



ONGC Petro additions Limited



**11th
ANNUAL
REPORT
2016-17**

Redefining the Future



OPaL Petrochemical
Complex dedicated to
the Nation on 7th March 2017

“ Petrochemical sector is expanding
at a fast rate in the country ”





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BOARD OF DIRECTORS



Shri Dinesh K. Sarraf
Chairman



Shri Avinash Joshi, IAS
Managing Director



Shri T. K. Sengupta
Director



Shri A. K. Srinivasan
Director



Shri M. M. Chitale
Director



Shri S. Balachandran
Director



Shri M. B. Lal
Director



Shri P. K. Gupta
Director



Shri Sanjib Datta
Director



Investing in
EXPONENTIAL
 growth

BOARD OF DIRECTORS

- Shri Dinesh K. Sarraf : Chairman
- Shri Avinash Joshi, IAS (from 01.02.2017) : Managing Director
- Shri T.K. Sengupta : Director
- Shri A.K. Srinivasan : Director
- Shri M. Ravindran (upto 18.01.2017) : Director
- Shri M.M. Chitale : Director
- Shri S. Balachandran : Director
- Shri M.B. Lal : Director
- Ms. Suman Singh Gaur (upto 31.01.2017) : Director
- Shri P.K. Gupta : Director
- Shri Sanjib Datta (from 18.01.2017) : Director

KEY MANAGERIAL PERSONNEL (KMP)

MANAGING DIRECTOR

Shri Avinash Joshi, IAS
 KMP (from 01.05.2017)

COMPANY SECRETARY

Shri Subodh Prasad Pankaj

CHIEF FINANCE OFFICER

Shri Trinath Behera

PRESIDENT

Shri Manoj Kumar Srivastava
 (from 15.03.2017)



Shri Subodh Prasad Pankaj
 Company Secretary



Shri Trinath Behera
 Chief Finance Officer



Shri Manoj Kumar Srivastava
 President

BANKERS/LENDERS/DEBENTURE TRUSTEE

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

STATUTORY AUDITORS

M/s Shah Mehta and Bakshi,
Chartered Accountants, Vadodara - 390020

SECRETARIAL AUDITOR

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

INTERNAL AUDITOR

M/s K.K. Soni & Co., Chartered Accountants,
New Delhi - 110023

REGISTERED OFFICE

1st Floor, Omkara Building, Sai Chokdi,
Manjalpur, Vadodara - 390011, Gujarat

NEW DELHI OFFICE

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

MUMBAI OFFICE

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

CHENNAI OFFICE

Unit No. : 301, 3rd Floor, Sigma Wing, Raheja Towers,
Anna Salai, Chennai - 600002

VADODARA OFFICE

4th Floor, Plot No.73, VCCI Commercial Complex,
Bank of Baroda Road, Makarpura GIDC,
Vadodara - 390014

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

BOARD'S REPORT

Dear Members,

Your Directors take pleasure in presenting the 11th Annual Report along with the Audited Statement of Accounts of the Company for the year ended 31st March, 2017 together with the Auditors' Report and comments on the accounts by the Comptroller and Auditor General (CAG) of India.

1. COMMERCIAL OPERATIONS

Project has achieved overall progress of 99.40 % as on 31st March, 2017. Commercial operations of all units have started. Further Project has achieved overall progress of 99.63 % as on Quarter ended 30th June, 2017.

Hon'ble Prime Minister Shri Narendra Modi, has inaugurated OPaL, Petrochemical Complex and dedicated to the nation on 7th March, 2017.

2. FINANCIAL RESULTS

The financial performance of your Company for the year ended 31st March, 2017 is summarized below:

Particulars	For the year ended on March 31, 2017 (₹ in millions)	For the year ended on March 31, 2016 (₹ in millions)
Revenue from Operations	1094.48	37.75
Revenue from Other Income	44.28	0.61
Expenses	12440.29	767.37
Profit (Loss) before Taxation and prior period Adjustments	(11301.53)	(729.01)
Prior period Adjustments	-	-
Profit (Loss) before Taxation	(11301.53)	(729.01)
Tax Expenses:		
Current Tax	NIL	NIL
Deferred Tax	(2479.57)	1020.08
MAT Credit Entitlement	NIL	NIL
Excess Provision of Income Tax for earlier year written back	NIL	NIL
Profit (Loss) for the Year	(8821.96)	(1749.09)
Other Comprehensive Income	(1.73)	-
Total Comprehensive Income	(8823.69)	(1749.09)

Cumulative Capital expenditure of ₹ 2,88,913.09 million (Previous Year ₹ 2,51,527.41 million) and Operating expenditure of ₹ 6813.91 (Previous Year NIL) have been incurred up to 31st March, 2017 on cash basis.

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain class of companies. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rule, 2014. For OPaL, Ind AS is applicable from 1st April 2016, with a transition date of April 1, 2015 and IGGAP as per previous GAAP.

The Company has presented a reconciliation of Shareholders' equity under Previous GAAP and Ind AS at March 31, 2016, and April 1, 2015 and of the Profit after tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended March 31, 2016. Refer note 44 and 45 in the notes to accounts.

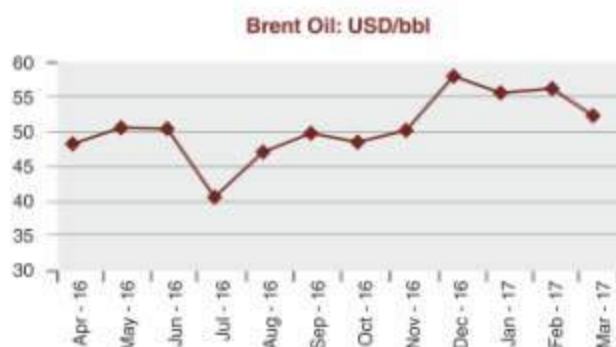
3. ECONOMIC SCENARIO-GLOBAL AND INDIAN

GLOBAL - CRUDE OIL AND PETROCHEMICALS

The world GDP grew at 3.1% in 2016 and with buoyant financial markets along with expected recovery in manufacturing and trade, the growth is expected to be better at approx. 3.5% in 2017 and 2018. These growth projections however, are subject to low productivity growth and structural impediments that pose risks especially in developing countries. Headline inflation has been picking up in advanced economies due to higher commodity prices, while core inflation has largely remained subdued and heterogeneous.

While the global weaknesses in demand growth are likely to prove transitory, particularly in post currency-reform India, it was led by low price environment. Brent crude oil price averaged \$ 48.6/bbl in FY 2017 as compared to \$ 47.5/bbl in the previous year. For most of the year, price remained in the range of \$45-55/bbl with prices getting moderated in Q4 of FY 2017.

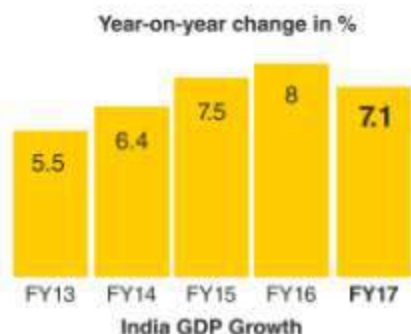
The global oil supply growth remained at incremental 0.9 mb/d towards the end of the fiscal, as both OPEC and non-OPEC countries produced more. Majority of gains were dominated by non-OPEC, particularly the US. OPEC crude output rose after comebacks particularly in Libya and Nigeria, which are exempted from supply cuts.



Source: OPEC

INDIAN ECONOMY- PETROCHEMICALS

The Indian GDP stood at 7.1% for FY 17, slowed by the 4th consecutive quarter performance. GDP growth slowed to 6.1% in the fiscal fourth quarter from 7% in the third mirroring the impact of demonetisation on some of the key sectors including construction and financial services.



Source: Ministry of Finance, GOI

Real GVA also slowed to 5.6% in Q4 as against 7.6% in Q1 of the fiscal with moderation in private consumption and investment demand.

However, the consumption led growth in India is likely to gather momentum in the next fiscal. The fiscal consolidation drive through expenditure rationalization with focus on transparent administrative and financial governance shall contribute to macro-economic stability significantly.

While Q4 demand for petrochemicals slowed down considerably, the demand tended to normalize towards the end of the fiscal propelled by increase in current account withdrawal limit restoring liquidity in the market. The country clocked a moderated polymer growth figure of approx. 7% mainly due to demonetization impact. Polyolefins deltas have softened this year due to strong naphtha prices and subdued end product prices.

Going ahead, the industry is keen to look at positive outlook for growth registering double digit polymer demand growth to return. The same is likely to be facilitated by better consumption in consumer durables, infrastructure and automobiles while being facilitated by implementation of GST in a better business environment on the other hand.

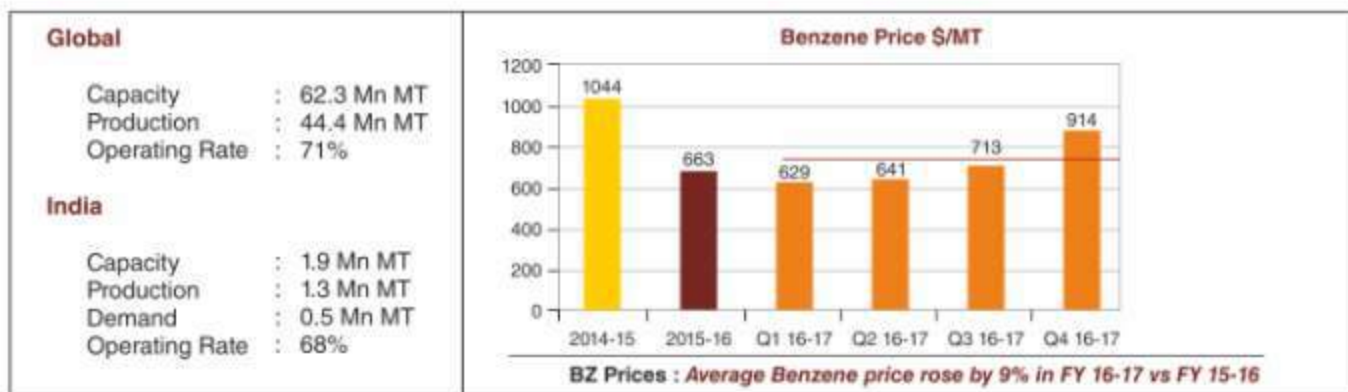
CHEMICALS

BENZENE

In 2016, global nameplate capacity for benzene was 62.3 million metric tons, and production was 44.2 million metric tons, resulting in an operating rate of 70.9%. 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 commodity chemicals. Benzene is an excess commodity globally; Asia being largely surplus is suppliers to the rest of world.

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. The year 2017 is expected to be very different than 2015 or 2016.





Source: IHS Chemicals, Platts, Market Information

In 2016, benzene production in the India is almost 1.3 million metric tons, an annual average growth rate (AAGR) of 8.9% between 2011 and 2016. In 2016, BZ production improved with the restart of the Haldia naphtha cracker and robust PX production. Domestic demand in the region is estimated as 4,63,000 metric tons in 2016.

India is a major benzene exporter and will remain so over the next few years, until derivative capacity is built. Between 2011 and 2016, the country's exports averaged approximately 6,50,000 metric tons per year, which amounted to more than 50% of its annual production.

BUTADIENE

Global butadiene markets have shifted substantially over the last decade; in fact, the past five years have been quite a rollercoaster ride. Markets have alternated between extremely tight and very loose conditions within a few months, more than once since 2008. The global recession caused demand in the major consumption regions to drop back to levels not seen for many years.

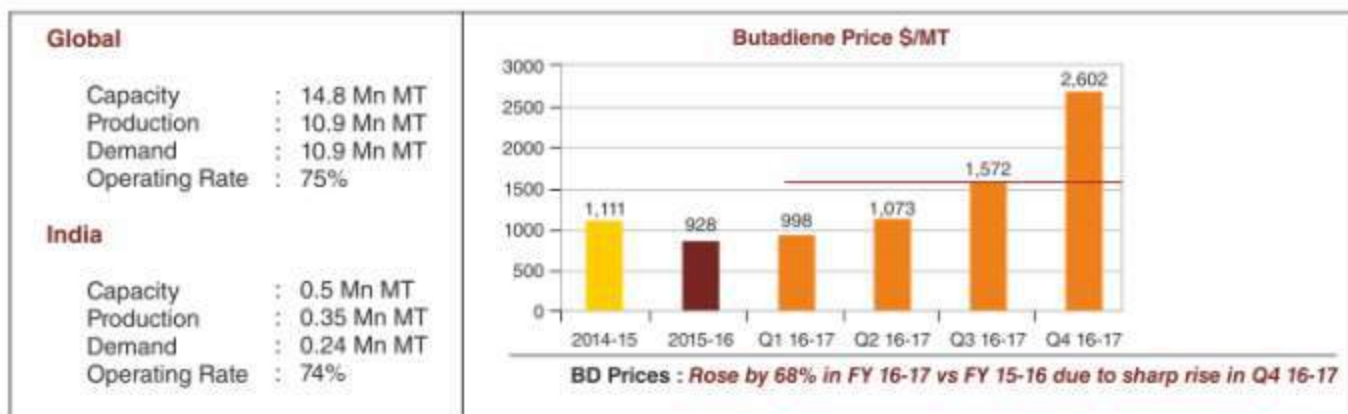
In 2016, the largest butadiene consuming regions of the world (North America, West Europe, and Northeast Asia) accounted for over 80% of total global demand. Their

combined share of butadiene demand is expected to remain above 75% over next decade.

PETROCHEMICAL INDUSTRY SCENARIO AT A GLANCE FOR 2016-17

Indian polymer industry had witnessed good growth as compared to global peers. HDPE had grown by 8%, LLDPE by 7% & PP by 3%. Overall growth in polyolefin was by 5%.

In global front, on the supply side, some capacity rationalizations, primarily within Western Europe, were implemented in recent years. The impact of these reductions on the global supply/demand balance is minimal because of a capacity wave that is adding over 29 million tons over the next 5 years period. Moreover, the current low crude price environment has largely moderated incentives to pursue additional rationalizations for the next few years. Average global operating rates, not surprisingly, remain at or below 85% for next couple of years. The arrival of large, additional volumes in recent years from new Middle Eastern production facilities is pressuring high cost producers, particularly in Europe and Asia. The initial start-up difficulties of several new complexes in the Middle East have been successfully



Source: IHS Chemicals, Platts, Market Information

resolved, and these highly competitive plants are currently operating at high rates. The competitive pressures will only intensify when new capacity growth in North America increases that region's net export position and China adds significant capacity that reduces its import needs. Apart from a loss of market share in the international market, Asian and European producers also feel increasing pressure from higher import volumes that are flowing into their respective regions. Therefore, volumes from traditional exporting countries and regions, including Japan, South Korea, Taiwan, and Western Europe are in decline, which is turning some of these geographic entities into net importers or expanding their historically small net import positions. In the near term, improved margins stemming from low crude prices will serve to incentivize regional, naphtha-based producers, including those in Asia and Europe, to operate at higher capacities further increasing supply pressure. The increased availability of advantaged ethane feedstock from shale gas in North America has prompted almost all major regional polyolefins producers to announce PE capacity additions over the next five years. Braskem Idesa, Dow Chemical, Chevron Phillips, Equistar (LyondellBasell), ExxonMobil, Formosa, INEOS Sasol, Nova, PTTGC, and Shell have all announced plans to either expand existing facilities or build new greenfield complexes. Current estimates project the cumulative addition of over 12 million metric tons of PE capacity in North America by 2026, beginning of which was in 2016 with the Braskem Idesa project in Mexico.

The Indian petrochemical industry currently is in the process of transformation. After a delay of more than one year, two new greenfield projects have recently started operations. First, BCPL with a relatively small PE capacity of 220,000 metric tons started operations in Assam, an underdeveloped region in Northeast India. Subsequently, in the western state of Gujarat, your Company has started the single-largest cracker and derivatives facilities in India with a PE/PP capacity of 1.4 million metric tons. This entry of two new producers will make the market more competitive and should accelerate PE demand growth in diverse applications and

regions. GAIL (India) Limited (GAIL), an existing PE producer, expanded capacity by 400,000 metric tons in early 2016. Reliance Industries is building a cracker and downstream LLDPE and LDPE units, with likely startup in the third quarter of 2017. The new cracker will consume off-gas from the adjoining refinery, thus positioning the company's production cash cost in the first quartile. Moreover, Reliance is transforming its feedstock composition for crackers at Hazira, Gandhar, and Nagothane by replacing naphtha/LPG with ethane imported from the United States. These changes will ensure consistent feedstock availability at more competitive costs in the long term. At the beginning of 2015, there was a restructuring of the equity holding and management at Haldia PC and injection of funds by banks and financial institutions. Management restructuring and the significant improvement in the cost competitiveness of this naphtha based cracker and derivatives producers owing to low crude oil price has enabled the company to run their plants at high operating rates and considerably improve their profitability. Overall, the low crude oil price outlook should benefit the Indian petrochemicals industry toward becoming more competitive and profitable.

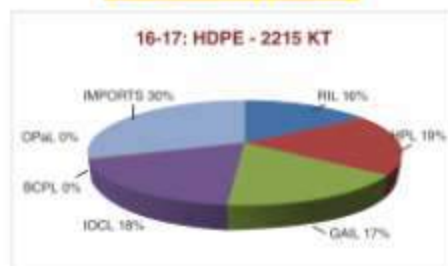
In 2016-17, the polymer demand growth was slower due to the soft sentiments in the market and particularly after demonetization in November 2016, that affected the liquidity especially for the small and medium scale processors. Among the polymers, PP growth rate was the lowest at about 3% over 2015-16. The growth was contributed especially by the sectors such as Automotive, white goods and raffia.

During FY' 2017, PP prices were moderately down by about 2% mainly due to the slower demand growth.

PE on the other hand, had shown good growth, mainly driven by packaging of food and non-food sectors. Domestic flexible packaging industry had witnessed 15% growth on Y-o-Y basis. Rigid packaging sector had witnessed moderate growth of 8%. Flexible and Rigid packaging put together had contributed close to 60% of PE consumption.

