of share warrants	-	6,201.00	-	6,201.00
Balance as at March 31, 2019	(43,942.05)	24,940.50	65,550.31	46,548.76

See accompanying notes to the financial statements 1 - 42

For Parikh Mehta & Associates
Chartered Accountants

(Ashish Parikh)
Partner
M.No. : 116745
FRN No. : 112832W

Place : New Delhi
Date : 10th May, 2019

For and on behalf of the OPAL Board

(Subodh Prasad Pankaj)
Company Secretary

(Pradosh Kumar Basu)
Chief Finance Officer

(Manoj Kumar Srivastava)
President

(Subhash Kumar)
Director

(Avinash Verma)
Managing Director



ONGC Petroadditives Limited

4 Property, plant and equipment (PPE)

4.1 Gross Carrying Amount

(All amounts are in Rs millions unless otherwise stated)

Gross Carrying Amount	Factory Buildings	Other buildings	Plant & Equipments	Furniture and Fixtures	Vehicles	Office equipments	Road culverts	Computers	Total
Balance at April 1, 2017 (Restated)	5,024.64	912.06	2,20,003.16	465.62	255.63	61.84	827.14	77.12	2,27,627.79
Additions during the year	1,213.81	-	31,870.42	27.24	-	5.75	15.30	18.89	33,151.41
Adjustment during the year*	-	(0.15)	(338.91)	-	-	-	-	-	(339.06)
Deductions during the year	-	-	-	-	-	0.47	-	0.08	0.55
Balance at March 31, 2018 (Restated)	6,238.45	911.91	2,51,534.67	492.86	255.63	67.12	842.44	95.93	2,60,439.59
Balance at April 1, 2018 (Restated)	6,238.45	911.91	2,51,534.67	492.86	255.63	67.12	842.44	95.93	2,60,439.59
Additions during the year	-	-	4,772.81	1.40	0.08	5.48	-	46.03	4,825.80
Adjustment during the year*	-	-	(1,356.19)	-	-	-	-	-	(1,356.19)
Deductions during the year	0.11	-	-	0.90	1.29	1.98	-	0.38	4.66
Balance at March 31, 2019	6,238.34	911.91	2,54,951.29	493.36	254.42	70.62	842.44	141.58	2,63,904.54

Addition includes borrowing cost capitalised Rs 884.24 million (FY 2017-18 Rs 10,000.87 million) and Incidental Expenditure during construction period Rs 394.53 Million (FY 2017-18 Rs. 3,636.98. million) Refer Note no. 5.1 to 5.3 relating to capitalisation of tangible PPE.

4.2 Rupee Term Loan and BPA are secured by first rank pari passu charge over all immovable properties present and future relating to the Company and first charge by way of hypothecation on all movable properties present and future relating to the Company.

4.3 Accumulated Depreciation

Accumulated depreciation	Factory Buildings	Other buildings	Plant & Equipments	Furniture and Fixtures	Vehicles	Office equipments	Road culverts	Computers	Total
Balance at April 1, 2017 (Restated)	140.54	77.74	3,151.92	53.29	34.49	4.39	102.80	44.89	3,610.64
Depreciation expense for the year	213.00	27.62	11048.09	50.7	31.15	4.88	83.22	25.97	11,484.63
Adjustment/Deductions during the year*	-	-	13.55	-	-	0.36	-	0.08	13.99
Balance at March 31, 2018 (Restated)	353.54	105.36	14,186.46	103.99	65.64	8.91	186.02	70.78	15,081.28
Balance at April 1, 2018 (Restated)	353.54	105.36	14,186.46	103.99	65.64	8.91	186.02	70.78	15,081.28
Depreciation expense for the year	220.66	11.70	11,509.18	54.02	31.16	5.58	83.87	31.36	11,947.53
Adjustment/Deductions during the year*	0.09	-	17.31	0.26	0.80	1.59	-	0.23	20.28
Balance at March 31, 2019	574.11	117.06	25,679.33	157.75	96.00	12.90	269.89	101.91	27,008.53

4.4 Carrying amount

Carrying Amount	Factory Buildings	Other buildings	Plant & Equipments	Furniture and Fixtures	Vehicles	Office equipments	Road culverts	Computers	Total
Balance at March 31, 2017 (Restated)	4,884.10	834.32	2,16,851.24	412.33	221.14	57.45	724.34	32.23	2,24,017.15
Balance at March 31, 2018 (Restated)	5,884.91	806.55	2,37,348.21	388.87	189.99	58.21	656.42	25.15	2,45,358.31
Balance at March 31, 2019	5,664.23	794.85	2,29,272.96	335.61	158.42	57.72	572.55	39.67	2,36,896.01

* Adjustment includes correction of error in accounting of CCID. Please refer note 38.



ONGC Petro additions Limited

5 Capital Work-in-Progress

(All amounts are in Rs millions unless otherwise stated)

Particulars	As at April 1, 2017 (Restated)	Additions & Adjustments during Financial year 2017-18	Deduction during the Financial year 2017-18	Capitalised during the Year 2017-18	As at March 31, 2018 (Restated)
Dual Feed Cracker and Associated Units (DFCU)	-	2,139.73	-	2,139.73	-
Double Walled Storage Tank (DWST)	-	13.16	-	13.16	-
Distributed Control System (DCS)	263.34	1.65	-	264.99	-
Butene 1	-	163.80	-	163.80	-
Cooling Water System (CWS)	-	(4.59)	-	(4.59)	-
Effluent Collection & Treatment System (ECTS)	1,731.17	-	-	1,731.17	-
Integrated Utilities & Offsites (IU & O)	7,671.56	359.59	-	1,089.86	6,941.29
Pipeline and Associated work	-	1.01	-	1.01	-
Inert Gas and Compressed Air System (IA/PA)	-	1.04	-	1.04	-
Captive Power Plant (CPP)	1,750.72	187.82	-	(15.60)	1,954.14
Polyethylene (PE)	15,362.84	(2,201.02)	-	13,161.82	-
Polypropylene (PP)	-	(130.49)	-	(130.49)	-
Hazira Dahej Naphtha Pipeline	-	149.58	-	-	149.58
Product Warehouse (PWH)	-	145.38	-	145.38	-
Central Laboratory	-	216.51	-	216.51	-
High Density Poly Ethylene (HDPE)	-	86.47	-	86.47	-
Atali Township	6.78	-	-	-	6.78
Finance and Interest Charges	14,363.58	1,764.84	-	10,000.87	6,127.55
Incidental Expenses During Construction Including Consultancy	4,910.99	1,830.04	-	3,636.98	3,104.05
Other Capital Inventory	9.49	28.57	-	-	38.06
Other Capital Work in Progress	18.99	36.02	-	-	55.01
Catalyst	307.54	(307.54)	-	-	-
Equity component of compound financial instrument	(337.93)	(23.81)	-	-	(361.74)
Trial Run Inventory	1,265.16	(1,265.16)	-	-	-
Carrying amount of capital work-in-progress	47,324.23	3,192.60	-	32,502.11	18,014.72

Particulars	As at April 1, 2018 (Restated)	Additions & Adjustments during Financial year 2018-19	Deduction during the Financial year 2018-19	Capitalised during the year 2018-19	As at March 31, 2019
Integrated Utilities & Offsites (IU & O)	6,941.29	713.23	-	547.42	7,107.10
Captive Power Plant (CPP)	1,954.14	172.86	-	849.47	1,277.53
Hazira Dahej Naphtha Pipeline	149.58	646.21	-	-	795.79
LPG project - Pipeline & terminal work	-	311.71	-	-	311.71
Atali Township	6.78	-	-	-	6.78
Finance and Interest Charges	6,127.55	1,573.33	-	884.24	6,816.64
Incidental Expenses During Construction Including Consultancy	3,104.05	1,231.52	-	394.53	3,941.04
Other Capital Inventory	38.06	1.21	-	-	39.27
Equity component of compound financial instrument	(361.74)	(29.88)	-	-	(391.62)
Other Capital Work in Progress	55.01	72.29	-	-	127.30
Carrying amount of capital work-in-progress	18,014.72	4,692.48	-	2,675.66	20,031.54



ONGC Petro additions Limited

(All amounts are in Rs millions unless otherwise stated)

- 5.1 Hazira Dabeh Naphtha Pipeline (HDNPL), LPG Pipeline and some portion of Captive Power Plant (CPP) and Integrated Utilities & Offices (IU&O) are under capital work in progress as at 31st March, 2019.

