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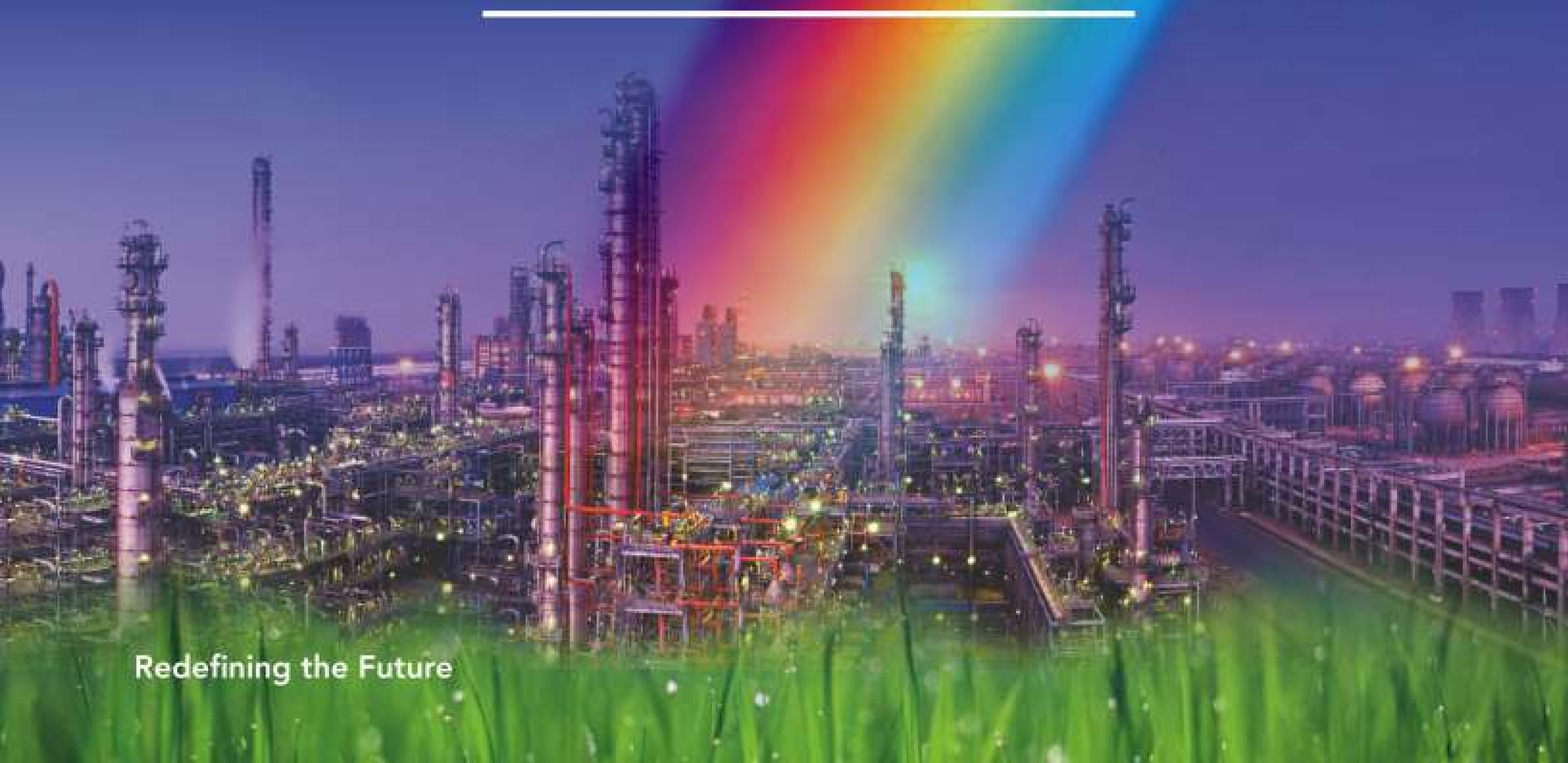
OPAL

ONGC Petro additions Limited

12TH ANNUAL REPORT 2017-18



Redefining the Future

OPaL VALUES

Values are the building blocks of any organization. The organization's culture and beliefs lay the foundation of a set of commonly - held values. They are the list of principles and ethics that govern the behavioural aspects of any individual working in an organization. The collective beliefs of all employees become the organisational culture - "the way we do things around here" - fulfilling the organisation's core objectives. They may be unstated, but they play an important role in determining how the organization confronts problems and issues.

Value statements' ultimate purpose is to encourage behaviours from organization members that encourage the achievement of organizational goals and its mission. Leaders of an organization can encourage these behaviours from other members with a value framework that guides members' behaviour. Thus, Organisational values exist in the hands, minds and hearts of employees or not at all.

OPENNESS

We promote a culture where everyone communicates candidly and creates an environment that builds trust and transparency in the organization

PARTNERSHIP

We believe in our people, share common goals with all our employees, customers and society at large to achieve success and create a win-win relationship

ACHIEVEMENT

We promote a culture of accomplishment. We focus not only on the 'what' but also the 'how' to achieve standards of excellence

LEADERSHIP

We believe in promoting leadership in everything that we do, from being a business leader in petrochemicals to nurturing future leaders of business who will work as visionary thinkers and inspire others for exceptional performance

Contents

BOARD OF DIRECTORS AND COMPANY SECRETARY

Left to Right (Top Row)

Shri P. K. Gupta
Director
Shri M. M. Chitale
Director
Shri S. Balachandran
Director
Shri Shashi Shanker
Chairman
Shri M. B. Lal
Director
Shri Manoj R. Meshram
Director
Shri Subodh Prasad Pankaj
Company Secretary

Left to Right (Bottom Row)

Shri Avinash Joshi
Managing Director
Shri Rajesh Kakkar
Director
Shri Subhash Kumar
Director
Ms. Gita Singh
Director

ONGC Petro additions Limited

Corporate Information

Board of Directors as on 20.09.2018

Shri Shashi Shanker	:	Chairman
Shri Avinash Joshi	:	Managing Director
Shri Subhash Kumar	:	Director
Shri Rajesh Kakkar	:	Director
Shri M. M. Chitale	:	Director
Shri S. Balachandran	:	Director
Shri M. B. Lal	:	Director
Shri P. K. Gupta	:	Director
Ms. Gita Singh	:	Director
Shri Manoj R. Meshram	:	Director

President
Shri Manoj Kumar Srivastava

Company Secretary
Shri Subodh Prasad Pankaj

Chief Finance Officer
Shri Pradosh Kumar Basu

KEY MANAGERIAL PERSONNEL (KMP)

Shri Avinash Joshi
Managing Director

Shri Manoj Kumar Srivastava
President

Shri Subodh Prasad Pankaj
Company Secretary

Shri Pradosh Kumar Basu
Chief Finance Officer

BANKERS/LENDERS/DEBENTURE TRUSTEE

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

STATUTORY AUDITORS
M/s Parikh Mehta & Associates,
Chartered Accountants,
Vadodara - 390 020

SECRETARIAL AUDITOR
M/s Kumar Naresh Sinha & Associates,
Company Secretaries, Noida - 201 307

INTERNAL AUDITOR
M/s K. K. Soni & Co., Chartered Accountants,
New Delhi - 110 023

REGISTERED OFFICE
4th Floor, 35, Nutan Bharat Co-operative Housing Society Limited,
R.C. Dutt Road, Alkapuri, Vadodara - 390 007
Gujarat (India)

LOCATION OF PLANT
Plot No. Z-1, Z-83, C/o Dahej SEZ Limited,
P.O. Dahej, Taluka Vagra, District Bharuch - 392 130
Gujarat

ZONAL OFFICE - NEW DELHI
Unit No. : 701, 7th Floor,
World Trade Tower,
Barakhambha Lane,
New Delhi - 110 001

ZONAL OFFICE - MUMBAI
Unit No. : 881, 8th Floor, Building No. 8,
Solitaire Corporate Park,
Andheri Kurla Road, Andheri (East),
Mumbai - 400 093

ZONAL OFFICE - CHENNAI
Unit No. : 301, 3rd Floor, Sigma Wing,
Raheja Towers, Anna Salai,
Chennai - 600 002

ZONAL OFFICE - AHMEDABAD
13th Floor, A-1307 Mondeal Heights
Opp. Karnavati Club, Near Novotel Hotel,
Iscon Circle, S G Highway,
Ahmedabad - 380 015 (Gujarat)

website: **www.opalindia.in**

BOARD'S REPORT

Dear Members,

The Board of Directors have the pleasure of presenting the 12th Annual Report along with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2018 together with the Auditors' Report and comments on the accounts by the Comptroller and Auditor General (C&AG) of India.

1. COMMERCIAL OPERATIONS

Stabilized operation of the entire complex started in a phased manner and during the year under review, average plant capacity utilization was 46.10%. Average plant capacity utilization ramped up to 61 % during the period April-August 2018.

2. FINANCIAL RESULTS

Key highlights of financial performance of your Company for the financial year ended 31st March, 2018 is summarized below:

Particulars	For the year ended on 31st March, 2018 (₹ in million)	For the year ended on 31st March, 2017 (₹ in million)
Revenue from Operations	55,918.21	1,094.48
Revenue from Other Income	154.67	44.28
Expenses	85,522.63	12,440.29
Profit (Loss) before Taxation and prior period Adjustments	(29,449.75)	(11,301.53)
Prior period Adjustments	-	-
Profit (Loss) before Taxation	(29,449.75)	(11,301.53)
Tax Expenses:		
Current Tax	NIL	NIL
Deferred Tax	(7,254.19)	(2,479.57)
MAT Credit Entitlement	NIL	NIL
Excess Provision of Income Tax for earlier year written back	NIL	NIL
Profit (Loss) for the Year	(22,195.56)	(8,821.96)
Other Comprehensive Income	3.61	(1.73)
Total Comprehensive Income	(22,191.95)	(8,823.69)

Cumulative Capital expenditure of ₹ 2,92,613.42 million (Previous Year ₹ 2,88,913.09 million) have been incurred up to 31st March, 2018 on cash basis.

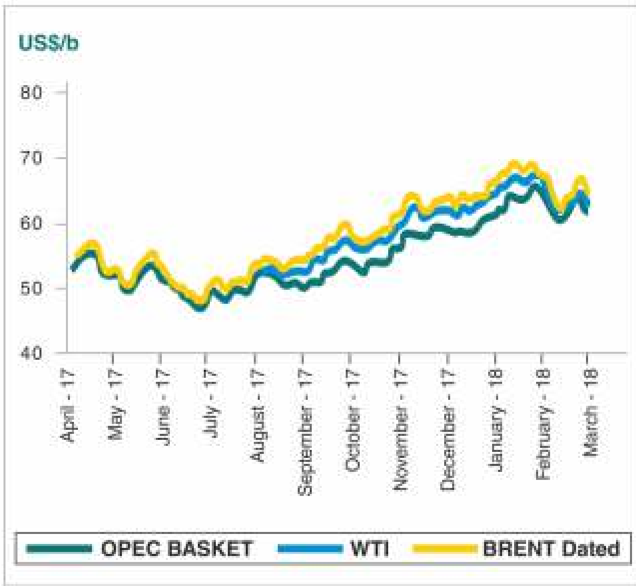
3. ECONOMIC SCENARIO-GLOBAL AND INDIAN

GLOBAL - CRUDE OIL AND PETROCHEMICALS

The world GDP is estimated to have grown at 3.1% in 2017, with emerging markets and developing economies registering a better growth @ 4.3% as against advanced economies estimated to have grown @ 2.3% Y-o-Y. It is heartening to note that all economies across the globe have fared better on growth front than the last calendar year. However, while the global growth remains robust, it did soften towards the end of the fiscal year, as manufacturing activity and trade have shown signs of moderation.

The ongoing withdrawal of monetary policy accommodation in advanced economies has led to some tightening of global financing conditions. Global inflation has also been seen trending up. Among emerging and developing economies, the recovery in commodity exporters has continued, as consumption and investment remain firm. Similarly, activity in commodity importers also continues to be robust. Growth in China is gradually slowing, but remains resilient, while constraints to growth are dissipating in other large commodity importers, notably India and Mexico, where investment regime is buoyant.

Oil prices saw a rise of 23.3% over the last calendar year. The OPEC Reference Basket component values increased sharply throughout the fiscal year alongside respective crude oil benchmarks, particularly Dated Brent, Dubai and WTI; barring the month of February 2018. The ORC since then has been showing an upward trend, Brent touching $70/bbl by the end of financial year and further beyond.



Source: Argus, Platts & OPEC Secretariat

India's oil demand, on the other hand, has continued to show stronger than previously expected growth in financial year 2018, growing at 5.3% Y-o-Y, more specifically in the second half of the fiscal supported by improved economic activity.

INDIAN ECONOMY & PETROCHEMICALS

The second advanced estimate reinforces inherent growth in Indian GDP which stood at 6.7% for financial year 2018, supported by better than expected 7.7% in the fourth quarter of the fiscal. This put India ranking as the world's fastest-growing major economy, outpacing China by nearly a percentage point.

Gross Value Added (GVA) rose 6.5% in financial year 2018, albeit slower than 7.1% in the previous fiscal. However, the increase in the growth rate of GVA for manufacturing sector in the last two quarters of financial year 2018 at 8.5% and 9.1% at constant price, was noteworthy. The growth was further augmented by labor intensive construction followed up with strong investment regimes. The consumption led growth in India is estimated to gather further momentum in the next fiscal.

Source: Central Statistics Office (CSO)

The last fiscal witnessed a robust refining margin aided by strong demand growth which showed transcending prevalence of strong margin environment continuing in downstream polymer segment. Polypropylene-Propylene (PP) delta improved ~ 20% compared to last fiscal amidst balanced supply-demand fundamentals while Polyethylene-Naphtha delta declined 7.3%; which was much more significant in case of Linear Low Density Polyethylene (LLDPE).

Polymer demand showed a stupendous double digit growth with Polyolefins clocking a growth of 10% Y-o-Y due to revival in economic activity aided by robust end use consumption especially with visible uptrends in packaging, pipes and automobile segments. High Density Polyethylene (HDPE) and LLDPE grew 11% and 14% respectively as compared to previous fiscal year. A relatively large share of imports (1.94 Mn MT) was noteworthy on the demand base of 9.15 Mn MT of Polyolefins.

Going ahead, the industry is poised to have good growth momentum facilitated by improving macro-economic indicators and better end use consumption.

CHEMICALS

BENZENE:

In 2017, global nameplate capacity for benzene reached 66.14 million metric tons with estimated consumption of 51.8 million metric tons, with average operating rate of 72%. Since Benzene is produced primarily as a by-product, benzene capacity is mostly feed-limited and the operating rate is less important for benzene than for other prime commodity chemicals. The production and consumption of benzene were mainly concentrated in Asia, North America and West Europe; Asia being the largest supplier with capacity accounting for 52% of the global capacity. China was the biggest importer globally with its major import origins from South Korea, Japan, India, Thailand and Malaysia. Market prices rose sharply at the end of the year as energy costs pushed upwards, inventories needed replenishing, and planned outages were around the corner.

Global

Capacity	: 66.14 Mn MT
Consumption	: 51.8 Mn MT
Operating Rate	: 72%

India

Capacity	: 1.9 Mn MT
Production	: 1.3 Mn MT
Demand	: 0.5 Mn MT
Operating Rate	: 68%

BZ Prices : *Average Benzene price rose by 9% in FY 2017-18 vs FY 2016-17*

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

In financial year 2017-18, Benzene production in the India was approximately 1.3 million metric tons. Benzene production in India increased due to startup of Reliance Industries Limited (RIL) Para Xylene (PX) plant and OPaL cracker complex. However domestic demand has been able to keep pace with production marginally because of debottlenecking of few Nitro benzene manufacturers. Indian Benzene demand is likely to improve next year when Deepak Phenolics starts their Phenol/Cumene plant. Major quantity was exported during the period.

India will continue to export surplus of its production in 2018, China one of the major importers will cut back on its imports due to high inventories. However, the Asian – US arbitrage window could see major volumes being moved to US.

BUTADIENE:

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

Global butadiene capacity utilization has been below 80% since the recession. Even as the economic recovery progresses, operating rates will remain low. There are several reasons for this, including new capacity in some regions and feedstock shortages in others. In most cases, low operating rates like these would indicate weak market conditions; however, simply analyzing capacity utilization on a global basis obscures many of the regional issues critical for butadiene producers.

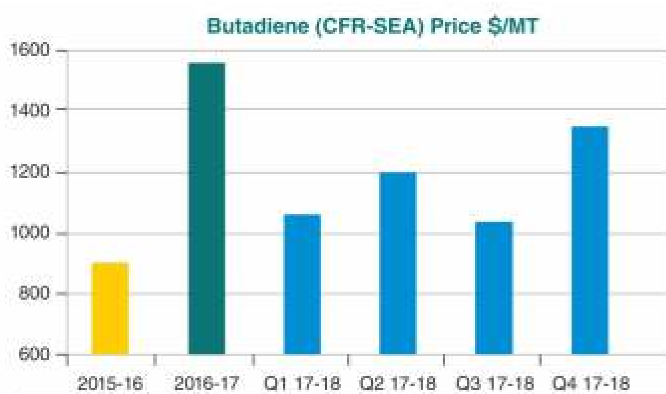
In 2017, Butadiene production in the India was approximately 0.4 million metric tons with installed capacity of 0.5 million metric tons operating at 77% capacity utilisation. Like the case of Benzene, Butadiene witnesses substantial exports from India too.