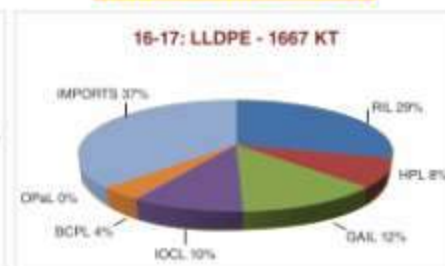
Polyolefins Market:

HDPE Market Players



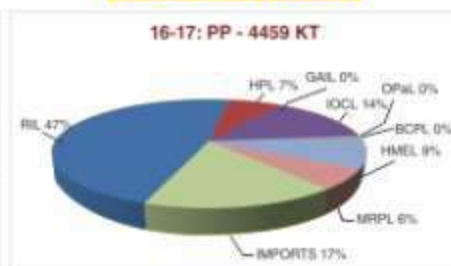
Source: Market Information

LLDPE Market Players



Source: Market Information

PP Market Players



Source: Market Information



Product Warehouse (PWH) at Dahej Plant

OUTLOOK FOR FY 2017-18

- ▶ There will be healthy consumption growth in domestic PE and PP market, which is backed up by down-stream capacity addition. Order book for all major domestic machine manufacturers are full for next year.
- ▶ Major capacity additions by OPaL, RIL, GAIL and BCPL lead to surplus material availability of PE in India. India will become net PE exporter once all the plant stabilize and start operating with their full capacity.
- ▶ It is expected that India's double digit polymer demand growth to return in 2017-18 and the year looks promising with positive outlook for growth. Government's special drives such as smart cities, swatch Bharat, make in India campaigns are likely to fuel growth in the automotive, construction and packaging sectors for PP. Implementation of GST is expected to enhance demand growth for the end sectors.
- ▶ Flexible Packaging, Pipe, Blow moulding and Masterbatch sectors, remain the growth drivers for PE and Raffia, Fiber & Filament sectors, Compounding will be the growth drivers for PP.
- ▶ OPaL will be having competitive edge, being located near to consumption center and secured feedstock, once operations stabilize.



OPaL Plant's view at Dahej



Symposium on Industry Meet at OPaL Petrochemical Complex Dahej - Sitting on the dias from Left : Shri Avinash Joshi, Shri Mansukh L. Mandavia, Shri Vijay Rupani, Shri Narendra Modi, Shri Nitin Gadkari, Shri K. D. Tripathi & Shri J. N. Singh



Hon'ble Prime Minister Shri Narendra Modi dedicated to the Nation OPaL Petrochemical Complex on 7th March, 2017 and addressing Industry Meet at Dahej



OPaL Plant's view at Dahej



OPaL Plant's view at Dahej

4. SOURCES AND APPLICATION OF FUNDS

As on 31st March, 2017, Capital expenditure of ₹ 2,88,913.09 million and Operating expenditure of ₹ 6,813.91 has been incurred on cash basis, and OPaL holds cash/cash equivalent of ₹ 71.48 million. The sources and application of funds, as on 31st March, 2017 are as below:

Particulars	Amount (₹ in Million)
Sources :	
Equity Share Capital (Including Share Warrant ₹18,739.50 million)	38,958.80
Rupee Long Term Loan	1,23,579.75
External Commercial Borrowing (USD 220 million)	13,349.60
Compulsorily Convertible Debentures	56,022.85
Working Capital Loan	5,237.52
Short Term Loans	58,649.96
Total Sources of Funds	2,95,798.48
Application of Funds :	
Capital expenditure till 31 st March, 2017	2,88,913.09
Operating expenditure till 31 st March, 2017	6,813.91
Balance Cash and Bank Balance	71.48

ONGC, GSPC and GAIL have contributed ₹ 9,979.56 million, ₹ 290.04 million and ₹ 9,949.45 million respectively, as Equity Share Capital. Additionally, OPaL has received ₹ 18,739.50 million from ONGC up to 31st March, 2016 towards "warrant" under Rights Issue in various tranches.

5. PUBLIC DEPOSITS

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

6. DIVIDEND

In the absence of profits during the financial year 2016-17, your Directors do not recommend any dividend.

7. TRANSFER TO RESERVES

In view of absence of profits during the financial year 2016-17, your Directors are unable to transfer any amount to the General Reserve Account.

8. SHARE CAPITAL

There is no change in share capital of the Company during financial year 2016-17.

9. AUDIT AND AUDITORS' REPORT

I. Statutory Auditors

The Statutory Auditors of your Company have been appointed by the Comptroller & Auditor General of India (CAG). M/s Shah, Mehta and Bakshi, Chartered Accountants (Registration No. 103824W) were appointed as the Statutory Auditors for the Financial Year 2016-17. The

Statutory Auditors have been paid a remuneration of ₹ 1.25 million (previous year ₹ 0.86 million) towards audit fee (including Limited Review). The above fees are exclusive of applicable taxes and reimbursement of reasonable travelling and out of pocket expenses actually incurred.

The Report given by the Statutory Auditors on the financial statements of the Company and the Comments of Comptroller & Auditor General of India (CAG) forms part of the Annual Report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comment.

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

II. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and 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 2016-17. M/s Kumar Naresh Sinha & Associates, Company Secretaries have submitted the Secretarial Audit Report dated 1st July, 2017. The report in Form MR-3 is annexed herewith and marked as **Annexure-II** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remarks or disclaimer. However, observations made by Secretarial Auditor have been noted by the Board.

10. HUMAN RESOURCE (HR)

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

In the previous financial year, our main focus was on accelerating our talent acquisition efforts and these have resulted in augmenting close to 225 nos. of critical talent to the already existing highly skilled OPaL's workforce. As on 30th June, 2017 the total numbers of employees working on the company rolls are 774 nos. and on deputation basis 11 nos. In addition, substantial initiatives on nurturing cordial relations with locals were undertaken.

Your Company's main focus in HR will be to create and sustain the culture of integrity, belongingness, teamwork, accountability and innovation. Apart from this, it will be OPaL's constant endeavour to continuously upgrade and innovate HR practices.

OPaL believes in nurturing a supportive and productive working environment that fosters team based results and recognizes individual performance. It lays a lot of emphasis in developing and sustaining the right culture for open communication, continuous innovation and performance centric growth.

11. PARTICULARS OF EMPLOYEES

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) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

12. AUDIT COMMITTEE

In compliance with Section 177 (8), 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.

13. OTHER MATERIAL CHANGES

Pursuant to Section 134(3) (l) and other applicable provisions of the Companies Act, 2013, save as aforesaid 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, 2017 and the date of this report.

14. COMPULSORILY CONVERTIBLE DEBENTURES (CCDs)

In order to meet Equity requirement, the Company had tied-up funds of ₹ 1671 crore from Investors Birla Sun Life Mutual Funds (through their 8 mutual fund schemes) and Kotak Mahindra Bank through private placement of Debentures (Compulsorily convertible into Equity Capital of OPaL).

Accordingly, Company allotted 200 nos. of CCDs to Kotak Mahindra Bank and 1471 nos. of CCDs to Birla Sun Life Mutual Funds (through their 8 mutual fund schemes) on 20th May, 2017. Thereafter, 1671 nos. of CCDs having face value of rupees one crore has been credited to Demat account of abovementioned investors on 26th May, 2017.

15. DIRECTORS

Shri M. Ravindran (Nominee GAIL) was appointed as Director with effect from 7th June, 2013 and he ceased to be Director with effect from 18th January, 2017. The Board of Directors places on record their deep appreciation for the valuable advice and guidance provided by him during his tenure as Director.

Shri Sanjib Datta (Nominee GAIL) was appointed as an Additional Director pursuant to provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company with effect from 18th January, 2017.

Ms. Suman Singh Gaur was appointed as a Woman Director in the Board of OPaL with effect from 9th September, 2015 and she ceased to be Director from the Board of OPaL due to superannuation with effect from 31st January, 2017. The Board of Directors places on record their deep appreciation for complete involvement during her tenure as Director.

During the year under review, on the recommendations of Nomination and Remuneration Committee (NRC) and in accordance with provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, Shri Avinash Joshi, IAS was appointed as an Additional Director on the Board of OPaL with effect from 1st February, 2017. Further Shri Avinash Joshi has been appointed as Managing Director of the Company from 1st February, 2017 to 22nd February, 2019 with the approval of members in 7th Extra-Ordinary General meeting held on 14th March, 2017.

Shri Avinash Joshi is a member of the Indian Administrative Service, 1994 batch from the Assam-Meghalaya cadre. Prior to joining OPaL, Shri Avinash Joshi was in-charge of policy matters relating to petrochemicals, plastics, synthetic fibre, elastomers, etc. in the Department of Chemicals & Petrochemicals under the Ministry of Chemicals & Fertilizers.

With his rich and diversified experience in Administration along with in-depth understanding of petrochemicals environment, we expect that your company will achieve its vision of becoming the World Class Petrochemical Company.

There was no change in the composition of the Board during the financial year 2016-17, other than appointment of Shri Sanjib Datta, Shri Avinash Joshi and cessation of Shri M. Ravindran and Ms. Suman Singh Gaur.

In accordance with the provisions of the Companies Act and the Articles of Association of the Company, Shri T.K. Sengupta and Shri M.B. Lal, Directors are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered themselves for re-appointment.

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

16. KEY MANAGERIAL PERSONNEL (KMP)

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

Shri K. Satyanarayana was initially appointed as Chief Executive Officer (CEO) of the Company with effect from 7th May, 2014. As per Companies Act, 2013, he has been appointed as Chief Executive Officer (CEO) as part of KMP with effect from 26th July, 2014 and he ceased to be Chief Executive Officer (CEO) of the Company with effect from 30th April, 2017. The Board of Directors place on record that under his leadership the plant has been successfully commissioned.

Shri Avinash Joshi, IAS appointed as Managing Director of the Company with effect from 1st February, 2017. After cessation of Shri K. Satyanarayana, as Key Managerial Personnel, Shri Avinash Joshi, Managing Director has been appointed as part of Key Managerial Personnel of the Company with effect from 1st May, 2017.

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 as part of KMP with effect from 26th July, 2014.

Shri Trinath Behera has been appointed as Chief Finance Officer (CFO) as part of KMP with effect from 1st July, 2015.

17. INDEPENDENT DIRECTORS

I. Appointment of Independent Directors

Pursuant to provisions of Section 149, Section 150, Section 152 read with Schedule IV of the Companies

Act, 2013, Shareholders in its 6th Extra Ordinary General Meeting held on 30th January, 2017 appointed Shri M. M. Chitale and Shri S. Balachandran as Independent Directors of the Company for a term of five consecutive years commencing from 1st April, 2014 to 31st March, 2019.

II. Declaration by Independent Directors

The Company has received necessary declaration from each 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.

III. Independent Directors Meeting

During the year under review, an annual Independent Directors meeting in accordance with the provisions of Section 149(8) read with Schedule IV of the Companies Act, 2013 was convened on 29th September, 2016, wherein all Independent Directors were present. Such meeting was conducted to enable independent Directors to discuss matter pertaining to the Company's affairs.

18. CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is based on highest standards of professionalism, honesty, integrity, transparency and ethical behaviour. OPaL is one of the largest integrated petrochemical complex in South Asia. Through the Governance mechanism in the Company, the Board alongwith its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making.

The Board works harmoniously for the long-term benefit of the Company and all its stakeholders. Details of the composition of the Board and its Committees, Meetings held, attendance of the Directors at such Meetings and other relevant details are provided in Corporate Governance Report.

A separate report on Corporate Governance is attached as **Annexure-III**.

19. EXTRACT OF ANNUAL RETURN

The extract of Annual Return in Form MGT-9 pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed herewith as an **Annexure-IV** to this Report.

20. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. The particulars of Contracts or Arrangements made with related parties made pursuant to Section 188 of the Companies Act, 2013 and Rules made thereunder is furnished in the prescribed format AOC-2 forms part of the report as **Annexure-V**.

21. RISK MANAGEMENT

To have a better assessment of the business and operational risks and to monitor risk mitigation effectiveness based on risk evaluation, the concept of Risk Management was introduced and therefore Risk Management Committee was constituted.

The Company analyzes a wide range of possible risk factors to ensure the sustainability and reliability of our corporate activities. In order to achieve key objectives, Company endeavor to preserve both tangible and intangible company assets and make efforts to minimize damage using the most suitable methods.

Risk Management demonstrate responsible conduct, take quick and appropriate action, and strive to restore operations when risks do eventuate in order to earn the trust of customers, shareholders and all other stakeholders.

22. VIGIL MECHANISM

OPaL has an internal whistleblowing system for director(s)/employee(s) to safeguard against victimization. This system acts to help detect potential problems in advance and enable prompt resolution. The "Whistle Blower Policy of the Company" is available on Company's website (www.opalindia.in).

During the Financial Year 2016-17, no case of Whistle Blower has been reported in the Company.

23. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your company is fully engaged in ensuring equitable and sustainable growth of society in and around the area of its operations by complying with government directives to discharge its social responsibility as a corporate. Further your Company is maintaining cordial relations with the nearby villages around its Plant located at Dahej SEZ by doing CSR activities.

The CSR Policy is available on Company's website (www.opalindia.in).

During the year your Company made contribution in the following activities as per details given below:

- Expenditure on upliftment of education - ₹ 60,000.

24. NOMINATION & REMUNERATION POLICY

As per the "Nomination and Remuneration Policy" of OPaL, all matters related to the Appointment, Remuneration and other facilities of Directors, KMP, Vice President & above and Functional Heads are deliberated in the Nomination & Remuneration Committee and recommended to the Board for approval.

25. BOARD EVALUATION

Nomination & Remuneration Committee constituted under Section 178 of the Companies Act, 2013 has been made responsible for carrying out evaluation of every director's performance. Pursuant to the provisions of Section 149(8) read with Schedule IV of the Companies Act, 2013, and the provisions of the Act, Board evaluation involving evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman, was carried out during the year.

One of the key functions of the Board is to monitor and review the Board evaluation framework. To improve the effectiveness of the Board and its Committees, as well as that of each individual director, a formal Board review is undertaken on an annual basis by the Independent Directors in their meeting held on 29th September, 2016.

26. MANAGERIAL REMUNERATION

The Company has one Managing Director during the Financial Year 2016-17. Remuneration paid to the Managing Director is within the limits prescribed under the Schedule V of the Companies Act, 2013. All the Directors in the Company are Non-executive Directors except the Managing Director. During the financial year 2016-17 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 other Committee of Board.

27. DISCLOSURE UNDER THE SEXUAL HARASSMENT AT WORKPLACE

The following is a summary of Sexual harassment complaints received and disposed off during the financial year 2016-17.

Number of complaints received	:	Nil
Number of complaints disposed off	:	Nil

28. 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 March 31, 2017, 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 March 31, 2017 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 Act 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.

29. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company does not have any Subsidiaries and Joint Venture companies as on 31st March, 2017. However, OPaL is an associate company of ONGC and GAIL under Section 2 (6) of the Companies Act, 2013.

30. HOLDING COMPANY

Your Company is not a subsidiary of any Company.

31. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read along with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure -VI**.

32. HEALTH, SAFETY AND ENVIRONMENT (HSE)

Your Company's HSE policy is to achieve operational excellence with a robust and integrated HSE management system focused on improving harmony with the environment through sustainable development aligning to regulatory framework. Safety and Health of its people is of paramount importance for your company and these attributes are embedded in the core organization values of your company. Concept of Process Safety Management has been imbibed at the design itself. Mechanism like pre-start up safety reviews, periodical audits, inspections are adopted to ensure the best in class HSE culture at your organization. Participation across verticals including contractors are encouraged to adopt safe working culture and behavior conducive for effective implementation of the HSE policy. Management of operational risks and compliances of statutory requirements are given foremost importance in overall business management.

OPaL is committed to achieve leadership role in Health, Safety and Environment management through continual improvement by innovative and sustainable endeavors with all levels of resources support.

OPaL believes that protection of environment and ecology, the safety and occupational health of employees and stake holders will always be core value along with the organizational mission and vision.



33. 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.

34. INTERNAL FINANCIAL CONTROL (IFC)

OPaL has aligned its current system of internal financial control with the requirement of Companies Act, 2013. OPaL's internal controls are commensurate with its size and the nature of its operations. OPaL has appointed M/s K.K. Soni & Co. Chartered Accountants as internal auditor to oversee and carry out internal audit of its activities. The audit is based on an internal audit plan, which is reviewed from time to time in consultation with the statutory auditors and the audit committee. The audit committee reviews the reports submitted by the management and audit reports submitted by internal auditors and statutory auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action. The audit committee also meets OPaL's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the Board of Directors informed of its major observations.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory, and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during Financial Year 2016-17.

35. ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks to Rupee Loan Lenders, ECB Lenders, CCDs Investors, Government of Gujarat, Government agencies, Dahej SEZ, ONGC, GAIL and GSPC for their cooperation and continuous support extended to your Companies activities during the year under review. Your Directors gratefully acknowledge the shareholders and debenture holders for their support and confidence reposed in your Company and also wish to place on record their appreciation for the all round contribution made by employees at all levels.

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

A handwritten signature in blue ink, appearing to read 'Dinesh K. Sarraf', is written over a thin horizontal line.