With regard to HDNPL a detailed agreement to take over Hazira Naphtha Pipeline from ONGC to OPaL between ONGC & OPaL is yet to be made.

The capitalization is carried out based on the contract value including change orders where ever applicable except in case of LSTK packages where the commercial invoices from respective contractors and delay analysis is pending. The management expects that the liability will not exceed more than the cost recorded in the books of accounts significantly in respect of these LSTK assets. The assets are taken over by the company from LSTK contractors are duly certified by the management of the company. The insurance cover, where ever applicable, has been undertaken by the company.

- 5.2 Free supplies received from various LSTK contractors under Contract are taken in books of account with a value provided by LSTK contractors / at realistic value. These free supplies are considered as Inventory(Spares/Chemicals) and the value has been reduced from particular Capital work in progress/Fixed Assets. The value of Spares/Chemicals reduced from CWIP/Fixed Assets is Rs. 1002.30 Million (for FY 2017-18 Rs.3658.24 Million).

- 5.3 The expenditure, other than Depreciation & Interest, relating to Utility and other capitalized assets is charged to capital work in progress till the capitalization of core projects, as these assets are being used for pre-commissioning of Core Projects.

6 Intangible assets

Particulars	As at March 31, 2019	As at March 31, 2018
Gross Carrying Amount		
Opening balance	200.16	179.63
Additions during the year	122.68	20.53
	322.84	200.16
Less: Accumulated amortization		
Opening balance	103.26	65.04
Additions during the year	55.76	38.22
	159.02	103.26
Carrying amount of Intangible assets	163.82	96.90

7 Intangible assets under development

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	67.36	24.66
Additions during the year	18.06	42.70
Less: Transfer to Intangible assets	81.75	-
Carrying amount of Intangible assets under development	3.67	67.36

8 Loans

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
Security deposits				
Unsecured, considered Good	325.93	-	318.13	-
Total	325.93	-	318.13	-

9 Non - Current tax assets

Particulars	As at March 31, 2019	As at March 31, 2018
Tax deducted at source	4.93	3.08
Income tax refund due	23.82	20.73
Total	28.75	23.81

ONGC Petro additions Limited

(All amounts are in Rs millions unless otherwise stated)

10 Other assets

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
(a) Advances (including Capital advances)				
Secured, considered good	82.96	-	229.70	-
Unsecured, considered good	-	2,347.27	-	1,749.43
(b) Advances to employees	-	0.78	-	0.47
(c) Prepayment				
Prepaid expenses	-	117.33	-	94.82
Prepaid land lease	7,862.42	-	8,073.27	-
Prepaid Rent & Gas transmission charges	20.41	4.53	24.59	4.43
(d) Other				
Custom duty advance	-	247.94	-	198.80
Service tax recoverable	-	32.60	-	58.10
Vat credit receivable	-	0.09	-	0.08
GST receivable	-	32.63	-	17.07
Total	7,965.79	2,783.17	8,327.56	2,123.20

11 Deferred tax Assets / (Liability)

The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet:

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Deferred tax assets	43,953.73	31,839.62
Deferred tax liabilities	(26,214.86)	(23,125.94)
Equity component of compound financial instrument	862.94	2,367.51
Total	18,601.81	11,081.19

Particulars	Opening Balance 01.04.2017 (Restated)	Recognised in profit or loss	Recognised in other Equity	Closing Balance 31.03.2018 (Restated)
Tax effect items constituting deferred Tax liability				
Property Plant & Equipments	13,002.82	10,123.12	-	23,125.94
Others	39.29	(39.29)	-	-
Total	13,042.11	10,083.83	-	23,125.94
Tax effect items constituting deferred Tax Assets				
Financial and other assets	-	8.18	-	8.18
Financial and other liability	11.03	34.62	-	45.65
Defined Benefit Obligation	-	0.92	-	0.92
Equity component of compound financial instrument	3,052.95	(1,806.56)	1,121.12	2,367.51
Carry forward Business Loss	14,490.57	17,294.30	-	31,784.87
Total	17,554.55	15,531.46	1,121.12	34,207.13
Deferred Tax Assets / (Liabilities) Net	4,512.44	5,447.63	1,121.12	11,081.19

Particulars	Opening Balance 01.04.2018 (Restated)	Recognised in profit or loss	Recognised in other Equity	Closing Balance 31.03.2019
Tax effect items constituting deferred Tax liability				
Property Plant & Equipments	23,125.94	3,082.43	-	26,208.37
Other assets	-	6.49	-	6.49
Total	23,125.94	3,088.92	-	26,214.86
Tax effect items constituting deferred Tax Assets				
Financial and other assets	8.18	(0.83)	-	7.35
Financial and other liability	45.65	(45.65)	-	-
Defined Benefit Obligation	0.92	39.52	-	40.44
Equity component of compound financial instrument	2,367.51	(1,504.57)	-	862.94
Carry forward Business Loss	31,784.87	12,121.07	-	43,905.94
Total	34,207.13	10,609.54	-	44,816.67
Deferred Tax Assets / (Liabilities) Net	11,081.19	7,520.62	-	18,601.81

12 Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	2,145.82	3,585.68
Stock-in-trade	0.56	0.56
Work-in-progress	1,443.79	4,504.22
Finished goods	5,731.70	4,623.55
Stores and spares	6,466.00	5,178.54
Total	15,787.87	17,892.55

12.1 Finished goods includes goods in transit values at Rs. 69.51 million.

12.2 The mode of valuation of inventories has been stated in note 3.12.

12.3 Write-down of inventories amounting to Rs. 420.16 million on account of loss due to fire. This amount is included in Loss by fire amount shown under Other expenses note no. 30. Insurance claim amounting to Rs. 200 million is received till March,31 2019 on account basis. The same has been shown under Other income note no. 24.

13 Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Secured, considered good	1,740.81	1,309.59
Total	1,740.81	1,309.59

13.1 The Company is selling products through channel partners against their security deposit and to direct customers backed by advance or Letter of Credits.

Of the trade receivables balances as at March 31, 2019 of Rs 1740.81 million (as at March 31, 2018 of Rs. 1309.59 million) is due from Plastic and Petrochemical companies.

Accordingly, the Company assesses impairment loss due from Plastic and Petrochemical companies on facts and circumstances relevant to each transaction. Usually, Company collects all its receivables from Plastic and Petrochemical companies against advance payments / Letter of Credits / Security Deposits.

Payment towards trade receivables is received as per the terms and conditions of the contract / sales orders. The credit period is allowed for cash sale is 3 days and for credit sale it is 14 days. Thereafter, interest is chargeable as per the terms and conditions of the contract/ sales orders.

The Company has concentration of credit risk due to the fact that the Company has significant receivables from Plastic and Petrochemical companies which are reputed.

13.2 Age of receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Within the credit period	1,346.82	516.81
1-30 days past due	296.88	729.57
31-60 days past due	62.07	56.63
61-90 days past due	12.51	0.27
More than 90 days past due	22.53	6.31
Total	1,740.81	1,309.59

14 Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks		
Current Account	148.47	90.87
Interest	0.15	0.12
Bank deposits for original maturity upto 3 months	5.88	22.80
Total	154.50	113.79

14.1 The deposits maintained by the Company with banks comprise time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

14.2 There are no repatriation restriction with respect to Cash & cash Equivalents at the end of reporting period and prior period.