Global

Capacity	: 15.4 Mn MT
Production	: 11.2 Mn MT
Demand	: 11.2 Mn MT
Operating Rate	: 73%

India

Capacity	: 0.5 Mn MT
Production	: 0.41 Mn MT
Demand	: 0.31 Mn MT
Operating Rate	: 77%



BD Prices : *Down by 20% in FY 2017-18 vs FY 2016-17*

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

PETROCHEMICAL INDUSTRY SCENARIO AT A GLANCE FOR FINANCIAL YEAR 2017-18

Indian polymer industry has continued its robust growth in financial year 2017-18 and also one of the fastest growing polyolefin market globally. High Density Polyethylene (HDPE) last fiscal, grew by 11%, Linear Low Density Polyethylene (LLDPE) by 14% & Polypropylene (PP) by 7%. Overall growth in polyolefin in India was registered at 10%.

Global PE producers had maintained healthy margin during this period. Industry had managed to avoid the downturn as many expected because of the start up and ramp up of the vast amounts of new cost competitive production capacity. Delays in start-up and ramp up of this new capacity because of various external and internal factors, coupled with robust global demand had combined to deliver an extended up cycle, which has been enjoyed by integrated PE producers around the world.

In domestic market, financial year 2018 had witnessed start-up and stabilization of mega PE/PP capacities viz. OPaL (PE 1.06 MMT & PP 0.34 MMT), RIL (1.0 MMT) and GAIL (India) Limited (GAIL) (0.4 MMT). With these additions, domestic PE and PP capacity by the end of fiscal stood at 5.5 MMT and 5 MMT respectively. On demand side, the domestic demand for PE (HD/LL/LD) stood at 5.2 MMT, whereas PP was 4.8 MMT. With these new capacity additions, imports of PE came down to 1.2 MMT during financial year 2017-18 from 1.6 MMT in financial year 2016-17. The majority of imports were for specialized grades, not being manufactured in India along with some speculative imports for commodity grades.

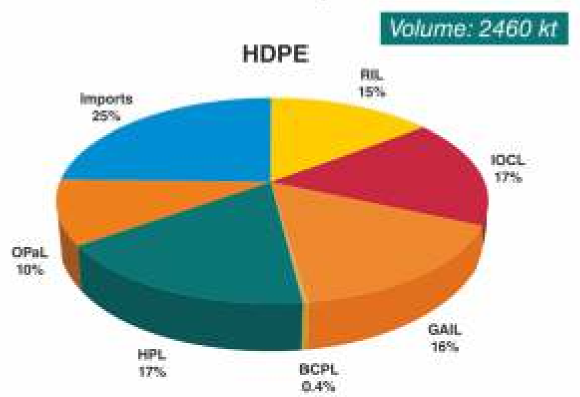
Among domestic producers, RIL had started their new capacity during September 2017 and could stabilize their swing and LD plants by the end of Q4, financial year 2018. GAIL's Pata 2 and Brahmaputra Cracker and Polymer Limited (BCPL), could stabilize their operation @ 60-70% during the year.

Financial year 2018 had witnessed strong growth in polymer demand as compared to previous years. Growth in PP was contributed especially by the sectors such as automotive, non-woven, white goods and raffia.

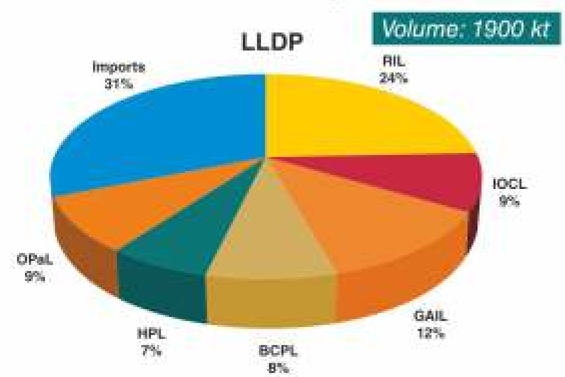
PE on the other hand, mainly driven by packaging of food and non-food sectors. Domestic flexible packaging industry had witnessed 17% growth on Y-o-Y basis while rigid packaging sector witnessed a moderate growth of 10%. Flexible and Rigid packaging put together had contributed more than 50% of PE consumption. Domestic Pipe market had grown quite significantly mainly driven by infrastructure projects.

POLYOLEFINS MARKET:

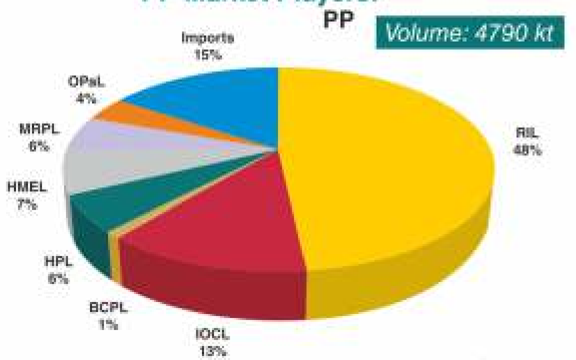
HDPE Market Players:



LLDPE Market Players:



PP Market Players:



Source: Industry Sources, In-house Compilation

OPaL Plant's view at Dahej

OPaL Plant's visit at Dahej by Chairman

Outlook for Financial Year 2018-19

- Healthy consumption growth in domestic PE and PP market will continue, with good growth in down-stream processing capacity additions. Order book for all major domestic machine manufacturers is healthy for next year.
- Major capacity additions by OPaL, RIL and GAIL had led to good availability of PE grades round the months. Good availability next year shall be a big booster for consumption growth.
- It is expected that India's double digit polymer demand growth will continue in financial year 2018-19. Government's drives such as smart cities, Swatch Bharat, Make in India etc. are likely to fuel growth in automotive, infrastructure and packaging sectors. 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 had achieved 10% and 4% market share in PE and PP respectively during 1st year of operation. During financial year 2019, OPaL will ramp up the production further and enhance the market reach in domestic as well as overseas locations.
- There are growing concerns over a segment of plastics, chiefly, single use plastics like carry bags etc. that are facing legislative bans by various State Governments which will impact segment demand, going ahead.

OPaL Plant's view at Dahej

OPaL Plant's view at Dahej

OPaL Plant's view at Dahej

4. SOURCES AND APPLICATION OF FUNDS

As on 31st March, 2018, Capital expenditure of ₹ 2,92,613.42 million and Operating expenditure of ₹ 28,479.18 million has been incurred on cash basis, and OPaL holds cash and Bank Balance of ₹ 129.15 million. The sources and application of funds, as on 31st March, 2018 are shown as below:

Particulars	Amount (₹ in Million)
Sources :	
Equity Share Capital (Including Share Warrants of ₹18,739.50 million)	38,958.80
Rupee Long Term Loan	1,21,937.84
External Commercial Borrowing (ECB)	11,277.68
Compulsorily Convertible Debentures (CCDs)	77,699.96
Working Capital Loan	4,632.47
Short Term Loans	66,715.00
Total Sources of Funds	**3,21,221.75**
Application of Funds :	
Capital expenditure till 31st March, 2018	2,92,613.42
Operating expenditure till 31st March, 2018	28,479.18
Cash and Bank Balance	**129.15**

Oil and Natural Gas Corporation Limited (ONGC), Gujarat State Petroleum Corporation Limited (GSPC) and GAIL (India) Limited (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 towards "Warrant" under Rights Issue in various tranches.

During financial year 2017-18, due to lower plant utilisation and high interest cost, the Company incurred a Net loss of ₹ 22,191.95 million resulting in negative impact on the Net worth which reduced from ₹ 28,329.56 million last year to ₹ 6,137.61 million as on 31st March, 2018.

However operations are planned for witnessing significant improvement during financial year 2018-19 with ramp up of capacity utilization to 80% which will cushion the impact of further Net worth erosion going forward. Moreover the Company is also taking active steps for converting the Compulsorily Convertible Debentures (CCDs) amounting to ₹ 77,780.00 million into equity which will further improve the Net worth in the coming years. This conversion to Equity will also aid the Company in reducing its interest costs that it pays on the Compulsorily Convertible Debentures's (CCDs).

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 2017-18, your Directors do not recommend any dividend.

7. TRANSFER TO RESERVES

In view of absence of profits during the financial year 2017-18, 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 2017-18.

9. AUDIT AND AUDITORS' REPORT

I. Statutory Audit

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India (C&AG). M/s Parikh Mehta & Associates, Chartered Accountants (Firm Registration No. 112832W) were appointed as the Statutory Auditors for the financial year 2017-18. The Statutory Auditors was paid a remuneration of ₹ 1.20 million (previous year ₹ 1.20 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 (C&AG) 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.

Further, pursuant to Section 143(12) of the Companies Act, 2013, the Statutory Auditors of the Company have not reported any instances of frauds committed in the Company by its officers or employees.

There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. C&AG during their Supplementary Audit suggested some corrections in Notes to Accounts, the same have been incorporated and there are four supplementary comments pursuant to provisions of Companies Act, 2013. Notes on Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

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

II. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the relevant provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s Kumar Naresh Sinha & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of your Company for the financial year 2017-18. M/s Kumar Naresh Sinha & Associates, Company Secretaries have submitted the Secretarial Audit Report dated 27th July, 2018. The report in **Form MR-3** is attached as **Annexure-II** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remarks or disclaimer.

III. Internal Audit

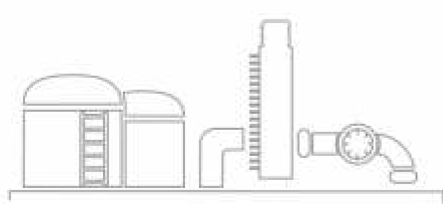
Pursuant to the provisions of Section 138(1) of the Companies Act, 2013 read with Rule 13(1) of the Companies (Accounts) Rules, 2014 and Rule 8(4) of the Companies (Meetings of Board and its Powers) Rules, 2014 the Board of Directors has appointed M/s K.K. Soni & Co., Chartered Accountants to undertake the Internal Audit of your Company for the financial year 2017-18. Internal Auditor has conducted Internal Audit on quarterly basis and submitted its report to Audit Committee.

10. HUMAN RESOURCE (HR)

The comprehensive HR Policy manual that has been recently implemented. This brings us nearer to creating an engaged workforce by offering them some of the best HR processes and practices. The policy manual also offers an array of policies that compares with the best in the Industry.

Upon achieving more than 95% of our envisaged manpower, the HR function is now concentrated on the internal stakeholders and have started various initiatives likewise HR Business Partner Role, New Policy Roll Out, IT Enabled Portals & Services etc.

As on 31st July, 2018 the total numbers of employees working on the Company rolls are 946 numbers and on deputation basis 3 numbers.



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

13. CHANGE OF REGISTERED OFFICE

During the year under review, the Registered Office of your Company has been changed from 1st Floor, Omkara Building, Sai Chokdi, Manjalpur, Vadodara - 390011, Gujarat to 4th Floor, 35, Nutan Bharat Co-operative Housing Society Limited, R.C. Dutt Road, Alkapuri, Vadodara - 390007, Gujarat with effect from 20th November, 2017.

14. COMPULSORILY CONVERTIBLE DEBENTURES (CCDs)

In order to meet Equity requirement, the Company had tied-up funds of ₹ 492 crore from investors Tata Mutual Fund (through their 5 Mutual Fund Schemes) and SBI Fund Management Private Limited (through their 2 Mutual Fund Schemes) through private placement of Compulsorily Convertible Debentures.

Accordingly, Company allotted 292 numbers of CCDs to 5 Mutual Fund Schemes of Tata Mutual Fund and 200 numbers of CCDs to 2 Mutual Fund Schemes of SBI Fund Management Private Limited on 28th March, 2018.

Subsequently, 492 numbers of CCDs having face value of rupees one crore has been credited to Demat account of abovementioned investors on 12th April, 2018.

15. DIRECTORS

i) Shri Dinesh Kumar Sarraf (Nominee of ONGC) ceased to be a Chairman and Director on the Board with effect from 1st October, 2017, due to superannuation from the services of ONGC. The Board of Directors places on record the excellent guidance, support and contribution received from Shri Dinesh Kumar Sarraf as the Chairman of the Company and the progress made by the Company under his leadership. The Board also on behalf of the members wishes him a long and healthy life.

ii) Shri Shashi Shanker (Nominee ONGC) was appointed as an Additional Director and Chairman of the Board pursuant to provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company with effect from 11th October, 2017.

iii) Shri A. K. Srinivasan (Nominee of ONGC), ceased to be Director on the Board with effect from 1st November, 2017, due to superannuation from the services of ONGC. The Board of Directors places on record their deep appreciation for the valuable advice and guidance provided by him during his tenure as Director. The Board also on behalf of the members wishes him a long and healthy life.

iv) Shri T. K. Sengupta (Nominee of ONGC) ceased to be Director on the Board with effect from 1st January, 2018, due to superannuation from the services of ONGC. The Board of Directors places on record their deep appreciation for the valuable advice and guidance provided by him during his tenure as Director. The Board also on behalf of the members wishes him a long and healthy life.

v) Shri Subhash Kumar(Nominee ONGC) 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 6th February, 2018.

vi) Ms. Gita Singh (Nominee ONGC) was appointed as a Woman Director and Additional Director pursuant to provisions of 149(1) and Section 161 of the Companies Act, 2013 and Articles of Association of the Company with effect from 6th February, 2018.

vii) Shri Rajesh Kakkar (Nominee ONGC) 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 24th March, 2018.

viii) Shri Sanjib Datta (Nominee GAIL) was appointed as Director with effect from 18th January, 2017 and he ceased to be Director with effect from 19th June, 2018. The Board of Directors places on record their deep appreciation for the valuable advice and guidance provided by him during his tenure as Director.

ix) Shri M. R.Meshram (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 7th August, 2018.

As on date of this report and during the financial year 2017-18, there was no change in the composition of the Board other than appointment of Shri Shashi Shanker, Shri Subhash Kumar, Ms. Gita Singh, Shri Rajesh Kakkar and Shri M.R. Meshram and cessation of Shri Dinesh Kumar Sarraf, Shri A.K. Srinivasan, Shri T. K. Sengupta and Shri Sanjib Datta.

In accordance with the provisions of the Companies Act and the Articles of Association of the Company Shri P. K. Gupta, Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself 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)

Pursuant to 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 Avinash Joshi appointed as Managing Director of the Company with effect from 1st February, 2017. After cessation of Shri K. Satyanarayana, as Key Managerial Personnel with effect from 30th April, 2017, 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 Pradosh Kumar Basu has been appointed as Chief Finance Officer (CFO) as part of KMP with effect from 6th February, 2018.

Shri Trinath Behera ceased to be Chief Finance Officer (CFO) as part of KMP with effect from 6th February, 2018.

17. INDEPENDENT DIRECTORS

I. Declaration by Independent Directors

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

II. Independent Directors Meeting

During the year under review, an Independent Directors meeting was held on 22nd December, 2017 at Mumbai, in accordance with the provisions of Section 149(8) of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013, wherein all Independent Directors were present. Such meeting was conducted to enable Independent Directors to discuss matter pertaining to the Company's affairs.

No sitting fees were paid to the Independent Directors of the Company for participating in the said meeting.

18. BOARD AND BOARD COMMITTEE COMPOSITION

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/Members at such Meetings and other relevant details are provided in Corporate Governance Report.

19. CORPORATE GOVERNANCE

Maintaining high standards of Corporate Governance has been fundamental to the business of your Company since its inception.

The Company is committed to achieve and adhere to the highest standards of Corporate Governance and it constantly benchmarks itself with best practices, in this regard.

The Report on Corporate Governance for the financial year 2017-18 is attached as **Annexure-III.**

20. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

21. 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 attached herewith as **Annexure-IV** to this Report.

22. 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 and attached as **Annexure-V.**

23. RISK MANAGEMENT

Your Company has put in place a Risk Management framework and adopted a Risk Management Policy based on globally recognized standards.

The Risk Management framework is administered by the Risk Management Committee. The objective of the Risk Management framework is to enable and support achievement of business objectives through risk-intelligent assessment while also placing significant focus on constantly identifying and mitigating risks within the business.

An independent risk management function ensures that the risk is managed through risk management architecture as well as through policies and processes approved by the Board of Directors encompassing independent identification, measurement and management of risks across the various businesses/functions of OPaL.

The Risk Management Committee (RMC), a Committee constituted by the Board, recommends policies related to risk and reviews various aspects of risk arising from the businesses undertaken by the Company.

24. VIGIL MECHANISM

Your Company has an internal whistleblowing system for director(s)/employee(s) to safeguard against victimization as per the provisions of Section 177(9) and Section 177(10) of the Companies Act, 2013 read with Companies (Meetings of Board and its Power) Rules, 2014. 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 2017-18, no case of Whistle Blower has been reported in the Company.

25. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The primary purpose of OPaL's CSR philosophy is to ensure 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 activities of your Company are guided by its Corporate Social Responsibility (CSR) Policy which has been formulated and adopted by the Company in compliance with the provisions of Section 135 of the Companies Act, 2013.

The CSR Policy has been hosted on Company's website (www.opalindia.in).

Your Company during the financial year 2017-18 made contribution of ₹ 7.14 million in CSR activities.

26. NOMINATION AND REMUNERATION POLICY

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

27. BOARD EVALUATION

The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013. 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.

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 during the year such review was held in their meeting held on 22nd December, 2017.

28. MANAGERIAL REMUNERATION

The Company has one Managing Director during the financial year 2017-18. 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 2017-18 there were two Independent Directors in the Company. The Independent Directors are paid sitting fees of ₹15,000/- per meeting for attending meetings of the Board and Committee of Board. During the financial year 2017-18 no director has received any commission from the Company.

29. DISCLOSURE UNDER THE SEXUAL HARASSMENT AT WORKPLACE

The following is a summary of Sexual harassment complaints received and disposed-off during the financial year 2017-18.

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

30. DIRECTORS RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards have been followed and there are no material departures from the same;

b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 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.

31. OTHER MATERIAL CHANGES

Pursuant to Section 134(3)(i) 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, 2018 and the date of this report.

32. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES

Your Company does not have any Subsidiary and Joint Venture Company during financial year 2017-18 and as on date of this Report. However, OPaL is an associate Company of Oil and Natural Gas Corporation Limited (ONGC) and GAIL (India) Limited (GAIL) under Section 2 (6) of the Companies Act, 2013.

33. HOLDING COMPANY

Your Company is not a subsidiary of any Company.

34. 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 behaviour 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.

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

Your Company has also set up state of the art Effluent Treatment Plant which is capable of recycling 90% of the effluent received. Your company has been taking care of its environment foot print by environment monitoring of effluent and emissions, hazardous waste management and by adopting environment practices as per regulatory requirement.

Your Company 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.

35. 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.

36. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Board of your Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

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

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

38. ACKNOWLEDGEMENTS AND APPRECIATION

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain an Industry leader.

Your Directors would also place on record their sincere gratitude 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 Company's activities during the year under review. Your Directors gratefully acknowledge the shareholders and debenture holders for their support and confidence reposed in your Company.

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

(Shashi Shanker)
Chairman

Place : New Delhi
Date : 20th September, 2018

Annexure-I

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

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

सत्यमेव जयते

संख्या: एमएबी II/OPaL/लेखों/17-18/t-1610/ 330 30/08/2018

सेवा में,
अध्यक्ष,
ओएनजीसी पैट्रो एडिशन्स लिमिटेड,
वडोदरा

विषय: कंपनी के अधिनियम 2013 के धारा 143(6)(b) के अधीन ओएनजीसी पैट्रो एडिशन्स लिमिटेड के 31 मार्च 2018 को समाप्त लेखों पर भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणीयाँ ।

महोदय,

मैं ओएनजीसी पैट्रो एडिशन्स लिमिटेड के 31 मार्च 2018 को समाप्त लेखों पर कंपनी के अधिनियम 2013 के धारा 143(6)(b) के अधीन भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणीयाँ प्रेषित कर रही हूँ।

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

कृपया इस पत्र की पावती भेजें।

भवदीया,

तनुजा मित्तल

प्रधान निदेशक वाणिज्यिक लेखापरीक्षा
एवं पदेन सदस्य, लेखा परीक्षा बोर्ड II, मुंबई

संलग्न: यथोपरि

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ONGC PETRO ADDITIONS LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of financial statements of **ONGC Petro additions Limited** for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 18 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **ONGC Petro additions Limited** for the year ended 31 March 2018 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

A. Comments on Financial Position

1. Balance Sheet

Equity and Liabilities: Liabilities: Current Liabilities

Trade Payable (Note No. 21): ₹ 8604.97 Million

The above does not include the following payments due to Oil and Natural Gas Corporation Limited (ONGC) on account of purchase of Naptha, Ethane, Propane & Butane by ONGC Petro additions Limited (OPaL):

i. As per agreement dated 22.04.2016, entered into with ONGC for supply of Naptha through Marine route, the price of Naptha shall be "Mean of Platts Arab Gulf" (MOPAG) plus a premium of 1.1 *percent* of MOPAG (clause 14). Further, under clause 7 & 8 of the Agreement, the Company was required to pay exports related expenses and loading charges to ONGC on purchase of Naptha. The Company has not paid the amount of agreed premium (1.1 *percent*) of ₹ 302.02 Million as well as an amount of ₹ 814.98 Million, towards exports related expenses and loading charges upto the year ending 31 March 2018. However, the amount has not been recognized as liability in the accounts of the Company. The Company instead, has disclosed these outstanding dues under Note 38.1 as Contingent liability.

ii. The Company was also required to pay price of Ethane as per formula, agreed under Product Sale Agreement (PSA) entered into between ONGC and OPaL on 23.08.2013 for purchase of Ethane. However, while making payment, OPaL did not consider an element of the formula relating to average of MOPAG for Naptha. This has resulted in short payment of amount of ₹ 468.24 Million upto the year ending 31 March 2018, which has not been recognized as liability in the Accounts of the Company. The Company instead, has disclosed the above amount under Note 38.1 as Contingent liability.

iii. The Company has also not recognized the liability for payment of interest of ₹ 147.97 Million on overdue payments charged by ONGC on account of purchase of Naptha, Ethane, Propane & Butane by OPaL vide Product Sale Agreement (PSA) dated 23.08.2018. The Company instead has disclosed the above amount under Note 38.1 as Contingent liability.

Not recognizing the above contractual payments to ONGC as current liability has resulted in understatement of Current Liability and Loss for the year by ₹ 1733.21 Million.

2. Balance Sheet

Equity and Liabilities: Liabilities: Current Liabilities
Other Current Liabilities (Note No. 22): ₹ 161.98 Million

The above does not include ₹104.13 Million (US$ 1.6 Million, exchange rate ₹65.0815 for one US$ as on 31.03.2018) 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 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 and subsequently approved by Board of Directors of the Company in its 69th meeting held on 22.05.2017. The HDPE unit has been capitalized on 31.01.2017 and PGTR has also been successfully carried out from 08.12.2017 to 24.12.2017. 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 statement and charged to Other Expenses (Note-30).

Non recognition of the above liability has resulted in understatement of Current Liability, Other Expenses as well as Loss for the year by ₹104.13 Million.

3. Balance Sheet
Current Asset- Other Current Asset (Note No. 10)
Capital Advances- Secured Considered Good: ₹ 229.70 Million

The above does not include an amount of ₹50 Million towards reimbursement of extension cost of insurance cover to M/s Samsung Eng. Co. Ltd., Korea (SECL - the contractor) which was recoverable from the contractor.

The Company awarded entire scope of works of Dedicated High-Density Poly-Ethylene (HDPE) package to the contractor on 29 April 2011 with scheduled completion date as 28.09.2013.As per clause 7.3.1, 7.3.2, & 7.3.8 of General Conditions of Contract (GCC), the contractor was liable to take insurance cover of all risks from date of commencement of works at his expenses until the date of issue of completion certificate for which the Company shall have no liability.It was the responsibility of the contractor to pay the premium in time and keep the insurance policies valid throughout the period of execution of works. Further, as per clause 7.3.9 of the GCC, in case the contractor fails to take out and/or keep in force the insurance policies, then the company may at its option take out and keep in force insurance considered appropriate and necessary in the circumstances and pay such premium as may be necessary for that purpose and from time to time deduct the amount so paid, by the company with interest from any monies due or which may become due to the contractor or recover the same as a debt due to the contractor.

However, in contravention to the provisions of the GCC, the Company reimbursed an amount of ₹50 Million to the contractor during the period from December 2014 to March 2016. Since the Company was not liable to bear the extension cost of insurance cover, the same should have been shown as Capital Advance to be recoverable from the contractor.

This has resulted in understatement of Capital Advances and overstatement of Plant & Equipment by ₹ 50 Million.

4.Balance Sheet
Assets
Capital Work in Progress (Note No. 5)
Integrated Utilities & Offsites (IU&O): Rs. 6941.29 Million

The above includes an amount of ₹ 6419.15 Million towards Integrated Utilities & Offsites (IU&O) package which has been put to use as on 31 March 2018, but is shown as Capital Work In Progress in the Accounts.

The Integrated Utilities & Offsites (IU&O) package was awarded to M/s Fernas Construction India Pvt. Ltd. on 14 March 2011 on LSTK basis with the scheduled completion/commissioning date as 13.07.2013. However, M/s Fernas could not complete the project on the scheduled date.The Project Management Consultant M/s Engineers India Ltd estimated (10 May 2017) an amount of₹1612.00 Million[1] to complete the balance works and the same was alsoapproved by the Board of the Company.The plant was operational as on 31 March 2018.

The Company capitalized an amount of ₹ 1089.86 Million during the year 2017-18 against this project. However, as on 31 March 2018 only non-priority works amounting to ₹ 522.14 Million (1612.00 – 1089.86) were pending towards IU&O package.The Company should have capitalized the completed work of the package amounting to ₹ 6419.15 million (i.e. ₹ 6941.29 million – ₹ 522.14 million), representing critical works. Non-capitalization of the same has resulted in overstatement of 'Capital Work In Progress' and understatement of 'Property, Plant & Equipment' by ₹ 6419.15 Million.

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

Tanuja Mittal

Tanuja Mittal
Principal Director of Commercial Audit
& ex-officio Member Audit Board-II, Mumbai

Place: Mumbai
Date: 30August 2018

[1]₹ 600.30 Million for completion of balance priority works and ₹ 1011.70 Million for balance non-priority works

COMMENTS OF THE COMPTROLLER AND AUDITOR GENEAL OF INDIA UNDER 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ONGC PETRO ADDITIONS LIMITED FOR THE YEAR ENDED ON 31ST MARCH, 2018

No.	Comments on Financial position	Management Reply
	The preparation of Financial Statements of **ONGC Petro additions Limited** for the year ended 31 March 2018 in accordance with the Financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the Financial Statements under Section 143 of the Act based on independent Audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 18 May 2018. I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the Financial Statements of **ONGC Petro additions Limited** for the year ended 31 March 2018 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the Financial Statements and the related audit report.	Statement of fact
A.	**Comments on Financial position**	**Management Reply**
	Balance Sheet **Equity and Liabilities: Liabilities Current Liabilities** **Trade Payable (Note No. 21): ₹ 8604.97 Million** The above does not include the following payments due to Oil and Natural Gas Corporation Limited (ONGC) on account of purchase of Naphtha, Ethane, Propane & Butane by ONGC Petro additions Limited (OPaL): i. As per agreement dated 22.04.2016, entered into with ONGC for supply of Naphtha through Marine route, the price of Naphtha shall be "Mean of Platts Arab Gulf" (MOPAG) plus a premium of 1.1 *percent* of MOPAG (clause 14). Further, under clause 7 & 8 of the Agreement, the Company was required to pay exports 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	i. OPaL Petrochemical complex was ready for commissioning in April, 2016. 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

A.	Comments on Financial position	Management Reply
	₹ 302.02 Million as well as an amount of ₹ 814.98 Million, towards exports related expenses and loading charges upto the year ending 31 March 2018. However, the amount has not been recognized as liability in the accounts of the Company. The Company instead, has disclosed these outstanding dues under Note 38.1 as Contingent liability.	23rd April, 2016, it was signed pending review/ scrutiny and approval of OPaL Board. 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. Discussions were held with ONGC during review of draft agreement. These deviations were communicated to Chief Marketing ONGC vide letter dated 23.04.2016, by CEO-OPaL with a request to amend the agreement. The issue was taken up with ONGC for favourable consideration. ONGC had conveyed that the matter was examined internally by a senior level committee of ONGC and OPaL. Hence, till the time the amount of premium has been shown as Contingent liability. Para 10 of Ind AS 37 which defines provision, Contingent liability as follows:- "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." "A Contingent liability is : (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: (1) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (2) the amount of the obligation cannot be measured with sufficient reliability." 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 at the time of preparing Financial Statements.

A.	Comments on Financial position	Management Reply
		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 disclosed the same as a Contingent liability in the Financial Statements. In this respect, para 86 of Ind AS 37 also corroborates, which reads as follows: "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." As the Company does not envisage any outflow in this regard, the amount of premium on Naphtha and export related expenses are shown as Contingent liability instead of Firm liability in Financial Statements.
	ii. The Company was also required to pay price of Ethane as per formula, agreed under Product Sale Agreement (PSA) entered into between ONGC and OPaL on 23.08.2013 for purchase of Ethane. However, while making payment, OPaL did not consider an element of the formula relating to average of MOPAG for Naphtha. This has resulted in short payment of amount of ₹ 468.24 Million upto the year ending 31 March 2018, which has not been recognized as liability in the Accounts of the Company. The Company instead, has disclosed the above amount under Note 38.1 as Contingent liability.	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. Para 10 of Ind AS 37 which defines provision, contingent liability as follows: "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." "A Contingent liability is : (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:

A.	Comments on Financial position	Management Reply
		1) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or 2) the amount of the obligation cannot be measured with sufficient reliability." Accordingly, short payment on Ethane (C2) had been disclosed as a Contingent liability in Financial Statements while preparing Financial Statements.
	iii. The Company has also not recognized the liability for payment of interest of ₹ 147.97 Million on overdue payments charged by ONGC on account of purchase of Naphtha, Ethane, Propane & Butane by OPaL vide Product Sale Agreement (PSA) dated 23.08.2018. The Company instead has disclosed the above amount under Note 38.1 as Contingent liability. Not recognizing the above contractual payments to ONGC as current liability has resulted in understatement of Current Liability and Loss for the year by ₹ 1733.21 Million.	iii. As 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. Accordingly, the Company doesn't envisage the payment of Interest as a possible obligation. Hence, the Company has disclosed the same as a Contingent liability in the Financial Statement. In this respect, para 86 of Ind AS 37 also corroborates, which reads as follows: "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". **Present Status :** Recently, the proposal of amendments in PSA between ONGC and OPaL was put up in ONGC. The outcome is as under: 1) Premium on Naphtha is payable by OPaL to ONGC from beginning of Contract ; 2) Premium on Ethane (C2) is waived off from beginning of Contract; 3) Export related charges up to outlet flange of SPM on seller's account beyond that on OPaL account; 4) Interest only payable from date of signing of amended PSAs. As per above, OPaL will become net receiver of differential amount once amended PSAs are signed. Accordingly, there is no understatement of Current liability and loss.

ओपीएएल OPaL

A.	Comments on Financial position	Management Reply
2.	**Balance Sheet** **Equity and Liabilities: Liabilities: Current Liabilities** **Other Current Liabilities (Note No. 22): ₹ 161.98 Million** The above does not include ₹ 104.13 Million (US$ 1.6 Million, exchange rate ₹ 65.0815 for one US$ as on 31.03.2018) 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 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 and subsequently approved by Board of Directors of the Company in its 69th meeting held on 22.05.2017. The HDPE unit has been capitalized on 31.01.2017 and PGTR has also been successfully carried out from 08.12.2017 to 24.12.2017. 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 statement and charged to Other Expenses (Note-30). Non recognition of the above liability has resulted in understatement of Current Liability, Other Expenses as well as Loss for the year by ₹ 104.13 Million.	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 provision for payment towards extension cost of Licensor 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. OPaL has released around 98.4% of Contract amount to SECL, however finalization of delay analysis and Negative change orders are under deliberation at OPaL. Payment of Extension cost of Licensor Guarantee Obligation is not released till date because OPaL requires some security amount till finalization of above stated issues. As per para 18 Ind AS 37 "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 recognized for costs that need to be incurred to operate in the future. The only liabilities recognized in an entity's balance sheet are those that exist at the end of the reporting period." Considering the above facts the said liability is not recognized in the Financial Statements. OPaL management is negotiating with SECL for all their claims including extension cost of Licensure Guarantee Obligation. Recognizing this amount as liability in books of account will further jeopardize OPaL management side in negotiation with SECL. If the negotiation is not resolved amicably, Company will explore legal option. Since this claim is commercially disputed by OPaL and the possibility of any outflow in settlement is remote it is not considered as liability. Considering the above facts the said liability is not recognized in the Financial Statements. **Current Status :** It has been established that there is no delay on part of SECL in the execution of the project. Consequently, as approved by Board in 69th meeting held on 22.05.2017 OPaL has agreed to reimburse extension cost of licensor guarantee obligation to SECL US$ 1.6 million. This Liability will be taken in OPaL books in current year.

A.	Comments on Financial position	Management Reply
3	**Balance Sheet** **Current Asset-Other Current Asset (Note No. 10)** **Capital Advances-Secured Considered Good: ₹ 229.70 Million** The above does not include an amount of ₹ 50 Million towards reimbursement of extension cost of insurance cover to M/s Samsung Eng. Co. Ltd., Korea (SECL - the contractor) which was recoverable from the contractor. The Company awarded entire scope of works of Dedicated High-Density Poly-Ethylene (HDPE) package to the Contractor on 29 April 2011 with scheduled completion date as 28.09.2013. As per clause 7.3.1, 7.3.2 & 7.3.8 of General Conditions of Contract (GCC), the contractor was liable to take insurance cover of all risks from date of commencement of works at his expenses until the date of issue of completion certificate for which the Company shall have no liability. It was the responsibility of the contractor to pay the premium in time and keep the insurance policies valid throughout the period of execution of works. Further, as per clause 7.3.9 of the GCC, in case the contractor failed to take out and/or keep in force the insurance policies, then the company may at its option take out and keep in force insurance considered appropriate and necessary in the circumstances and pay such premium as may be necessary for that purpose and from time to time deduct the amount so paid, by the company with interest from any monies due or which may become due to the contractor or recover the same as a debt due to the contractor. However, in contravention to the provisions of the GCC, the Company reimbursed an amount of ₹ 50 Million to the Contractor during the period from December 2014 to March 2016. Since the Company was not liable to bear the extension cost of insurance cover, the same should have been shown as Capital Advance to be recoverable from the contractor. This has resulted in understatement of Capital Advances and overstatement of Plant & Equipment by ₹ 50 Million.	In case of HDPE package, 2nd to 5th provisional extensions for the period from 28.02.2014 to 28.06.2016 were granted without withholding of LD amount as the reasons was attributable to OPaL (as per EIL recommendation at that time). The contract is silent on the cost of renewal of insurance in case the delay is attributable to Company. Decision regarding Reimbursement of Extension Cost of Insurance was approved by competent authority. Accordingly, reimbursement of ₹ 50 million was made to M/s SECL. In the meeting dated 20.11.2017 between OPaL and SECL, it was decided that amount already reimbursed will not be sought from SECL. As per Ind AS 16 the cost of an item of property, plant and equipment shall be recognized as an asset if, and only if:- (a) It is probable that future economic benefits associated with the item will flow to the entity; and (b) The cost of the item can be measured reliably. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognized in accordance with the specific requirements of other Indian Accounting Standards, eg. Ind AS 102. Since in the above case the reimbursement expenses qualify as a cost, OPaL has correctly accounted the same in the Financial Statement. **Current Status:** It has been established that there is no delay on part of SECL in the execution of the project. Consequently, Insurance clause is in line with PBG clause for no delay on part of Contractor. Accordingly, OPaL will not recover Insurance extension cost reimbursed to SECL and directly paid to the insurance company. Agreement will be amended suitably with respect to Insurance clause.