(Dinesh K. Sarraf)
Chairman

Place: New Delhi
Date: 5th July, 2017

Annexure-I

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 31ST MARCH, 2017 AND MANAGEMENT REPLY THERETO :

No.	Comments	Management Reply
1	<p>Balance Sheet Equity and Liabilities : Liabilities : Current Liabilities (ii) Trade Payable- Rs. 4,184.27 Million</p> <p>The above does not include following payments due to Oil & Natural Gas Corporation Limited (ONGC) on account of purchase of Naphtha, Ethane, Propane & Butane by ONGC Petro additions Limited (OPaL).</p> <p>i. As per agreement dated 22.04.2016 entered into with ONGC for supply of Naphtha through Marine route, the company had agreed that the price of Naphtha shall be "Mean of Platts Arab Gulf" (MOPAG) plus a premium of 1.1 percent of MOPAG. Further under clause 7 & 8 of the Agreement, the company was also required to pay export related expenses and loading charges to ONGC on purchase of Naphtha. The company has not paid the amount of agreed premium (1.1 percent) of Rs. 85.79 million as well as an amount of Rs. 289.20 million, towards export related expenses and loading charges for the FY 2016-17. However, the amount has not been recognised as liability in the Accounts of the Company. The company instead has disclosed the outstanding payment of agreed premium (1.1 percent) of Rs. 85.79 million under note 40.1 as Contingent liability.</p>	<p>i. The Naphtha from ONGC's Hazira plant was to be supplied through a dedicated Hazira Dahej Naphtha Pipeline(HDNPL). For this OPaL had entered into a Naphtha Service agreement with ONGC. In absence of HDNPL pipeline for supply of naphtha, OPaL made alternate arrangement (Marine route) for receiving naphtha. An Agreement "For supply of Naphtha through Marine Route" was forwarded by ONGC on 22nd April, 2016 and required it to be mandatorily signed before dispatch of naphtha. Since the ship was already engaged by OPaL at RIL SPM on 23rd April, 2016, it was signed on urgency basis pending review and approval of OPaL Board.</p> <p>After scrutiny of the aforesaid Agreement, deviations were noted with respect to already signed Naphtha Product Sale Agreement (PSA) dated 23.08.2013. Under this new agreement Price of Naphtha is MOPAG however, a premium of 1.1% has been added and GMB, SPM charges for bringing naphtha through marine route have to be borne by OPaL.</p> <p>Discussions were held with ONGC during review of draft agreement. These deviations were communicated to ONGC vide letter dated 23.04.2016, by OPaL with a request to amend the agreement.</p> <p>OPaL argued that in earlier PSA dated 23.08.2013 ONGC was required to deliver Naphtha at door step of OPaL through pipeline as per the Naphtha Service Agreement. Secondly, in case of export related expenses, whenever ONGC exports Naphtha to its overseas customers, GMB charges, SPM charges are not charged to its customers. The price mechanism for supply of Naphtha should be in parity for supply to SEZ unit as supply to SEZ unit is treated as export. OPaL being SEZ unit, export related expenses should be borne by ONGC.</p> <p>The issue was written to ONGC for favourable consideration, and ONGC has conveyed that the matter shall be examined by a senior level committee of ONGC and OPaL. Para 10 of Ind AS 37 which defines provision, contingent liability as follows:</p>

No.	Comments	Management Reply
		<p>“Provision is a liability of uncertain timing or amount and liability is a present obligation of the entity arising from the past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefit.”</p> <p>“A Contingent liability is :</p> <p>(a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or</p> <p>(b) Present obligation that arises from past events but is not recognised because:</p> <p>(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or</p> <p>(ii) the amount of the obligation cannot be measured with sufficient reliability.”</p> <p>In view of the above, the premium charged by the ONGC on Naphtha is considered as possible obligation and not a present obligation. Accordingly, the said premium is disclosed as a contingent liability in financial statements.</p> <p>So far as export related expenses i.e. GMB & SPM charges are concerned, the company doesn't envisage the said expenses even as a possible obligation. Accordingly, the company has not disclosed the same as a contingent liability in the financial statement.</p> <p>In this respect, para 86 of Ind AS 37 also corroborates, which reads as follows:</p> <p>“Unless the possibility of any outflow in settlement is remote, an entity shall disclose for each class of contingent liability at the end of the reporting period a brief description of the nature of the contingent liability.”</p> <p>Hence, the company does not envisage any outflow in this regard.</p>

No.	Comments	Management Reply
	<p>ii. The Company was also required to pay price of Ethane as per the formula, agreed under Product Sale Agreement (PSA) entered into between ONGC and OPaL on 23.08.2013 for purchase of Ethane. However while working out the payment, OPaL did not consider an element of the formula relating to average MOPAG for Naphtha. This has resulted in short payment of amount of Rs. 154.94 million for FY 2016-17, however, the same has not been recognised as liability in the account of the Company. The Company instead has disclosed the above amount under note 40.1 as Contingent liability.</p> <p>iii. The Company has also not recognised the liability for payment of Interest of Rs. 73.49 millions on overdue payments charged by ONGC on account of purchase of Naphtha, Ethane, Propane & Butane by OPaL vide Product Sale Agreement (PSAs) dated 23.08.2013.</p> <p>Not recognising the above contractual payments to ONGC as current liability has resulted in understatement Current Liability and Loss for the year by Rs. 603.42 Million.</p>	<p>ii. For supply of Ethane (C2) OPaL has entered into PSA with ONGC. Under the said PSA price mechanism C2 include some amount of Naphtha in it. As stated in above point, active discussions are going on to make necessary amendments in Naphtha between OPaL and ONGC. In line with above issue and pending resolution of the same, OPaL management has taken a decision to hold of payment of premium component included in price of C2. The said premium amount on Ethane (C2) has been considered as possible obligation.</p> <p>Para 10 of Ind AS 37 which defines provision, contingent liability as follows.</p> <p>"Provision is a liability of uncertain timing or amount and liability is a present obligation of the entity arising from the past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefit."</p> <p>A Contingent liability is :</p> <ol style="list-style-type: none"> a. A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or b. Present obligation that arises from past events but is not recognised because: <ol style="list-style-type: none"> (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (ii) the amount of the obligation cannot be measured with sufficient reliability." <p>Accordingly, short payment on Ethane (C2) has been disclosed as a contingent liability in financial statements.</p> <p>iii. As per above as the major charges i.e. Premium and export related charges to be waived and Payment cycle along with billing period will be revised, the management is confident that interest also would be waived.</p> <p>Accordingly, the company doesn't envisage the payment of Interest even as a possible obligation. Hence, the company has not disclosed the same as a contingent liability in the financial statement.</p> <p>In this respect, para 86 of Ind AS 37 also corroborates, which reads as follows:</p>

No.	Comments	Management Reply
		<p>"Unless the possibility of any outflow in settlement is remote, an entity shall disclose for each class of contingent liability at the end of the reporting period a brief description of the nature of the contingent liability."</p> <p>The company does not envisage any outflow in this regard.</p>
2	<p>Balance Sheet Equity and Liabilities : Liabilities : Current Liabilities (b) Provisions-Rs.2.83 Million</p> <p>The above does not include Rs.104.96 Million (US\$ 1.6 Million, exchange rate - Rs. 65.6 for one US\$) being invoice raised by M/s Samsung Engineering Co. Ltd. (SECL) in December 2016 towards reimbursement of extension cost of Licensure Guarantee Obligation for facilitating the successful Performance Guarantee Test Run (PGTR) of High Density Polyethylene (HDPE) unit, as recommended by the Project Review Committee in its 25th Meeting dated 29.03.2017. The HDPE unit has been capitalized on 31.01.2017, however the PGTR has not been conducted as on 31.03.2017. Since OPaL has agreed to reimburse the cost to SECL for carrying out PGTR which is a contractual obligation, the same should have been provided as Liability in the Financial statements and charged to Other Expenses (Note-32). Non provision of the above liability has resulted in understatement of the Current Liability, Other Expenses as well as Loss for the year by Rs. 104.96 Million.</p>	<p>As per para 18 IndAS 37</p> <p>"Financial statements deal with the financial position of an entity at the end of its reporting period and not its possible position in the future. Therefore, no provision is recognised for costs that need to be incurred to operate in the future. The only liabilities recognised in an entity's balance sheet are those that exist at the end of the reporting period."</p> <p>Contract for Dedicated High Density Poly Ethylene plant was awarded to Samsung Engineering Company Limited (SECL), Korea on 28th June, 2011. The said contract does not contain any payment towards extension cost of Licensure Guarantee Obligation for facilitating the successful Performance Guarantee Test Run (PGTR) of HDPE unit. Because PGTR is not initiated within 60 months from 28.04.2011 so SECL has claimed additional cost of USD 1.6 million. This amount is over and above contract value which requires approval from Competent Authority.</p> <p>As per Para 10 of IndAS 37</p> <p>"A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits."</p> <p>OPaL Board in 69th Board Meeting held on 22nd May, 2017 approved reimbursement of extension cost of Licensure Guarantee Obligation for facilitating the successful Performance Guarantee Test Run (PGTR) of HDPE unit. PGTR of HDPE unit was pending as on 31st March, 2017 therefore, no liability arises on OPaL against this invoice.</p> <p>Hence, no provision in books of account was made for this liability.</p>



DEDICATED
HIGH DENSITY
POLYETHYLENE
(340 kTPA)



SWING
HIGH /LINEAR LOW
DENSITY
POLYETHYLENE
(720 kTPA)



POLYPROPYLENE
(340 kTPA)



BENZENE
(150 kTPA)

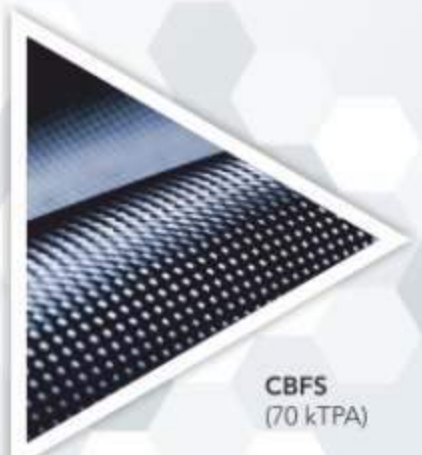
Petrochemicals for tomorrow



BUTADIENE
(115 kTPA)



PYGAS
(165 kTPA)



CBFS
(70 kTPA)

KUMAR NARESH SINHA & ASSOCIATES
Company Secretaries

Flat No. 121, Vinayak Apartments
Plot No. C-58/19, Sector-62,
NOIDA-201307 (U.P)
Tel. : 0120-4117114
Mobile : 9868282032, 9810184269
E-mail : kumarnareshsinha@gmail.com

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[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,
1st Floor, Omkara Building, Sai Chokdi,
Manjalpur, Vadodara-390011,
Gujarat, India.

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 1st Floor, Omkara Building, Sai Chokdi, Manjalpur, Vadodara-390011, Gujarat, India. 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, 2017 complied with the statutory provisions listed 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 ONGC Petro additions Limited for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) The Secretarial Standards issued by The Institute of Company Secretaries of India and approved as such by the Central Government of India.
- (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) Other applicable laws including Labour laws like Factories Act, Payment of Gratuity Act etc. for the year ended on 31st March, 2017 for the purpose required in it.

During the period under review and as per explanations and clarifications given to us and representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to our observation as stated below:

1. Woman Director ceased to be a director due to superannuation w.e.f 31st January, 2017 and as informed by OPaL management the appointment of suitable woman director is in process.

However, during the period under review, provisions of the following regulations were not applicable to the Company. Hence, comments are not required to be made in respect of these clauses:

- i. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder is not applicable as the securities of Company are not listed with any of the Stock Exchanges.
- ii. 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;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (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; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- iii. DPE Guidelines.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 and Committee Meetings, agenda and detailed notes on agenda were sent 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. Decision at the Board meeting were taken unanimously.


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 the compliance by the company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit by other designated professional.

We further report that during the audit period, the company has provided details of specific event/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For Kumar Naresh Sinha & Associates

Company Secretaries


 Naresh Kumar Sinha
 Proprietor
 Membership No. : FCS1807
 Certificate of Practice No. : 14984



Date: 01-07-2017

Place: Noida

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.

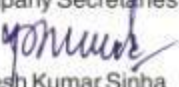
Annexure-A

To,
The Members,
ONGC Petro additions Limited,
1st Floor, Omkara Building, Sai Chokdi,
Manjalpur, Vadodara-390011,
Gujarat, India.

Our Report of even date is to be read 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 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 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.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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 test basis.
6. 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.

For Kumar Naresh Sinha & Associates
Company Secretaries


Naresh Kumar Sinha
Proprietor
Membership No. : FCS1807
Certificate of Practice No. : 14984



Date: 01-07-2017
Place: Noida

Annexure-III

CORPORATE GOVERNANCE REPORT

There are four pillars of Corporate Governance namely first accountability, second fairness, third transparency and fourth independence and your Company believe in it.

Our Corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as disclosures related to the leadership and governance of the Company. We believe that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance.

1. Board of Directors

The Company is managed by its Board of Directors, which formulates strategies, policies and reviews. The Company has an appropriate mix of Executive, Non-executive and Independent Directors to maintain its independence, and separate its functions of governance and management.

The Board alongwith its Committees provide leadership and guidance to the Company's management, as also director, supervise and control the performance of the Company. The Board currently comprises of nine Directors out of one Managing Director, eight Non-executive Directors including two Independent Directors. The Company has a Non-executive Chairman. All directors have made necessary disclosures regarding their directorships as required under Section 184 of the Companies Act, 2013 and on the Committee positions held by them in other Companies.

The following are the members of the Board as on 31st March, 2017:

Sl. No.	Name of Directors	Designation	Category
1	Shri Dinesh K. Sarraf	Chairman	Non-Executive
2	Shri Avinash Joshi	Managing Director	Executive
3	Shri T.K. Sengupta	Director	Non-Executive
4	Shri A.K. Srinivasan	Director	Non-Executive
5	Shri M.M. Chitale	Director	Independent & Non-Executive
6	Shri S. Balachandran	Director	Independent & Non-Executive
7	Shri M. B. Lal	Director	Non-Executive
8	Shri P.K. Gupta	Director	Non-Executive
9	Shri Sanjib Datta	Director	Non-Executive

2. Board/Committees Meetings and Procedures

- (i) The primary role of the Board is to protect and enhance shareholder value through strategic direction to the Company. The Board exercise its duties with care, skill and diligence and exercises independent judgement. It also directs and exercise appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations.
- (ii) It may not be possible for every Director/Member to be physically present at all the meetings. Hence, Company provides video conferencing facilities to attend the meetings of Board/Committee to it's members.
- (iii) The Board has unrestricted access to all Company-related information. At Board/Committee meetings Functional Head and/or representatives who can provide additional insight into the items being discussed are invited. Information is provided to the Board/Committee members for their review, inputs and approval as and when required.
- (iv) Generally matters are initially presented to the Committees of the Board and later, with the recommendation of the Committees, to the Board for its approval. Inputs and feedback of Board members are taken and considered while preparing the agenda and documents for the Board Meeting.
- (v) None of the Directors on the Board hold directorships in more than ten public companies. The maximum tenure of Independent Directors is in compliance with the Companies Act, 2013.
- (vi) The Board notes quarterly compliance report of all laws applicable to the Company.

3. Board Meetings

Seven Board meetings were held during the financial year 2016-17 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.	No. of Meetings	Date of Meetings	Place of Meetings
1	62 nd	18-05-2016	Board Room of ONGC, 6 th Floor, Jeevan Bharti Building, Tower-II, 124, Indira Chowk, New Delhi-110001
2	63 rd	25-07-2016	Board Room of ONGC, 6 th Floor, Jeevan Bharti Building, Tower-II, 124, Indira Chowk, New Delhi-110001
3	64 th	23-09-2016	Board Room of ONGC, 6 th Floor, Jeevan Bharti Building, Tower-II, 124, Indira Chowk, New Delhi-110001
4	65 th	23-12-2016	Board Room of ONGC, 5 th Floor, Pandit Deendayal Upadhyaya Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070
5	66 th	28-01-2017	Board Room of ONGC, 5 th Floor, Pandit Deendayal Upadhyaya Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070
6	67 th	23-02-2017	Board Room of ONGC, 5 th Floor, Pandit Deendayal Upadhyaya Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070
7	68 th	29-03-2017	Board Room of ONGC, 5 th Floor, Pandit Deendayal Upadhyaya Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070

The necessary quorum was present for all the meetings.

The details of Director's attendance in the Board Meetings during 1st April, 2016 to 31st March, 2017 are as follows:

Sl. No.	Name of Directors	Executive/ Non-Executive/ Independent	No. of Meetings Held	No. of Meetings Attended
1	Shri Dinesh K. Sarraf (DIN:00147870)	Chairman & Non-Executive Director	7	6
2	Shri Avinash Joshi ¹ (DIN: 06723083)	Managing Director	2	2
3	Shri T.K. Sengupta (DIN: 06802877)	Non-Executive Director	7	7
4	Shri A.K. Srinivasan (DIN: 07168305)	Non-Executive Director	7	6
5	Shri M. Ravindran ² (DIN: 02309551)	Non-Executive Director	4	2
6	Shri M.M. Chitale (DIN: 00101004)	Independent & Non-Executive Director	7	5
7	Shri S. Balachandran (DIN: 01962996)	Independent & Non-Executive Director	7	7
8	Shri M.B. Lal (DIN: 00129965)	Non-Executive Director	7	6
9	Shri P.K. Gupta (DIN: 01237706)	Non-Executive Director	7	5
10	Ms. Suman Singh Gaur ³ (DIN: 07284641)	Non-Executive Director	5	4
11	Shri Sanjib Datta ⁴ (DIN: 07008785)	Non-Executive Director	3	2

Note:

1. Shri Avinash Joshi was appointed as a Managing Director with effect from 1st February, 2017.
2. Shri M. Ravindran ceased to be Director with effect from 18th January, 2017.
3. Ms. Suman Singh Gaur ceased to be Director with effect from 31st January, 2017.
4. Shri Sanjib Datta was appointed as a Director with effect from 18th January, 2017.



Board Meeting

4. Board Committees

The Board constitutes its need based Committees from time to time and as per Statutory requirement and at the time of their constitution fixes the term of reference for each such Committee. However, some of the Committees have specific assignment delegated to them whereas the others being standing Committees are permanent in nature and have to meet from time to time. The tenure of the former types of Committees expire after accomplishment of specific objective set for them whereas the tenure for Standing Committees is unlimited although the constitution and mandate of such Standing Committees keep changing based on the needs for such change.

Presently, the Board has eleven Committees and in each Committee Independent Director is one of the members. Normally, all Committees meet regularly on need basis during the year. The recommendations of the Committees are submitted to the entire Board for approval. During the year, recommendations of the Committees were either approved or further direction is given.

The Board or its Committees also take decision by circular resolutions in case of business exigency or urgency.

Shri Subodh Prasad Pankaj, Company Secretary of the Company acts as a coordinator to all the following Committees of the Board.

(i) Audit Committee

Audit Committee helps the Board 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.

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.

Composition of the Committee with effect from 23rd February, 2017 is 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 A.K. Srinivasan	Non-Executive Director	Member
3	Shri M.M. Chitale	Independent & Non-Executive Director	Member

Audit Committee met three times during the financial year 2016-17. These meetings were held on 17th May, 2016, 3rd November, 2016 and 12th January, 2017. All the above members have adequate knowledge and vast experience in the field of Finance and Accounting. Further Shri T.K. Sengupta-Director, Shri M.B. Lal-Director and Shri P.K. Gupta-Director, Shri Avinash Joshi-Managing Director and Shri Trinath Behera-Chief Finance Officer are invitees to the Audit Committee meeting.

(ii) HR Committee

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

Composition of the Committee with effect from 23rd February, 2017 is as follows:

SI. No.	Members of the Committee	Executive/Non-Executive/Independent	Position in the Committee
1	Shri S. Balachandran	Independent & Non-Executive Director	Chairman
2	Shri Avinash Joshi	Managing Director	Member
3	Shri T. K. Sengupta	Non-Executive Director	Member
4	Shri M.B. Lal	Non-Executive Director	Member
5	Shri P.K. Gupta	Non-Executive Director	Member

HR Committee met five times during the financial year 2016-17. These meetings were held on 19th April, 2016, 17th May, 2016, 18th May, 2016, 12th July, 2016 and 12th January, 2017.

(iii) Project Review Committee

Project Review Committee was constituted to review the project related activities and apprise the status to the Board.

