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Independent Auditor's Report on the Audited Annual Standalone Financial Results of Mangalore Refinery and Petrochemicals Limited Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

TO THE BOARD OF DIRECTORS OF
MANGALORE REFINERY AND PETROCHEMICALS LIMITED

Opinion

We have audited the accompanying statement of Standalone Financial Results ("the statement") of **Mangalore Refinery and Petrochemicals Limited** ('the Company') for the quarter ended 31st March, 2021 and the year to date results for the period from 1st April,2020 to 31st March,2021, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended("The Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, these Standalone Financial Results:

(i) are presented in accordance with the requirements of Regulation 33 and 52 of the Listing Regulations in this regard; and

(ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India, of the net profit/(loss) and other comprehensive income and other financial information of the Company for the quarter ended 31st March,2021as well as the year to date results for the period from 1st April,2020 to 31st March, 2021.

Basis for Opinion

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

Emphasis of Matter

We invite attention to the following:

(a) Note No.8 of the statement regarding provision of ₹ 2.87 Crores and ₹ 24.31 Crores respectively, to make good the loss in value of investment considering the employer's obligation under the Provident Fund Regulations, arising out of shortfall primarily due to default over interest obligations and the probable principal default anticipated on Non-convertible Debentures of certain Companies wherein the Provident Fund Trust has made its investments. The Provident Fund Trust has marked down the above investment by 70% in its books which will depend upon the future outcome of various matters and the recognition of company's claim in these matters.

(b) Note No.13 of the statement with regard to the disclosure and accounting treatment including the restatement of the financial statement for the year ending 31st March, 2020 on the basis of the Expert Advisory Committee (EAC) opinion of the Institute of Chartered Accountants of India (ICAI) in respect of backstopping arrangement for Compulsorily Convertible Debentures (CCD) issued by its subsidiary ONGC Mangalore Petrochemicals Limited.

(c) Note No.15 of the statement which describes the impact of COVID-19 on the company's business and the appropriateness of preparing these financial statements on a going concern basis which is more fully described therein.

Our opinion is not modified in respect of the above referred (a) to (c) matters.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of related quarterly and annual standalone financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/(loss) and other comprehensive income of the Company and other financial information in accordance with the applicable Indian Accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

• Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

SANKAR & MOORTHY KANNUR Chartered Accountants

Other Matters

(i) The statement includes the financial results for the quarter ended March 31, 2021 being the balancing figure between audited figures in respect of the full financial year ended March 31, 2021 and the published/ restated unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

(ii) The audit of the Standalone financial results for the corresponding quarter and year ended 31st March, 2020 included in the statement was carried out and reported by the predecessor auditors, who have expressed unmodified opinion vide their audit report dated 9th June, 2020 whose report has been furnished to us and which have been relied upon by us for the purpose of our audit of the statement.

Our opinion is not modified in respect of the above referred (i) and (ii) matters.

For **SANKAR & MOORTHY**
Chartered Accountants
Firm Registration Number: 003575S

CA JAYAPRAKESH M C
Partner
Membership no: 215562

Place : Kannur
Date : 17/05/2021
UDIN : 21215562AAAACY9206

For **RAM RAJ & CO**
Chartered Accountants
Firm Registration Number: 002839S

CA G VENKATESWARA RAO
Partner
Membership no: 024182

Place : Bangalore
Date : 17/05/2021
UDIN : 21024182AAAACP1742

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Independent Auditor's Report on the Audited Annual Consolidated Financial Results of the Mangalore Refinery and Petrochemicals Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

TO THE BOARD OF DIRECTORS OF
MANGALORE REFINERY AND PETROCHEMICALS LIMITED

Opinion

We have audited the accompanying statement of Consolidated Financial Results of **Mangalore Refinery and Petrochemicals Limited** ("Holding company"), its subsidiary **ONGC Mangalore Petrochemicals Limited** (the Holding Company and its subsidiary together referred to as "the Group") and its share of net profit/(loss) after tax and total comprehensive Income/(loss) of its jointly controlled entity, **Shell MRPL Aviation Fuels and Services Limited**, for the quarter ended 31st March, 2021 and the year to date results for the period from 1st April,2020 to 31st March,2021("the statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of the reports of other auditors on separate audited financial statements/financial information of the subsidiary and jointly controlled entity, the aforesaid Consolidated Financial Results;

(i) includes the annual financial results of the following entities :

ONGC Mangalore Petrochemicals Limited - Subsidiary
Shell MRPL Aviation Fuels and Services Limited – Jointly controlled entity

(ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and

(iii) give a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated total comprehensive income/(loss) (comprising of net profit/(loss) and other comprehensive income) and other financial information of the group and of its jointly controlled entity for the quarter ended 31st March,2021 as well as the year to date results for the period from 1st April, 2020 to 31st March, 2021.