A.	Comments on Financial position	Management Reply
4	**Balance Sheet** **Assets** **Capital Work in Progress (Note No. 5)** **Integrated Utilities & Offsites (IU&O): ₹ 6941.29 Million** The above includes an amount of ₹ 6419.15 Million towards Integrated Utilities & Offsites (IU&O) package which has been put to use as on 31 March 2018, but is shown as Capital Work In Progress in the Accounts. The Integrated Utilities & Offsites (IU&O) package was awarded to M/s Fernas Construction India Pvt. Ltd. on 14 March 2011 on LSTK basis with Scheduled completion/ commissioning date as 13.07.2013. However, M/s Fernas could not complete the Project on the Scheduled date. The Project Management Consultant M/s Engineers India Ltd. estimated (10 May 2017) an amount of ₹ 1612.00 Million[1] to complete the balance works and the same was also approved by the Board of the Company. The Plant was operational as on 31 March 2018. The Company capitalized an amount of ₹ 1089.86 Million during the year 2017-18 against this Project. However, as on 31 March 2018 only non-priority work amounting to ₹ 522.14 million (1612.00-1089.86) were pending towards IU&O package. The Company should have capitalize the completed work of the package amounting to ₹ 6419.15 million (i.e. ₹ 6941.29 million - ₹ 522.14 million), representing critical works. Non-capitalisation of the same has resulted in overstatement of 'Capital Work In Progress' and understatement of 'Property, Plant & Equipment' by ₹ 6419.15 Million. **For and on the behalf of the** **Comptroller & Auditor General of India** Tanuja Mittal **Tanuja Mittal** **Principal Director of Commercial Audit** **& Ex-officio Member Audit Board-II, Mumbai** **Place : Mumbai** **Date : 30 August 2018** [1] ₹ 600.30 Million for completion of balance priority works and ₹ 1011.70 Million for balance non-priority works	The Integrated Utilities & Offsites (IU&O) package was awarded to M/s Fernas Construction India Private Limited (FCIPL), which consist of creating almost 33 facilities in OPaL Petrochemical Complex. Scheduled completion date for the IU&O package was 13.07.2013, but FCIPL could not achieve the completion targets. Later on for commissioning of Petrochemical plant work awarded to FCIPL was segregated as Critical and non-critical work. Basic facilities required for commissioning of other packages of Petrochemical plant were considered as critical and to be completed as early as possible. For Non critical facilities even though some work was already started but as these were not Commissioned / completed as on 31st March, 2017. Now, after expulsion of FCIPL, OPaL management decided to complete balance work by OPaL itself. As per para 55 of Ind AS 16 Property Plant & Equipment "Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management." Capital Work in Progress as on 31st March, 2017 was ₹ 47,662.16 million which consist of ₹ 7,671.56 million for IU&O Package. During the financial year 2017-18 Company has incurred almost ₹ 359.59 million and commissioned assets of ₹ 1089.86 million based on inputs received from Project team. Accordingly, ₹ 6,941.29 million (7671.56+359.59-1089.86) is shown as Capital work in progress which was non-critical. Non-critical facilities even though some work was already started but were not Commissioned/completed as on 31st March, 2018. Since Company has undertaken the balance work of IU&O the balance value of CWIP as on 31st March, 2018 ₹ 6,941.29 million will be capitalised once completed in financial year 2018-19. **For and on the behalf of** **ONGC Petro additions Limited** **Shashi Shanker** **Chairman** **Place : New Delhi** **Date : 20th September 2018**

CREATING THE BUILDING BLOCKS FOR THE NATION

BUTADIENE
(115 kTPA)

SWING HIGH /LINEAR LOW DENSITY **POLYETHYLENE**
(720 kTPA)

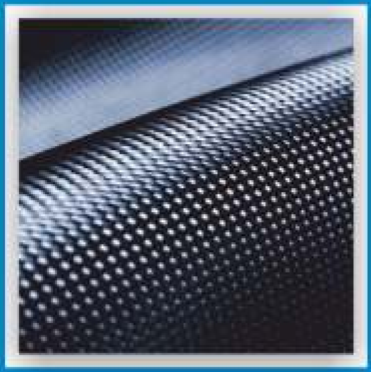
PYGAS
(165 kTPA)

DEDICATED HIGH DENSITY **POLYETHYLENE**
(340 kTPA)

BENZENE
(150 kTPA)

OPaLene HDPE
OPaLene LLDPE
OPaLene PP

POLYPROPYLENE
(340 kTPA)



CBFS
(70 kTPA)

Annexure-II

KUMAR NARESH SINHA & ASSOCIATES
Company Secretaries

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

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ONGC Petro additions Limited** (hereinafter called the Company) having its registered office at 4th Floor, 35, Nutan Bharat Co-operative Housing Society Ltd., R.C. Dutt Road Alkapuri, Vadodara, Gujarat - 390007 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, 2018 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, 2018 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, 2018 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.

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, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(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;

(h) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and

(i) 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 at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions 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, during the audit period, i.e., Financial Year 2017-18, the Company has issued unsecured Compulsory Convertible Debentures as per details given below:

Sl. No.	Nature of Debenture	Date of Allotment	Amount (Rs. in Crore)
1.	Compulsory Convertible Debentures	18/05/2017	1,671
2.	Compulsory Convertible Debentures	28/03/2018	492

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 another 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
FCS No. : 1807
CP No. : 14984

Kumar Naresh Sinha & Associates C.P. 14984 Company Secretaries

Date : 27.07.2018
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.

KUMAR NARESH SINHA & ASSOCIATES
Company Secretaries

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

Annexure-A

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our 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
FCS No.:1807
CP No.: 14984

Kumar Naresh Sinha & Associates
C.P.
14984
Company Secretaries

Date : 27.07.2018
Place : Noida

Annexure-III

CORPORATE GOVERNANCE REPORT

1. Corporate Governance

Corporate Governance is the system of rules, practices and processes by which a Company is managed and controlled. Corporate Governance essentially involves balancing the interests of Company's stakeholders, such as shareholders, management, customers, suppliers, Government and the community. Since Corporate Governance also provides the framework for attaining a Company's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

Corporate Governance is one of the key factors that determine the health of the organisation and its ability to survive economic shocks. It helps to reinforce confidence in the stock market and hence in the economic environment as a whole, creating an attractive environment for investment.

The main objectives that drive Corporate Governance in the Company are:

- Compliance of laws, rules & regulations.
- A sound system of internal control to mitigate risks associated with achievement of business objectives, both short-term and long-term.
- Minimization of wastages and Risks. Eradication of Corruption and Mismanagement.
- Adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders.
- Maintain investor's confidence to facilitate the Company in raising capital in a cost-effective manner.
- Promoting corporate success and economic growth.
- Clearly defined standards against which performance of responsibilities are measured.
- Accuracy and transparency in disclosures regarding operations, performance, risk and financial status.
- A clear delineation of shareholders' rights.
- Timely and balanced disclosure of all material information to all the stakeholders.

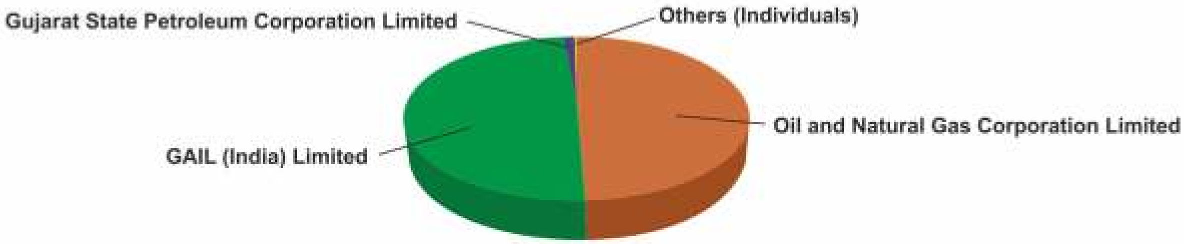
2. Shareholders

The Companies Act, 2013 prescribe the governance mechanism by shareholders in terms of passing of ordinary and special resolutions, voting rights, participation in the corporate actions etc. Your Company follows a robust process to ensure that the shareholders of the Company are well informed of Board decisions both on financial and non-financial information and adequate notice with a detailed explanation which is sent to the shareholders well in advance to obtain necessary approvals.

2.1 Shareholding Pattern

Shareholding pattern of the Company changed with effect from 18th May, 2018 as per below table along with shareholding pattern as on 31st March, 2018.

Sl. No.	Name of Shareholders/Member	No. of Equity Shares held @ ₹ 10/- each as on 31.03.2018	% of Shares held as on 31.03.2018	No. of Equity Shares held @ ₹ 10/- each as on 18.05.2018	% of Shares held as on 18.05.2018
1.	Oil and Natural Gas Corporation Limited	99,79,55,639	49.36 %	99,79,80,632	49.36 %
2.	GAIL (India) Limited	99,49,45,000	49.21%	99,49,45,000	49.21%
3.	Gujarat State Petroleum Corporation Limited	2,90,04,033	1.43 %	2,90,04,033	1.43 %
4.	Others (Individuals)	24,999	0.00 %	6	0.00 %
	Total	**202,19,29,671**	**100 %**	**202,19,29,671**	**100 %**



Shareholding Pattern as on 31st March, 2018

3. The Board of Directors

The Board of Directors ('the Board') have ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole.

The composition of the Board of Directors of the Company is governed under the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder, the shareholders agreement and the Articles of Association of the Company.

The Board of Directors of the Company has an appropriate mix of Executive Director, Non-Executive Director and Independent Director.

As on date of this Report, the Board consists of ten Directors comprising one Non-Executive Chairman, one Executive Managing Director, two Independent Directors, six Non-Executive Directors including one Woman Director. The composition of the Board represents an optimal mix of professionalism, knowledge, experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

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.

All directors have made necessary disclosures for financial year 2017-18 regarding their directorships, association, interest and shareholding as required under Section 184 of the Companies Act, 2013 and on the Committee positions held by them in other Companies.

The managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013. Further, all elements of remuneration package of all the Directors have been given in Form MGT-9 **(Annexure-IV)** of this report.

3.1 Composition

The following are the members of the Board as on 31st March, 2018:

Sl. No.	Name of Directors	Designation	Category
1.	Shri Shashi Shanker	Chairman	Non-Executive
2.	Shri Avinash Joshi	Managing Director	Executive
3.	Shri Subhash Kumar	Director	Non-Executive
4.	Shri Rajesh Kakkar	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
10.	Ms. Gita Singh	Director	Non-Executive

Composition of Board of Directors of the Company during the financial year 2017-18 i.e. from 1st April, 2017 to 31st March, 2018 and up to this report are as follows :

Sl. No.	Name of Directors	Designation	Date of Appointment	Date of Cessation
1.	Shri Shashi Shanker	Chairman	11/10/2017	Continue
2.	Shri Avinash Joshi	Managing Director	01/02/2017	Continue
3.	Shri Subhash Kumar	Director	06/02/2018	Continue
4.	Shri Rajesh Kakkar	Director	24/03/2018	Continue
5.	Shri M. M. Chitale	Director	20/03/2008	Continue
6.	Shri S. Balachandran	Director	29/11/2010	Continue
7.	Shri M. B. Lal	Director	23/08/2013	Continue
8.	Shri P. K. Gupta	Director	22/09/2015	Continue
9.	Ms. Gita Singh	Director	06/02/2018	Continue
10.	Shri Manoj R. Meshram	Director	07/08/2018	Continue
11.	Shri Dinesh K. Sarraf	Director	01/03/2014	01/10/2017
12.	Shri A. K. Srinivasan	Director	01/12/2015	01/11/2017
13.	Shri T. K. Sengupta	Director	03/02/2014	01/01/2018
14.	Shri Sanjib Datta	Director	18/01/2017	19/06/2018

3.2 Classification of the Board

Category	Number of Directors	% to total number of Directors
Executive Directors	1 (Managing Director)	10 %
Independent Directors	2	20 %
Non-Executive Directors (including a Woman Director)	7	70 %
Total	**10**	**100 %**

4. Board/Committees Meetings and Procedures

4.1 The Board meets at regular intervals to discuss and decide on Company/Business policy and other Board businesses. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

4.2 The agenda and notes on agenda are circulated to Board of Directors in advance, and in the defined agenda format. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

4.3 It may not be possible for every Director/Member to be physically present at all the meetings. Hence, Company provide video conferring facility to attend the meetings of Board/Committee to it's members.

4.4 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.

4.5 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.

4.6 The agenda papers are prepared by concerned officials, sponsored by the concerned Functional Head and approved by the President-OPaL/MD-OPaL. Duly approved agenda papers are circulated amongst members of the Board/Committee by the Company Secretary both physically and through email.

4.7 The Company Secretariat while preparing the agenda, notes on agenda and minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 2013 read with rules made thereunder and Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

4.8 The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/Committee members for their comments as prescribed under Secretarial Standard-1. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

5. Board Meetings

Board Meeting

Six Board meetings were held during the financial year 2017-18 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 Meeting	Date of Meeting	Place of Meeting
1.	69th	22-05-2017	Board Room of ONGC, 5th Floor, Pandit Deendayal Upadhyaya Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070
2.	70th	05-07-2017	Board Room of ONGC, 5th Floor, Pandit Deendayal Upadhyaya Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070
3.	71st	08-09-2017	Board Room of ONGC, 5th Floor, Pandit Deendayal Upadhyaya Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070
4.	72nd	17-10-2017	Board Room of ONGC, 5th Floor, Pandit Deendayal Upadhyaya Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070
5.	73rd	06-02-2018	Board Room of ONGC, 5th Floor, Deendayal Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070
6.	74th	24-03-2018	Hotel Fortune Park Dahej, Plot No. Z/4/3, SEZ Part-1, Dahej, Tal : Vagra, Dist. Bharuch, Gujarat-392130

The necessary quorum was present for all the above meetings.

The details of Director's attendance in the Board Meetings during 1st April, 2017 to 31st March, 2018 are as follows:

Sl. No.	Name of Directors	Executive/ Non-Executive/ Independent	No. of Meetings Held	No. of Meetings Attended
1.	Shri Shashi Shanker[1] (DIN:06447938)	Chairman & Non-Executive Director	3	3
2.	Shri Avinash Joshi (DIN:06723083)	Managing Director	6	5
3.	Shri Subhash Kumar[2] (DIN:07905656)	Non-Executive Director	1	1
4.	Shri Rajesh Kakkar[3] (DIN:08029135)	Non-Executive Director	0	0
5.	Shri M.M. Chitale (DIN: 00101004)	Independent & Non-Executive Director	6	2
6.	Shri S. Balachandran (DIN: 01962996)	Independent & Non-Executive Director	6	5
7.	Shri M. B. Lal (DIN:00129965)	Non-Executive Director	6	4
8.	Shri P. K. Gupta (DIN: 01237706)	Non-Executive Director	6	2
9.	Shri Sanjib Datta[4] (DIN: 07008785)	Non-Executive Director	6	5
10.	Ms. Gita Singh[5] (DIN:08060707)	Non-Executive Director	1	1
11.	Shri Dinesh K. Sarraf[6] (DIN:00147870)	Chairman & Non-Executive Director	3	3
12.	Shri T.K. Sengupta[7] (DIN: 06802877)	Non-Executive Director	4	4
13.	Shri A.K. Srinivasan[8] (DIN: 07168305)	Non-Executive Director	4	2

Note:

1. *Shri Shashi Shanker appointed as an Additional Director and Chairman of the Board with effect from 11th October, 2017.*
2. *Shri Subhash Kumar appointed as a Director with effect from 6th February, 2018.*
3. *Shri Rajesh Kakkar appointed as a Director with effect from 24th March, 2018.*
4. *Shri Sanjib Datta ceased to be Director with effect from 19th June, 2018.*
5. *Ms. Gita Singh appointed as a Director with effect from 6th February, 2018.*
6. *Shri Dinesh K. Sarraf ceased to be Director with effect from 1st October, 2017.*
7. *Shri T.K. Sengupta ceased to be Director with effect from 1st January, 2018.*
8. *Shri A.K. Srinivasan ceased to be Director with effect from 1st November, 2017.*

6. Board Committees

The Board Committees play a crucial role in the governance structure of the Company. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The Chairman of the respective Committees informs/apprised the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for noting. The Board Committees can request special invitees to join the meeting, as appropriate.

During the financial year 2017-18 there were 11 Committees and presently, the Board has 9 Committees and in each Committee Independent Director is one of the member. Normally, all Committees meet regularly on need basis during the year. The Board or its Committees also take decision by circular resolutions in case of business exigency or urgency. The Board has accepted the recommendations of Committees on matters where such a recommendation is mandatorily required.

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

(i) Audit Committee

Terms of reference of the Committee

As per Section 177 of the Companies Act, 2013, Audit Committee shall have power in respect of the following matters namely (i) to investigate any activity within its terms of reference; (ii) to seek information from any employee; (iii) to obtain outside legal or other professional advice; (iv) to secure attendance of outsiders with relevant expertise, if it considers necessary. The role of Audit Committee to monitor the Management's financial reporting process and ensure that the disclosures are not only accurate and timely, but follow the highest levels of transparency, integrity and quality of financial reporting. All possible measures are taken by the Committee to ensure the objectivity and independence of the auditor.