Composition of the Committee with effect from 23rd February, 2017 is as follows:

SI. No.	Members of the Committee	Executive/Non-Executive/Independent	Position in the Committee
1	Shri T.K. Sengupta	Non-Executive Director	Chairman
2	Shri Avinash Joshi	Managing Director	Member
3	Shri A.K. Srinivasan	Non-Executive Director	Member
4	Shri S. Balachandran	Independent & Non-Executive Director	Member
5	Shri M.B. Lal	Non-Executive Director	Member
6	Shri P.K. Gupta	Non-Executive Director	Member

During the financial year 2016-17, four Project Review Committee meetings were held. These meetings were held on 18th June, 2016, 25th July, 2016, 28th October, 2016 and 29th March, 2017.

(iv) Marketing Committee

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

Composition of the Committee with effect from 23rd February, 2017 is as follows:

SI. No.	Members of the Committee	Executive/Non-Executive/Independent	Position in the Committee
1	Shri T.K. Sengupta	Non-Executive Director	Chairman
2	Shri Avinash Joshi	Managing Director	Member
3	Shri A.K. Srinivasan	Non-Executive Director	Member
4	Shri S. Balachandran	Independent & Non-Executive Director	Member
5	Shri M.B. Lal	Non-Executive Director	Member

Marketing Committee met three times during the financial year 2016-17. These meetings were held on 31st August, 2016, 2nd December, 2016 and 23rd February, 2017.

(v) Financial Management 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 of the Committee with effect from 23rd February, 2017 is 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 T.K. Sengupta	Non-Executive Director	Member
3	Shri A.K. Srinivasan	Non-Executive Director	Member
4	Shri M.M. Chitale	Independent & Non-Executive Director	Member
5	Shri Sanjib Datta	Non-Executive Director	Member

Financial Management Committee met five times during the financial year 2016-17. These meetings were held on 19th April, 2016, 12th July, 2016, 14th October, 2016, 12th January, 2017 and 14th March, 2017.

(vi) Nomination & Remuneration Committee

The nomination and remuneration Committee determines and recommend to the Board the compensation payable to Directors, Functional Head, VP & above level positions. All board level compensation is approved by the shareholders and disclosed.

Composition of the Committee with effect from 23rd February, 2017 is 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 T.K. Sengupta	Non-Executive Director	Member
3	Shri M.M. Chitale	Independent & Non-Executive Director	Member
4	Shri M.B. Lal	Non-Executive Director	Member

Nomination and Remuneration Committee met seven times during the financial year 2016-17. These meetings were held on 10th May, 2016, 12th July, 2016, 23rd September, 2016, 2nd December, 2016, 23rd December, 2016, 23rd February, 2017 and 29th March, 2017.

(vii) Share Allotment Committee

Role of Share Allotment Committee is to issue and allotment of Securities in the Company. Composition of the Committee with effect from 23rd February, 2017 is as follows:

Sl. No.	Members of the Committee	Executive/Non-Executive/Independent	Position in the Committee
1	Shri T.K. Sengupta	Non-Executive Director	Chairman
2	Shri A.K. Srinivasan	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 one time during the financial year 2016-17. Meeting was held on 12th July, 2016.

(viii) Empowered Committee

The Empowered Committee of the Board was constituted to approve critical issues related to completion & commissioning of Plant.

Composition of the Committee with effect from 23rd February, 2017 is 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 T.K. Sengupta	Non-Executive Director	Member
3	Shri A.K. Srinivasan	Non-Executive Director	Member
4	Shri M.B. Lal	Non-Executive Director	Member
5	Shri P.K. Gupta	Non-Executive Director	Member

Committee met three times during the financial year 2016-17. These meetings were held on 11th April, 2016, 16th June, 2016 and 11th November, 2016.

(ix) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Board was constituted to perform various CSR activities. Composition of the Committee with effect from 23rd February, 2017 is as follows:

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

CSR Committee is supported by the CSR Sub-Committee to perform the following Roles in the Company:

- (i) To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII.
- (ii) To recommend the amount of expenditure to be incurred on the CSR activities specified in Schedule VII.
- (iii) To monitor the CSR Policy of the Company from time to time.
- (iv) Such other activities as are incidental for implementing the CSR projects in line with the requirements of the Companies Act, 2013 and rules made thereunder.
- (v) Committee shall place on record the CSR activities undertaken during the year in the Annual Report to Board.
- (vi) To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- (vii) To carry out such other functions, as may be prescribed by the Act or CSR Rules or as may be delegated by the Board, from time to time.

Corporate Responsibility Committee met one time during the financial year 2016-17. Meeting was held on 29th March, 2017.

(x) Risk Management Committee

Risk Management Committee was constituted in the 63rd Board Meeting held on 25th July, 2016 to implement a Risk Management Policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company. Accordingly Board in its 63rd meeting held on 25th July, 2016 approved the Risk Management Policy of OPaL. Further 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 of the Committee with effect from 23rd February, 2017 is as follows:

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

During the financial year 2016-17 Committee met once on 29th March, 2017.

(xi) Operation Review Committee

The Board in its 67th meeting held on 23rd February, 2017 constituted an Operation Review Committee of the Board to review the operation of the Company.

Composition of the Committee with effect from 23rd February, 2017 is as follows:

Sl. No.	Members of the Committee	Executive/Non-Executive/Independent	Position in the Committee
1	Shri T.K. Sengupta	Non-Executive Director	Chairman
2	Shri Avinash Joshi	Managing Director	Member
3	Shri A.K. Srinivasan	Non-Executive Director	Member
4	Shri S. Balachandran	Independent & Non-Executive Director	Member
5	Shri M.B. Lal	Non-Executive Director	Member

There was no meeting held during the financial year 2016-17.

5. General Meetings

Details of Annual General Meetings held during preceding three years are as under:

Sl. No.	Year	No. of Meetings	Date of Meetings	Time	Place of Meeting	No. of Special Resolution
1	2013-14	8 th AGM	12-09-2014	13:00 hrs	Omkara Building, Sai Chokdi, Manjalpur, Vadodara-390011	Nil
2	2014-15	9 th AGM	17-09-2015	17:15 hrs	Omkara Building, Sai Chokdi, Manjalpur, Vadodara-390011	One
3	2015-16	10 th AGM	29-09-2016	15:00 hrs	Omkara Building, Sai Chokdi, Manjalpur, Vadodara-390011	One

Attendance of Directors in the 10th Annual General Meeting held on 29th September, 2016 is as under:

Sl. No.	Name of Directors	Executive/Non-Executive/Independent	Attendance at the Meeting
1	Shri Dinesh K. Sarraf	Chairman & Non-Executive Director	No
2	Shri T.K. Sengupta	Non-Executive Director	No
3	Shri A.K. Srinivasan	Non-Executive Director	No
4	Shri M. Ravindran	Non-Executive Director	No
5	Shri M.M. Chitale	Independent & Non-Executive Director	Yes
6	Shri S. Balachandran	Independent & Non-Executive Director	Yes
7	Shri M.B. Lal	Non-Executive Director	Yes
8	Ms. Suman Singh Gaur	Non-Executive Director	No
9	Shri P.K. Gupta	Non-Executive Director	No

During the financial year 2016-17 two Extraordinary General Meetings (EGM) were held and the details are as under:

Sl. No.	No. of Meetings	Date of Meetings	Time	Place of Meeting
1	6 th EGM	31-01-2017	12:30 hrs	1 st Conference Room of ONGC, 2 nd Floor, Pandit Deendayal Upadhyaya Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi - 110070
2	7 th EGM	14-03-2017	15:00 hrs	Conference Room No. 5031 of ONGC, 5 th Floor, Pandit Deendayal Upadhyaya Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi - 110070

Attendance of Directors in 6th Extraordinary General Meeting held on 30th January, 2017 and 7th Extraordinary General Meeting held on 14th March, 2017 are as under:

Sl. No.	Name of Directors	Executive/Non-Executive/Independent	Attendance at 6 th EGM	Attendance at 7 th EGM
1	Shri Dinesh K. Sarraf	Chairman & Non-Executive Director	Yes	Yes
2	Shri T.K. Sengupta	Non-Executive Director	Yes	Yes
3	Shri A.K. Srinivasan	Non-Executive Director	Yes	Yes
4	Shri M.M. Chitale	Independent & Non-Executive Director	No	No
5	Shri S. Balachandran	Independent & Non-Executive Director	No	Yes
6	Shri M.B. Lal	Non-Executive Director	No	Yes
7	Ms. Suman Singh Gaur ¹	Non-Executive Director	No	-
8	Shri P.K. Gupta	Non-Executive Director	No	No
9	Shri Sanjib Datta ²	Non-Executive Director	No	No
10	Shri Avinash Joshi ³	Managing Director	-	Yes

Note:

1. Ms. Suman Singh Gaur ceased to be Director from the Board of OPaL with effect from 31st January, 2017.
2. Shri Sanjib Datta was appointed as a Director with effect from 18th January, 2017.
3. Shri Avinash Joshi was appointed as a Managing Director with effect from 1st February, 2017.

6. Governance Policies

At OPaL, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. Therefore, we have adopted various policies to carry out our business in an effective and efficient manner. Some of these policies are:

- Health, Safety and Environment (HSE) Policy
- Whistle Blower Policy
- Corporate Social Responsibility Policy
- Risk Management Policy
- Nomination and Remuneration Policy
- HR Policy

7. Legal Compliance Mechanism

As per Section 205 of the Companies Act, 2013, the functions of the Company Secretary inter-alia, shall include, - "To report to the Board about compliance with the provisions of this Act, the rules made thereunder and other laws applicable to the company." Company Secretary shall report to the Board about the compliance of the Act, Rules and other laws applicable to the Company. In compliance of Section 205 of the Companies Act, 2013, Legal Compliance mechanism has been established in OPaL.

8. Role of Company Secretary in Overall Governance Process

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

9. Shareholding Pattern as on 31st March, 2017

Shareholding Pattern of the Company as on 31st March, 2017 is as follows:

Sl. No.	Name of Shareholders/Member	No. of Equity Shares held @ ₹ 10/- each	% of Shares held
1	Oil and Natural Gas Corporation Limited	99,79,55,639	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)	24,999	0.00 %
	Total	202,19,29,671	100 %

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



(Dinesh K. Sarraf)
Chairman

Place: New Delhi

Date: 5th July, 2017

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

 (As on the financial year ended on 31st March, 2017)

[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	1 st Floor, Omkara Building, Sai Chokdi, Manjalpur, Vadodara-390011, Gujarat. Telephone No. : 0265 - 6192600 Fax No: 0265 - 6192666 Email: secretarial@opalindia.in. Website: www.opalindia.in
(vi)	Whether Listed Company	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	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 Issue of Compulsorily Convertible Debentures (CCDs) 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 shall be stated :

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 2016-17 HDPE, LLDPE, PP, CBFS, C9+Fraction, Benzene, Butadiene, Butene-1 and MFO was 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: Pandit Deendayal Upadhyaya Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi - 110070	L74899DL1993GOI054155	Associate	49.36%	Section 2 (6) of 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 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, 2016)				No. of Shares held at the end of the year (i.e. March 31, 2017)				% of 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	-	202,19,04,672	202,19,04,672	100	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	-	202,19,04,672	202,19,04,672	100	-	202,19,04,672	202,19,04,672	100	-
(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 (A) = (A) (1) + (A) (2)	-	202,19,04,672	202,19,04,672	100	-	202,19,04,672	202,19,04,672	100	-
(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) FIIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (Specify)	-	-	-	-	-	-	-	-	-
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	-	24,999	24,999	0.00	-
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
	-	-	-	-	-	-	-	-	-
(c) Others (Specify)									
	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	-	24,999	24,999	0.00	-	24,999	24,999	0.00	-
Total Public Shareholding (B) = (B) (1) + (B) (2)	-	24,999	24,999	0.00	-	24,999	24,999	0.00	-
(C) Shares held by custodian for GDRs & ADRs									
Total (C)	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	202,19,29,671	202,19,29,671	100	-	202,19,29,671	202,19,29,671	100	-

(ii) Shareholding of Promoters :

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year (i.e. April 01, 2016)			Shareholding at the end of the year (i.e. March 31, 2017)			% of Change 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 %	99,79,55,639	49.36 %	0.00 %	0.00 %
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 %	202,19,04,672	100 %	0.00 %	0.00 %

(iii) Change in Promoters' Shareholding (please specify, if there is no change) :

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 01.04.2016		Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
				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	01.04.2016	-	99,79,55,639	49.36 %	99,79,55,639	49.36 %
	Increase during the Year	-	-	-	-	99,79,55,639	49.36 %
	Decrease during the Year	-	-	-	-	99,79,55,639	49.36 %
	At the end of the Year	31.03.2017	-	-	-	99,79,55,639	49.36 %
2	GAIL (India) Limited (GAIL)						
	At the beginning of the Year	01.04.2016	-	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	31.03.2017	-	-	-	99,49,45,000	49.21 %

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 01.04.2016		Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
3	Gujarat State Petroleum Corporation Limited (GSPC)						
	At the beginning of the Year	01.04.2016	-	2,90,04,033	143 %	2,90,04,033	143 %
	Increase during the Year	-	-	-	-	2,90,04,033	143 %
	Decrease during the Year	-	-	-	-	2,90,04,033	143 %
	At the end of the Year	31.03.2017	-	-	-	2,90,04,033	143 %

(iv) Shareholding Pattern of Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) :

Sl. No.	For each of the Top10 Shareholders	Shareholding at the beginning of the year as on 01.04.2016		Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Shri Sunil Kumar Gupta				
	At the beginning of the Year	5000	0.00 %	5000	0.00 %
	Bought during the Year	0	0.00 %	5000	0.00 %
	Sold/Transfer during the Year	0	0.00 %	5000	0.00 %
	At the end of the Year	5000	0.00 %	5000	0.00 %
2	Shri Neeraj Lal				
	At the beginning of the Year	5000	0.00 %	5000	0.00 %
	Bought during the Year	0	0.00 %	5000	0.00 %
	Sold/Transfer during the Year	0	0.00 %	5000	0.00 %
	At the end of the Year	5000	0.00 %	5000	0.00 %
3	Shri Sidharatha Sur				
	At the beginning of the Year	5000	0.00 %	5000	0.00 %
	Bought during the Year	0	0.00 %	5000	0.00 %
	Sold/Transfer during the Year	0	0.00 %	5000	0.00 %
	At the end of the Year	5000	0.00 %	5000	0.00 %

Sl. No.	For each of the Top10 Shareholders	Shareholding at the beginning of the year as on 01.04.2016		Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
4	Shri Vijay N. Iyah				
	At the beginning of the Year	4999	0.00 %	4999	0.00 %
	Bought during the Year	0	0.00 %	4999	0.00 %
	Sold/Transfer during the Year	0	0.00 %	4999	0.00 %
	At the end of the Year	4999	0.00 %	4999	0.00 %
5	Shri A. Satish Kumar				
	At the beginning of the Year	4997	0.00 %	4997	0.00 %
	Bought during the Year	0	0.00 %	4997	0.00 %
	Sold/Transfer during the Year	0	0.00 %	4997	0.00 %
	At the end of the Year	4997	0.00 %	4997	0.00 %
6	Shri Vivek Chandrakant Tongaonkar				
	At the beginning of the Year	1	0.00 %	1	0.00 %
	Bought during the Year	0	0.00 %	1	0.00 %
	Sold/Transfer during the Year	0	0.00 %	1	0.00 %
	At the end of the Year	1	0.00 %	1	0.00 %
7	Shri Kotipalli Satyanarayana				
	At the beginning of the Year	1	0.00 %	1	0.00 %
	Bought during the Year	0	0.00 %	1	0.00 %
	Sold/Transfer during the Year	0	0.00 %	1	0.00 %
	At the end of the Year	1	0.00 %	1	0.00 %
8	Shri R. Banerjee				
	At the beginning of the Year	1	0.00 %	1	0.00 %
	Bought during the Year	0	0.00 %	1	0.00 %
	Sold/Transfer during the Year	0	0.00 %	1	0.00 %
	At the end of the Year	1	0.00 %	1	0.00 %

(v) Shareholding of Directors and Key Managerial Personnel as on 31st March, 2017 :

During the Financial Year 2016-17, no Directors and Key Managerial Personnel (KMP) of the Company holds any shares in the Company, except the following :

Sl. No.	For each of the Directors and Key Managerial Personnel (KMP)	Shareholding at the beginning of the year as on 01.04.2016		Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Key Managerial Personnel (KMP)				
1	Shri Kotipalli Satyanarayana ¹				
	At the beginning of the Year	1	0.00 %	1	0.00 %
	Bought during the Year	0	0.00 %	1	0.00 %
	Sold/Transfer during the Year	0	0.00 %	1	0.00 %
	At the end of the Year	1	0.00 %	1	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

V. INDEBTEDNESS:

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

(₹ in Million)

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year as on 01.04.2016				
i) Principal Amount	173931.85	38855.00	-NIL-	212786.85
ii) Interest due but not paid	-NIL-	-NIL-	-NIL-	-NIL-
iii) Interest accrued but not due	1.84	-NIL-	-NIL-	1.84
Total (i+ii+iii)	173933.69	38855.00	-NIL-	212788.69
Change in Indebtedness during the financial year				
Addition	14016.42	128428.85	-NIL-	142445.30
Reduction	-45781.45	-48998.98	-NIL-	-94780.44
Net Change	-31765.03	79429.87	-NIL-	47664.84
Indebtedness at the end of the financial year as on 31.03.2017				
i) Principal Amount	142166.86	114672.81	-NIL-	256839.67
ii) Interest due but not paid	-NIL-	-NIL-	-NIL-	-NIL-
iii) Interest accrued but not due	1.80	3612.06	-NIL-	3613.86
Total (i+ii+iii)	142168.66	118284.87	-NIL-	260453.53

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors 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 (b) Value of perquisites u/s 17 (2) Income Tax Act, 1961 (c) Profits in lieu of salary under Section 17 (3) Income Tax Act, 1961	0.88	-	-	0.88
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	0.88	-	-	0.88
	Ceiling as per the Act	<i>As per clause D of Section III of Part II of Schedule V of the Companies Act, 2013</i>			

Note:

The Company does not have any Whole-time Director and/or Manager during the Financial Year 2016-17 except Shri Avinash Joshi as Managing Director.

* During the Financial Year 2016-17, Shri Avinash Joshi (IAS) appointed as Managing Director of the Company with effect from 1st February, 2017 and further appointed as Key Managerial Personnel (KMP) with effect from 1st May, 2017.