SANKAR & MOORTHY KANNUR Chartered Accountants

RAM RAJ & CO. Bangalore Chartered Accountants

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the *"Auditor's Responsibilities for the Audit of the Consolidated Financial Results"* section of our report. We are independent of the Group and of its jointly controlled entity in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We invite attention to the following Notes of statement of Consolidated Financial Results;

(a) Note No.6 regarding provision of ₹ 2.87 Crores and ₹ 24.31 Crores respectively, to make good the loss in value of investment considering the employer's obligation under the Provident Fund Regulations, arising out of shortfall primarily due to default over interest obligations and the probable principle default anticipated on Non-convertible Debentures of certain Companies wherein the Provident Fund Trust has made its investments. The Provident Fund Trust has marked down the above investment by 70% in its books which will depend upon the future outcome of various matters and the recognition of company's claim in these matters.

(b) Note No.7 which describes the disclosure and accounting treatment including the restatement of the financial statement of the Group for the year ending 31st March,2020 on the basis of the Expert Advisory Committee (EAC) opinion of the Institute of Chartered Accountants of India (ICAI) in respect of the Compulsorily Convertible Debentures (CCD) issued by the subsidiary and the resultant backstopping arrangement by the Holding company.

SANKAR & MOORTHY KANNUR Chartered Accountants

RAM RAJ & CO. Bangalore Chartered Accountants

(c) Note No 10 relating to the impact of COVID-19 on the Group's business and the appropriateness of preparing these financial statements on a going concern basis which is more fully described therein.

Our opinion is not modified in respect of the above referred (a) to (c) matters

Management's Responsibilities for the Consolidated Financial Results

This statement, which includes the Consolidated Financial Results have been prepared on the basis of related quarterly and consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial results that gives a true and fair view of the net profit/(loss) and other comprehensive income and other financial information of the Group including of its jointly controlled entity in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group and its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its jointly controlled entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Management and Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial results, the Management and respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for assessing the ability of the group and its jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or its jointly controlled entity or to cease operations, or has no realistic alternative but to do so.

SANKAR & MOORTHY KANNUR Chartered Accountants

RAM RAJ & CO. Bangalore Chartered Accountants

The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for overseeing the financial reporting process of the Group and of its jointly controlled entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

SANKAR & MOORTHY KANNUR Chartered Accountants

RAM RAJ & CO. Bangalore

• Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the group and its jointly controlled entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its jointly controlled entity to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represents the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient and appropriate audit evidence regarding the financial Results/financial information of the entities within the Group and its jointly controlled entity to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Results of which we are the independent auditors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

SANKAR & MOORTHY KANNUR Chartered Accountants

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issue by the Securities Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

Other Matters

(i) We did not audit the financial statements/financial information of one Subsidiary included in the Consolidated Financial Result, whose financial statements / financial information (before eliminating intercompany balances) reflects total assets of ₹ 7,292.07 Crores as at 31st March, 2021, total revenues (including other income) of ₹ 1,668.17 Crores and ₹ 3,398.63 Crores, net loss after tax of ₹ 59.24 Crores and ₹ 455.73 Crores , total comprehensive loss of ₹ 59.15 Crores and ₹ 455.64 Crores for the quarter and year ended 31st March 2021 respectively, and net cash inflow of ₹ 0.004 Crores for the year ended 31st March, 2021, as considered in the Consolidated Financial Results. The Consolidated Financial Results also include Group's share of net profit/(loss) of ₹1.14 Crores and ₹ (0.05) Crores and total comprehensive income/(loss) of ₹ 1.13 Crores and ₹ (0.05) Crores for the quarter and year ended 31st March 2021 respectively as considered in the Consolidated Financial Results, in respect of one Joint Venture, whose financial statement/financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and joint ventures, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

(ii) The Statement includes the results for the quarter ended 31st March, 2021 being the balancing figures between the audited figures in respect of the full financial year ended 31st March, 2021 and the published/ restated unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

SANKAR & MOORTHY KANNUR Chartered Accountants

RAM RAJ & CO. Bangalore Chartered Accountants

(iii) The audit of the Consolidated Financial Results for the corresponding quarter and year ended 31st March,2020 included in the statement was carried out and reported by the predecessor auditors, who have expressed unmodified opinion vide their audit report dated 9th June,2020 whose report has been furnished to us and which have been relied upon by us for the purpose of our audit of the statement.

Our opinion on the Statement is not modified in respect of the above (i) to (iii) matters

For **SANKAR & MOORTHY**
Chartered Accountants
Firm Registration Number: 003575S

CA JAYAPRAKESHM C
Partner
Membership no: 215562

Place : Kannur
Date : 17/05/2021
UDIN : 21215562AAAACX6390

For **RAM RAJ & CO**
Chartered Accountants
Firm Registration Number: 002839S

CA G VENKATESWARA RAO
Partner
Membership no: 024182

Place : Bangalore
Date : 17/05/2021
UDIN : 21024182AAAACQ4212