Composition and Meetings

Composition of the Committee with effect from 24th March, 2018 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 Subhash Kumar	Non-Executive Director	Member
3.	Shri M.M. Chitale	Independent & Non-Executive Director	Member

Audit Committee met three times during the financial year 2017-18. These meetings were held on 20th May, 2017, 21st August, 2017 and 6th February, 2018. All the above members have adequate knowledge and vast experience in the field of Finance and Accounting. Further Shri Avinash Joshi-Managing Director, Shri M.B. Lal-Director, Shri P. K. Gupta-Director and Shri Pradosh Kumar Basu-Chief Finance Officer are special invitees to the Audit Committee.

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

(ii) HR Committee

Terms of reference of the Committee

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

Composition and Meetings

Composition of the Committee with effect from 24th March, 2018 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 Avinash Joshi	Managing Director	Member
3.	Shri Rajesh Kakkar	Non-Executive Director	Member
4.	Shri M.B. Lal	Non-Executive Director	Member
5.	Shri P. K. Gupta	Non-Executive Director	Member
6.	Ms. Gita Singh	Non-Executive Director	Member

HR Committee met three times during the financial year 2017-18. These meetings were held on 12th April, 2017, 22nd August, 2017 and 1st February, 2018.

(iii) Project Review Committee

Terms of reference of the Committee

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

Composition and Meetings

Composition of the Committee during the financial year 2017-18 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
6.	Shri P. K. Gupta	Non-Executive Director	Member

During the financial year 2017-18, four Project Review Committee meetings were held. These meetings were held on 13th April, 2017, 05th July, 2017, 21st August, 2017 and 16th October, 2017.

OPaL Board in its 74th meeting held on 24th March, 2018 dissolved the "Project Review Committee", since OPaL Plant has already been commissioned and operational.

(iv) Marketing Committee

Terms of reference of the Committee

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

Composition and Meetings

Composition of the Committee with effect from 24th March, 2018 is as follows:

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

Marketing Committee met two times during the financial year 2017-18. These meetings were held on 16th October, 2017 and 1st February, 2018.

(v) Financial Management Committee

Terms of reference of the Committee

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

Composition and Meetings

Composition of the Committee with effect from 24th March, 2018 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 Subhash Kumar	Non-Executive Director	Member
3.	Shri Rajesh Kakkar	Non-Executive Director	Member
4.	Shri M. M. Chitale	Independent & Non-Executive Director	Member
5.	Shri Sanjib Datta *	Non-Executive Director	Member

** Shri Sanjib Datta ceased to be Director with effect from 19th June, 2018.*

Financial Management Committee met eight times during the financial year 2017-18. These meetings were held on 12th April, 2017, 20th May, 2017, 4th July, 2017, 21st August, 2017, 17th October, 2017, 22nd December, 2017, 2nd February, 2018 and 24th March, 2018.

(vi) Nomination & Remuneration Committee

Terms of reference of the Committee

The terms of reference of Nomination & Remuneration Committee (NRC) are in accordance with the requirements of the Companies Act, 2013. The Nomination and Remuneration Committee determines and recommend to the Board the appointment and compensation payable to Directors, Functional Heads, VP & above level positions. All Board level compensation is approved by the shareholders and disclosed.

Composition and Meetings

Composition of the Committee with effect from 24th March, 2018 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 Rajesh Kakkar	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 four times during the financial year 2017-18. These meetings were held on 20th May, 2017, 4th July, 2017, 21st August, 2017 and 1st February, 2018.

(vii) Share Allotment Committee

Terms of reference of the Committee

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

Composition and Meetings

Composition of the Committee with effect from 24th March, 2018 is as follows:

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

Share Allotment Committee met one time during the financial year 2017-18. Meeting was held on 20th May, 2017.

(viii) Empowered Committee

Terms of reference of the Committee

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

Composition and Meetings

Composition of the Committee during the financial year 2017-18 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

There was no meeting held during the financial year 2017-18. OPaL Board in its 74th meeting held on 24th March, 2018 dissolved the "Empowered Committee for Commissioning of Plant", since, OPaL Plant has already been commissioned and has been operational.

(ix) Corporate Social Responsibility Committee

Terms of reference of the Committee

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

Composition and Meetings

Composition of the Committee with effect from 24th March, 2018 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 Rajesh Kakkar	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 of the Companies Act, 2013.

(ii) To recommend the amount of expenditure to be incurred on the CSR activities specified in Schedule VII of the Companies Act, 2013.

(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.

There was no meeting of CSR Committee held during the financial year 2017-18. However CSR Sub-Committee met two times during the financial year 2017-18.

(x) Risk Management Committee

Terms of reference of the Committee

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

Composition and Meetings

Composition of the Committee with effect from 24th March, 2018 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 Pradosh Kumar Basu	Chief Finance Officer (CFO)	Member

** Shri Sanjib Datta ceased to be Director with effect from 19th June, 2018.*

During the financial year 2017-18, Risk Management Committee met once on 4th September, 2017.

(xi) Operation Review Committee

Terms of reference of the Committee

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

Composition and Meetings

Composition of the Committee with effect from 24th March, 2018 is as follows:

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

During the financial year 2017-18, Operation Review Committee met once on 22nd August, 2017.

7. General Meetings

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

Sl. No.	Year	No. of Meeting	Date of Meeting	Time	Place of Meeting	No. of Special Resolution
1.	2014-15	9th AGM	17-09-2015	17:15 hrs	Omkara Building, Sai Chokdi, Manjalpur, Vadodara-390011	One
2.	2015-16	10th AGM	29-09-2016	15:00 hrs	Omkara Building, Sai Chokdi, Manjalpur, Vadodara-390011	One
3.	2016-17	11th AGM	09-09-2017	17:00 hrs	Omkara Building, Sai Chokdi, Manjalpur, Vadodara-390011	Nil

Attendance of Directors in the 11th Annual General Meeting held on 9th September, 2017 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 Avinash Joshi	Managing Director	Yes
3.	Shri T.K. Sengupta	Non-Executive Director	Yes
4.	Shri A.K. Srinivasan	Non-Executive Director	No
5.	Shri M.M. Chitale	Independent & Non-Executive Director	No
6.	Shri S. Balachandran	Independent & Non-Executive Director	Yes
7.	Shri M.B. Lal	Non-Executive Director	Yes
8.	Shri P.K. Gupta	Non-Executive Director	No
9.	Shri Sanjib Datta	Non-Executive Director	No

During the financial year 2017-18, two Extraordinary General Meetings (EGM) were held and the details are as under:

Sl. No.	No. of Meeting	Date of Meeting	Time	Place of Meeting
1.	8th EGM	05-05-2017	15:00 hrs	Conference Room No. 5031 of ONGC, 5th Floor, Pandit Deendayal Upadhyaya Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi - 110070
2.	9th EGM	27-03-2018	11:30 hrs	Meeting Room No. 3 A 1, 3rd Floor, Deendayal Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi - 110070

Attendance of Directors in 8th Extraordinary General Meeting held on 5th May, 2017 and 9th Extraordinary General Meeting held on 27th March, 2018 are as under:

Sl. No.	Name of Directors	Executive/Non-Executive/Independent	Attendance at 8th EGM	Attendance at 9th EGM
1.	Shri Dinesh K. Sarraf [1]	Chairman & Non-Executive Director	Yes	-
2.	Shri Avinash Joshi	Managing Director	No	No
3.	Shri T. K. Sengupta [2]	Non-Executive Director	Yes	-
4.	Shri A.K. Srinivasan [3]	Non-Executive Director	No	-
5.	Shri M. M. Chitale	Independent & Non-Executive Director	No	No
6.	Shri S. Balachandran	Independent & Non-Executive Director	No	No
7.	Shri M. B. Lal	Non-Executive Director	No	Yes
8.	Shri P.K. Gupta	Non-Executive Director	No	No
9.	Shri Sanjib Datta [4]	Non-Executive Director	No	No
10.	Shri Shashi Shanker [5]	Chairman & Non-Executive Director	-	No
11.	Shri Subhash Kumar [6]	Non-Executive Director	-	Yes
12.	Ms. Gita Singh [7]	Non-Executive Director	-	No
13.	Shri Rajesh Kakkar [8]	Non-Executive Director	-	-

Note:

1. *Shri Dinesh K. Sarraf ceased to be Director with effect from 1st October, 2017.*
2. *Shri T.K. Sengupta ceased to be Director with effect from 1st January, 2018.*
3. *Shri A.K. Srinivasan ceased to be Director with effect from 1st November, 2017.*
4. *Shri Sanjib Datta ceased to be Director with effect from 19th June, 2018.*
5. *Shri Shashi Shanker was appointed as a Director and Chairman of the Board with effect from 11th October, 2017.*
6. *Shri Subhash Kumar was appointed as a Director with effect from 6th February, 2018.*
7. *Ms. Gita Singh was appointed as a Director with effect from 6th February, 2018.*
8. *Shri Rajesh Kakkar was appointed as a Director with effect from 24th March, 2018.*

8. Company Policies and Manuals

On the recommendations of respective Board Committees, OPaL Board in its 74th & 75th meeting held on 24th March, 2018 and 18th May, 2018 respectively, approved the following Manuals of the Company:

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

As per statutory requirements and to conduct our business in an effective and efficient manner following policies have been adopted in OPaL:

(i) Health, Safety and Environment (HSE) Policy
(ii) Whistle Blower Policy
(iii) Corporate Social Responsibility Policy
(iv) Risk Management Policy
(v) Nomination and Remuneration Policy

9. 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.

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

10. Board Support and Role of the Company Secretary in Corporate Governance

The Company Secretariat is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretariat is also responsible for preparation of the Agenda and convening of the Board and Committee meetings.

The Company Secretary attends all the meetings of the Board and its Committees. The Company Secretary advises/assures the Board and its Committees on Compliance and Governance principles and ensures appropriate recording of minutes of the meetings.

The Company Secretary acting a vital role in ensuring that the Board/Committees 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 of the Company, collectively and individually as they may require, with regard to their duties, responsibilities and powers, to facilitate convening of meetings, to obtain approvals from the Board, General Meeting, the Government and such other authorities as required under the provisions of the Companies Act, to represent before various regulators and other authorities under the Act in connection with discharge of various duties under the Act and to assist and advise the Board in ensuring good Corporate Governance and in complying with the Corporate Governance requirements and best practices. He interfaces between the management and regulatory authorities for governance matters.

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

Place : New Delhi **(Shashi Shanker)**
Date : 20th September, 2018 **Chairman**

Annexure-IV

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

(As on the financial year ended on 31st March, 2018)

[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	15th 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	4th Floor, 35, Nutan Bharat Co-operative Housing Society Limited, R.C. Dutt Road, Alkapuri, Vadodara - 390007, Gujarat **Telephone No. :** 0265 - 6192600 **Fax No. :** 0265 - 6192666 **Email:** secretarial@opalindia.in **Website:** www.opalindia.in
(vi)	Whether Listed Company	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent	Beetal Financial & Computer Services Private Limited Beetal House, 3rd Floor, 99 Madangir, Behind LSC, New Delhi-110062 **Telephone No.** : 011-2996128-83 **Fax No**: 011-29961284 **Email**: beetal@beetalfinancial.com **Website**: www.beetalfinancial.com *[In respect of Compulsorily Convertible Debentures (CCDs) of the Company]*

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products / services	* NIC Code of the Product / service	# % to total turnover of the Company
1.	Petrochemicals	201	100%

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

During Financial Year 2017-18 HDPE, LLDPE, PP, CBFS, C9+Fraction, Benzene, Butadiene, Butene-1and MFO were sold

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Oil and Natural Gas Corporation Limited **Address :** Deendayal Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi - 110070	L74899DL1993GOI054155	Associate	49.36%	Section 2 (6) of 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, 2017)				No. of Shares held at the end of the year (i.e. March 31, 2018)				% 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	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
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, 2017)			Shareholding at the end of the year (i.e. March 31, 2018)			% Change in share holding 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 :

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 01.04.2017		Cumulative Shareholding during the year (April 01, 2017 to March 31, 2018)	
				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	01.04.2017	-	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	31.03.2018	-	-	-	99,79,55,639	49.36 %
2.	GAIL (India) Limited **(GAIL)**						
	At the beginning of the Year	01.04.2017	-	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	31.03.2018	-	-	-	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 01.04.2017		Cumulative Shareholding during the year (April 01, 2017 to March 31, 2018)	
				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	01.04.2017	-	2,90,04,033	1.43 %	2,90,04,033	1.43 %
	Increase during the Year	-	-	-	-	2,90,04,033	1.43 %
	Decrease during the Year	-	-	-	-	2,90,04,033	1.43 %
	At the end of the Year	31.03.2018	-	-	-	2,90,04,033	1.43 %

(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	Date	Reason for Increase/ Decrease (e.g. Allotment/ Transfer/ Bonus/ Sweat equity etc.)	Shareholding at the beginning of the year as on 01.04.2017		Cumulative Shareholding during the year (April 01, 2017 to March 31, 2018)	
				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	01.04.2017	-	5000	0.00 %	5000	0.00 %
	Increase during the Year	-	-	0	0.00 %	5000	0.00 %
	Decrease during the Year	-	-	0	0.00 %	5000	0.00 %
	At the end of the Year	31.03.2018	-	5000	0.00 %	5000	0.00 %
2.	**Shri Neeraj Lal**						
	At the beginning of the Year	01.04.2017	-	5000	0.00 %	5000	0.00 %
	Increase during the Year	-	-	0	0.00 %	5000	0.00 %
	Decrease during the Year	-	-	0	0.00 %	5000	0.00 %
	At the end of the Year	31.03.2018	-	5000	0.00 %	5000	0.00 %
3.	**Shri Sidharatha Sur**						
	At the beginning of the Year	01.04.2017	-	5000	0.00 %	5000	0.00 %
	Increase during the Year	-	-	0	0.00 %	5000	0.00 %
	Decrease during the Year	-	-	0	0.00 %	5000	0.00 %
	At the end of the Year	31.03.2018	-	5000	0.00 %	5000	0.00 %

Sl. No.	For each of the Top10 Shareholders	Date	Reason for Increase/ Decrease (e.g. Allotment/ Transfer/ Bonus/ Sweat equity etc.)	Shareholding at the beginning of the year as on 01.04.2017		Cumulative Shareholding during the year (April 01, 2017 to March 31, 2018)	
				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	01.04.2017	-	4999	0.00 %	4999	0.00 %
	Increase during the Year	-	-	0	0.00 %	4999	0.00 %
	Decrease during the Year	-	-	0	0.00 %	4999	0.00 %
	At the end of the Year	31.03.2018	-	4999	0.00 %	4999	0.00 %
5.	**Shri A. Satish Kumar**						
	At the beginning of the Year	01.04.2017	-	4997	0.00 %	4997	0.00 %
	Increase during the Year	-	-	0	0.00 %	4997	0.00 %
	Decrease during the Year	-	-	0	0.00 %	4997	0.00 %
	At the end of the Year	31.03.2018	-	4997	0.00 %	4997	0.00 %
6.	**Shri Vivek Chandrakant Tongaonkar**						
	At the beginning of the Year	01.04.2017	-	1	0.00 %	1	0.00 %
	Increase during the Year	-	-	0	0.00 %	1	0.00 %
	Decrease during the Year	-	-	0	0.00 %	1	0.00 %
	At the end of the Year	31.03.2018	-	1	0.00 %	1	0.00 %
7.	**Shri Kotipalli Satyanarayana**						
	At the beginning of the Year	01.04.2017	-	1	0.00 %	1	0.00 %
	Increase during the Year	-	-	0	0.00 %	1	0.00 %
	Decrease during the Year	-	-	0	0.00 %	1	0.00 %
	At the end of the Year	31.03.2018	-	1	0.00 %	1	0.00 %
8.	**Shri R. Banerjee**						
	At the beginning of the Year	01.04.2017	-	1	0.00 %	1	0.00 %
	Increase during the Year	-	-	0	0.00 %	1	0.00 %
	Decrease during the Year	-	-	0	0.00 %	1	0.00 %
	At the end of the Year	31.03.2018	-	1	0.00 %	1	0.00 %

Note : ***There were no joint shareholders of the Company during the financial year 2017-18.***

(v) Shareholding of Directors and Key Managerial Personnel:

During the financial year 2017-18, no Directors and Key Managerial Personnel (KMP) of the Company holds any shares in the Company, except the following:

Sl. No.	Directors and Key Managerial Personnel (KMP)	Date	Reason for Increase/ Decrease (e.g. Allotment/ Transfer/ Bonus/ Sweat equity etc.)	Shareholding at the beginning of the year as on 01.04.2017		Cumulative Shareholding during the year (April 01, 2017 to March 31, 2018)	
				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 (CEO)** *						
	At the beginning of the Year	01.04.2017	-	1	0.00 %	1	0.00 %
	Increase during the Year	-	-	0	0.00 %	1	0.00 %
	Decrease during the Year	-	-	0	0.00 %	1	0.00 %
	At the end of the Year	31.03.2018	-	1	0.00 %	1	0.00 %

Note:

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

V. INDEBTEDNESS:

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

(₹ in Million)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year as on 01.04.2017				
i) Principal Amount	1,42,166.86	1,14,672.81	-NIL-	2,56,839.67
ii) Interest due but not paid	-NIL-	-NIL-	-NIL-	-NIL-
iii) Interest accrued but not due	1.80	3,612.06	-NIL-	3,613.86
Total (i+ii+iii)	**1,42,168.66**	**1,18,284.87**	**-NIL-**	**2,60,453.53**
Change in Indebtedness during the financial year				
Addition	9,460.40	1,47,718.00	-NIL-	1,57,178.40
Reduction	-13,774.92	-1,16,853.04	-NIL-	-1,30,627.96
Net Change	**-4,314.52**	**30,864.96**	**-NIL-**	**26,550.44**
Indebtedness at the end of the financial year as on 31.03.2018				
i) Principal Amount	1,37,847.99	1,44,414.96	-NIL-	2,82,262.95
ii) Interest due but not paid	-NIL-	-NIL-	-NIL-	-NIL-
iii) Interest accrued but not due	6.15	4,734.87	-NIL-	4,741.02
Total (i+ii+iii)	**1,37,854.14**	**1,49,149.83**	**-NIL-**	**2,87,003.97**

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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	5.00	-	-	-	5.00
	(b) Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission					
	- as % of profit	-	-	-	-	-
	- others	-	-	-	-	-
5.	Others	-	-	-	-	-
	Total	**5.00**	**-**	**-**	**-**	**5.00**
	Ceiling as per the Act	***As per Schedule V of the Companies Act, 2013***				

Note:

#The Company does not have any Whole-time Director and/or Manger during the financial year 2017-18 except Shri Avinash Joshi as Managing Director.