15 Other bank balance

Particulars	As at March 31, 2019	As at March 31, 2018
Margin money with bank	-	15.36
Other Bank deposits for original maturity more than 3 months upto 12 months	-	-
Total	-	15.36

ONGC Petro additions Limited

(All amounts are in Rs millions unless otherwise stated)

16 Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised: 15,000,000,000 equity shares of Rs.10 each (as at March 31, 2018: 15,000,000,000 equity shares of Rs. 10 each)	1,50,000.00	1,50,000.00
	1,50,000.00	1,50,000.00
Issued : 2,021,929,671 equity shares of Rs. 10 each (as at March 31, 2018: 2,021,929,671 equity shares of Rs. 10 each)	20,219.30	20,219.30
	20,219.30	20,219.30
Subscribed and paid up : 2,021,929,671 equity shares of Rs. 10 each (as at March 31, 2018: 2,021,929,671 equity shares of Rs. 10 each)	20,219.30	20,219.30
Total	20,219.30	20,219.30

16.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	Number of shares in million	Share capital
Balance at 1st April, 2018	2,021.93	20,219.30
Changes during the year	-	-
Balance at March 31, 2019	2,021.93	20,219.30

16.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

16.3 Details of shareholders holding more than 5% shares in the Company are as under:

Name of equity share holder	As at March 31, 2019		As at March 31, 2018	
	No. in million	% holding	No. in million	% holding
Oil and Natural Gas Corporation Limited	997.98	49.36	997.95	49.36
GAIL (India) Limited	994.94	49.21	994.94	49.21

17 Other equity

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Money received against share warrants	24,940.50	18,739.50
Retained earnings	(43,942.05)	(29,745.70)
Total A	(19,001.55)	(11,006.20)
Equity component of compound financial instrument	60,486.19	60,486.19
Deferred tax impact on Equity component of compound financial instrument	5,064.12	5,064.12
Total B	65,550.31	65,550.31
Total (A+B)	46,548.76	54,544.11

17.1 Money received against share warrants

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Balance at beginning of year	18,739.50	18,739.50
Add: Issue of share warrants	6,201.00	-
Balance at end of year	24,940.50	18,739.50

17.2 Retained earnings

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Balance at beginning of year	(29,745.70)	(10,495.94)
Loss after tax for the year	(14,203.00)	(19,253.37)
Add: Other comprehensive income arising from re-measurement of defined benefit obligation	6.65	3.61
Balance at end of year	(43,942.05)	(29,745.70)

ONGC Petro additions Limited

(All amounts are in Rs millions unless otherwise stated)

17.3 Disclosures in relation to money received against share warrants:

- (i) Money received against share warrant represent amounts received towards warrants which entails the warrant holders, the option to apply for and be allotted equivalent number of equity shares of the face value of Rs. 10 each.
- (ii) Against issue of 1,922,000,000 no. of share warrants the balance amount receivable from holder of warrant is Rs.480.50 million. The holder of the warrant would need to exercise the right to subscribe on or before 25 August, 2019.
- (iii) Against issue of 636,900,000 no. of share warrants the balance amount receivable from holder of warrant is Rs. 159.00 million. The holder of the warrant would need to exercise the right to subscribe on or before 01 December, 2021.
- (iv) The equity shares to be issued up on the exercise of the warrant shall be subject to Memorandum of Association and Articles of Association of the company and shall rank paripasu in all respect with the existing equity shares including the right with respect to dividend.
- (v) Neither warrant nor the equity shares to be issued on exercise of the warrants shall be listed on any stock exchange.
- (vi) The warrant subscription price will not be adjusted towards the warrant exercise price, if warrant is not exercised the warrant subscription price will stand forfeited.

18 Borrowings

Particulars	As at March 31, 2019		As at March 31, 2018 (Restated)	
	Non-current	Current	Non-current	Current
Secured – at amortised cost				
Term loans				
Rupee loan from banks	1,07,649.20	-	1,18,679.95	-
External commercial borrowings	9,525.38	-	11,277.68	-
Rupee loan from others	2,895.90	-	3,257.89	-
Working Capital Loan	-	4,594.07	-	4,632.47
Unsecured – at amortised cost				
Debentures				
- Liability component of compound financial instrument				
- Compulsory Convertible Debentures (CCDs)	525.30	2,793.69	3,318.99	5,875.22
- Non Convertible Debentures (NCDs)	8,200.00	-	-	-
Loan repayable on demand from banks	-	19,500.00	-	66,715.00
Rupee Term Loan from banks	65,000.00	-	-	-
Sub Total	1,93,795.78	26,887.76	1,36,534.51	77,222.69
Less : Current maturity of Long term Debt	14,554.91	-	13,739.21	-
Total	1,79,240.87	26,887.76	1,22,795.30	77,222.69

18.1 Long term Rupee Term Loan-Secured

Particulars	As at March 31, 2019	Rate of Interest	As at March 31, 2018	Rate of Interest
Facility-I	88,479.78	8.90%	99,537.50	8.75%
Facility-II	22,065.31	8.90%	22,400.34	8.75%
Total	1,10,545.10		1,21,937.84	

Terms of Repayment

- (i) Facility I : Repayable in 41 equal quarterly instalments starting in Q4 FY 2016-17 and ending in Q4 FY 2026-27. (PY Q4 FY 2016-17 and ending in Q4 FY 2026-27)
- (ii) Facility II : Repayable in 43 structured quarterly instalments starting in Q2 FY 2018-19 and ending in Q1 FY 2029-30. (PY Q2 FY 2018-19 and ending in Q1 FY 2029-30)

18.2 External Commercial Borrowings (ECB)

Particulars	As at March 31, 2019	Rate of Interest	As at March 31, 2018	Rate of Interest
Facility – I	8,202.41	6 month USD LIBOR + 250bps	9,186.80	6 month USD LIBOR + 250bps
Facility – II	1,322.97	6 month USD LIBOR + 225 bps	2,090.88	6 month USD LIBOR + 225 bps
Total	9,525.38		11,277.68	



ONGC Petro additions Limited

(All amounts are in Rs millions unless otherwise stated)

18.3 Unsecured - Compulsory Convertible Debentures

Particulars	Face Value (Gross)	Coupon Rate	Terms of Repayment	Effective Interest Rate	As at March 31, 2019			As at March 31, 2018 (Restated)		
					Equity component of convertible debenture	Non current Liability component of convertible debenture	Current Liability component of convertible debenture	Equity component of convertible debenture	Non current Liability component of convertible debenture	Current Liability component of convertible debenture
CCD I (July 2016) Series A / B	56,150.00	8.75%	36 months from pay in date	7.81%	43220.99	1274.24	1274.24	43220.99	1274.24	4464.72
CCD II (May 2017)	16,710.00	7.68%	36 months from pay in date	7.72%	13369.70	1180.07	1343.75	13369.70	1343.75	1095.49
CCD III (March 2018)	4,920.00	8.00%	36 months from pay in date	7.73%	3895.50	339.38	701.00	3895.50	701.00	315.01
Total	77,780.00				60,486.19	2,793.69	3,318.99	60,486.19	3,318.99	5,875.22

The equity component of convertible debenture has been presented on the face of the balance sheet including deferred tax of INR 5,064.12 Million for March, 2019 and 5,064.12 Million for March, 2018.

- (i) The company has allotted 5615 Compulsory convertible debentures (CCDs) - Tranche I of Rs 10.00 Millions each with a coupon rate of 8.75% p.a. to be served annually through private placement in two tranches, 3000 CCDs on 02.07.2016 and 2615 CCDs on 12.07.2016. Further company has allotted 1671 CCDs (Tranche II) of Rs. 10.00 Million each with a coupon rate of 7.6829% p.a. to be served annually through private placement on 18.05.2017 and 492 CCDs (Tranche III) of Rs. 10 Million each with a coupon rate of 8.00% to be served annually through competitive bidding on 28.03.2018.
- (ii) CCDs will be compulsory convertible at par in to equity shares of the company at the end of Tenure i.e. 36th month from the date of allotment. However, 5615 CCDs issued by company (Tranche I) are expiring in Quarter I of FY 2019-20, for which company is in process of extension of same by further 18 months.
- (iii) CCDs are backed by undertaking from Oil And Natural Gas corporation (ONGC) to pay Principal and coupon amount on debentures in case the company fails to do so.
- (iv) ONGC will have the option to buy out at the end of 24th, 30th and 35th month from respective pay in date.
- (v) Unconditional and irrevocable mandatory put option of CCD on ONGC at the end of 35th month from the pay in date of the first tranche.



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(All amounts are in Rs millions unless otherwise stated)

18.4 Security

Rupee Term Loans and ECB:

- First ranking pari passu mortgage/charge on immovable and movable properties and assets, both present and future except current assets,
- First ranking pari passu mortgage/assignment on intangible assets relating to project both present and future; and
- Second ranking pari passu charge on any current asset with working capital lenders on reciprocal basis.