B. Remuneration to other Directors :

(₹ in Million)

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Shri S. Balachandran	Shri M.M. Chitale	
1	Independent Directors • Fee for attending Board/Committee meetings • Commission • Others, please specify	0.540	0.255	0.795
	Total (1)	0.540	0.255	0.795
2	Other Non-Executive Directors • Fee for attending Board/Committee meetings • Commission • Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B) = (1) + (2)	0.540	0.255	0.795
	Total Managerial Remuneration	0.540	0.255	0.795
	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	Name of MD/WTD/Manager			Total Amount
		K. Satyanarayana CEO *	S.P. Pankaj Company Secretary	Trinath Behera CFO	
1	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	4.94	2.73	4.69	12.36
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	4.94	2.73	4.69	12.36

Note:

 * Shri K. Satyanarayana, ceased to be Chief Executive Officer (CEO) and Key Managerial Personnel (KMP) of the Company with effect from 30th April, 2017.

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, if any (give details)
(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 2016-17.

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



(Dinesh K. Sarraf)
Chairman

Place: New Delhi
Date: 5th July, 2017

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	01.04.2016 to 31.03.2017	Purchase of Feed stock from time to time at market determined price (Rs. 16,174.88 million)	Does not require Board Approval	Nil
	Reimbursement of Expenses on behalf of OPaL	01.04.2016 to 31.03.2017	Reimbursement of Salary to ONGC, for employees on deputation (Rs. 85.64 million)	Does not require Board Approval	Nil
	Reimbursement of Expenses by ONGC	01.04.2016 to 31.03.2017	Reimbursement of Directors nomination fee and travelling expenses by ONGC, (Rs. 0.30 million)	Does not require Board Approval	Nil
GAIL (India) Limited (GAIL) (Joint Venturer)	Reimbursement of Expenses on behalf of OPaL	01.04.2016 to 31.03.2017	Reimbursement of Salary to GAIL India Ltd., for employees on deputation (Rs. 10.67 million)	Does not require Board Approval	Nil
	Purchase of Gas	01.04.2016 to 31.03.2017	Purchase of Gas from time to time at market determined price (Rs. 635.70 million)	Does not require Board Approval	Nil
Gujarat State Petroleum Corporation Ltd. (GSPC) (Joint Venturer)	Purchase of Gas	01.04.2016 to 31.03.2017	Purchase of Gas from time to time at market determined price (Rs. 3028.76 million)	Does not require Board Approval	Nil
Dahej SEZ Limited (DSL) (Common Directorship)	Lease Rental	01.04.2016 to 31.03.2017	Lease rent for land and DSZ charges (Rs. 84.64 million)	Does not require Board Approval	Nil
Mangalore Refinery & Petrochemical (MRPL) (Common Directorship)	Reimbursement of Expenses on behalf of OPaL	01.04.2016 to 31.03.2017	Reimbursement of Salary to MRPL, for employees on deputation (Rs. 6.08 million)	Does not require Board Approval	Nil
Shri Avinash Joshi (MD)	Employment	01.04.2016 to 31.03.2017	Remuneration to KMP (Rs. 0.88 million)	-	Nil
Shri K. Satyanarayana (CEO)	Employment	01.04.2016 to 31.03.2017	Remuneration to KMP (Rs. 4.94 million)	-	Nil
Shri Trinath Behera (CFO)	Employment	01.04.2016 to 31.03.2017	Remuneration to KMP (Rs. 4.69 million)	-	Nil
Shri Subodh Prasad Pankaj (Company Secretary)	Employment	01.04.2016 to 31.03.2017	Remuneration to KMP (Rs. 2.73 million)	-	Nil
Shri J. S. Saini (COO)*	Employment	01.04.2016 to 08.06.2016	Related party (Rs. 0.87 million)	-	Nil
Shri Saumya Chakraborty (COO)*	Employment	01.03.2017 to 31.03.2017	Related party (Rs. 0.39 million)	-	Nil
Shri Manoj Kumar Srivastava (President)	Employment	15.03.2017 to 31.03.2017	Related party (Rs. 0.21 million)	-	Nil
Remuneration to Shri Santosh Kotipali (Relative of CEO, KMP)**	Employment	Employment till 31.10.2015	Remuneration to Relatives of KMP (Rs. 0.02 million)	-	Nil

*During the FY 2016-17, Shri J. S. Saini (COO) was on deputation from GAIL till 8th June, 2016 and Shri Saumya Chakraborty was appointed on OPaL roll from 1st March, 2017

** Shri Santosh Kotipali was in employment till 31st October, 2015 and Rs. 0.02 million paid as variable pay in financial year 2016-17.

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



(Dinesh K. Sarraf)
Chairman

Date: 5th July, 2017
Place: New Delhi

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

1. Recycling of MP condensate from Process Steam system to Deaerator to maximize heat recovery and minimize water losses.
2. Optimizing excess air in Furnaces/ boilers for minimizing fuel consumption.
3. Use of Steam turbine driven pumps and keeping electric motor driven pumps in standby.
4. Enabling of performance controllers and anti-surge automation for optimized operation of big centrifugal compressors in DFCU.
5. Minimizing CG compressor discharge pressure for reducing power consumption.
6. Most of the motors in polymer plants are with VFD facility to conserve power consumption.
7. Steam trap survey and optimisation of steam loss through good engineering practices.
8. Recovery of cooling tower blowdown after treatment in ECTS and using as a make up water for Cooling towers.
9. Recovery of Surface condensate and polished condensate and treatment in CPU and uses for steam generation to minimize water usage.
10. Continuous monitoring of flare system for troubleshooting H.C. losses and minimize steam consumption based on flame condition.
3. Successful adoption of first Ineos-PP technology in India and completion of PGTR (Performance Guarantee Test Run) Polypropylene plant.
4. Customer acceptance of PP and HDPE grades within a very short time.
5. Successful technology absorption of first Ineos-LLDPE/HDPE swing technology in India.
6. 'Know-why' exercises, basic investigations into the product, process and systems of technology by unpacking of a technology package. Optimization and improvement of product/process/systems and related equipments in Polymer plants.
7. Successful absorption and completion of PGTR in Butene-1 plant. Plant capacity utilisation 120 %.
8. The Utility units i.e. raw water system, RWTP (BHEL, Ranipet), IAPA/ Nitrogen (M/S BOC), CPP (M/S BHEL), Cooling towers (M/S GIL), DM Water & Condensate polishing Unit (M/S Thermax) plant have been commissioned and in operation. Respective technologies are absorbed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has earned foreign exchange equivalent to ₹ 676.09 million (Previous Year ₹ 0.21 million interest income on short term deposit with bank) on account of revenue from export sales and incurred foreign currency expenditure equivalent to ₹ 12,721.06 million (Previous Year ₹ 3611.35 million) during the accounting period ended 31st March, 2017.

B. TECHNOLOGY ABSORPTIONS

1. Technologies imported : DFCU and PGHU : M/s Linde AG, Germany, Benzene & Butadiene Unit : M/s Air Liquide (Formerly Lurgi GmbH, Germany). The technologies have been fully absorbed with Licensor training of key operation personnel in class room as well as in plant during start-up. All these plants are now fully operational and being operated by OPaL.
2. Improvements in operability by modification of Air door for pilot burners in furnaces and optimization of procedures to minimize start up time.

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



(Dinesh K. Sarraf)
Chairman

Place: New Delhi
Date: 5th July, 2017



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INDEPENDENT AUDITORS' REPORT

To,

The Members of ONGC Petro additions Limited

i. Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of **ONGC Petro additions Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss (Including other comprehensive income), the statement of Cash Flows, the statement of changes in the equity for the year then ended, and a summary of significant accounting policies and other explanatory information. (Here in after referred to as "Standalone Ind AS Financial Statements").

ii. Management's Responsibility for the Standalone Ind AS Financial Statements

The Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the act") with respect to the preparation and presentation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued there under. This responsibility 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 judgements and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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.

iii. Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Board of Directors of the company, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

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.

iv. Opinion

In our opinion and to the best of our information and according to the explanations given to us, Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2017, its financial performance including other comprehensive income, its cash flows and statement of changes in the equity for the year ended on that date.

v. 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 the Section 143(11) of the Act, we give in 'Annexure A' a statement on the matters specified in the paragraphs 3 and 4 of the said Order, to the extent applicable.

Shah Mehta & Bakshi
Chartered Accountants

- ii. Based on the verification of books of account of the Company and according to the information and explanations given to us, we give below the Directions/Additional Sub-Directions issued by the Comptroller and Auditor General of India in terms of Section 143(5) of the Act:
- In our opinion and according to the information and explanations given to us the company has executed lease deed for leasehold land and there is no leasehold land for which lease deed is pending.
 - According to information and explanations given to us, the company has waived Rs.3.80 million due from one of the customers in respect of sale made in Financial Year 2015-16. There are no other cases of waiver/write off of debts/loans/interest wherever applicable during the year.
 - As per information and explanations given to us, no inventories are lying with third parties and no gifts/grants are received from government or other authorities.
- iii. As required by Section 143(3) of the Act, we report that:
- 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;
 - 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;
 - The Balance Sheet, the statement of Profit and Loss, the statement of cash flows and the statement of changes in the equity dealt with by this Report are in agreement with the books of account;
 - 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 relevant rule issued there under;
 - On the basis of the written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
 - 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", and
 - 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:
 - The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements - refer to Note No. 40 to Standalone Ind AS Financial Statements.
 - The Company has made adequate provision as required under the applicable law or accounting standard, for material foreseeable losses if any on long term contracts. However the company has not entered into any derivative contract.
 - There are no amounts that are required to be transferred to the Investor Education and Protection Fund by the company.
 - The disclosure requirement as envisaged in Notification G.S.R 308(E) dated 30th March, 2017 is not applicable to company - Refer Note -14.1.

For Shah Mehta & Bakshi
Chartered Accountants
Firm Registration No. 103824W


(JP Shah)
Partner

Membership No. 115
Place: Vadodara
Date: 22nd May, 2017



Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Standalone Ind AS Financial Statements for the year ended 31st March, 2017, 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 its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, fixed assets 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 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, investment, guarantees and the securities as envisaged u/s 185 & 186 of the Act.
- v. In our opinion and according to information & explanations given to us, the Company has not accepted any deposits from the public as per the provisions of the Act.
- vi. The maintenance of cost records as required under rule-3 of the Companies (Cost Records & Audit) Rules, 2014 (as amended) is not applicable as the turnover of the company during the preceding financial year is less than prescribed limit.
- vii. According to the information and explanations given to us in respect of statutory dues:
 - (a) The company is generally regular in depositing the amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Value Added Tax, Service Tax, Custom Duty, Cess and any other statutory dues, as applicable, with the appropriate authorities. As explained to us, the company did not 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, Value Added Tax, Service Tax, Custom Duty, Cess and other statutory dues in arrears as on 31st March, 2017 for the period of more than six months from the date they become payable.
 - (b) According to information and explanations given to us there are no disputed statutory dues as on 31st March, 2017 which have not been deposited except an amount of Rs. 2 million (Previous year Rs. 2 million) in respect of demand for stamp duty by the Deputy Commissioner of Revenue and Stamp, Mumbai for the year 2009.
- 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 & Government or dues to debenture holder.
- ix. The company raised money by way of term loan 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.

The company has not raised any money either by way of initial public offer or further public offer (Including debt instruments).
- x. According to the 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 the 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.

Shah Mehta & Bakshi
Chartered Accountants

- 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 the Standalone Ind AS Financial Statements as required by applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the company, the company has issued fully Compulsory Convertible Debentures (CCD) on private placement basis during the year under review. Pending utilisation, the funds were temporarily used for the purpose other than for which they were raised but were ultimately utilised for stated end use.
- 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 Shah Mehta & Bakshi
Chartered Accountants

Firm Registration No. 103824W


(JP Shah)
Partner

Membership No. 30415
Place: Vadodara
Date: 22nd May, 2017.



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")

We have audited the internal financial controls over financial reporting of **ONGC Petro additions Limited** ("the Company") as of 31st of March, 2017 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 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, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that 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 principles, 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.

Shah Mehta & Bakshi
Chartered Accountants

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 2017, 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 Shah Mehta & Bakshi
Chartered Accountants**

Firm Registration No. 103824W


(JP Shah)
Partner
Membership No. 115
Place: Vadodara
Date: 22nd May, 2017.





**Balance Sheet
Profit and Loss
Cash Flows**

Financial Statements for the Year 2016-17

ONGC Petro additions Limited Balance Sheet



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

Sl. No.	Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS					
(1)	Non-current assets				
	(a) Property, plant and equipment	4	225,577.57	27,577.13	1,394.89
	(b) Capital work-in-progress	5	47,662.16	198,607.91	186,147.20
	(c) Intangible assets	6	114.59	139.08	143.04
	(d) Intangible assets under development	7	24.66	1.86	1.20
	(e) Financial assets				
	(i) Loans	8	303.70	303.30	174.07
	(f) Non current tax assets	9	16.42	13.70	12.71
	(g) Other non-current assets	10	8,302.94	26,643.07	30,764.17
	(h) Deferred Tax Asset (Liability)	11	1,459.49	(1,020.08)	-
	Total non-current assets		283,461.53	252,265.97	218,637.28
(2)	Current assets				
	(a) Inventories	12	9,555.38	361.90	-
	(b) Financial assets				
	(i) Trade receivables	13	341.62	8.34	-
	(ii) Cash and cash equivalents	14	52.43	6.60	830.67
	(iii) Bank balances other than (ii) above	15	19.05	211.64	998.10
	(c) Other current assets	10	2,380.16	89.42	54.61
	Total current assets		12,348.64	677.90	1,883.38
	Total assets		295,810.17	252,943.87	220,520.66
EQUITY AND LIABILITIES					
(1)	Equity				
	(a) Equity share capital	16	20,219.30	20,219.30	20,219.30
	(b) Other equity	17	8,110.26	16,933.95	7,449.06
	Total equity		28,329.56	37,153.25	27,668.36
(2)	Liabilities				
	Non-current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	18	179,861.25	128,130.65	146,347.28
	(ii) Other financial liabilities	19	-	1,384.48	711.04
	(b) Provisions	20	78.92	47.39	15.31
	Total non-current liabilities		179,940.17	129,562.52	147,073.63
(3)	Current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	18	63,887.48	60,255.00	40,859.86
	(ii) Trade payable	21	4,184.27	-	-
	(iii) Other financial liabilities	19	19,292.69	25,880.11	4,767.58
	(b) Provisions	20	2.83	8.64	2.62
	(c) Other current liabilities	22	173.17	84.35	148.61
	Total current liabilities		87,540.44	86,228.10	45,778.67
	Total liabilities		267,480.61	215,790.62	192,852.30
	Total equity and liabilities		295,810.17	252,943.87	220,520.66

See accompanying notes to the financial statements 1-47.

For Shah Mehta & Bakshi

Chartered Accountants

(J P Shah)
Partner
M No: 033115
FRN No: 103824W

(Subodh Prasad Pankaj)
Company Secretary

For and on behalf of the OPaL Board

(Trinath Behera)
Chief Finance Officer

(Manoj Kumar Srivastava)
President

(T.K. Sengupta)
Director

(Avinash Joshi)
Managing Director

Place : New Delhi
Date : 22nd May, 2017

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, 2017	For the year ended March 31, 2016
I	Revenue from operations	23	1,094.48	37.75
II	Other income	24	44.28	0.61
III	Total Income (I+II)		1,138.76	38.36
IV	EXPENSES			
	Cost of raw materials consumed	25	6,545.99	-
	Purchases of stock-in-trade	26	-	42.41
	Changes in inventories of finished goods, WIP, stock in trade	27	(6,663.97)	(0.56)
	Employee benefit expense	28	164.06	-
	Selling & Distribution expenses	29	88.31	-
	Finance costs	30	7,055.47	311.70
	Depreciation	31	3,427.32	247.57
	Other expenses	32	1,823.11	166.25
	Total expenses (IV)		12,440.29	767.37
V	Profit/(Loss) before tax (III-IV)		(11,301.53)	(729.01)
VI	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax	33	(2,479.57)	1,020.08
			(2,479.57)	1,020.08
VII	Profit/(Loss) for the year (V-VI)		(8,821.96)	(1,749.09)
VIII	Other Comprehensive income			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of the defined benefit plans		(1.73)	-
	(ii) Income tax relating to above		-	-
	Total other comprehensive income		(1.73)	-
IX	Total comprehensive income for the year (VII+VIII)		(8,823.69)	(1,749.09)
X	Earnings per equity share (Face value of Rs. 10/- each):			
	(1) Basic & Diluted (in Rs.)	34	(4.36)	(0.87)

See accompanying notes to the financial statements 1-47

For Shah Mehta & Bakshi
Chartered Accountants


(J P Shah)
Partner
M No: 033115
FRN No: 103824W




(Subodh Prasad Pankaj)
Company Secretary

For and on behalf of the OPAL Board


(Trinath Behera)
Chief Finance Officer


(Manoj Kumar Srivastava)
President


(T.K. Sengupta)
Director


(Avinash Joshi)
Managing Director

Place : New Delhi
Date : 22nd May, 2017

ONGC Petro additions Limited Statement of Cash Flows



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

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Profit/(Loss) for the year		-8,823.69		-1,749.09
Adjustments for:				
Tax expense recognised in profit or loss	-2,479.57		1,020.08	
Depreciation and amortisation expense	3,427.32		247.57	
Interest expense	7,055.47		311.70	
Interest Income	-15.09		-	
Profit on sale of Property plant & equipment	-0.01		-	
		7,988.12		1,579.35
Operating Profit/ (Loss) before Changes in assets and liabilities		-835.57		-169.74
Changes in assets and liabilities:				
Inventories	-9,193.48		-361.90	
Trade and other receivables	-333.28		-8.34	
Other current assets	-2,098.15		751.65	
Other current payables	8,995.93		-2,659.27	
Provisions	25.72		38.10	
		-2,603.26		-2,239.76
Cash generated from operations		-3,438.83		-2,409.50
Income taxes paid		-2.72		-0.99
Net cash generated by/(used in) operating activities "A"		-3,441.55		-2,410.49
B. CASH FLOWS FROM INVESTING ACTIVITIES:				
Payments for property, plant and equipment including intangible assets		-34,832.48		-17,335.71
Changes in Non Current assets		18,339.73		3,991.87
Proceeds from disposal of property, plant and equipment		0.19		0.22
Net cash (used in) investing activities "B"		-16,492.56		-13,343.62
C. CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from share warrants		-		18,739.50
Refund of share application Money		-		-7,505.52
Proceeds from Borrowings		139,239.82		87,703.38
Repayments of Borrowings		-96,571.48		-62,143.89
Interest paid		-22,703.49		-21,863.43
Interest received		15.09		-
Net cash generated by financing activities "C"		19,979.94		14,930.04
Net increase/(decrease) in cash and cash equivalents (A+B+C)		45.83		-824.07
Cash and cash equivalents at the beginning of the year		6.60		830.67
Cash and cash equivalents at the end of the year		52.43		6.60

Notes:

- The above cash flow statement has been prepared under the indirect method as set out in the Ind-AS 7 on statement of Cash Flow.
- 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 Shah Mehta & Bakshi

Chartered Accountants




(J P Shah)
Partner
M No: 033115
FRN No: 103824W



(Subodh Prasad Pankaj)
Company Secretary

For and on behalf of the OPaL Board



(Trinath Behera)
Chief Finance Officer



(Manoj Kumar Srivastava)
President



(T.K. Sengupta)
Director



(Avinash Joshi)
Managing Director

Place : New Delhi
Date : 22nd May, 2017

Statement of Changes in Equity

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

(a) Equity share capital

Particulars	Amount
Balance as at April 1, 2015	20,219.30
Changes during the year	-
Balance as at March 31, 2016	20,219.30
Changes during the year	-
Balance as at March 31, 2017	20,219.30

(b) Other equity

Particulars	Reserves and Surplus			Total
	Share application money pending allotment	Retained earnings	Money received against share warrants	
Balance as at April 1, 2015 as previously reported	7,505.52	(13.47)	-	7,492.05
Share issue expense	-	(42.99)	-	(42.99)
Balance as at April 1, 2015 (I)	7,505.52	(56.46)	-	7,449.06
Loss for the year	-	(1,749.09)	-	(1,749.09)
Issue of share warrants	-	-	18,739.50	18,739.50
Refund of share application money	(7,505.52)	-	-	(7,505.52)
Remeasurement of defined benefit plans, net of tax	-	-	-	-
Total comprehensive income for the year (II)	(7,505.52)	(1,749.09)	18,739.50	9,484.89
Balance as at March 31, 2016 (III=I+II)	-	(1,805.55)	18,739.50	16,933.95
Loss for the year	-	(8,821.96)	-	(8,821.96)
Remeasurement of defined benefit plans, net of tax	-	(1.73)	-	(1.73)
Total comprehensive income for the year (IV)	-	(8,823.69)	-	(8,823.69)
Balance as at March 31, 2017 (V= III+IV)	-	(10,629.24)	18,739.50	8,110.26

See accompanying notes to the financial statements 1-47

For Shah Mehta & Bakshi
Chartered Accountants


(J P Shah)
Partner
M No: 033115
FRN No: 103824W




(Subodh Prasad Pankaj)
Company Secretary

For and on behalf of the OPAL Board


(Trinath Behera)
Chief Finance Officer


(Manoj Kumar Srivastava)
President


(T.K. Sengupta)
Director


(Avinash Joshi)
Managing Director

Place : New Delhi
Date : 22nd May, 2017

Notes to the Financial Statements for the year ended March 31, 2017 (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 1st Floor, Omkara Building, Sai Chokdi, Manjalpur, Vadodara-390011, Gujarat. The principal activity of the Company is to manufacture, purchase, sale and trade petrochemicals, petrochemical products and its byproducts.

