

MANGALORE REFINERY AND PETROCHEMICALS LIMITED

(A subsidiary of ONGC)

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PRESS RELEASE

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MRPL POSTS A TURNAROUND PERFORMANCE

The Board of Directors of Mangalore Refinery and Petrochemicals Limited, a subsidiary Company of ONGC and a Category I Mini Ratna, today approved its un-audited results for the third quarter of 2015-16.

<u>Highlights</u>	<u>Q3 FY 2015-16</u>	<u>Q3 FY 2014-15</u>
• Throughput (MMT)	3.82	3.86
• Gross Revenue(₹ in Crore)	11,193	15,833
• Operating GRM(₹ in Crore)	1,566	1,209
• EBIDTA(₹ in Crore)	610	(-) 1,623
• PAT(₹ in Crore)	298	(-) 1,894

MRPL, posted a gross revenue of ₹ 11 193 Crore for the 3 months period October to December 2015 which is down by 29% as compared to ₹ 15,833 Crore in the corresponding quarter of FY 2014-15. The reduction in Gross Revenue is mainly due to steep reduction in crude and product prices by around 33 % in the reporting quarter compared to previous quarter prices.

The core operating margin was 8.40 \$/bbl for Q3 FY 2015-16 as compared to 6.74 \$/bbl in Q3 FY 2014-15. The improvement in GRM is on account of products like Pet Coke and Polypropylene generated out of the new Phase III secondary units despite marginally lower throughput of 0.04 MMT during the current quarter on account of planned shutdown during the starting of third quarter.

The table below gives summarized financial highlights and key indicator.

Particulars		Q3		IX Months	
		2015-16	2014-15	2015-16	2014-15
Throughput	(MMT)	3.82	3.86	11.17	10.53
Total Turnover	(₹ In Crore)	11,193	15,833	37,387	49,256
Operating GRM	(US \$/bbl)	8.40	6.74	5.46	2.92
	(₹ In Crore)	1566	1209	2974	1428
Inventory Gain/ (Loss)	(US \$/bbl)	(3.57)	(13.48)	(1.49)	(6.50)
	(₹ In Crore)	(666)	(2,419)	(811)	(3,182)
EBITA	(₹ In Crore)	610	(1,623)	694	(2,709)
PBT	(₹ In Crore)	298	(1,894)	(205)	(3,352)
PAT	(₹ In Crore)	298	(1,894)	(205)	(2,882)

FINANCIAL PERFORMANCE REVIEW AND ANALYSIS:

A. Analysis of results Q3 FY 2015-16

The Company achieved a throughput of 3.82 MMT for the Q3 FY 2015-16 as against 3.86 MMT in Q3 FY 2014-15. The marginal decrease is on account of planned shutdown.

MRPL achieved a turnover of ₹ 11,193 Crore (Exports ₹ 2,529 Crore) for the Q3 FY 2015-16 as against ₹ 15,833 Crore (Exports ₹ 6,305 Crore) during the corresponding quarter of FY 2014-15 (decrease of 29% and export by 60%).

The decrease in sales is mainly on account of decline in product prices which in turn is linked to the declining crude prices and also on account of more domestic off take in case of export sales

MRPL posted for Q3 FY 2015-16 a net profit after tax adjustments of ₹ 298 Crore (after considering ₹ 160 Crore as Depreciation, ₹ 152 Crore as Interest Cost, Net Foreign Exchange loss of ₹ 163 Crore). The loss for the corresponding quarter of FY 2014-15 was ₹ 1,894 Crore (after considering ₹ 143 Crore as Depreciation, ₹ 128 Crore as Interest Cost and Foreign Exchange loss of ₹ 343 Crore).

B. Analysis of results IX MONTHS FY-2015-16

The Company has achieved a throughput of 11.17 MMT for nine months period ended 31st December, 2015 as against 10.53 MMT during corresponding period of last year.

MRPL has achieved a turnover of ₹ 37,387 Crore (Exports ₹ 9,241 Crore) for the nine months period ended 31st December, 2015 as against ₹ 49,256 Crore (Exports ₹ 18,130 Crore) during the corresponding nine months period of 2014-15 (decrease of 24% and Export by 49%). The decrease in sales is mainly on account of decline in product prices which in turn is linked to the declining crude prices and also on account of more domestic off take in case of export sales

MRPL has posted loss after tax of ₹ 205 Crore (after considering ₹ 468 Crore as Depreciation, ₹ 432 Crore as Interest Cost, Net Foreign Exchange loss of ₹ 1,176 Crore). The loss after tax for the corresponding nine months of 2014-15 was ₹ 2,882 Crore (after considering ₹ 350 Crore as Depreciation, ₹ 293 Crore as Interest Cost and Foreign Exchange loss of ₹ 852 Crore).

MARKETING INITIATIVES:

The company could evacuate more products in domestic market there by reducing the dependency on exports for evacuation of the products. Due to marketing initiatives, the percentage of domestic volume during Q3 FY 2015-16 enhanced to 70 % as against 53 % in Q3 FY 2014-15.

The Company has also been able to get a good market reach for products like Bitumen, Sulphur, Petcoke and Polypropylene.

During Q3 FY 2015-2016, the Direct marketing recorded significant growth and achieved sales volume of 0.36 MMT as against 0.22 MMT during corresponding period of Q3 FY 2014-15.

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

AWARDS:

The Company has received Outstanding importer and exporter award for their performance during the year 2015 by customs commissionerate, Mangaluru.