18.5 Repayment terms of ECB

a) Facility 1 : USD 190 million

- 4 half yearly instalments of USD 9.50 million (USD 12.50 Million) each commencing from March 2016
- 4 half yearly instalments of USD 11.40 million (USD 15.00 Million) each commencing from March 2018
- 4 half yearly instalments of USD 13.30 million (USD 17.50 Million) each commencing from March 2020
- 2 half yearly instalments of USD 17.10 million (USD 22.50 Million) each commencing from March 2022
- Last instalment of USD 19.00 million (USD 25.00 Million) in March 2023

b) Facility 1 : USD 50 million.

- 2 half yearly instalments of USD 2.50 million (USD 2.50 million) each commencing from March 2016
- 1 half yearly instalment of USD 3.00 million (USD 3.00 million) each Payable in March 2017
- 1 half yearly instalment of USD 4.00 million (USD 4.00 million) each Payable in Sept 2017
- 2 half yearly instalments of USD 6.00 million (USD 6.00 million) each commencing from March 2018
- 1 half yearly instalment of USD 7.00 million (USD 7.00 million) each Payable in March 2019
- 2 half yearly instalments of USD 9.50 million (USD 9.50 million) each commencing from Sept 2019

18.6 Working Capital

Name of Bank	As at March 31, 2019	Rate of Interest	As at March 31, 2018	Rate of Interest
Allahabad Bank	-	-	4,590.34	7.85%*
Indian Bank	950.00	8.35%*	35.60	7.90%*
Andhra bank	1,789.02	8.25%*	-	-
Indian Bank	262.80	8.25%*	-	-
Bank of Baroda	1,590.68	8.30%*	-	-
Andhra Bank Cash Credit	1.28	8.60%	4.77	8.30%
Allahabad Bank Cash Credit	0.13	8.55%	0.72	8.50%
Indian Bank Cash Credit	0.05	8.55%	0.11	8.15%
Canara Bank Cash Credit	0.12	8.70%	0.93	8.40%
Total	4,594.07		4,632.47	

* Availed as Working Capital Demand Loan (WCDL) upto one month tenure.

Others are Cash credit facilities subject to annual renewal.

(a) First pari-passu charge on the current assets of the Borrower comprising of stocks, stores and spares, stock in progress, finished goods and material in transit and book debts. Term Loan lenders to have second charge over current assets.

(b) Second pari-passu charge along with other working capital lenders on the Borrower's fixed assets on which the long term lenders have the first charge.

(c) First charge on the Trust and Retention Accounts (except DSRA) on pari-passu basis along with the long term lenders.

18.7 Repayment Schedule - Unsecured Loan

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount	Repayment	Amount	Repayment
Allahabad Bank	-	-	5,000.00	Q1 2018-19
Central Bank of India	-	-	5,000.00	Q2 2018-19
Bank of India	-	-	5,000.00	Q1 2018-19
Allahabad Bank	-	-	-	-
Andhra Bank	-	-	-	-
Canara Bank	-	-	5,000.00	Q1 2018-19
United Bank of India	-	-	-	-
Canara Bank	-	-	6,000.00	Q2 2018-19
Syndicate Bank	-	-	1,830.00	Q2 2018-19
Punjab and Sindh Bank	-	-	-	-
United Bank of India	-	-	-	-
Vijaya Bank	-	-	5,000.00	Q1 2018-19
Vijaya Bank	-	-	5,000.00	Q2 2018-19
Bank of Baroda	-	-	4,885.00	Q1 2018-19
Federal Bank	2,500.00	Q1 2019-20	2,750.00	Q1 2018-19
Federal Bank	-	-	1,250.00	Q2 2018-19
Indian Bank	-	-	5,000.00	Q2 2018-19
Indian Bank	-	-	5,000.00	Q2 2018-19
Axis Bank	12,000.00	Q1 2019-20	5,000.00	Q2 2018-19
Jammu & Kashmir Bank	5,000.00	Q1 2019-20	5,000.00	Q2 2018-19
Total	19,500.00		66,715.00	



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(All amounts are in Rs millions unless otherwise stated)

18.8 Non Convertible Debentures (NCDs)

Particulars	As at March 31, 2019	Rate of Interest	As at March 31, 2018	Rate of Interest
NCDs Series -I	3,350.00	8.60%	-	-
NCDs Series -II	4,850.00	8.85%	-	-
Total	8,200.00			

- (i) During the year Company has issued Non Convertible Debentures (NCDs) by way of private placement. These NCDs are Unsecured, Listed, Rated, Redeemable, Non-Cumulative having face value of Rs. 1.00 million each for cash at par.
- (ii) NCDs were issued for general corporate purposes including pre-payment/repayment of existing indebtedness. These NCDs are backed by irrevocable & unconditional Letter of Comfort (LoC) from one of the promoter ONGC Ltd for principal amount and coupon payment to protect the interest of the NCDs Holders.
- (iii) **NCDs Series -I**
Company has allotted 3350 NCDs in December 2018 of Rs.1.00 million each under NCDs series-I at cut-off coupon rate of 8.60% payable annually for tenure of 3 Year 3 Months with issue size up to Rs.2500 Million and green shoe option up to Rs.850 Million which is redeemable on 11th March 2022
- (iv) **NCDs Series -II**
Company has allotted 4850 NCDs in March 2019 of Rs.1.00 million each under NCDs series-II at cut-off coupon rate of 8.85% payable annually for tenure of 3 Year 1 Month with issue size up to Rs.2000 Million and green shoe option up to Rs.2850 Million which is redeemable on 19th April 2022.
- (v) Both the series of NCDs has already been listed on Wholesale Debt Market (WDM) segment of Bombay Stock Exchange Ltd and available for secondary trade.

18.9 Long term Rupee Term Loan-Unsecured

Particulars	As at March 31, 2019	Rate of Interest	As at March 31, 2018	Rate of Interest
Facility-I	45,000.00	9.35%	-	-
Facility-II	20,000.00	9.35%	-	-
Total	65,000.00			

- (i) During the year company has availed Unsecured Rupee Term Loan (RTL) facilities of Rs. 65,000 Million tied-up with ICICI Bank Limited in November, 2018 for replacement of existing debt, normal capital expenditure & long term working capital purposes. Details are mentioned as below:
- a) Rupee Term Loan-1 Rs.45,000 Million for 12 years tenure, repayable in 36 equal quarterly instalments starting in Q3 FY 2021-22 and ending Q2 FY 2030-31.
- b) Rupee Term Loan-2 Rs.20,000 Million for 3 years tenure, repayable in 2 equal instalments starting in Q2 FY 2021-22 and Q3 FY 2021-22 respectively
- (ii) Both the RTL facilities from ICICI Bank are backed by Letter of Comfort from one of the promoters ONGC Limited for interest and repayment of instalments.
- (iii) Effective Interest rate will be derived by sum of 1 year MCLR of bank plus 0.55 % spread and effective interest rate shall be reset at the end of every year from the date of first drawdown
- (iv) Prepayment is allowed without prepayment premium if it is done through equity / quasi equity / internal accruals/ promoter loans / debt arranged by Strategic Investor

19 Other financial liabilities

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non- current	Current	Non- current	Current
Amount Withheld from Contractors	-	698.31	-	499.62
Liability for capital goods and services	-	630.31	-	1,364.18
Interest accrued but not due on borrowings	-	4,841.84	-	4,741.02
Current maturities of long-term debt	-	14,554.91	-	13,739.21
Liability for employees	-	5.36	-	1.42
Other liabilities	-	520.65	-	480.53
Total		21,251.38		20,825.98



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(All amounts are in Rs millions unless otherwise stated)

20 Employee Benefit Obligations

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
Leave encashment	-	155.55	-	124.44
Gratuity	4.15	-	6.92	-
Total	4.15	155.55	6.92	124.44

20.1 Leave encashment

The leave obligation cover the company liability for earned leave which are classified as other long-term benefits. The entire amount of provision of Rs.155.55 Million (31st March 2018, 124.44) is presented as current. Since the company does not have an unconditional right to defer the settlement for any of these obligations. However, based on past experience, the company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

Particulars	As at March 31, 2019	As at March 31, 2018
Leave obligation not expected to be settled within the next 12 months	150.9	120.88

21 Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables: micro and small enterprises	15.74	30.32
Trade payables: others	6,921.89	2,235.67
Trade payables to related parties	2,595.36	6,338.98
Total	9,532.99	8,604.97

21.1 Payment towards trade payables is made as per the terms and conditions of the contract / purchase orders. The average credit period is 30 days. Thereafter, interest is chargeable as per the terms and conditions of the contract/ purchase orders.