The company is a joint venture between Oil & Natural Gas Corporation Limited (ONGC), GAIL (India) Limited (GAIL) and Gujarat State Petroleum Corporation Limited (GSPC).

2. Application of new and revised Ind AS

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

Standards/ Amendments issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share - based payment', respectively. The amendments are effective to the Company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

As the Company has not issued any stock options plans, hence this amendment will have no effect on the Company's financial statements.

3. Significant accounting policies

3.1 Statement of compliance

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016.

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). These are Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. The mandatory exceptions and optional exemptions availed by the Company of First-time adoption have been detailed in Note 3.22.

Previous period figures in the financial statements have been restated in compliance to Ind AS.

Up to the year ended March 31, 2016, the Company had prepared the financial statements under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (Previous GAAP) applicable in India and the applicable accounting standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

In accordance with Ind AS 101-"First time adoption of Indian accounting Standards" (Ind AS 101), the Company has presented a reconciliation of Shareholders' equity under Previous GAAP and Ind AS at March 31, 2016, and April 1, 2015 and of the Profit after tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended March 31, 2016. Refer note 44 and 45.

3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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.

The financial statements are presented in Indian Rupee (Rs.) and all values are rounded to the nearest two decimal million except otherwise stated.

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.

The principal accounting policies are set out below.

3.3 Revenue Recognition

Revenue arising from sale of products is recognized when the significant risks and rewards of ownership have passed to the buyer, which is at the point of transfer of goods to customers, and the revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts received or receivable for goods provided in the normal course of business, net of discounts; value added tax, central sales tax and custom.

Interest Income

Interest incomes from financial assets are recognised at the effective interest rate applicable in initial recognition.

Revenue with respect to other operating income and other income is recognised when a reasonable certainty as to its realization exist.

3.4 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and

rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases.

Land under non-perpetual leases are treated as operating lease payments.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

3.5 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 recognised 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 recognised in statement of profit and loss in the period in which they arise.

Exchange difference arising in respect of long term foreign currency monetary items that relates to acquisition of a depreciable capital asset are added to or deducted from the cost of the asset and are depreciated over the remaining useful life of an asset.

3.6 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 recognised in profit or loss in the period in which they are incurred.

3.7 Employee Benefits

Employee benefits include provident fund, gratuity and leave encashment.

Defined contribution plans

Employee benefit under defined contribution plan comprising of provident fund is recognized based on the amount of obligation of the Company to contribute to the plan. The contribution is paid to 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 the obligation under such defined benefit plan is determined based on actuarial valuation 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 flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the prevailing market yields on government bond as at the balance sheet date.

Remeasurement, 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), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or 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 benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

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

The Company contributes all ascertained liabilities with 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 recognised in the Financial Statements 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 benefits available in the form of refunds from the plans or reductions in future contributions 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 recognised 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 recognised as a liability at the present value of the obligation as at the balance sheet date.

3.8 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.

3.9 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.

3.10 Taxation

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

3.10.1 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.

3.10.2 Deferred tax

Deferred tax is recognised 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 recognised for all taxable temporary differences. Deferred tax assets are generally recognised 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 utilised.

Deferred taxes are recognised 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 realised, 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 recognised 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 realised.

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.

3.10.3 Current and deferred tax for the year

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

3.11 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 recognised impairment loss. 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 capitalised 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.

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, 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	1-60
2	Roads and Culverts	3-30
3	Plant and Machinery	5-40
4	Office equipment	3-10
5	Computer and Server	3-6
6	Furniture and fixtures	10-15
7	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 capitalised.

Major capital spares are capitalised as property, plant and equipment. Depreciation on such spares capitalised 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-recognised 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 recognised in statement of profit and loss.

3.12 Intangible assets

3.12.1 Intangible assets acquired separately

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

3.12.2 De-recognition of intangible assets

An intangible asset is derecognised 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 recognised in statement of profit and loss when the asset is derecognised.

3.12.3 Useful lives of intangible assets

Estimated useful lives of the Software is 5 Years.

3.13 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 recognised 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 recognised 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.

3.14 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.

3.15 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised 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 recognised 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 recognised 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.

Effective Interest Method

The effective interest rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial asset and financial liabilities to the gross carrying amount of a financial asset or to amortise cost of financial liability. When calculating the effective interest rate an entity shall estimate the expected cash flows by considering all the contractual terms of financial instrument but shall not consider the expected credit losses.

3.17 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3.18 Financial assets

(i) Cash and cash equivalents

The company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial assets at amortised cost

Financial assets are subsequently measured at amortised 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.

(iii) 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.

(iv) 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 amortised 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 recognised in the statement of profit and loss.

(v) 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 recognises 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.

(vi) 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 recognised in statement of profit and loss.

3.19 Financial liabilities

(i) Financial liabilities are initially recorded at a fair value and subsequently financial liability are measured at amortised 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.

(ii) 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 recognised in the statement of profit and loss.

3.20 Liquidated damages

Liquidated damages, if any, are accounted for as and when recovery is made and the matter is considered settled by Management.

3.21 Segment reporting

Operating segments are identified and reported taking into account the different risk and returns, the organization structure and the internal reporting systems.

3.22 First-time adoption - mandatory exceptions and optional exemptions

3.22.1 Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS, as

required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

3.22.2 Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015.

3.22.3 Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria based on the facts and circumstances that existed as of the transition date.

3.22.4 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 recognises 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.

3.22.5 Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.22.6 Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 'Leases' for determining whether an arrangement contains a Lease at the transition date on the basis of facts and circumstances existing at that date.

3.22.7 Long-term foreign currency monetary items

The Company has adopted the same accounting policy as per Previous GAAP for the treatment of exchange differences arising from translation of long-term foreign currency monetary items those were recognized as at March 31, 2016.

3.23 **Critical judgements in applying accounting policies**

The following are the critical judgements, apart from

those involving estimations, that the Management have made in the process of applying the Company's accounting policies and that have the significant effect on the amounts recognized in the Standalone Financial Statements.

a. Determination of functional currency

Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (Rs.) in which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (Rs.).

3.24 **Assumptions and key sources of estimation uncertainty**

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 estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

4 Property, plant and equipment (PPE)

4.1 Property plant & equipments

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

Cost or deemed cost	Factory Buildings	Other Buildings	Plant & Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Road, Culverts	Computers	Leasehold Improvement	Total
Balance at April 1, 2015 - Deemed Cost	78.65	582.26	399.71	89.56	2.27	13.95	175.85	52.06	0.58	1,394.89
Additions/adjustment during the Year	5,315.59	2.26	21,131.95	5.53	3.13	(3.19)	-	11.37	-	26,466.64
Adjustments during the Year	(3,265.82)	-	2,552.29	0.37	250.23	34.40	428.53	-	-	0.00
Deductions during the Year	-	-	-	-	-	0.46	-	0.08	-	0.54
Balance at March 31, 2016	2,128.42	584.52	24,083.95	95.46	255.63	44.70	604.38	63.35	0.58	27,860.99
Additions/Adjustments during the Year	2,896.22	327.54	197,544.71	370.16	-	17.55	222.76	14.10	-	201,393.04
Deductions/Adjustments during the Year	-	-	0.06	-	-	0.41	-	0.33	-	0.80
Balance at March 31, 2017	5,024.64	912.06	221,628.60	465.62	255.63	61.84	827.14	77.12	0.58	229,253.23

Addition includes borrowing cost capitalised Rs. 67,475.07 million (FY 2015-16 Rs. 7,813.86 million) (FY 2014-15 Nil) and Incidental Expenditure during construction period (Including Consultancy) Rs.17,749.22 Million (FY 2015-16 Rs. 1,879.20 million) (FY 2014-15 Nil).

Refer Note no. 5.1 to 5.5 relating to capitalisation of tangible PPE.

4.2 Rupee Term Loan 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 Property plant & equipments (Accumulated Depreciation)

Accumulated depreciation	Factory Buildings	Other Buildings	Plant & Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Road, Culverts	Computers	Leasehold Improvement	Total
Balance at April 1, 2015	-	-	-	-	-	-	-	-	-	-
Depreciation expense for the Year	30.17	50.98	200.39	14.01	0.47	0.56	22.48	19.14	0.58	338.78
Adjustments during the Year	(6.38)	-	(55.59)	-	2.69	0.98	3.73	-	-	(54.57)
Deductions during the Year	-	-	-	-	-	0.30	-	0.05	-	0.35
Balance at March 31, 2016	23.79	50.98	144.80	14.01	3.16	1.24	26.21	19.09	0.58	283.86
Depreciation expense for the Year	116.75	26.76	3,072.17	39.28	31.33	3.44	76.59	26.12	-	3,392.44
Deductions/ Adjustments during the Year	-	-	0.03	-	-	0.29	-	0.32	-	0.64
Balance at March 31, 2017	140.54	77.74	3,216.94	53.29	34.49	4.39	102.80	44.89	0.58	3,675.66

4.4 Property plant & equipments (Carrying amount)

Carrying Amount	Factory Buildings	Other Buildings	Plant & Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Road, Culverts	Computers	Leasehold Improvement	Total
Balance at April 1, 2015	78.65	582.26	399.71	89.56	2.27	13.95	175.85	52.06	0.58	1,394.89
Balance at March 31, 2016	2,104.63	533.54	23,939.15	81.45	252.47	43.46	578.17	44.26	-	27,577.13
Balance at March 31, 2017	4,884.10	834.32	218,411.66	412.33	221.14	57.45	724.34	32.23	-	225,577.57

4.5 The Company has elected to continue with the carrying value of its Property, plant and Equipment (PPE) recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.

5 Capital Work-in-Progress

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

Particulars	As at April 1, 2015	As at March 31, 2016	Additions & Adjustments during FY 2016-17	Capitalised during the Year 2016-17	As at March 31, 2017
Capital Work-in-Progress					
Dual Feed Cracker and Associated Units (DFCU)	47,760.45	50,718.29	20,155.47	70,873.76	-
Double Walled Storage Tank (DWST)	3,083.65	3,133.20	494.26	3,627.46	-
Distributed Control System (DCS)	207.62	235.15	28.19	-	263.34
Butene 1	1,690.88	1,713.04	101.25	1,814.29	-
Cooling Water System (CWS)	2,595.17	188.13	74.72	262.85	-
Effluent Collection & Treatment System (ECTS)	1,527.91	1,615.21	115.96	-	1,731.17
Integrated Utilities & Offsites (IU & O)	16,611.10	14,058.83	-954.28	5,432.99	7,671.56
Pipeline and Associated work	291.43	-	-	-	-
Inert Gas and Compressed Air System (IA/PA)	784.14	-	-	-	-
Captive Power Plant (CPP)	15,762.91	10,802.39	998.25	10,049.92	1,750.72
Polyethylene (PE)	10,313.08	11,608.09	3,754.75	-	15,362.84
Polypropylene (PP)	5,899.54	6,402.40	1,491.04	7,893.44	-
Product Warehouse (PWH)	2,542.43	2,148.71	56.56	2,205.27	-
Central Laboratory	1,196.60	1,615.62	261.41	1,877.03	-
High Density Poly Ethylene (HDPE)	10,175.45	10,475.39	1,071.43	11,546.82	-
Capital Inventory	-	18.88	29.28	48.16	-
Naphtha Pipeline GCPTCL to OPaL	88.28	-	-	-	-
HDPE Pipeline from OPaL to GIDC	0.03	12.59	8.21	20.80	-
Raw Water Treatment Plant	233.75	-	-	-	-
Terminal Facility for GSPTCL	-	-	-	-	-
Temporary Warehouse	-	20.99	-	20.99	-
Atali Township	0.64	6.26	0.52	-	6.78
Product Application Research Centre (PARC)	-	16.52	23.67	40.19	-
Other tangible Assets	1.21	2.11	-	2.11	-
Preservation Expenses	109.45	111.83	(111.83)	-	-
Finance and Interest Charges	52,491.85	66,229.72	15,648.02	67,514.16	14,363.58
Incidental Expenses During Construction including Consultancy	10,181.79	14,855.89	7,813.48	17,758.38	4,910.99
Green Belt Development Expenses	47.25	47.25	11.61	58.86	-
License Fee	2,250.25	2,263.88	(2,263.88)	-	-
Other Capital Inventory	-	-	9.49	-	9.49
Other Capital Work-in-Progress	-	-	18.99	-	18.99
Catalyst	300.34	307.54	-	-	307.54
Trial Run Inventory	-	-	1,265.16	-	1,265.16
Carrying amount of capital work-in-progress	186,147.20	198,607.91	50,101.73	201,047.48	47,662.16

5 Capital Work-in-progress

- 5.1** The assets constructed through Lump sum Turnkey (LSTK) EPC contracts are capitalized during the year as these assets are now ready for their intended use after successful test run. PE Swing unit and a part of DCS, CPP and IU & O assets are under capital work in progress as at 31st March, 2017. 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** The Componentization of LSTK project assets has been carried out by technical expert appointed by the company. Based on their reports, items of LSTK assets capitalized during financial year 2015-16, has been reclassified along with its useful life. The effect of the same has been given in said financial year. However such reclassification and change in useful life has no material impact on the financial position and performance of the company.
- 5.3** During the year the company has received 150 MT of Propylene from LSTK contractor M/s Technimont as a part of LSTK contract on free of cost basis. The Poly Propylene (PP) produced out of the said free supply of material along with the trial run production has been deducted from the cost of the PP plant.
- 5.4** The expenditure, not directly attributable to the project, has been charged to the statement of profit and loss account. Further variances on account of foreign currency transaction/translation arising in respect of contract awarded by the company for specific capital works, has been considered as cost of respective project to which it relates.
- 5.5** 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

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

Particulars	As at March 31, 2017		As at March 31, 2016	
Computer software				
Cost or deemed cost				
Opening balance	169.24		143.04	
Additions during the year	10.39	179.63	26.20	169.24
Less: Accumulated amortization				
Opening balance	30.16		-	
Additions during the year	34.88	65.04	30.16	30.16
Carrying amount of intangible assets		114.59		139.08

- 6.1** The Company has elected to continue with the carrying value of its intangible assets, recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of IndAS 101 'First-time Adoption of Indian Accounting Standards'.

7 Intangible assets under development

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

Carrying amount of	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Intangible assets under development	24.66		1.86		1.20	
Carrying amount of Intangible assets under development	24.66		1.86		1.20	

8 Loans

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Security deposits						
Unsecured, considered Good	303.70	-	303.30	-	174.07	-
Total	303.70	-	303.30	-	174.07	-

9 Non-Current tax assets

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-Current tax assets			
Tax deducted at source	13.35	13.61	9.99
Income tax refund due	3.07	0.09	2.72
Total	16.42	13.70	12.71

10 Other assets

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)						
(a) Capital advances	-	2,207.00	18,265.48	-	22,174.80	-
Secured, considered good						
Unsecured, considered good						
(b) Advances to related parties	-	-	0.73	-	0.91	-
(c) Advances to employees	-	0.35	-	1.61	-	0.15
(d) Prepayment						
- Prepaid expenses	-	46.66	-	41.10	-	42.00
- Prepaid land lease	8,279.56	-	8,351.12	-	8,559.23	-
- Prepaid gas transmission charges	23.38	3.84	25.74	3.49	29.23	3.49
(e) Other						
- Custom duty advance	-	97.54	-	-	-	-
- Service tax recoverable	-	24.77	-	41.45	-	8.97
- VAT credit receivable	-	-	-	1.77	-	-
Total	8,302.94	2,380.16	26,643.07	89.42	30,764.17	54.61

11 Deferred tax Assets (Liability)

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

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax assets	15,621.77	100.09	-
Deferred tax liabilities	(14,162.28)	(514.22)	-
Ind AS adjustment	-	(605.95)	-
Total	1,459.49	(1,020.08)	-

12 Inventories current

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Raw materials	1,895.11	-	-
Stock-in-trade	0.56	0.56	-
Work-in-progress	2,591.55	-	-
Finished goods	4,072.42	-	-
Stores and spares	995.74	361.34	-
Total	9,555.38	361.90	-

12.1 The mode of valuation of inventories has been stated in note 3.14.

12.2 During the year the company has changed method of valuation in respect of Raw material from existing weighted average to First in First out (FIFO). In this regard the company does not envisage any significant impact on IndAS financial statement.