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	0.465	0.165	0.630
	• Commission	-	-	-
	• Others	-	-	-
	Total (1)	**0.465**	**0.165**	**0.630**
2.	Other Non-Executive Directors			
	• Fee for attending Board/Committee meetings	-	-	-
	• Commission	-	-	-
	• Others	-	-	-
	Total (2)	-	-	-
	Total = Total (1) + Total (2)	**0.465**	**0.165**	**0.630**
	Total Managerial Remuneration	**0.465**	**0.165**	**0.630**
	Overall Ceiling as per the Act	***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***		

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

(₹ in Million)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Shri K. Satyanarayana CEO *	Shri S.P. Pankaj Company Secretary	Shri Trinath Behera CFO*	Shri Pradosh Kumar Basu CFO*	
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1.80	2.91	4.49	0.70	9.90
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others	- -	- -	- -		- -
5.	Others	-	-	-		-
	Total	**1.80**	**2.91**	**4.49**	**0.70**	**9.90**

Note:

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

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

(iii) Shri Trinath Behera, ceased to be Chief Finance Officer (CFO) and Key Managerial Personnel (KMP) of the Company with effect from 6th February, 2018.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

There were no penalties/punishment/compounding of offences for the breach of any Section of Companies Act against the Company or its Directors or other Officers in Default, during the financial year 2017-18.

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

(Shashi Shanker)
Chairman

Place : New Delhi
Date : 20th September, 2018

Annexure-V

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 (d)	Date (s) of approval by the Board (e)	Amount paid as advances (f)
Oil & Natural Gas Corporation Limited (ONGC) (Joint Venturer)	Purchase of Feed stock	01.04.2017 to 31.03.2018	Purchase of Feed stock from time to time at market determined price (Rs. 36,070.89 million)	Does not require Board Approval	Nil
	Reimbursement of Expenses on behalf of OPaL	01.04.2017 to 31.03.2018	Reimbursement of Salary to ONGC, for employees on deputation (Rs. 44.25 million)	Does not require Board Approval	Nil
	Reimbursement of Expenses by ONGC	01.04.2017 to 31.03.2018	Reimbursement of expenses by ONGC, (Rs. 10.06 million)	Does not require Board Approval	Nil
GAIL (India) Limited (GAIL) (Joint Venturer)	Reimbursement of Expenses on behalf of OPaL	01.04.2017 to 31.03.2018	Reimbursement of Salary to GAIL India Limited, for employees on deputation and Gas Transmission charges (Rs. 6.64 million)	Does not require Board Approval	Nil
	Security Deposit Received	01.04.2017 to 31.03.2018	0.20 million		
	Security Deposit Paid	01.04.2017 to 31.03.2018	5.93 million		
	Reimbursement of Expenses by GAIL	01.04.2017 to 31.03.2018	Reimbursement of expenses by GAIL, (Rs. 0.12 million)	Does not require Board Approval	Nil
Gujarat State Petroleum Corporation Limited (GSPC) (Joint Venturer)	Purchase of Gas	01.04.2017 to 31.03.2018	Purchase of Gas from time to time at market determined price (Rs. 4,712.04 million)	Does not require Board Approval	Nil
Dahej SEZ Limited (DSL) (Common Directorship)	Security Deposit Paid	01.04.2017 to 31.03.2018	0.20 million		
Dahej SEZ Limited (DSL) (Common Directorship)	Lease Rental	01.04.2017 to 31.03.2018	Lease rent for land and DSZ charges (Rs. 98.92 million)	Does not require Board Approval	Nil
Mangalore Refinery & Petrochemical (MRPL) (Common Directorship)	Reimbursement of Expenses on behalf of OPaL	01.04.2017 to 31.03.2018	Reimbursement of Salary to MRPL, for employees on deputation (Rs. 3.71 million)	Does not require Board Approval	Nil
Petronet LNG Limited (Common Directorship)	Purchase of Gas	01.04.2017 to 31.03.2018	Purchase of Gas from time to time at market determined price (Rs. 5,721.50 million)		
Shri Avinash Joshi (MD)	Employment	01.04.2017 to 31.03.2018	Remuneration to KMP (Rs. 5.00 million)	-	Nil
Shri Manoj Kumar Srivastava (President)	Employment	01.04.2017 to 31.03.2018	Related party (Rs. 4.67 million)	-	Nil
Shri K. Satyanarayana (CEO) *[Ceased to be Chief Executive Officer (CEO) and Key Managerial Personnel (KMP) of the Company with effect from 30th April, 2017]*	Employment	01.04.2017 to 30.04.2017	Remuneration to KMP (Rs. 1.80 million)	-	Nil
Shri Trinath Behera (CFO) *[Ceased to be Chief Finance Officer (CFO) and Key Managerial Personnel (KMP) of the Company with effect from 6th February, 2018]*	Employment	01.04.2017 to 05.02.2018	Remuneration to KMP (Rs. 4.49 million)	-	Nil
Shri Subodh Prasad Pankaj (Company Secretary)	Employment	01.04.2017 to 31.03.2018	Remuneration to KMP (Rs. 2.91 million)	-	Nil
Shri Saumya Chakraborty (COO)	Employment	01.04.2017 to 31.03.2018	Related party (Rs. 4.35 million)	-	Nil
Shri Pradosh Kumar Basu (CFO) *[Appointed as Chief Finance Officer (CFO) and Key Managerial Personnel (KMP) of the Company with effect from 6th February, 2018]*	Employment	06.02.2018 to 31.03.2018	Remuneration to KMP (Rs. 0.70 million)		

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

Place : New Delhi
Date : 20th September, 2018

(Shashi Shanker)
Chairman

Annexure-VI

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

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

A. CONSERVATION OF ENERGY

OPaL has established continuous production for all units during last financial year and now we are improving on performance to achieve design production parameters on sustainable basis.

Along with production operations stabilization, parallel efforts have been made to conserve energy with every possible contribution by Company.

- Dedicated Energy management cell has been started by Central Technical Services (CTS) department which will look after energy optimization and conservation activities.
- In Dual Feed Cracker Unit (DFCU) plant, HVAC chillers' fan blades replaced from GI to FRP material to save energy. It has resulted in net saving of approx. 126 MWH during last year.
- Operational practice modified for DFCU furnace operation which has given saving of approx. 100 Tons of process steam and equivalent DM water during each bringing up operation.
- C4 Acetylene recovery started in fuel gas. This has reduced requirement of hydrocarbon fuel in furnace and it is direct saving of Ethane feed gas to fuel gas make up.

B. TECHNOLOGY ABSORPTION

Company is having state-of-the-art technology for high operational reliability and improved product slate flexibility. The technologies have been fully absorbed and plant operations are stabilized by prodigious efforts of OPaL team.

During financial year 2017-18, full load operation trials completed for Dual Feed Cracker Unit (DFCU), Associated Units (AU), Polypropylene (PP), High Density Poly Ethylene (HDPE) and Butene-1 plants. Also maximum continuous rating trial carried out for Captive Power Plant (CPP), Cooling Tower (CT-1) and Ethylene vaporizes. During this year, peak power load of 114 MW (approx.) was recorded.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has earned foreign exchange equivalent to ₹ 8,246.09 million (Previous Year ₹ 676.09 million) on account of revenue from export sales and incurred foreign currency expenditure equivalent to ₹ 22,679.80 million (Previous Year ₹ 12,721.06 million) during the accounting period ended 31st March, 2018.

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

(Shashi Shanker)
Chairman

Place : New Delhi
Date : 20th September, 2018

PARIKH MEHTA & ASSOCIATES
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To,

The Members of ONGC Petro additions Limited

I. Report on the Standalone Indian Accounting Standards (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, 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (here and after referred to as "Standalone Ind AS Financial Statement").

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

The Board of Directors of the Company is 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, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the relevant rule issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that 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. Auditors' 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 of the Standalone Ind AS Financial Statement 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 the disclosures in the Standalone Ind AS Financial Statements. 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. 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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, the aforesaid 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, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

PARIKH MEHTA & ASSOCIATES BARODA Chartered Accountants

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V. Report on Other Legal and Regulatory Requirements

i. As required by the Companies (Auditors 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 Order, to the extent applicable.

ii. Based on the verification of books of account of the Company and according to information & explanations given to us, we give below a report on the Directions/additional Sub Directions issued by the Comptroller and Auditors General of India in terms of Section 143 (5) of the Act:

a. In our opinion and according to the information & explanation given to us, the Company has executed lease deed for leasehold land and there is no leasehold land for which lease deed is pending.

b. According to information & explanation given to us, the Company has not waived/write-off any debts/loans/interest during the year.

c. Proper records are maintained for the inventories lying with third parties. There are no assets received as gift/grant from Government or other authorities during the year.

iii. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper accounts as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash flows Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with relevant rule issued there under;

e. On the basis of the written representations received from the directors as on 31st March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

g. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:

i). The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements - Refer Note 39.1 to the Standalone Ind AS Financial Statements;

ii). According to the information and explanations given to us, the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

iii). There are no amounts that are required to be transferred to the Investor Education and Protection Fund by the company.

For Parikh Mehta & Associates
Chartered Accountants
Firm Registration No. 112832W

(RUPESH CHOKSHI)
Partner
Membership No. 108905
Place : Vadodara
Date : 18th May, 2018

PARIKH MEHTA & ASSOCIATES BARODA Chartered Accountants

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Annexure – A to Independent Auditor's Report

The Annexure referred to in paragraph V(i) under "Report on Other Legal and Regulatory Requirements" in Independent Auditors' Report to the members of the Company on the Standalone Ind AS Financial Statements for the year ended 31st March, 2018, we report that:

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

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

(c) According to the information and explanations given to us and on the basis of the records of the Company, the title deeds of the immovable properties are held in the name of the Company.

II. According to the information and explanations given to us, the inventories were physically verified during the year by the management at reasonable intervals (excluding inventory lying with third parties/consignment stock agent) and no material discrepancies were noticed on physical verification.

III. The Company has not granted any loan to companies, firms, limited liability partnership, or other parties covered in the register maintained under Section 189 of the Act.

IV. The Company has not granted any loans, investments, guarantees and the securities as envisaged under Section 185 and 186 of the Act.

V. In our opinion and according to information and explanations given to us, the Company has not accepted any deposit from the public as per the provisions of the Act.

VI. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub section (1) of Section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with the view to determine whether they are accurate or complete.

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

(a) 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, Goods and Service Tax, 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, Goods and Service Tax, Cess and other statutory dues in arrears as on 31st March, 2018 for the period of more than six months from the date they become payable.

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

PARIKH MEHTA & ASSOCIATES BARODA Chartered Accountants

(₹ in Million)

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

VIII. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, bank and Government or dues to debenture holder.

IX. The Company 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 instrument).

X. According to information and explanations given to us, no material fraud committed by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

XI. According to the information and explanations given to us and based on our examination of records of the Company, the Company has paid/provided for the managerial remuneration in accordance with the provision of Section 197 read with Schedule V to the Act.

XII. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.

XIII. According to the information and explanations given to us and based on our examination of the records of the company, transactions with related parties are in compliance with Section 177 & 188 of the Act, where applicable and the details of such transactions have been disclosed in Standalone Ind AS Financial Statement as required by applicable accounting standards.

XIV. 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.

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 an explanations given to us the Company is not required to be registered u/s 45 IA of the Reserve Bank of India Act, 1934.

For Parikh Mehta & Associates
Chartered Accountants
Firm Registration No. 112832W

(RUPESH CHOKSHI)
Partner
Membership No. 108905
Place : Vadodara
Date : 18th May, 2018

PARIKH MEHTA & ASSOCIATES BARODA Chartered Accountants

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

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

We have audited the internal financial controls over financial reporting of ONGC Petro Additions Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted accounting principle, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management, override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Parikh Mehta & Associates
Chartered Accountants
Firm Registration No. 112832W

(RUPESH CHOKSHI)
Partner
Membership No. 108905
Place : Vadodara
Date : 18th May, 2018.

PARIKH MEHTA & ASSOCIATES
BARODA
Chartered Accountants

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Audited Financial Statements for Financial Year 2017-18

Notes to the Financial Statements for the year ended March 31, 2018
(All amounts are in Rs. millions unless otherwise stated)

1. Corporate information

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

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 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.

2.1. (a) New and amended standards and interpretations

The Company applied for the first time following amendment to the Ind AS which are effective for annual periods beginning on or after 1 April 2017. The nature and the impact of the amendments are described below:

Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative

Effective April 01, 2017 the company adopted the amendment to IND AS 7, which require 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 adoption of amendment did not have any material impact on the financial statements.

(b) Recent accounting pronouncements

(i) New Indian Accounting Standard (Ind AS) issued but not yet effective

Ind AS 115 'Revenue from Contracts with Customers' was notified on 28th March, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognised when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

(ii) Amendments to Indian Accounting Standards (Ind AS) issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standards:

Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 01 April, 2018. The Company is evaluating the requirements of these amendments and the effect on the financial statements is being evaluated.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 01 April, 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendments to Ind AS 40 - Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight. These amendments are not applicable to the Company.

Amendments to Ind 112 Disclosure of Interests in Other Entities : Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale. These amendments are not applicable to the Company.

Ind AS 28 Investments in Associates and Joint Ventures- Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.

- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which:

  (a) the investment entity associate or joint venture is initially recognised;

  (b) the associate or joint venture becomes an investment entity; and

  (c) the investment entity associate or joint venture first becomes a parent.

These amendments are not applicable to the Company.

3. Significant accounting policies

3.1 Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

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, Goods and Services Tax and custom.

Interest income

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

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

Incentive under Export Incentive Scheme

The Government of India has introduced Merchandise Exports from India Scheme (MEIS) through the Foreign Trade Policy (FTP) 2015-20, w.e.f. April 01, 2015. As per this policy, in case of certain items of exports, the company is eligible to get export incentives in the form of Licenses which can be sold in the market on limited scale.

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

3.4 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 is treated as operating lease payments.

Rental expense from operating leases is generally recognized on a straight-line basis over the term of the relevant lease. Contingent rentals, if any, arising under operating leases are recognized 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 recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated using closing rateof exchange prevailing on the last day of the reporting period.

Exchange differences on monetary items are recognized in statement of profit and loss in the period in which they arise.

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

Defined benefit plans

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

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

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

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

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

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

Short-term employee benefits

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

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

(a) In case of accumulated leave encashment, when employees render the services that increase their entitlement of future leave encashment; and

(b) In case of non-accumulating leave encashment, when the absences occur.

Long-term employee benefits

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

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

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

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

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

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

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

3.10.3 Current and deferred tax for the year

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

3.11 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 recognized 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 capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Parts of an item of PPE having different useful lives and material value and subsequent expenditure on PPE arising on account of capital improvement or other factors are accounted for as separate components.

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

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

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

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

Depreciation

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

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

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

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

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

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

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

De-recognition

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

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

3.12.2 De-recognition of intangible assets

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

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 recognized immediately in statement of profit and loss.

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

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

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

3.16 Financial instruments

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

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

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 amortize 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 amortized cost

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

(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 amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in the statement of profit and loss.

(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 recognizes credit loss allowance at lifetime expected credit loss model for all contract assets and/or all trade receivables that do not constitute a financing transaction.

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

(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 recognized in the statement of profit and loss.

3.20 Segment Reporting

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

3.21 Liquidated damages

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

3.22 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.).

3.23 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.

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.