21.2 Trade payables -Total outstanding dues of Micro & Small enterprises*

Particulars	As at March 31, 2019	As at March 31, 2018
a) Principal & Interest amount remaining unpaid but not due as at year end	15.74	30.32
b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	188.68	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) Interest accrued and remaining unpaid as at year end	5.80	-
e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

*Based on the confirmation from Vendors.

22 Other liabilities

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
Liability for statutory payments	-	444.44	-	161.98
Total	-	444.44	-	161.98

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(All amounts are in Rs millions unless otherwise stated)

23 Revenue From Operations

Particulars	Year ended March 31,2019	Year ended March 31,2018
Sale of products	97,387.20	57,313.45
Less : Transferred to Capital Work in Progress	-	1,395.24
	97,387.20	55,918.21

23.1 The impact of adoption of Ind AS 115 Revenue from contract with customer on the financial statement is insignificant.

23.2 Revenue disaggregation as per industry vertical and geography has been included in segment information. (Refer note no 35.2)

23.3 Changes in contract liability is as follows:

Particulars	Year ended March 31,2019
Balance at the beginning of the year	236.78
Revenue recognised that was included in the advance from customer at the beginning of the year	236.78
Advance from customer during the year, excluding amounts recognised as revenue during the year	198.47
Balance at the end of the year	198.47

23.4 Reconciliation of Revenue recognised with the contract price is as follows:

Particulars	Year ended March 31,2019
Contract price	1,02,217.81
Reduction towards cash discount	1,969.37
Reduction towards post quantity discount	2,861.24
Revenue recognised	97,387.20

24 Other Income

Particulars	Year ended March 31,2019	Year ended March 31,2018
Interest on		
Deposits with Banks	1.64	23.88
Others	113.85	9.69
Other non-operating income		
Recovery from contractor	93.51	120.19
Profit on sale of Property Plant and Equipments	0.15	0.01
Miscellaneous receipts	57.66	1.83
Recovery of Insurance claim	200.00	-
Total	466.81	155.60
Less : Transferred to Incidental Expense During Construction Period	-	0.93
	466.81	154.67

25 Raw Material Consumption

Particulars	Year ended March 31,2019	Year ended March 31,2018
Consumption of Raw Material	59,749.80	36,164.33
Less : Transferred to Capital Work in Progress	-	147.16
	59,749.80	36,017.17



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(All amounts are in Rs millions unless otherwise stated)

26 Changes in inventories

Particulars	Year ended March 31,2019	Year ended March 31,2018
Closing Stock:-		
Finished Goods including stock-in-trade	5,732.26	4,624.11
Work-in-progress	1,443.79	4,504.22
	7,176.05	9,128.33
Opening Stock:-		
Finished Goods including stock-in-trade	4,624.11	4,072.98
Work-in-progress	4,504.22	2,591.55
	9,128.33	6,664.53
Decrease/(increase) in inventories	1,952.28	(2,463.80)

27 Employee benefit expense

Particulars	Year ended March 31,2019	Year ended March 31,2018
Salaries, Bonus and other allowances	1,183.45	1,016.14
Contribution to Provident and Other Funds	69.32	64.82
Staff Welfare Expenses	61.12	25.90
Total	1,313.89	1,106.86
Less : Transferred to Incidental Expense During Construction Period	85.00	76.14
	1,228.89	1,030.72

28 Finance costs

Particulars	Year ended March 31,2019	Year ended March 31,2018 (Restated)
Interest :		
Borrowings from Banks and Others	19,264.01	18,612.42
Exchange differences regarded as an adjustment to borrowing costs	719.08	(60.58)
Total	19,983.09	18,551.84
Less : Transferred to Incidental Expense During Construction Period	1,573.33	1,764.84
	18,409.76	16,787.00

29 Depreciation and amortisation expense

Particulars	Year ended March 31,2019	Year ended March 31,2018 (Restated)
Depreciation and amortisation	11,987.06	11,509.33
Total	11,987.06	11,509.33



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(All amounts are in Rs millions unless otherwise stated)

30 Other expenses

Particulars	Year ended March 31,2019	Year ended March 31,2018
Rates, duties and taxes	129.28	127.27
Consumption of Spares and Stores	6,271.23	2,743.67
Amortisation of land development expense	210.86	210.85
Travel and Conveyance	99.56	66.76
Insurance expense	343.36	469.45
Power and fuel	14,466.14	11,433.94
Rent	156.71	146.39
Repairs and maintenance - Building	10.33	(1.23)
Repairs and maintenance - Machinery	149.78	139.02
Repairs and maintenance - Others	53.80	26.17
Operation & Maintenance Expenses	745.68	484.27
Internal audit fees	0.46	0.66
Statutory audit fees	1.04	0.90
Professional expenses	79.37	52.97
Selling and Distribution expenses (Refer note 30.3)	2,533.31	1,594.43
Plant inauguration expense	-	43.20
Sponsorship	9.04	11.06
Security expenses	97.33	94.97
Water and electricity charges	437.40	412.21
Printing and Stationery	10.05	5.05
Caretaking expenses	46.83	43.14
CSR expenditure	3.37	7.14
Storage rental for naphtha	495.06	360.49
Licensesor fees	37.01	276.29
Net Foreign Exchange Loss	300.08	118.34
Loss by fire	421.33	-
Miscellaneous expenses	132.53	173.45
Total	27,240.94	19,040.86
Less : Transferred to Incidental Expense During Construction Period	991.10	1,147.40
	26,249.84	17,893.46

30.1 The company has formed a Corporate Social Responsibility (CSR) committee. In absence of profit, the company is not required to spend any amount towards the same. However, the company has spent Rs.3.37 million during the year (Year ended March 31, 2018 Rs. 7.14 million) .

30.2 Statutory Auditors Remuneration as under:

Payment to Auditors	Year ended March 31,2019	Year ended March 31,2018
Audit Fees	1.04	0.90
Other Services	0.96	0.34
Total	2.00	1.24



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30.3 Selling & Distribution expenses

Particulars	Year ended March 31,2019	Year ended March 31,2018
Outward Freight	1,833.63	1,102.52
Tank Hire Charges-Chemicals	242.84	124.92
DCA Commission	348.12	230.00
Clearing and Forwarding Expenses	23.77	10.71
Advertisement Expenses	47.76	31.13
Subscription and Membership Expenses	10.64	19.54
Other Expenses	26.57	75.61
Total	2,533.31	1,594.43

31 Income taxes

Particulars	Year ended March 31,2019	Year ended March 31,2018 (Restated)
Current Tax	-	-
Deferred tax	(7,520.62)	(5,447.63)
Total	(7,520.62)	(5,447.63)

32 Earnings per share

Particulars	Year ended March 31,2019	Year ended March 31,2018 (Restated)
Basic earnings per equity share (in Rs.)	(7.02)	(9.52)
Face value per equity share (in Rs.)	10.00	10.00

32.1 Basic earnings per share

The earning attributable to equity share holders and weighted average number of equity shares used in calculation of basic earnings per share are as follows:

Particulars	Year ended March 31,2019	Year ended March 31,2018 (Restated)
(Loss) Profit for the year attributable to equity shareholders	(14,203.00)	(19,253.37)

Particulars	Year ended March 31,2019	Year ended March 31,2018
Weighted average number of equity shares for the purposes of basic earnings per share	2,021.93	2,021.93



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33 Operating lease arrangements

33.1 The Company as lessee

33.1.1 Leasing arrangements

The Company has certain office and Land on operating lease which are cancellable by giving appropriate notice as per the respective arrangements. During the year Rs.155.68 million (year ended March 31, 2018 Rs. 43.45 million) had been paid towards cancellable operating lease.