13 Trade receivables - Current

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured, considered good	341.62	-	-
Unsecured, considered good	-	8.34	-
Total	341.62	8.34	-

13.1 Generally the Company makes sales to its customers against advance payment or bank guarantees.

Of the trade receivables balances as at March 31, 2017 of Rs. 341.62 Million (as at March 31, 2016 of Rs. 8.34 Million (as at April 1, 2015 of Rs. Nil) 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.

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

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Within the credit period	341.62	-	-
1-30 days past due	-	-	-
31-60 days past due	-	-	-
61-90 days past due	-	-	-
More than 90 days past due	-	8.34	-
Total	341.62	8.34	-

14 Cash and cash equivalents

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with banks :			
Current Account	52.29	6.51	30.65
Imprest	0.14	0.09	0.02
Bank deposits for original maturity upto 3 months	-	-	800.00
Total	52.43	6.60	830.67

14.1 Disclosure on specified bank notes

During the year, the Company did not had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transactions during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

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

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016			
Permitted receipts	-	-	-
Permitted payments	-	-	-
Amount deposited in Banks	-	-	-
Closing cash in hand as on December 30, 2016	-	-	-

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

15 Other bank balances

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Margin money with bank	19.05	206.93	991.41
Other Bank deposits for original maturity more than 3 months upto 12 months	-	4.71	6.69
Total	19.05	211.64	998.10

15.1 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.

16 Equity share capital

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorised :			
15,000,000,000 equity shares of Rs.10 each (as at March 31, 2016 : 15,000,000,000 equity shares of Rs. 10 each; as at April 1, 2015 : 8,000,000,000 equity shares of Rs. 10 each)	150,000.00	150,000.00	80,000.00
	150,000.00	150,000.00	80,000.00
Issued :*			
2,021,929,671 equity shares of Rs. 10 each (as at March 31, 2016 : 2,021,929,671 equity shares of Rs. 10 each; as at April 1, 2015: 4,569,561,056 equity shares of Rs. 10 each)	20,219.30	20,219.30	45,695.61
	20,219.30	20,219.30	45,695.61
Subscribed and paid up :			
2,021,929,671 equity shares of Rs. 10 each (as at March 31, 2016 : 2,021,929,671 equity shares of Rs. 10 each; as at April 1, 2015 : 2,021,929,671 equity shares of Rs. 10 each)	20,219.30	20,219.30	20,219.30
Total	20,219.30	20,219.30	20,219.30

* The difference between the share capital issued and subscribed and paid up is on account of right issue of shares approved by the Company.

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

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

Particulars	Number of shares in million	Share capital
Balance at April 1, 2015	2,021.93	20,219.30
Changes during the year	-	-
Balance at March 31, 2016	2,021.93	20,219.30
Changes during the year	-	-
Balance at March 31, 2017	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:

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

Name of equity share holder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. in million	% holding	No. in million	% holding	No. in million	% holding
Oil and Natural Gas Corporation Limited	997.95	49.36	997.95	49.36	997.95	49.36
GAIL (India) Limited	994.94	49.21	994.94	49.21	994.94	49.21

17 Other equity

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Share application money pending allotment	-	-	7,505.52
Money received against share warrants	18,739.50	18,739.50	-
Retained earnings	(10,629.24)	(1,805.55)	(56.46)
Total	8,110.26	16,933.95	7,449.06

17.1

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Share application money pending allotment		
Balance at beginning of year	-	7,505.52
Less : Refund of share application money	-	(7,505.52)
Balance at end of year	-	-
(b) Money received against share warrants		
Balance at beginning of year	18,739.50	-
Add : Issue of share warrants	-	18,739.50
Balance at end of year	18,739.50	18,739.50
(c) Retained earnings		
Balance at beginning of year	(1,805.55)	(56.46)
Loss after tax for the year	(8,823.69)	(1,749.09)
Add : Other comprehensive income arising from re-measurement of defined	-	-
Balance at end of year	(10,629.24)	(1,805.55)

17.2 Disclosures in relation to money received against share warrants

- 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.
- Against issue of 1,922,000,000 no. of share warrants the balance amount payable is Rs. 480.50 million.
- The equity shares to be issued up on the exercise of the warrant shall be subject to companies 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.

- (iv) The holder of the warrant would need to exercise the right to subscribe on or before 25th August, 2019.
- (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

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Secured - at amortised cost						
i. Term loans						
- Rupee loan from banks	119,959.86	-	133,597.91	21,400.00	128,107.36	21,249.86
- External commercial borrowings	13,349.60	-	15,223.56	-	13,873.20	-
- Rupee loan from others	3,619.88	-	3,710.38	-	5,060.38	150.00
ii. Working Capital Loan	-	5,237.52	-	-	-	-
Unsecured - at amortised cost						
i. Debentures	56,022.85	-	-	-	-	-
ii. Loan repayable on demand						
- from banks	-	58,649.96	-	38,100.00	-	19,460.00
- from others	-	-	-	755.00	-	-
Sub Total	192,952.19	63,887.48	152,531.85	60,255.00	147,040.94	40,859.86
Less : Current maturity of Long term Debt	13,090.94	-	24,401.20	-	693.66	-
Total	179,861.25	63,887.48	128,130.65	60,255.00	146,347.28	40,859.86

18.1 Key terms

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

Particulars	March 31, 2017	Rate of Interest	March 31, 2016	Rate of Interest	April 1, 2015	Rate of Interest	Terms of Repayment
1. Long Term Loans (Facility-I)	110,631.39	10.90%	113,417.98	11.05%	113,168.42	11.75%	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)
2. Long Term Loans (Facility-II)	12,948.36	10.90%	3,891	11.05%	-	-	Repayable in 43 structured quarterly instalments starting in Q2 FY 2018-19 and ending in Q1 FY 2029-30. (PY Nil)
3. Sub Debt	-	-	19,999.31	*	19,999.31	*	Repayable after 3 Years from the date of first disbursement, i.e. Rs. 18,999.33 million in December 2016 and Rs. 999.98 million in March 2017. (PY Rs. 18,993.33 million in December 2016 and Rs. 999.98 million March 2017)
Total Rupee Loan	123,579.75		137,308.29		133,167.73		

18.2

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

* Rate of Interest for Sub Debt	2016-17		2015-16		2014-15	
Bank	Rs. in Million	Rate of Interest	Rs. in Million	Rate of Interest	Rs. in Million	Rate of Interest
Bank of India	-	-	9,999.62	10.45%	9,999.62	10.95%
Bank of Maharashtra	-	-	4,999.87	10.45%	4,999.87	11.00%
Jammu & Kashmir Bank	-	-	1,999.98	10.25%	1,999.98	11.00%
Oriental Bank of Commerce	-	-	999.98	10.45%	999.98	11.00%
State Bank of Travancore	-	-	1,999.86	10.70%	1,999.86	10.90%
Total	-	-	19,999.31		19,999.31	

18.3 External Commercial Borrowings (ECB)

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

Particulars	March 31, 2017	March 31, 2016	April 1, 2015	Rate of Interest	Terms of Repayment
Facility - I	6,357	7,231.19	6,432.12	6 month USD LIBOR + 347 bps	As per schedule mentioned below
Facility - II	4,238	4,820.79	4,288.08	6 month USD LIBOR + 352 bps	
	2,755	3,171.58	3,153.00	6 month USD LIBOR + 324 bps	
Total	13,349.60	15,223.56	13,873.20		

18.4 Unsecured - Compulsory Convertible Debentures

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

Particulars	March 31, 2017	Coupon Rate	March 31, 2016	April 1, 2015	Terms of Repayment
Series A / B	56,022.85	8.75 % p.a.	-	-	36 months from pay in date
Total	56,022.85		-	-	

- (i) The company has allotted 5,615 Compulsory Convertible Debentures (CCDs) of Rs 10.00 Millions each with a coupon rate of 8.75% p.a to be served annually, to ICICI Bank Limited through private placement in two tranches, 3,000 CCDs on 02.07.2016 and 2,615 CCDs on 12.07.2016.
- (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.
- (iii) CCDs are backed by undertaking from Oil and Natural Gas Corporation Limited (ONGC) to pay coupon amount on debentures in case the company fails to do so.
- (iv) Accelerated put option may be exercised by ICICI Bank limited on ONGC in the event of default.
- (v) ONGC will have the option to buy out at the end of 24th, 30th and 35th month from pay in date i.e. 02.07.2016.
- (vi) There would be an option for accelerated Buy-out of debentures up to 6,150 millions in case of receipt of binding term sheet from equity investor for equity infusion in the company before 24 month from first pay in date.
- (vii) Unconditional and irrevocable mandatory put option of CCDs on ONGC at the end of 35th Month from the pay in date of the first tranche.

18.5 Security

Rupee Term Loans and ECB :

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

Sub debt:

- a) A subservient Charge by way of hypothecation in favour of/for the benefit of the Lenders over the movable fixed assets, owned by the Borrower, both present and future, located in SEZ Dahej, Gujarat.

18.6 Repayment terms of ECB

- a) Facility I : USD 190 million - Drawn till 31st March, 2016 USD 190 million (PY USD 250 Million Drawn till 31st March, 2015 USD 170 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 I : USD 50 million. (PY 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 September 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 September 2019

18.7 Working Capital

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

Name of Bank	March 31, 2017	March 31, 2016	April 1, 2015	Rate of Interest
Allahabad Bank	1,546.10	-	-	9.45%
Indian Bank	2,000.00	-	-	8.60%
Andhra Bank	1,685.00	-	-	8.65%

- (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.

18.8 Repayment Schedule Unsecured Loan

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Amount	Repayment	Amount	Repayment	Amount	Repayment
Allahabad Bank	4,999.98	Q1 2017-18	5,000.00	Q2 2016-17	2860.00	Q2 2015-16
Central Bank of India	4,999.98	Q2 2017-18	-	-	-	-
Bank of India	5,000.00	Q2 2017-18	5,000.00	Q1 2016-17	2500.00	Q4 2015-16
Allahabad Bank	5,000.00	Q2 2017-18	-	-	-	-
Andhra Bank	5,000.00	Q1 2017-18	8,100.00	Q2 2016-17	-	-
Canara Bank	5,000.00	Q1 2017-18	-	-	-	-
United Bank of India	2,000.00	Q1 2017-18	-	-	-	-
Canara Bank	5,000.00	Q1 2017-18	5,000.00	Q1 2016-17	4100.00	Q2 2015-16
Syndicate Bank	5,000.00	Q2 2017-18	-	-	-	-
Punjab and Sindh Bank	4,750.00	Q2 2017-18	-	-	-	-
United Bank of India	5,000.00	Q2 2017-18	-	-	-	-
Vijaya Bank	3,000.00	Q2 2017-18	-	-	-	-
Vijaya Bank	1,000.00	Q2 2017-18	-	-	-	-
Bank of Baroda	2,900.00	Q3 2017-18	-	-	-	-
Bank of India	-	-	-	-	5,000.00	Q2 2015-16
Union Bank of India	-	-	-	-	5,000.00	Q1 2015-16
Bank of Maharashtra	-	-	5,000.00	Q2 2016-17	-	-
Indian Bank	-	-	5,000.00	Q1 2016-17	-	-
Jammu & Kashmir Bank	-	-	5,000.00	Q2 2016-17	-	-
Tata Capital	-	-	755.00	Q4 2016-17	-	-
Total	58,649.96		38,855.00		19,460.00	

19 Other financial liabilities

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Liquidated damages	-	554.78	568.43	-	711.04	-
Liability for capital goods and services	-	927.07	816.05	824.91	-	3,693.05
Interest accrued but not due on borrowings	-	3,613.86	-	1.84	-	143.00
Current maturities of long-term debt	-	13,090.94	-	24,401.20	-	693.66
Liability for employees	-	8.27	-	5.15	-	23.30
Other liabilities	-	1,097.77	-	647.01	-	214.57
Total	-	19,292.69	1,384.48	25,880.11	711.04	4,767.58

20 Provisions

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Provision for employee benefits						
Leave	78.92	2.83	47.39	2.20	15.31	1.35
Gratuity	-	-	-	6.44	-	1.27
Total	78.92	2.83	47.39	8.64	15.31	2.62

21 Trade payables-Current

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade payables	4,184.27	-	-
Total	4,184.27	-	-

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*

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Principal & Interest amount remaining unpaid but not due as at year end	23.40	15.96	10.89
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	-	-	-
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	-	-	-
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

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Liability for statutory payments	-	173.17	-	84.35	-	148.61
Total	-	173.17	-	84.35	-	148.61

23 Revenue from operations

The following is an analysis of the Company's revenue for the year

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Sale of products	2,729.30	44.32
Less: Transfer to capital work-in-progress	(1,634.82)	(6.57)
Total	1,094.48	37.75

24 Other income

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest on:		
Deposits with Banks	25.95	55.06
Others	10.15	10.58
Other non-operating income		
Recovery from contractor	1.03	15.86
Profit on sale of Property Plant and Equipments	0.03	0.03
Miscellaneous receipts	6.15	4.76
Net Foreign Exchange gain	62.65	-
Total	105.96	86.29
Less: Transferred to incidental expense during construction period	61.68	85.68
	44.28	0.61

25 Raw Material Consumption

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Consumption of Raw Material	6,545.99	-
Total	6,545.99	-

26 Purchases of stock-in-trade

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Domestic purchase	-	42.41
Total	-	42.41
Less : Transferred to Incidental Expense During Construction Period	-	-
	-	42.41

27 Changes in inventories of finished goods, WIP, stock-in-trade

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Closing stock of finished goods, WIP, stock-in-trade	(6,663.41)	(0.56)
Opening stock of finished goods, WIP, stock-in-trade	0.56	-
Decrease/(increase) in inventories	(6,663.97)	(0.56)

28 Employee benefits expense

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, bonus and other allowances	761.75	613.07
Contribution to provident and other funds	49.50	38.55
Staff welfare expenses	15.08	9.12
	826.33	660.74
Less: Transferred to incidental expense during construction period	662.27	660.74
	164.06	-

29 Selling & Distribution expenses

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Sales & Distribution - Outward Freight	22.72	-
Sales & Distribution - Rent Expense	14.30	-
Sales & Distribution - Tank Hire Charges-Chemicals	50.90	-
Sales & Distribution - Clearing & Forwarding Expense	2.90	-
Sales & Distribution - Others	0.23	0.01
Advertisement Expenses	22.73	27.41
Business Promotion	6.20	0.30
Subscription & Membership Expenses	12.51	7.98
Other Sales & Distribution Expense	14.82	-
	147.31	35.70
Less: Transferred to incidental expense during construction period	59.00	35.70
	88.31	-

30 Finance cost

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest :		
- Borrowings from Banks and Others	22,954.11	20,528.81
- Other Finance Charges	-	112.55
Interest expense for fair value of Security Deposits	3.76	-
Exchange differences regarded as an adjustment to borrowing costs	(254.38)	1,222.08
	22,703.49	21,863.43
Less: Transferred to incidental expense during construction period	15,648.02	21,551.73
	7,055.47	311.70

31 Depreciation

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation of property, plant and equipment	3,427.32	314.39
Less: Allocated to Incidental expense during construction period	-	66.82
Total	3,427.32	247.57

32 Other expenses

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Rates, duties and taxes	60.69	4.05
Consumption of Spares	239.10	50.51
Amortisation of land development expense	208.52	208.11
Travel and Conveyance	113.66	98.99
Insurance expense	17.23	1.94
Power and fuel	6,172.90	2,971.46
Rent	113.96	99.16
Repairs and maintenance - Building	20.96	2.94
Repairs and maintenance - Machinery	73.10	34.56
Repairs and maintenance - Others	11.75	4.77
Internal audit fees	0.86	0.28
Statutory audit fees	0.90	0.50
Business development expense	1.32	5.25
Training	-	0.20
Plant innauguration expense	70.20	-
Sponsorship	7.09	2.37
Security expenses	58.43	49.80
Water and electricity charges	281.93	167.97
Printing and Stationery	3.06	2.05
Expense on assets not owned by Company	53.31	1,365.44
Caretaking expenses	35.81	15.23
CSR expenditure (Refer note 32.2)	0.06	0.12
Relocation expense	7.36	10.40
Storage rental for naphta	567.25	-
License fees	4.65	-
Miscellaneous expenses (Refer note 32.1)	247.48	160.94
Sub Total	8,371.58	5,257.04
Less: Transferred to incidental expense during construction period	6,548.47	5,090.79
	1,823.11	166.25

32.1 Miscellaneous expenses

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Inward Material Handling Related Expense	3.02	0.37
Custom Duty Exp-Special Additional Duty Chemical	0.17	-
Material Handling Expense Within Plant	0.67	-
Others Factory Expenses	0.10	0.59
Hiring Of Cranes	3.30	1.69
Repair - It Services	16.28	25.76
Operation & Maintenance Expenses	157.72	89.99
Medical Facility At Plant	0.81	-
Safety Expenses	6.39	2.46
General Expenses Office	6.35	5.65
Internet Expenses	1.38	1.18
Out Of Pocket Expense	1.40	1.84
Canteen Expenses	6.57	8.91
Postage & Telegraph Expenses	0.36	0.40
Telephone Expenses	11.38	8.66
Seminar & Conference Expenses	6.49	5.21
Director Sitting Fees	0.80	0.75
Medical Center Expenses	1.51	-
Recruitment Expenses	11.34	4.13
Stipend Expenses	0.19	0.39
Miscellaneous Expenses	11.25	2.96
Total	247.48	160.94

32.2 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. 0.06 million during the year (Year ended March 31, 2016 Rs. 0.12 million).

32.3 Statutory Auditors Remuneration as under:

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

Payment to Auditors	Year ended March 31, 2017	Year ended March 31, 2016
Audit Fees	0.90	0.50
Other Services	0.35	0.36
Traveling and Out of Pocket Expenses	0.06	0.05
Total	1.30	0.91

33 Income taxes

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Deferred tax		
In respect of current year	(2,479.57)	1,020.08
Total	(2,479.57)	1,020.08

34 Earnings per share

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Basic earnings per equity share (in Rs.)	(4.36)	(0.87)
Face value per equity share (in Rs.)	10	10

Note: Potential equity shares namely share warrants and Compulsory Convertible Debentures are having antidilutive effect on the EPS.