Defined benefit obligation (DBO)

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

ONGC Petro additions Limited
Balance Sheet

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

Sl. No.	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
	ASSETS			
(I)	**Non-current assets**			
	(a) Property, plant and equipment	4	2,47,244.05	2,25,577.57
	(b) Capital work-in-progress	5	18,376.46	47,662.16
	(c) Intangible assets	6	96.90	114.59
	(d) Intangible assets under development	7	67.36	24.66
	(e) Financial assets			
	(i) Loans	8	318.13	303.70
	(f) Non current tax assets	9	23.81	16.42
	(g) Other non-current assets	10	8,097.86	8,302.94
	(h) Deferred Tax Asset	11	8,713.68	1,459.49
	Total non-current assets		**2,82,938.25**	**2,83,461.53**
(II)	**Current assets**			
	(a) Inventories	12	17,892.55	9,555.38
	(b) Financial assets			
	(i) Trade receivables	13	1,309.59	341.62
	(ii) Cash and cash equivalents	14	113.79	52.43
	(iii) Bank balances other than (ii) above	15	15.36	19.05
	(c) Other current assets	10	2,352.90	2,380.16
	Total current assets		**21,684.19**	**12,348.64**
	Total assets (I+II)		**3,04,622.44**	**2,95,810.17**
	EQUITY AND LIABILITIES			
(I)	**Equity**			
	(a) Equity share capital	16	20,219.30	20,219.30
	(b) Other equity	17	(14,081.69)	8,110.26
	Total equity		**6,137.61**	**28,329.56**
(II)	**Liabilities**			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	18	1,97,176.27	1,79,861.25
	(b) Provisions	20	127.80	78.92
	Total non-current liabilities		**1,97,304.07**	**1,79,940.17**
(III)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	18	71,347.47	63,887.48
	(ii) Trade payable	21	8,604.97	4,184.27
	(iii) Other financial liabilities	19	21,062.78	19,292.69
	(b) Provisions	20	3.56	2.83
	(c) Other current liabilities	22	161.98	173.17
	Total current liabilities		**1,01,180.76**	**87,540.44**
(IV)	**Total liabilities (II+III)**		**2,98,484.83**	**2,67,480.61**
	Total equity and liabilities (I+IV)		**3,04,622.44**	**2,95,810.17**

See accompanying notes to the financial statements 1-42

For Parikh Mehta & Associates
Chartered Accountants

(Rupesh Chokshi)
Partner
M. No. : 108905
FRN No. : 112832W

PARIKH MEHTA & ASSOCIATES BARODA Chartered Accountants

(Subodh Prasad Pankaj)
Company Secretary

For and on behalf of the OPaL Board

(Pradosh Kumar Basu)
Chief Finance Officer

(Manoj Kumar Srivastava)
President

(Subhash Kumar)
Director

(Avinash Joshi)
Managing Director

Place : New Delhi
Date : 18th May, 2018

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, 2018	For the year ended March 31, 2017
I	Revenue from operations	23	55,918.21	1,094.48
II	Other income	24	154.67	44.28
III	**Total Income (I+II)**		**56,072.88**	**1,138.76**
IV	**EXPENSES**			
	Cost of raw materials consumed	25	36,017.17	6,545.99
	Changes in inventories of finished goods, WIP, stock in trade	26	(2,463.80)	(6,663.97)
	Employee benefit expense	27	1,021.93	164.06
	Finance costs	28	21,522.19	7,051.71
	Depreciation and amortisation expense	29	11,522.89	3,427.32
	Other expenses	30	17,902.25	1,915.18
	Total expenses (IV)		**85,522.63**	**12,440.29**
V	**Profit/(Loss) before tax (III-IV)**		**(29,449.75)**	**(11,301.53)**
VI	**Tax expense:**			
	(1) Current tax		-	-
	(2) Deferred tax	31	(7,254.19)	(2,479.57)
			(7,254.19)	**(2,479.57)**
VII	**Profit/(Loss) for the year (V-VI)**		**(22,195.56)**	**(8,821.96)**
VIII	**Other Comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of the defined benefit plans		3.61	(1.73)
	Total other comprehensive income		**3.61**	**(1.73)**
IX	**Total comprehensive income for the year (VII+VIII)**		**(22,191.95)**	**(8,823.69)**
X	Earnings per equity share (Face value of Rs. 10/ each): (1) Basic & Diluted (in Rs.)	32	**(10.98)**	**(4.36)**

See accompanying notes to the financial statements 1-42

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(Rupesh Chokshi)
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PARIKH MEHTA & ASSOCIATES • BARODA • Chartered Accountants

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Director

(Avinash Joshi)
Managing Director

Place : New Delhi
Date : 18th May, 2018

ONGC Petro additions Limited

Statement of Cash Flows

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

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Profit after tax		**(22,195.56)**		**(8,821.96)**
Adjustments for:				
Tax expense recognised in profit or loss	(7,254.19)		(2,479.57)	
Depreciation and amortisation expense	11,522.89		3,427.32	
Interest expense	21,522.19		7,051.71	
Interest Income	(33.57)		(15.09)	
Profit on sale of Property plant & equipment	(0.01)		(0.01)	
Remeasurement of the defined benefit plans	3.61	**25,760.92**	(1.73)	**7,982.63**
Operating Profit/(Loss) before Changes in assets and liabilities		**3,565.36**		**(839.33)**
Changes in assets and liabilities:				
Inventories	(8,337.17)		(9,193.48)	
Trade and other receivables	(967.97)		(333.28)	
Other assets	221.60		16,241.58	
Trade Payable and other liabilities	5,531.33		8,995.93	
Provisions	49.61	**(3,502.60)**	25.72	**15,736.47**
Cash generated from operations		**62.76**		**14,897.14**
Income taxes paid		(7.39)		(2.72)
Net cash generated by/(used in) operating activities "A"		**55.37**		**14,894.42**
B. CASH FLOWS FROM INVESTING ACTIVITIES:				
Payments for property, plant and equipment including intangible assets		(2,163.98)		(34,832.48)
Interest received		33.57		15.09
Proceeds from disposal of property, plant and equipment		0.15		0.19
Net cash (used in) investing activities "B"		**(2,130.26)**		**(34,817.20)**
C. CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from Borrowings		1,57,178.40		1,39,239.82
Repayments of Borrowings		(1,31,755.12)		(96,571.48)
Interest paid		(23,287.03)		(22,699.73)
Net cash generated by financing activities "C"		**2,136.25**		**19,968.61**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**61.36**		**45.83**
Cash and cash equivalents at the beginning of the year		**52.43**		**6.60**
Cash and cash equivalents at the end of the year		**113.79**		**52.43**

Notes:

1. 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.
2. Cash and Cash equivalent represents Bank Balances with Scheduled Bank as per Note No. 14
3. Previous years figures have been regrouped when necessary to conform to the year's classification

For Parikh Mehta & Associates
Chartered Accountants

(Rupesh Chokshi)
Partner
M. No. : 108905
FRN No. : 112832W

PARIKH MEHTA & ASSOCIATES BARODA Chartered Accountants

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President

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Director

(Avinash Joshi)
Managing Director

Place : New Delhi
Date : 18th May, 2018

ओपीएएल
OPaL

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

Statement of Changes in Equity

(a) Equity share capital

Particulars	Amount
Balance as at April 1, 2016	**20,219.30**
Changes during the year	-
Balance as at April 1, 2017	**20,219.30**
Changes during the year	-
Balance as at March 31, 2018	**20,219.30**

(b) Other equity

Particulars	Reserves & Surplus	Money received against share warrants	Total
	Retained earnings		
Balance as at April 1, 2016 (I)	**(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 (II)	**(8,823.69)**	-	**(8,823.69)**
Balance as at March 31, 2017 (III=I+II)	**(10,629.24)**	**18,739.50**	**8,110.26**
Loss for the year	(22,195.56)	-	(22,195.56)
Remeasurement of defined benefit plans, net of tax	3.61	-	3.61
Total comprehensive income for the year (IV)	**(22,191.95)**	-	**(22,191.95)**
Balance as at March 31, 2018 (V=III+IV)	**(32,821.19)**	**18,739.50**	**(14,081.69)**

See accompanying notes to the financial statements 1-42

For Parikh Mehta & Associates
Chartered Accountants

(Rupesh Chokshi)
Partner
M. No. : 108905
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PARIKH MEHTA & ASSOCIATES
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Managing Director

Place : New Delhi
Date : 18th May, 2018

4. Property, plant and equipment (PPE)

4.1 Gross Carrying Amount

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

Gross Carrying Amount	Factory Buildings	Other Buildings	Plant & Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Road, Culverts	Computers	Leasehold Improvement	Total
Balance at April 1, 2017	5,024.64	912.06	2,21,628.60	465.62	255.63	61.84	827.14	77.12	0.58	2,29,253.23
Additions during the Year	1,213.81	-	31,870.42	27.24	-	5.75	15.30	18.89	-	33,151.41
Adjustments during the Year		(0.15)	(0.04)							(0.19)
Deductions during the Year	-	-	-	-	-	0.47	-	0.08	-	0.55
Balance at March 31, 2018	**6,238.45**	**911.91**	**2,53,498.98**	**492.86**	**255.63**	**67.12**	**842.44**	**95.93**	**0.58**	**2,62,403.90**

Addition includes borrowing cost capitalised Rs. 10,000.87 million (FY 2016-17 Rs. 67,475.07 million) and Incidental Expenditure during construction period Rs. 3,636.98 Million (FY 2016-17 Rs. 17,749.22 million).

Refer Note no. 5.1 to 5.3 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 Accumulated Depreciation

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

Accumulated depreciation	Factory Buildings	Other Buildings	Plant & Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Road, Culverts	Computers	Leasehold Improvement	Total
Balance at April 1, 2017	140.54	77.74	3,216.94	53.29	34.49	4.39	102.80	44.89	0.58	3,675.66
Depreciation expense for the Year	213.00	27.62	11,048.09	50.7	31.15	4.88	83.22	25.97	-	11,484.63
Deductions during the Year	-	-	-	-	-	0.36	-	0.08	-	0.44
Balance at March 31, 2018	**353.54**	**105.36**	**14,265.03**	**103.99**	**65.64**	**8.91**	**186.02**	**70.78**	**0.58**	**15,159.85**

4.4 Carrying amount

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

Carrying Amount	Factory Buildings	Other Buildings	Plant & Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Road, Culverts	Computers	Leasehold Improvement	Total
Balance at March 31, 2017	4,884.10	834.32	2,18,411.66	412.33	221.14	57.45	724.34	32.23	-	2,25,577.57
Balance at March 31, 2018	5,884.91	806.55	2,39,233.95	388.87	189.99	58.21	656.42	25.15	-	2,47,244.05

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5. Capital Work-in-Progress

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

Particulars	As at April 01, 2017	Additions & Adjustments during Financial year 2017-18	Deduction during the Financial year 2017-18	Capitalised during the Year 2017-18	As at March 31, 2018
Capital Work-in-Progress					
Dual Feed Cracker and Associated Units (DFCU)	-	2,139.73	-	2,139.73	-
Double Walled Storage Tank (DWST)	-	13.16	-	13.16	-
Distributed Control System (DCS)	263.34	1.65	-	264.99	-
Butene 1	-	163.80	-	163.80	-
Cooling Water System (CWS)	-	(4.59)	-	(4.59)	-
Effluent Collection & Treatment System (ECTS)	1,731.17	-	-	1,731.17	-
Integrated Utilities & Offsites (IU & O)	7,671.56	359.59	-	1,089.86	6,941.29
Pipeline and Associated work	-	1.01	-	1.01	-
Inert Gas and Compressed Air System (IA/PA)	-	1.04	-	1.04	-
Captive Power Plant (CPP)	1,750.72	187.82	-	(15.60)	1,954.14
Polyethylene (PE)	15,362.84	(2,201.02)	-	13,161.82	-
Polypropylene (PP)	-	(130.49)	-	(130.49)	-
Hazira Dahej Napththa Pipeline	-	149.58	-	-	149.58
Product Warehouse (PWH)	-	145.38	-	145.38	-
Central Laboratory	-	216.51	-	216.51	-
High Density Poly Ethylene (HDPE)	-	86.47	-	86.47	-
Atali Township	6.78	-	-	-	6.78
Finance and Interest Charges	14,363.58	1,764.84	-	10,000.87	6,127.55
Incidental Expenses During Construction Including Consultancy	4,910.99	1,830.04	-	3,636.98	3,104.05
Other Capital Inventory	9.49	28.57	-	-	38.06
Other Capital Work in Progress	18.99	36.02	-	-	55.01
Catalyst	307.54	(307.54)	-	-	-
Trial Run Inventory	1,265.16	(1,265.16)	-	-	-
Carrying amount of capital work-in-progress	**47,662.16**	**3,216.41**	**-**	**32,502.11**	**18,376.46**

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. Captive Power Plant (CPP), Integrated Utilities & Offsites (IU&O) and Hazira Dahej Naphtha Pipeline (HDNL) assets are under capital work in progress as at 31st March, 2018. Under HDNL, work of Horizontal Directional Drilling (HDD) across Narmada river was undertaken by OPaL. A formal agreement between ONGC & OPaL is yet to be made w.r.t taking over of Hazira-Dahej Naphtha Pipeline. The capitalization is carried out based on the contract value including change orders where ever applicable except in case of LSTK packages where the commercial invoices from respective contractors and delay analysis is pending. The management expects that the liability will not exceed more than the cost recorded in the books of accounts significantly in respect of these LSTK assets. The assets are taken over by the company from LSTK contractors are duly certified by the management of the Company. The insurance cover, where ever applicable, has been undertaken by the Company.

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

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

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6. Intangible assets

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

Particulars	As at March 31, 2018	As at March 31, 2017
Gross Carrying Amount		
Opening balance	179.63	169.24
Additions during the year	20.53	10.39
	200.16	**179.63**
Less: Accumulated amortization		
Opening balance	65.04	30.16
Additions during the year	38.22	34.88
	103.26	**65.04**
Carrying amount of Intangible assets	**96.90**	**114.59**

7. Intangible assets under development

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

Particulars	As at March 31, 2018	As at March 31, 2017
Intangible assets under development	67.36	24.66
Carrying amount of Intangible assets under development	**67.36**	**24.66**

8. Loans

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
Security deposits Unsecured, considered Good	318.13	-	303.70	-
Total	**318.13**	-	**303.70**	-

9. Non - Current tax assets

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

Particulars	As at March 31, 2018	As at March 31, 2017
Tax deducted at source	3.08	13.35
Income tax refund due	20.73	3.07
Total	**23.81**	**16.42**

10. Other assets

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
(a) Capital advances				
Secured, considered good	-	229.70	-	483.13
Unsecured, considered good	-	1,749.43	-	1,723.87
(b) Advances to employees	-	0.47	-	0.35
(c) Prepayment				
Prepaid expenses	-	94.82	-	46.66
Prepaid land lease	8,073.27	-	8,279.56	-
Prepaid Rent & Gas transmission charges	24.59	4.43	23.38	3.84
(d) Other				
Custom duty advance	-	198.80	-	97.54
Service tax recoverable	-	58.10	-	24.77
Vat credit receivable	-	0.08	-	-
GST receivable	-	17.07	-	-
Total	**8,097.86**	**2,352.90**	**8,302.94**	**2,380.16**

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11. Deferred tax Assets / (Liability)

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

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

Particulars	Opening Balance	Recognised in profit or loss	Closing Balance
Tax effect items constituting deferred Tax liability			
Property Plant & Equipments	13,002.82	10,123.12	23,125.94
Others	39.29	(39.29)	-
Total	**13,042.11**	**10,083.83**	**23,125.94**
Tax effect items constituting deferred Tax Assets			
Financial and other assets	-	8.18	8.18
Financial and other liability	11.03	34.62	45.65
Defined Benefit Obligation	-	0.92	0.92
Carry forward Business Loss	14,490.57	17,294.30	31,784.87
Total	**14,501.60**	**17,338.02**	**31,839.62**
Deferred Tax Assets / (Liabilities) Net	**1,459.49**	**7,254.19**	**8,713.68**

12. Inventories

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

Particulars	As at March 31, 2018	As at March 31, 2017
Raw materials	3,585.68	1,895.11
Stock-in-trade	0.56	0.56
Work-in-progress	4,504.22	2,591.55
Finished goods	4,623.55	4,072.42
Stores and spares	5,178.54	995.74
Total	**17,892.55**	**9,555.38**

12.1 Raw Materials includes goods in transit valued at Rs. 1143.79 million and Finish goods includes goods in transit values at Rs. 73.81 million.

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

13. Trade receivables

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

Particulars	As at March 31, 2018	As at March 31, 2017
Secured, considered good	1,309.59	341.62
Total	**1,309.59**	**341.62**

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

Of the trade receivables balances as at March 31, 2018 of Rs. 1309.59 million (as at March 31, 2017 of Rs. 341.62 million) is due from Plastic and Petrochemical companies.

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

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

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

The balance of Receivables are subject to confirmation/reconciliation.

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13.2 **Age of receivables**

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

Particulars	As at March 31, 2018	As at March 31, 2017
Within the credit period	516.81	341.62
1-30 days past due	729.57	-
31-60 days past due	56.63	-
61-90 days past due	0.27	-
More than 90 days past due	6.31	-
Total	**1,309.59**	**341.62**

14. **Cash and cash equivalents**

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

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with Banks		
Current Account	90.87	52.29
Imprest	0.12	0.14
Bank deposits for original maturity upto 3 months	22.80	-
Total	**113.79**	**52.43**

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

15. **Other bank balance**

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

Particulars	As at March 31, 2018	As at March 31, 2017
Margin money with bank	15.36	19.05
Total	**15.36**	**19.05**

16. **Equity share capital**

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

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised: 15,000,000,000 equity shares of Rs.10 each (as at March 31, 2017 : 15,000,000,000 equity shares of Rs. 10 each)	1,50,000.00	1,50,000.00
	1,50,000.00	1,50,000.00
Issued: 2,021,929,671 equity shares of Rs. 10 each (as at March 31, 2017 : 2,021,929,671 equity shares of Rs. 10 each)	20,219.30	20,219.30
	20,219.30	20,219.30
Subscribed and paid up: 2,021,929,671 equity shares of Rs. 10 each (as at March 31, 2017: 2,021,929,671 equity shares of Rs. 10 each)	20,219.30	20,219.30
Total	**20,219.30**	**20,219.30**

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

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

Particulars	Number of shares in million	Share capital
Balance at 1st April, 2017	**2,021.93**	**20,219.30**
Changes during the year	-	-
Balance at March 31, 2018	**2,021.93**	**20,219.30**

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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, 2018		As at March 31, 2017	
	No. in million	% holding	No. in million	% holding
Oil and Natural Gas Corporation Limited	997.95	49.36	997.95	49.36
GAIL (India) Limited	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, 2018	As at March 31, 2017
Money received against share warrants	18,739.50	18,739.50
Retained earnings	(32,821.19)	(10,629.24)
Total	**(14,081.69)**	**8,110.26**

17.1

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

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Money received against share warrants		
Balance at beginning of year	18,739.50	18,739.50
Add : Issue of share warrants	-	-
Balance at end of year	**18,739.50**	**18,739.50**
(b) Retained earnings		
Balance at beginning of year	(10,629.24)	(1,805.55)
Loss after tax for the year	(22,195.56)	(8,821.96)
Add : Other comprehensive income arising from re-measurement of defined benefit obligation net of income tax	3.61	(1.73)
Balance at end of year	**(32,821.19)**	**(10,629.24)**

17.2 **Disclosures in relation to money received against share warrants:**

(i) Money received against share warrant represent amounts received towards warrants which entails the warrant holders, the option to apply for and be allotted equivalent number of equity shares of the face value of Rs. 10 each.