33.1.2 Payments recognised as an expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Minimum lease payments	155.68	43.45
	155.68	43.45

33.1.3 Non-cancellable operating lease commitments

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than one year	122.46	129.05
Later than one year and not later than five years	452.90	458.51
Later than five years	1,375.53	1,488.16
	1,950.89	2,075.72

34 Employee benefit plans

34.1 Defined contribution plans:

Provident Fund

The Company is registered under Provident Fund Act and monthly contributions are made by employees as per terms of the act. Matching contribution is made by the Company and the amount is deposited with provident fund authority. On retirement or separation, the contributions made are payable by the Provident Fund authority to the respective employees.

The total expense recognised Rs. 47.71 Million (for the year ended March 31, 2018 Rs. 41.39 Million) represents contributions payable to these plans by the Company at rates specified in the rules of the plan.

34.2 Defined benefit plans

Gratuity

15 days salary (15/26 x last drawn basic salary) for each completed year of service.

Scheme is funded through own Gratuity Trust "ONGC Petro additions Employees Group Gratuity Trust". The liability for gratuity as above is recognised on the basis of actuarial valuation.

34.3 Other long term benefits

Brief description: A general description of the type of other long term benefits are as follows:

Earned Leave (EL) Benefit

Accrual - 30 days per year

Encashment while in service - 75% of Earned Leave balance subject to a maximum of 90 days per calendar year

Encashment on retirement/resignation - maximum 300 days

Good Health Reward (Half pay leave)

Accrual - 20 days per year

Encashment while in service - Nil

Encashment on retirement/death - 50% of Half Pay Leave balance.

The liability for the same is recognized annually on the basis of actuarial valuation.



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34.4 These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in government securities, debt instruments, short-term debt instruments, equity instruments and asset backed, trust structured securities as per notification of Ministry of Finance.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees.

In respect of the above plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2019 by M/s. Charan Gupta Consultants Pvt. Limited Fellow firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

34.5 The principal assumptions used for the purposes of the actuarial valuations were as follows:

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018
	Gratuity		
I.	Discount rate	7.77%	7.66%
II.	Annual increase in salary	10.00%	10.00%

The discount rate is based upon the market yield available on government bonds at the accounting date with a term that matches. The salary growth takes into account inflation, seniority, promotion and other relevant factors on long-term basis.

34.6 Amounts recognised in the financial statements before allocation in respect of these defined benefit plans are as follows:

Gratuity:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Service cost :		
Current service cost	26.06	24.54
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	0.53	0.70
Increase/decrease due to adjustment in opening corpus consequent to audit	-	-
Components of defined benefit costs recognised in employee benefit expenses	26.59	25.24
Re-measurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(0.48)	(0.56)
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(1.75)	(4.64)
Actuarial (gains)/losses arising from experience adjustment	(4.43)	1.
Components of Re-measurement	(6.65)	(3.61)
Total	19.94	21.63

The components of re-measurement of the net defined benefit liability recognised in other comprehensive income is Rs. (-6.65) million (Previous Year Rs. (-3.61) million).



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(All amounts are in Rs millions unless otherwise stated)

34.7 Movements in the present value of the defined benefit obligation are as follows:

Gratuity:

Particulars	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	71.69	47.98
Current service cost	26.06	24.54
Interest cost	5.49	3.51
Re-measurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	(1.75)	(4.64)
Actuarial gains and losses arising from experience adjustments	(4.43)	1.59
Past service cost, including losses/(gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in a business combination	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(3.80)	(1.29)
Closing defined benefit obligation	93.27	71.69
Current obligation	1.78	1.30
Non-current obligation	91.49	70.39

34.8 The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:

Gratuity:

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded defined benefit obligation	93.27	71.69
Fair value of plan assets	90.67	64.74
Funded status	2.60	6.95
Net liability arising from defined benefit obligation	(2.60)	(6.95)

34.9 Movements in the fair value of the plan assets are as follows:

Gratuity:

Particulars	As at March 31, 2019	As at March 31, 2018
Opening fair value of plan assets	64.74	38.45
Adjustment in opening corpus consequent to audit	-	-
Interest income	4.96	2.81
Re-measurement (gains)/losses:		
Return on plan assets (excluding amounts included in net interest expense)	0.48	0.56
Contributions from the employer	24.30	24.21
Benefits paid	(3.80)	(1.29)

Expected contribution in respect of Gratuity for next year will be Rs. 29.75 million .

34.10 The fair value of the plan assets at the end of the reporting period for each category, are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Fair value of plan asset of Gratuity Trust:		
Managed through LIC	90.67	64.74
Total	90.67	64.74

The actual return on plan assets of gratuity was Rs. 6.11 million (As at March 31, 2018 Rs.3.37 million).

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(All amounts are in Rs millions unless otherwise stated)

34.11 Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

34.12 Sensitivity analysis as at March 31, 2019

Significant actuarial assumptions	Gratuity
Discount rate	
- Impact due to increase of 50 basis points	(7.50)
- Impact due to decrease of 50 basis points	8.38
Salary increase	
- Impact due to increase of 50 basis points	8.16
- Impact due to decrease of 50 basis points	(7.39)

34.13 Sensitivity analysis as at March 31, 2018

Significant actuarial assumptions	Gratuity
Discount rate	
- Impact due to increase of 50 basis points	(6.25)
- Impact due to decrease of 50 basis points	7.02
Salary increase	
- Impact due to increase of 50 basis points	6.83
- Impact due to decrease of 50 basis points	(6.15)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Sensitivity due to mortality and withdrawals are not material and hence impact of change not calculated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

34.14 Maturity Profile of Defined Benefit obligation

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
0 to 1 Year	1.78	1.30
1 to 2 Year	0.82	0.72
2 to 3 Year	1.40	1.19
3 to 4 Year	3.20	2.63
4 to 5 Year	1.85	1.39
5 to 6 Year	1.84	1.36
6 Year onwards	82.38	63.11

35 Segment reporting

35.1 Business Segment:

The company is having only one reportable segment i.e. Plastic and Petro Chemicals products.

35.2 Geographic Segment:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operation		
At the point in time		
Within India	76,709.99	47,672.12
Outside India	20,677.21	8,246.09
	97,387.20	55,918.21

Significant revenue is recognized at the point in time.

Non-Current assets

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
Within India	2,65,060.83	2,71,864.85
Outside India	-	-

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(All amounts are in Rs millions unless otherwise stated)

35.3 Information about customers:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Major Customers*	-	-
Others	97,387.20	55,918.21

*Represents 10% or more of company's sales revenue.

36 Related party disclosures

36.1 Name of related parties and description of relationship:

A Joint Venture Partner

- 1 Oil & Natural Gas Corporation Limited (ONGC)
- 2 Gail (India) Limited. (GAIL)
- 3 Gujarat State Petroleum Corporation Limited. (GSPC)

B Under Common Control

- 1 Dahej SEZ Limited (DSL)
- 2 Mangalore Refinery & Petrochemical Limited (MRPL)
- 3 Petronet LNG Ltd. (PLL)
- 4 Hindustan Petroleum Corporation Limited (HPCL)

C Key Management Personnel (KMP)

- 1 Mr. Shashi Shanker (Chairman)
- 2 Mr. Avinash Joshi (Managing Director) (up to 23.02.2019)
- 3 Mr. Avinash Verma (Managing Director) (w.e.f. 15.04.2019)
- 4 Mr. M.M.Chitale (Independent Director)
- 5 Mr. S.Balachandran (Independent Director)
- 6 Mr. M.B.Lal (Director) (up to 22.01.2019)
- 7 Mr. P.K.Gupta (Director)
- 8 Mr. Sanjib Dutta (Director) (up to 19.06.2018)
- 9 Mr. Manoj R. Meshram (w.e.f. 07.08.2018)
- 10 Ms. Gita Singh (Director up to 01.02.2019)
- 11 Mr. Subhash Kumar (Director)
- 12 Mr. Rajesh Kakkar (Director)
- 13 Mr. Subodh Prasad Pankaj (Company Secretary)
- 14 Mr. Pradosh Basu (Chief financial officer)
- 15 Mr. Manoj Srivastava (President)
- 16 Mr. Saumya Chakraborty (COO)