34.1 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:

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Loss for the year attributable to equity shareholders	(8,823.69)	(1,749.09)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Weighted average number of equity shares for the purposes of basic earnings per share	2,021.93	2,021.93

34.2 After the end of the reporting period, the company has subscribed to allot 1,671 Compulsory Convertible Debentures (CCDs) of Rs. 10.00 Millions each with a coupon rate of 7.6829 % p.a to be served annually to Kotak Bank for 200 CCDs and Birla Sunlife Mutual Fund Limited for 1,471 CCDs through RFP for the CCDs. The same shall be converted into equity share at the end of 36 months.

35 Operating lease arrangements**35.1 The Company as lessee****35.1.1 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. 29.53 million (year ended March 31, 2016 Rs. 27.30 million) had been paid towards cancellable operating lease.

35.1.2 Payments recognised as an expense

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Minimum lease payments	29.53	27.30
	29.53	27.30

35.1.3 Non-cancellable operating lease commitments

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Not later than one year	86.26	72.06	70.42
Later than one year and not later than five years	401.31	355.70	352.10
Later than five years	1,192.72	1,161.94	1,220.62
	1,680.29	1,589.69	1,643.14

36 Employee benefit plans

36.1 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. 28.56 Million (for the year ended March 31, 2016 Rs. 22.34 Million) represents contributions payable to these plans by the Company at rates specified in the rules of the plan.

36.2 Defined benefit plans

Gratuity

15 days salary (15/26 x last drawn basic salary plus dearness allowance) 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.

36.3 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.

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

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

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, 2017 by M/s. Charan Gupta Consultants Private 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.

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

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

Sr. No.	Particulars	March 31, 2017	March 31, 2016	April 1, 2015
	Gratuity			
i	Discount rate	7.31%	8.00%	7.50%
ii	Annual increase in salary	10.00%	10.00%	8.00%

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.

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

Gratuity:

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Service cost :		
Current service cost	18.46	12.63
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	0.51	0.10
Increase/decrease due to adjustment in opening corpus consequent to audit	-	-
Components of defined benefit costs recognised in employee benefit expenses	18.98	12.73
Re-measurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(0.31)	(0.47)
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	5.55	5.54
Actuarial (gains)/losses arising from experience adjustments	(3.50)	(2.56)
Components of Re-measurement	1.73	2.50
Total	20.70	15.23

The components of re-measurement of the net defined benefit liability recognised in other comprehensive income is Rs. 1.73 million (Previous Year Rs. 2.50 Million).

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

Gratuity:

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening defined benefit obligation	26.39	10.70
Current service cost	18.46	12.63
Interest cost	2.11	0.80
Re-measurement (gains)/losses:		
-Actuarial gains and losses arising from changes in demographic assumptions	-	-
-Actuarial gains and losses arising from changes in financial assumptions	5.55	5.54
-Actuarial gains and losses arising from experience adjustments	(3.50)	(2.56)
Past service cost, including losses/(gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in a business combination	-	-
Benefits paid	(1.02)	(0.72)
Closing defined benefit obligation	47.99	26.39
Current obligation	0.79	0.54
Non-current obligation	47.20	25.85

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

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Present value of funded defined benefit obligation	47.99	26.39	10.70
Fair value of plan assets	38.45	19.95	9.43
Funded status	9.54	6.44	1.27
Net liability arising from defined benefit obligation	(9.54)	(6.44)	(1.27)

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

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening fair value of plan assets	19.95	9.43
Adjustment in opening corpus consequent to audit	-	-
Interest income	1.60	0.71
Re-measurement (gains)/losses:		
Return on plan assets (excluding amounts included in net interest expense)	0.31	0.47
Contributions from the employer	17.61	10.06
Benefits paid	(1.02)	(0.72)

Expected contribution in respect of Gratuity for next year will be Rs. 25.94 million.

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

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Fair value of plan asset of Gratuity Trust:			
Managed through LIC	38.45	19.95	9.43
Total	38.45	19.95	9.43

The actual return on plan assets of gratuity was Rs. 1.91 million (As at March 31, 2016 Rs. 1.18 million).

36.11 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.

36.12 Sensitivity analysis as at March 31, 2017

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

Significant actuarial assumptions	Gratuity
Discount rate	
- Impact due to increase of 50 basis points	(4.31)
- Impact due to decrease of 50 basis points	4.86
Salary increase	
- Impact due to increase of 50 basis points	4.71
- Impact due to decrease of 50 basis points	(4.23)

36.13 Sensitivity analysis as at March 31, 2016

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

Significant actuarial assumptions	Gratuity
Discount rate	
- Impact due to increase of 50 basis points	(2.37)
- Impact due to decrease of 50 basis points	2.67
Salary increase	
- Impact due to increase of 50 basis points	2.61
- Impact due to decrease of 50 basis points	(2.34)

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.

37 Segment reporting**37.1.1 Business Segment:**

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

37.1.2 Geographic Segment:

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from Operation		
Within India	563.55	37.75
Outside India	530.93	-
Non Current Assets		
Within India	281,681.92	252,969.05
Outside India	-	-

37.1.3 Information about customers:

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Major Customers*	530.93	34.82
Others	563.55	2.93

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

38 Related party disclosures**38.1 Name of related parties and description of relationship:****A. Joint Ventures**

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

B. Common Directorship

- 1 Dahej SEZ Limited (DSL)
- 2 Mangalore Refinery & Petrochemical Limited (MRPL)

C. Key Management Personnel (KMP)

- 1 Shri Dinesh K.Saraf (Chairman)
- 2 Shri Avinash Joshi (Managing Director) (w.e.f. 01.02.2017)
- 3 Shri T.K.Sengupta (Director)
- 4 Shri M.Ravindran (Director) (up to 18.01.2017)
- 5 Shri M.M.Chitale (Independent Director)
- 6 Shri S.Balachandran (Independent Director)
- 7 Shri M.B.Lal (Director)
- 8 Ms. Suman Singh Gaur (Director) (up to 31.01.2017)
- 9 Shri P.K.Gupta (Director)
- 10 Shri K.S.Jamestin (Director) (up to 01.08.2014)
- 11 Shri A.K.Banerjee (Director) (up to 01.05.2015)
- 12 Shri Ajay Kumar Dwivedi (Director) (up to 01.12.2015)
- 13 Shri Tapan Ray (Director) (up to 30.09.2014)
- 14 Shri Atanu Chakraborty (Director) (up to 26.05.2015)
- 15 Shri S.Venkatraman (Director) (up to 30.09.2014)
- 16 Shri Prabhat Singh (Director) (up to 14.09.2015)
- 17 Shri A.K.Srinivasan (Director) (w.e.f. 01.12.2015)
- 18 Shri Sanjib Datta (Director) (w.e.f. 18.01.2017)
- 19 Mr. K. Satyanarayana (Chief Executive Officer)
- 20 Mr. Trinath Behera (Chief Financial Officer) (w.e.f. 01.07.2015)
- 21 Mr. S.P. Bandopadhyay (Chief Financial Officer) (up to 31.01.2015)
- 22 Mr. Rajendra Parakh (Chief Financial Officer) (From 01.04.2015 to 30.06.2015)
- 23 Mr. Subodh Prasad Pankaj (Company Secretary)
- 24 Mr. Manoj Srivastava (President) (w.e.f. 15.03.2017)
- 25 Mr. Saumya Chakraborty (COO) (w.e.f. 01.03.2017)
- 26 Mr. J.S.Saini (COO) (up to 08.06.2016)

D. Relatives of Key Management Personnel (KMP)

- 1 Mr. Santosh Kumar Kotipalli (Relative of KMP)

38.2 Details of transactions:

38.2.1 Transactions with joint ventures

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

Name of related party	Nature of transaction	Year ended March 31, 2017	Year ended March 31, 2016
A. Reimbursement of expenses on behalf of OPAL:			
a) ONGC	Reimbursement of expense	85.64	118.10
b) GAIL	Reimbursement of expense	10.67	5.10
B. Reimbursement of expenses by ONGC:			
a) ONGC	Reimbursement of expense by ONGC	0.30	0.15
C. Share application money refunded:			
a) ONGC	Application money refunded	-	7,505.52
D. Purchase:			
a) ONGC	Purchase of gases	16,174.88	-
b) GAIL	Purchase of gases	635.70	-
c) GSPC	Purchase of gases	3,028.76	297.16
E. Share warrants			
a) ONGC	Money received against share warrants	-	18,739.50

38.2.2 Outstanding balances with joint ventures

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

Name of related party	Nature of transaction	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
A. Amount payable:				
a) ONGC	Reimbursement of expense	47.95	48.65	67.10
b) ONGC	Purchase of Feed Stock	1,759.07	-	-
c) GAIL	Reimbursement of expense	7.35	14.08	1.12
d) GSPC	Purchase of gas	-	128.32	-
B. Share application money:				
a) ONGC	Share application money pending allotment	-	-	7,505.52
C. Share warrant:				
a) ONGC	Share warrant pending allotment	18,739.50	18,739.50	-
D. Amount receivable:				
a) GAIL	Security deposit	1.60	1.80	1.60
	Other advances	-	-	0.01

38.2.3 Transactions with common directorship

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

Name of related party	Nature of transaction	Year ended March 31, 2017	Year ended March 31, 2016
A. Reimbursement of expenses:			
a) MRPL	Reimbursement for manpower	6.08	5.69
b) DSL	Lease Rent & ROU Charges	84.64	69.50

38.2.4 Outstanding balances with common directorship

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

Name of related party	Nature of transaction	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
A. Amount payable:				
a) MRPL	Reimbursement of expense	1.01	0.45	0.43
b) DSL	Provision for lease rent	70.00	64.03	63.38
B. Amount receivable				
a) DSL	Advance rent paid for ROU	0.73	0.73	0.90
	Security deposit	0.45	0.45	0.65

38.2.5 Transactions with Relative of KMP

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

Name of related party	Nature of transaction	Year ended March 31, 2017	Year ended March 31, 2016
Santosh Kumar Kotipalli	Remuneration	0.02	0.19
	Other Employee Benefit	0.07	0.04

38.2.6 Compensation of key management personnel

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Short term employee benefits	14.71	15.65
Director Sitting Fees	0.80	0.75
Post-employment benefits (includes provision for leaves, gratuity and other post-retirement benefits)	1.92	1.86
Other long-term benefits (includes contribution to provident fund)	0.44	0.36
Total	17.87	18.62

39 Financial instruments

39.1 Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as a going concerns while maximising the return to stakeholders through the optimization of the debt and equity balance.

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.

39.2 Gearing Ratio

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

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Debt	190,420.44	129,693.91	150,569.81
Cash and bank balances	52.43	6.60	830.67
Net debt	190,368.01	129,687.31	149,739.14
Total equity	28,329.56	37,153.25	27,668.36
Net debt to equity ratio	6.72	3.49	5.41

39.2.1 Debt is defined as long-term and short term borrowings as described in notes to accounts.

39.3 Categories of financial instruments

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial assets			
Measured at amortised cost			
(a) Trade receivables	341.62	8.34	-
(b) Cash and cash equivalents	52.43	6.60	830.67
(c) Other bank balances	19.05	211.64	998.10
(d) Loans	303.70	303.30	174.07
Financial liabilities			
Measured at amortised cost			
(a) Borrowings	243,748.73	188,385.65	187,207.14
(b) Trade payable	4,184.27	-	-
(c) Other financial liabilities	19,292.69	27,264.59	5,478.62

39.4 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.

39.5 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.

39.6 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 :-

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

Particulars	Liabilities			Assets		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
USD	22,086.49	15,411.41	14,636.92	348.14	-	-
GBP	8.82	10.30	19.63	-	-	-
EURO	402.58	182.63	368.10	-	-	-
JPY	-	-	11.69	-	-	-

39.7 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:

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

USD sensitivity at year end	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Receivables:			
Weakening of INR by 5%	17.41	-	-
Strengthening of INR by 5%	(17.41)	-	-
Payables:			
Weakening of INR by 5%	(1,104.32)	(770.57)	(731.85)
Strengthening of INR by 5%	1,104.32	770.57	731.85

39.8 Forward foreign exchange contracts

The Company does not have outstanding forward foreign exchange contracts as at March 31, 2017.

39.9 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.

39.9.1 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 or the year ended March 31, 2017 would decrease/increase by Rs. 1,284.80 million (for the year ended March 31, 2016 decrease/increase by Rs.1,063.85 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

39.10 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.

39.11 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.

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

	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, 2017							
External Commercial Borrowings	**		2,028.84	5,215.20	6,107.36	13,351.40	13,351.40
Long Term Loans		-	11,063.90	22,581.00	89,934.84	123,579.74	123,579.74
Total		-	13,092.74	27,796.20	96,042.20	136,931.14	136,931.14
As at March 31, 2016							
External Commercial Borrowings	**		1,637.71	4,453.56	9,134.14	15,225.40	15,225.40
Long Term Loans		-	2,781.80	22,186.17	92,341.11	117,309.08	117,309.08
Total		-	4,419.51	26,639.73	101,475.25	132,534.49	132,534.49
As at April 1, 2015							
External Commercial Borrowings	**		836.66	3,228.67	9,950.87	14,016.20	14,016.20
Long Term Loans		-	2,760.21	22,081.64	88,326.57	113,168.42	113,168.42
Total		-	3,596.87	25,310.32	98,277.44	127,184.62	127,184.62

** 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.

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

	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, 2017							
Trade Receivables	-	341.62	-	-	-	341.62	341.62
Loans	-	1.47	36.67	-	313.85	351.99	351.99
Total	-	343.09	36.67	-	313.85	693.61	693.61
As at March 31, 2016							
Trade Receivables	-	-	8.34	-	-	8.34	8.34
Loans	-	0.24	235.12	-	309.91	545.27	545.27
Total	-	0.24	243.46	-	309.91	553.61	553.61
As at April 1, 2015							
Fixed Deposits with Banks	-	800.00	-	-	-	800.00	800.00
Trade Receivables	-	-	-	-	-	-	-
Loans	-	212.76	802.30	-	189.82	1,204.88	1,204.88
Total	-	1,012.76	802.30	-	189.82	2,004.88	2,004.88

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.

40 Contingent liabilities and commitments

Contingent liabilities:

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

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

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
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	2.00
2	Professional charges payable to Royal Bank of Scotland (now taken over by HSBC) and N M Rothschild & Sons.	43.50	43.50	43.50
3	Storage rental charges including interest payable to M/s. GCPTCL	232.59	383.33	-
4	Technimont, SpA, Italy for quantum of loss suffered on different counts (PE swing unit)	2,729.91	2,917.29	-
5	Technimont, ICB Ltd. for quantum of loss suffered on different counts (PP unit)	1,474.93	1,583.20	-
6	Amount of Premium charged by ONGC on account of Purchase of Naphtha & C2 not considered as payable by OPaL.	240.73	-	-
7	LSTK Contractors	4,864.13	-	-

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

40.2.1 Guarantees executed for financial obligations:

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Guarantee			
* The company has executed a Performance Bond-cum-Legal undertaking in favor 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	23,000.00
Gaurantees execution for financial obligation in form of comfort Letters issued	123.22	147.62	607.35
Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for	6,761.52	11,592.89	18,238.67

41 During the year the company has changed method of valuation in respect of Raw material from existing weighted average to First in First out (FIFO). In this regard the company does not envisage any material impact on the financial position and performance of the company.

42 Procurement of principal raw materials (RM) i.e. Naphtha, C2, C3 and C4 have been recorded in SAP through direct FI entries and consequently its consumption quantity and value details are worked out outside SAP System. The stock of finished goods, semi-finished goods and work in progress is valued at net realizable value (NRV) as the cost of production of these inventories is higher considering the fact that the various units of company are in stabilization stage and working at about 40 % of its capacity.

Intermediate products of DFCU plant, which are not intended for sale but being reused in the said plant, are valued at the cost of principal RM (Naphtha).

The management does not envisage any material impact on Ind AS Financial Statement in this regard.

43 M/s Fernas construction India Private Limited (Fernas) was awarded contract based on evaluation done by Engineers India Limited (EIL) for Rs. 19,100.90/- million (including approved change order) for integrated Utilities and offsite (IU & O). The matter of qualification and award of IU & O package on Fernas has been investigated by the competent authority at the instance of EIL. The investigation has established that the completion certificate submitted by Fernas for qualification is bogus as the same was obtained in connivance with the officer and employees of EIL. As per information, criminal proceedings have been initiated against representatives of Fernas and EIL and the matter is sub judice. The company has expelled the contractor vide its letter no-OPaL/BDA/CEO/PCC/325/16-17 dated 27th April, 2017 pursuant to remedies available in the contract on account of breach of contract. The company has invoked the bank guarantee for Rs.1,844.37 million in its possession against the contractor. The management does not envisag any material financial liability in this regard.

44 Reconciliation of total equity as at March 31, 2016 and April 1, 2015

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

Particulars	Notes	As at March 31, 2016	As at April 1, 2015
		(End of last period presented under Previous GAAP)	(Date of transition)
Total equity (shareholders' funds) under Previous GAAP		37,905.13	27,711.35
Adjustments:			
Adjustment of share issue expenses with equity share capital	1	(42.99)	(42.99)
Adjustments OCI	2	(708.89)	-
Total adjustment to equity		(751.88)	(42.99)
Total equity under Ind AS		37,153.25	27,668.36

Explanation :

1. Due to Ind AS 32, the share issue expense is adjusted against other equity.
2. All other adjustment are already stated in OCI reconciliation.

45 Reconciliation of total comprehensive income for the year ended March 31, 2016

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

Particulars	Explanation	Year ended March 31 st , 2016
		(Latest period presented under Previous GAAP)
Loss as per Previous GAAP		(1,040.20)
Adjustments:		
Depreciation Componentisation	1	54.57
Deferred tax impact	2	(605.95)
Amortisation of Leasehold Land	3	(157.51)
Total Adjustment		(708.89)
Total comprehensive income under Ind AS		(1,749.09)

Note: Under Previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with Profit/loss under the Previous GAAP.

Explanation :

1. Due to Componentisation working, certain items of PPE are reclassified and useful life of the same are changed. Due to that net change in depreciation is work outs to be Rs.54.57 million.
2. Due to change in the figure of the loss for the year ended 31st March, 2016 as per Ind AS, revised deferred tax expense is made and the effect of the same is Rs. 605.94 million.
3. Total amortisation for the last year i.e. 2015-16 was Rs. 208.11 million out of which Rs. 50.51 million is charged to CWIP and the balance is charged to P & L account.

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

47 Approval of financial statements

The Financial Statements were approved for issue by the board of directors on 22nd May, 2017.



OUR VISION

“ To be a world class petrochemical company, with dominant indian presence and a preferred choice of customers in terms of quality and value. ”



ONGC Petro additions Limited

CIN: U23209GJ2006PLC060282

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