36.2 Details of transactions:

36.2.1 Transactions with joint ventures

Name of related party	Nature of transaction	Year ended March 31, 2019	Year ended March 31, 2018
A. Reimbursement of expenses on behalf of OPaL:			
a) ONGC	Reimbursement of expense	20.41	44.25
b) GAIL	Reimbursement of expense	27.26	6.64
B. Reimbursement of expenses by ONGC:			
a) ONGC	Reimbursement of expense by ONGC	9.41	10.06
C. Reimbursement of expenses by GAIL:			
a) GAIL	Reimbursement of expense by GAIL	-	0.12
D. Purchase:			
a) ONGC	Purchase of Feedstock	52,818.47	36,070.89
b) GAIL	Purchase of gases	2,020.53	-
c) GSPC	Purchase of gases	179.12	4,712.04
E. Security Deposit:			
a) GAIL	Security Deposit received	-	0.20
b) GAIL	Security Deposit Paid	-	5.93
b) GAIL	Security Deposit refunded	0.20	-
F. Share Warrants:			
a) ONGC	Money received against share warrants	6201	-

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(All amounts are in Rs millions unless otherwise stated)

36.2.2 Outstanding balances with joint venture Partner

Name of related party	Nature of transaction	As at March 31, 2019	As at March 31, 2018
A. Amount payable:			
a) ONGC	Reimbursement of expense	22.54	46.26
b) ONGC	Purchase of Feed Stock	2,204.80	6,033.10
c) GAIL	Reimbursement of expense	5.16	4.27
d) GAIL	Security Deposit	-	0.20
e) GAIL	Purchase of Gas	7.06	-
B. Share warrant:			
a) ONGC	Share warrant pending allotment	24,940.50	18,739.50
C. Amount receivable:			
a) ONGC	Reimbursement of expense	17.22	10.06
b) GAIL	Security deposit	7.53	7.53
c) GAIL	Other advances	0.13	0.13

36.2.3 Transactions with common directorship

Name of related party	Nature of transaction	Year ended March 31, 2019	Year ended March 31, 2018
A. Reimbursement of expenses:			
a) MRPL	Reimbursement for manpower	3.34	3.71
b) DSL	Lease Rent & ROU Charges	125.59	98.92
c) DSL	Security Deposit Paid	0.20	0.20
d) P.L.L.	Purchase of Gas	6,762.15	5,721.50
e) HPCL	Purchase of Consumables / Spares	2.01	0.08

36.2.4 Outstanding balances with common directorship

Name of related party	Nature of transaction	As at March 31, 2019	As at March 31, 2018
A. Amount payable:			
a) MRPL	Reimbursement of expense	0.84	2.04
b) DSL	Lease rent	96.09	86.01
c) P.L.L.	Purchase of Gas	258.87	167.08
B. Amount receivable			
a) DSL	Advance rent paid for ROU	0.73	0.73
b) DSL	Security deposit	0.85	0.65

36.2.5 Compensation of key management personnel

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short term employee benefits	25.75	23.92
Director Sitting Fees	0.66	0.63
Post-employment benefits (includes provision for leaves, gratuity and other post-retirement benefits)	3.23	3.19
Other long-term benefits (includes contribution to provident fund)	1.17	1.30
Total	30.81	29.04



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(All amounts are in Rs millions unless otherwise stated)

37 Financial instruments & disclosures

37.1 Capital management

The Company's objective when managing capital is to safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders; and maintain an optimal capital structure to reduce the cost of capital.

The company maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company's management reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity.

37.2 Gearing Ratio

The gearing ratio at the end of the reporting period is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Debt*	2,20,683.54	2,13,757.20
Cash and bank balances	154.50	113.79
Net debt	2,20,529.04	2,13,643.41
Total equity	66,768.06	74,763.41
Net debt to equity ratio	3.30	2.86

* Debt includes current and non current borrowings and current maturity of long term debt as described in note 18.

37.3 Categories of financial instruments

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Financial assets		
Measured at amortised cost		
(a) Trade receivables	1,740.81	1,309.59
(b) Cash and cash equivalents	154.50	113.79
(c) Other bank balances	-	15.36
(d) Loans	325.93	318.13
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	2,06,128.63	2,00,017.99
(b) Trade payable	9,532.99	8,604.97
(c) Other financial liabilities	21,251.38	20,825.98

37.4 Fair value hierarchy

Assets and Liability which are measured at amortised cost for which fair values are disclosed At 31st march 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Measured at amortised cost				
(a) Trade receivables	-	-	1,740.81	1,740.81
(b) Cash and cash equivalents	-	-	154.50	154.50
(c) Other bank balances	-	-	-	-
(d) Loans	-	-	325.93	325.93
Financial liabilities				
Measured at amortised cost				
(a) Borrowings	-	8,200.00	1,97,928.63	2,06,128.63
(b) Trade payable	-	-	9,532.99	9,532.99
(c) Other financial liabilities	-	-	21,251.38	21,251.38

ONGC Petro additions Limited

(All amounts are in Rs millions unless otherwise stated)

Assets and Liability which are measured at amortised cost for which fair values are disclosed At 31st march 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Measured at amortised cost				
(a) Trade receivables	-	-	1,309.59	1,309.59
(b) Cash and cash equivalents	-	-	113.79	113.79
(c) Other bank balances	-	-	15.36	15.36
(d) Loans	-	-	318.13	318.13
Financial liabilities				
Measured at amortised cost				
(a) Borrowings	-	-	2,00,017.99	2,00,017.99
(b) Trade payable	-	-	8,604.97	8,604.97
(c) Other financial liabilities	-	-	20,825.98	20,825.98

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data

Fair value of financial assets and financial liabilities at amortised cost : The carrying amount of trade receivable, cash and cash equivalents, other bank balances, loans, trade payable, other financial liabilities are considered to be same as there fair value. Also the carrying amount of borrowing approximate its fair value as majority of borrowings are at floating rate of interest.

37.5 Financial risk management objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's management also monitors and manages key financial risks relating to the operations of the Company by analysing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

37.6 Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are foreign currency exchange risk and interest rate risk.

37.7 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies, primarily for purchases of C2, C3 & C4 (Feed stock) and exports sales and has borrowings denominated in foreign currency; consequently, exposures to exchange rate fluctuations arise. Significant carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows :-

Particulars	Liabilities		Assets	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD	9,686.70	15,631.90	468.36	427.05
GBP	0.36	-	-	-
JPY	0.03	-	-	-
EURO	1,819.97	391.27	0.44	-

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37.8 Foreign currency sensitivity analysis

The Company is mainly exposed to the currency United States Dollar (USD). Sensitivity of profit or loss arises mainly from USD denominated receivables and payables.

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below.

USD sensitivity at year end	As at March 31, 2019	As at March 31, 2018
Receivables:		
Weakening of INR by 5%	23.42	21.35
Strengthening of INR by 5%	(23.42)	(21.35)
Payables:		
Weakening of INR by 5%	(484.34)	(781.60)
Strengthening of INR by 5%	484.34	781.60

37.9 Forward foreign exchange contracts

The Company does not have any outstanding forward foreign exchange contracts as at March 31, 2019.

37.10 Interest rate risk management

The Company has availed borrowings at fixed and floating interest rates, hence is exposed to interest rate risk. The Company has not entered into any of the interest rate swaps and hence the Company is exposed to interest rate risk.

37.10.1 Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate borrowings, the analysis is prepared assuming the amount of the borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for disclosing the sensitivity analysis.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2019 would decrease/increase by Rs. 1,113.54 million (for the year ended March 31, 2018 decrease/increase by Rs.1,411.91 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

37.11 Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents, deposits with banks as well as customers including receivables. Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

Only high rated banks are considered for placement of deposits. Bank balances are held with reputed and creditworthy banking institutions.



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(All amounts are in Rs millions unless otherwise stated)

37.12 Liquidity risk management

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios. The Company manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total	Carrying amount
As at March 31, 2019	**						
External Commercial Borrowings		-	3,042.83	3,968.91	2,513.64	9,525.38	9,525.38
Rupee Term Loan-Secured		-	11,512.08	24,368.68	74,695.33	1,10,576.09	1,10,576.09
Rupee Term Loan-Unsecured		-	-	22,500.00	42,500.00	65,000.00	65,000.00
Compulsory Convertible Debentures		-	2,793.69	525.30	-	3,318.99	3,318.99
Non Convertible Debentures		-	-	3,350.00	4,850.00	8,200.00	8,200.00
Total		-	17,348.60	54,712.89	1,24,558.97	1,96,620.46	1,96,620.46
As at March 31, 2018	**						
External Commercial Borrowings		-	2,339.17	4,593.40	4,345.11	11,277.68	11,277.68
Compulsory Convertible Debentures		-	5,875.22	3,318.99	-	9,194.21	9,194.21
Rupee Term Loan-Secured		-	11,400.03	23,024.16	87,551.94	1,21,976.13	1,21,976.13
Total		-	19,614.43	30,936.55	91,897.05	1,42,448.02	1,42,448.02

**As per details given under the head non current Liability > Financial Liability > Borrowings

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total	Carrying amount
As at March 31, 2019							
Fixed Deposits with Banks		5.87	-	-	-	5.87	5.87
Trade Receivables		1,643.71	90.51	6.59	-	1,740.81	1,740.81
Loans		-	20.13	-	334.06	354.19	354.19
Total		1,649.58	110.64	6.59	334.06	2,100.87	2,100.87
As at March 31, 2018							
Fixed Deposits with Banks		22.80	-	-	-	22.80	22.80
Trade Receivables		1,246.38	63.21	-	-	1,309.59	1,309.59
Loans		1.55	31.13	-	332.57	365.25	365.25
Total		1,270.73	94.34	-	332.57	1,697.64	1,697.64

37.13 Fair value measurement

The management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.



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(All amounts are in Rs millions unless otherwise stated)

38 Correction of prior period error in accounting of compulsory convertible debenture

The company issued three compulsory convertible debentures in July 2016, May 2017, and March 2018. Earlier It was classified as debt instrument. The company undertook a detailed review of the terms of compulsory convertible debenture in September 2018. By applying the working as prescribed under Ind AS 32, for classifying the instrument into Debt or Equity, the company concluded all three compulsory convertible debentures as compound financial instrument because of existence of compulsion to convert it into equity share (equity feature) and mandatory payment of interest (debt feature). "

The error has now been corrected by restating each of the affected financial statement line items for the prior years as follows:

38.1 Balance sheet (extract)

Particulars	As at March 31, 2018 (as previously reported)	Increase / (decrease)	As at March 31, 2018 Restated	As at March 31, 2017 (as previously reported)	Increase / (decrease)	As at April 1, 2017 Restated
Property, plant and equipment	2,47,244.03	(1,885.72)	2,45,358.31	2,25,577.57	(1,560.42)	2,24,017.15
Capital work-in-progress	18,376.46	(361.74)	18,014.72	47,662.16	(337.93)	47,324.23
Deferred tax assets	8,713.68	2,367.51	11,081.19	1,459.49	3,052.95	4,512.44
	2,74,334.17	120.05	2,74,454.22	2,74,699.22	1,154.60	2,75,853.82
Borrowings	2,68,523.74	(68,505.75)	2,00,017.99	243,748.73	(46,142.74)	1,97,605.99
	2,68,523.74	(68,505.75)	2,00,017.99	2,43,748.73	(46,142.74)	1,97,605.99
Net assets	5,810.43	68,625.80	74,436.23	30,950.49	47,297.34	78,247.83
Equity component of compound financial instrument	-	65,550.31	65,550.31	-	47,164.04	47,164.04
Reserve & surplus	(14,081.69)	3,075.49	(11,006.20)	8,110.26	133.30	8,243.56
Total equity	(14,081.69)	68,625.80	54,544.11	8,110.26	47,297.34	55,407.60

38.2 Statement of profit or loss (extract) for year ended 31 March 2018

Particulars	As previously reported	Increase/ (decrease)	Restated
Finance costs	21,522.19	(4,735.19)	16,787.00
Depreciation and amortisation expense	11,522.89	(13.56)	11,509.33
Total expenses	33,045.08	(4,748.75)	28,296.33
Profit/(Loss) before tax	(29,449.75)	4,748.75	(24,701.00)
Tax expense:			
(1) Current tax			
(2) Deferred tax	(7,254.19)	1,806.56	(5,447.63)
Profit/(Loss) for the year	(22,195.56)	2,942.19	(19,253.37)
Total comprehensive income for the year	(22,191.95)	2,942.19	(19,249.76)

38.3 Basic and diluted earning per share for the Financial year 2017-18 have also been restated, consequently the amount of basic and diluted earning per share increased by Rs. 1.46.

38.4 The correction further affected some of the amounts disclosed in Notes 28,29,31. Interest cost for the prior year was reduced by Rs. 4735.19 Million, depreciation expenses reduced by Rs. 13.56 Million and Deferred tax reduced by 1806.56.



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(All amounts are in Rs millions unless otherwise stated)

39 Contingent liabilities, Contingent Assets and commitments

Contingent liabilities:

39.1 Claims against the Company/disputed demands not acknowledged as debt:

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	Demand for stamp duty of Rs. 2 million by Deputy Commissioner of Revenue & Stamps for foreign bank guarantee submitted by Samsung Engineering Co. Ltd. (South Korea) and Linde AG (Germany) which is considered as bond eligible for payment of stamp duty. The said stamp duty if ultimately becomes payable has to be paid with 2% penalty p.m. from the date of execution of the document till the date of payment.	2.00	2.00
2	Professional charges payable to Royal Bank of Scotland (now taken over by HSBC) and N M Rothschild & Sons.	43.50	43.50
3	Sub-contractors/employee of M/s Fernas Construction India Pvt.Ltd. for recovery of unpaid Invoices / Salary-Gratuitous payment	673.10	-
4	Tecnimont, SpA, Italy for quantum of loss suffered on different counts (PP& PE swing unit)	1,783.22	1,847.36
5	Notice by EPFO, Gurgaon to Fernas Construction India Pvt.Ltd. & OPaL as FCIPL found defaulter in remittance of employee dues	2.89	-
6	Petition by M/s Nirmesh Enterprise on account of forfeiture of EMD by OPaL	0.20	-
7	Application to MSME, Kanpur by M/s Saraswati Engineering Ltd. For imposition of Liquidated Damages by OPaL	0.71	-
8	LSTK Contractors	789.10	1,154.78
9	Income Tax Demand for A.Y. 2015-16	29.38	29.38
10	Deputy Collector office Vadodara, dispute w.r.t. stamp duty	6.74	6.74
11	Amount of Premium charged by ONGC on account of Purchase of Naphtha & C2 not considered as payable by OPaL.	-	770.26
12	Amount charged by ONGC not considered as payable by OPaL. (Interest/SBM/CHA etc.)	-	962.95

39.2 Contingent Assets - Claims lodged by the Company :

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	Damages against M/s Daelim Industrial Co.Ltd. Korea	2,867.51	8,450.31
2	Damages against M/s Fernas Construction India Ltd. and Fernas Construction Co.Inc. Turkey	83,347.15	83,371.53
3	Damages against M/s Tecnimont SPA & Tecnimont India Pvt. Ltd.	9,315.18	9,308.14
4	Against NH Bank Korea on account of refusal of Bank Guarantee	1,408.75	1,349.54

39.3 Guarantees and commitments executed by the Company (to the extent not provided for)

39.3.1 Guarantees executed for financial obligations:

Particulars	As at March 31, 2019	As at March 31, 2018
Guarantee		
*The company has executed a Performance Bond-cum-Legal undertaking in favour of the President of India acting through the Development Commissioner of Kandla, Special Economic Zone and the Specified Officer, binding itself to follow and accept the Special Economic Zone Act and Rules provided thereunder and also the terms, as prescribed in Development Commissioner's Letter of Approval No. KASEZ/P&C/6/28/07-08/7722 Dated. 16.10.2007.	23,000.00	23,000.00
Guarantees execution for financial obligation in form of comfort Letters issued	31.34	54.37
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	4,757.48	1,922.25

ONGC Petro additions Limited

(All amounts are in Rs millions unless otherwise stated)

40 Events occurring after the Reporting period

CCD amounting to INR 56150 Million (5615 CCDs) issued by company during FY 2016-17 (Tranche 1) are expiring in Quarter-I of FY 2019-20, for which company is in process of extension of term by another 18 months.

41 Figures in parenthesis as given in these Notes to Financial Statements relate to previous years.

42 Approval of financial statements

The Financial Statements were approved for issue by the board of directors on 10th May, 2019.