(ii) Against issue of 1,922,000,000 no. of share warrants the balance amount payable is Rs. 480.50 million.

(iii) The equity shares to be issued up on the exercise of the warrant shall be subject to Memorandum of Association and Articles of Association of the Company and shall rank pari-passu 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.

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18. Borrowings

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non- current	Current	Non- current	Current
Secured - at amortised cost				
Term loans				
Rupee loan from banks	1,18,679.95	-	1,19,959.86	-
External commercial borrowings	11,277.68	-	13,349.60	-
Rupee loan from others	3,257.89	-	3,619.88	-
Working Capital Loan	-	4,632.47	-	5,237.52
Unsecured - at amortised cost				
Debentures	77,699.96	-	56,022.85	-
Loan repayable on demand from banks	-	66,715.00	-	58,649.96
Sub Total	**2,10,915.48**	**71,347.47**	**1,92,952.19**	**63,887.48**
Less : Current maturity of Long term Debt	13,739.21	-	13,090.94	-
Total	**1,97,176.27**	**71,347.47**	**1,79,861.25**	**63,887.48**

18.1 Key terms

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

Particulars	As at March 31, 2018	Rate of Interest	As at March 31, 2017	Rate of Interest
1. Long Term Loans (Facility-I)	99,537.50	8.75 %	1,10,631.39	10.90 %
2. Long Term Loans (Facility-II)	22,400.34	8.75 %	12,948.36	10.90 %
Total Rupee Loan	**1,21,937.84**		**1,23,579.75**	

Terms of Repayment

1. Long Term Loans Facility I : Repayable in 41 equal quarterly instalments starting in Q4 FY 2016-17 and ending in Q4 FY 2026-27. (PY Q4 FY 2016-17 and ending in Q4 FY 2026-27)

2. Long Term Loans Facility II : Repayable in 43 structured quarterly instalments starting in Q2 FY 2018-19 and ending in Q1 FY 2029-30. (PY Q2 FY 2018-19 and ending in Q1 FY 2029-30)

18.2 External Commercial Borrowings (ECB)

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

Particulars	As at March 31, 2018	Rate of Interest	As at March 31, 2017	Rate of Interest
Facility - I	9,186.80	6 month USD LIBOR + 250 bps	6,356.64	6 month USD LIBOR + 347 bps
Facility - II	2,090.88	6 month USD LIBOR + 225 bps	4,237.76	6 month USD LIBOR + 352 bps
			2,755.20	6 month USD LIBOR + 324 bps
Total	**11,277.68**		**13,349.60**	

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18.3 Unsecured - Compulsory Convertible Debentures

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

Particulars	As at March 31, 2018	As at March 31, 2017	Coupon Rate	Terms of Repayment
CCD I (July 2016) Series A / B	56,079.24	56,022.85	8.75 %	36 months from pay in date
CCD II (May 2017)	16,705.57	-	7.68 %	36 months from pay in date
CCD III (March 2018)	4,915.15	-	8.00 %	36 months from pay in date
Total	**77,699.96**	**56,022.85**		

(i) The company has allotted 5615 Compulsory Convertible Debentures (CCDs) of Rs. 10.00 Millions each with a coupon rate of 8.75% p.a to be served annually, through private placement in two tranches, 3000 CCDs on 02.07.2016 and 2615 CCDs on 12.07.2016.

During the year company has allotted 1671 CCDs of Rs. 10.00 Million each with a coupon rate of 7.6829% p.a. to be served annually through private placement on 18.05.2017 and 492 CCDs of Rs. 10 Million each with a coupon rate of 8.00% to be served annually through private placement on 28.03.2018.

(ii) CCDs will be compulsory convertible at par into 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) ONGC will have the option to buy out at the end of 24th, 30th and 35th month from respective pay in date.

(v) Unconditional and irrevocable mandatory put option of CCD on ONGC at the end of 35th Month from the pay in date of the first tranche.

(vi) Interest rate on CCDs was discovered through open bidding process and rate discovered was found to be at par with prevailing market rate of interest on debt instruments and accordingly based on the substance of the contract and by applying the working as prescribed under Ind AS 32, for classifying the instrument into Debt or Equity, practically equity portion works out to NIL or negligible and hence total components of CCDs are considered as debt instrument and accordingly it has been valued and classified.

18.4 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.

18.5 Repayment terms of ECB

a) Facility I : USD 190 million

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

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b) Facility I : 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

18.6 Working Capital

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

Name of Bank	As at March 31, 2018	Rate of Interest	As at March 31, 2017	Rate of Interest
Allahabad Bank	4,590.34	7.85 %*	1,546.10	9.45 %
Indian Bank	35.60	7.90 %*	2,000.00	8.60 %
Andhra Bank Cash Credit	4.77	8.30 %	1,685.00	8.65 %
Allahabad Bank Cash Credit	0.72	8.50 %	-	-
Indian Bank Cash Credit	0.11	8.15 %	-	-
Canara Bank Cash Credit	0.93	8.40 %	-	-
Total	**4,632.47**		**5,231.10**	

* Availed as Working Capital Demand Loan (WCDL)

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

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

(c) First charge on the Trust and Retention Accounts (except DSRA) on pari-passu basis along with the Long Term Lenders.

18.7 Repayment Schedule - Unsecured Loan

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	Amount	Repayment	Amount	Repayment
Allahabad Bank	5,000.00	Q1 2018-19	4,999.98	Q1 2017-18
Central Bank of India	5,000.00	Q2 2018-19	4,999.98	Q2 2017-18
Bank of India	5,000.00	Q1 2018-19	5,000.00	Q2 2017-18
Allahabad Bank	-	-	5,000.00	Q2 2017-18
Andhra Bank	-	-	5,000.00	Q1 2017-18
Canara Bank	5,000.00	Q1 2018-19	5,000.00	Q1 2017-18
United Bank of India	-	-	2,000.00	Q1 2017-18
Canara Bank	6,000.00	Q2 2018-19	5,000.00	Q1 2017-18
Syndicate Bank	1,830.00	Q2 2018-19	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	5,000.00	Q1 2018-19	3,000.00	Q2 2017-18
Vijaya Bank	5,000.00	Q2 2018-19	1,000.00	Q2 2017-18
Bank of Baroda	4,885.00	Q1 2018-19	2,900.00	Q3 2017-18
Federal Bank	2,750.00	Q1 2018-19	-	-
Federal Bank	1,250.00	Q2 2018-19	-	-
Indian Bank	5,000.00	Q2 2018-19	-	-
Indian Bank	5,000.00	Q2 2018-19	-	-
Axis Bank	5,000.00	Q2 2018-19	-	-
Jammu & Kashmir Bank	5,000.00	Q2 2018-19	-	-
Total	**66,715.00**		**58,649.96**	

19. Other financial liabilities

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
Amount Withheld from Contractors	-	499.62	-	554.78
Liability for capital goods and services	-	1,364.20	-	927.07
Interest accrued but not due on borrowings	-	4,741.02	-	3,613.86
Current maturities of long-term debt	-	13,739.21	-	13,090.94
Liability for employees	-	1.42	-	8.27
Other liabilities	-	717.31	-	1,097.77
Total	-	**21,062.78**	-	**19,292.69**

20. Provisions

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
Provision for employee benefits				
Leave	120.88	3.56	78.92	2.83
Gratuity	6.92	-	-	-
Total	**127.80**	**3.56**	**78.92**	**2.83**

21. Trade payables

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

Particulars	As at March 31, 2018	As at March 31, 2017
Trade payables	8,604.97	4,184.27
Total	**8,604.97**	**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*

Particulars	As at March 31, 2018	As at March 31, 2017
a) Principal & Interest amount remaining unpaid but not due as at year end	30.32	23.40
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, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
Liability for statutory payments	-	161.98	-	173.17
Total	-	**161.98**	-	**173.17**

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23. Revenue From Operations

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products	57,313.45	2,729.30
Less : Transferred to Capital Work in Progress	1,395.24	1,634.82
	55,918.21	**1,094.48**

24. Other Income

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on		
Deposits with Banks	23.88	25.95
Others	9.69	10.15
Other non-operating income		
Recovery from contractor	120.19	1.03
Profit on sale of Property Plant and Equipments	0.01	0.03
Miscellaneous receipts	1.83	6.15
Net Foreign Exchange gain	-	62.65
Total	**155.60**	**105.96**
Less : Transferred to Incidental Expense During Construction Period	0.93	61.68
	154.67	**44.28**

25. Raw Material Consumption

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of Raw Material	36,164.33	14,527.88
Less : Transferred to Capital Work in Progress	147.16	7,981.89
	36,017.17	**6,545.99**

26. Changes in inventories

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Closing Stock:		
Finished Goods	4,624.11	4,072.98
WIP, Stock-in-trade	4,504.22	2,591.55
	9,128.33	**6,664.53**
Opening Stock:		
Finished Goods	4,072.98	0.56
WIP, Stock-in-trade	2,591.55	-
	6,664.53	**0.56**
Decrease/(increase) in inventories	**(2,463.80)**	**(6,663.97)**

27. Employee benefit expense

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, Bonus and other allowances	1,016.14	761.75
Contribution to Provident and Other Funds	64.82	49.50
Staff Welfare Expenses	17.11	15.08
Total	**1,098.07**	**826.33**
Less : Transferred to Incidental Expense During Construction Period	76.14	662.27
	1,021.93	**164.06**

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28. **Finance costs**

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest :		
Borrowings from Banks and Others	23,347.61	22,954.11
Exchange differences regarded as an adjustment to borrowing costs	(60.58)	(254.38)
Total	**23,287.03**	**22,699.73**
Less : Transferred to Incidental Expense During Construction Period	1,764.84	15,648.02
	21,522.19	**7,051.71**

29. **Depreciation and amortisation expense**

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation and amortisation	11,522.89	3,427.32
Total	**11,522.89**	**3,427.32**

30. **Other expenses**

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rates, duties and taxes	127.27	60.69
Consumption of Spares and Stores	2,743.67	239.10
Amortisation of land development expense	210.85	208.52
Travel and Conveyance	66.76	113.66
Insurance expense	469.45	17.23
Power and fuel	11,433.94	6,176.39
Rent	146.39	114.23
Repairs and maintenance - Building	(1.23)	20.96
Repairs and maintenance - Machinery	139.02	73.10
Repairs and maintenance - Others	26.17	11.75
Operation & Maintenance Expenses	484.27	157.72
Internal audit fees	0.66	0.86
Statutory audit fees	0.90	0.90
Business development expense	0.55	1.32
Training to Employees	1.19	-
Professional expenses	52.97	-
Selling and Distribution expenses (Refer note 30.4)	1,594.43	147.31
Plant inauguration expense	43.20	70.20
Sponsorship	11.06	7.09
Security expenses	94.97	58.43
Water and electricity charges	412.21	281.93
Printing and Stationery	5.05	3.06
Expense on assets not owned by Company	-	53.31
Caretaking expenses	43.14	35.81
CSR expenditure	7.14	0.06
Relocation expense	7.60	7.36
Storage rental for naphta	360.49	567.25
Licensesor fees	276.29	4.65
Green Belt Development Expense	4.30	-
Net Foreign Exchange Loss	118.34	-
Miscellaneous expenses (Refer note 30.1)	168.60	89.76
Total	**19,049.65**	**8,522.65**
Less : Transferred to Incidental Expense During Construction Period	1,147.40	6,607.47
	17,902.25	**1,915.18**

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30.1 Miscellaneous

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Inward Material Handling Related Expense	3.12	3.02
Custom Duty Exp-Special Additional Duty Chemical	2.28	0.17
Material Handling Expense Within Plant	24.66	0.67
Others Factory Exp	1.13	0.10
Hiring Of Cranes	2.91	3.30
Repair - IT Services	46.91	16.28
Medical Facility at Plant	7.37	2.32
Safety Expenses	4.66	6.39
General Expenses Office	2.59	6.35
Internet Expenses	5.82	1.38
Canteen Expenses	8.14	6.57
Postage and Telegraph Expenses	0.59	0.36
Telephone Expenses	15.97	11.38
Seminar and Conference Expenses	19.74	6.49
Director Sitting Fees	0.63	0.80
Recruitment Expenses	7.76	11.34
Hazardous Waste Management Expenses	0.23	-
Stipend Expenses	0.09	0.19
Other expenses	14.00	12.65
Total	**168.60**	**89.76**

30.2 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. 7.14 million during the year (Year ended March 31, 2017 Rs. 0.06 million).

30.3 Statutory Auditors Remuneration as under:

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

Payment to Auditors	Year ended March 31, 2018	Year ended March 31, 2017
Audit Fees	0.90	0.90
Other Services	0.34	0.35
Travelling and Out of Pocket Expenses	-	0.06
Total	**1.24**	**1.30**

30.4 Selling & Distribution expenses

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Outward Freight	1,102.52	22.72
Warehouse Expenses	60.98	14.30
Tank Hire Charges-Chemicals	124.92	50.90
DCA Commission	230.00	-
Clearing and Forwarding Expenses	10.71	2.90
Advertisement Expenses	31.13	22.73
Business Promotion	3.01	6.20
Subscription and Membership Expenses	19.54	12.51
Discounts	-	14.82
Other Expenses	11.61	0.23
Total	**1,594.43**	**147.31**

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31. **Income taxes**

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Deferred tax		
In respect of current year	(7,254.19)	(2,479.57)
Total	**(7,254.19)**	**(2,479.57)**

32. **Earnings per share**

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Basic earnings per equity share (in Rs.)	**(10.98)**	**(4.36)**
Face value per equity share (in Rs.)	**10.00**	**10.00**

32.1 **Basic earnings per share**

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

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(Loss) Profit for the year attributable to equity shareholders	**(22,191.95)**	**(8,823.69)**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Weighted average number of equity shares for the purposes of basic earnings per share	**2,021.93**	**2,021.93**

33. **Operating lease arrangements**

33.1 **The Company as lessee**

33.1.1 **Leasing arrangements**

The Company has certain office and Land on operating lease which are cancellable by giving appropriate notice as per the respective arrangements. During the year Rs. 43.45 million (year ended March 31, 2017 Rs. 29.53 million) had been paid towards cancellable operating lease.

33.1.2 **Payments recognised as an expense**

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Minimum lease payments	43.45	29.53
	43.45	**29.53**

33.1.3 **Non-cancellable operating lease commitments**

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

Particulars	As at March 31, 2018	As at March 31, 2017
Not later than one year	129.05	86.26
Later than one year and not later than five years	458.51	401.31
Later than five years	1,488.16	1,192.72
	2,075.72	**1,680.29**

34. **Employee benefit plans**

34.1 **Defined contribution plans:**

Provident Fund

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

The total expense recognised Rs. 41.39 Million (for the year ended March 31, 2017 Rs. 28.56 Million) represents contributions payable to these plans by the Company at rates specified in the rules of the plan.

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34.2 Defined benefit plans

Gratuity

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

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

34.3 Other long term benefits

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

Earned Leave (EL) Benefit
Accrual - 30 days per year
Encashment while in service - 75% of Earned Leave balance subject to a maximum of 90 days per calendar year
Encashment on retirement/resignation - maximum 300 days

Good Health Reward (Half pay leave)
Accrual - 20 days per year
Encashment while in service - Nil
Encashment on retirement/death - 50% of Half Pay Leave balance

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

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

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

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

In respect of the above plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2018 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.

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

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

Sl. No.	Particulars	As at March 31, 2018	As at March 31, 2017
	Gratuity		
I.	Discount rate	7.66 %	7.31 %
II.	Annual increase in salary	10.00 %	10.00 %

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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.

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34.6 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, 2018	Year ended March 31, 2017
Service cost:		
Current service cost	24.54	18.46
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	0.70	0.51
Increase/decrease due to adjustment in opening corpus consequent to audit	-	-
Components of defined benefit costs recognised in employee benefit expenses	**25.24**	**18.98**
Re-measurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(0.56)	(0.31)
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(4.64)	5.55
Actuarial (gains)/losses arising from experience adjustments	1.59	(3.50)
Components of Re-measurement	**(3.61)**	**1.73**
Total	**21.63**	**20.70**

The components of re-measurement of the net defined benefit liability recognised in other comprehensive income is Rs. (-3.61) million (Previous Year Rs. 1.73 million).

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

Gratuity:

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

Particulars	As at March 31, 2018	As at March 31, 2017
Opening defined benefit obligation	47.98	26.39
Current service cost	24.54	18.46
Interest cost	3.51	2.11
Re-measurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	(4.64)	5.55
Actuarial gains and losses arising from experience adjustments	1.59	(3.50)
Past service cost, including losses/(gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in a business combination	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(1.29)	(1.02)
Closing defined benefit obligation	71.69	47.99
Current obligation	1.30	0.79
Non-current obligation	70.39	47.20

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

Gratuity:

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

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of funded defined benefit obligation	71.69	47.99
Fair value of plan assets	64.74	38.45
Funded status	6.95	9.54
Net liability arising from defined benefit obligation	(6.95)	(9.54)

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

Gratuity:

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

Particulars	As at March 31, 2018	As at March 31, 2017
Opening fair value of plan assets	38.45	19.95
Adjustment in opening corpus consequent to audit	-	-
Interest income	2.81	1.60
Re-measurement (gains)/losses:		
Return on plan assets (excluding amounts included in net interest expense)	0.56	0.31
Contributions from the employer	24.21	17.61
Benefits paid	(1.29)	(1.02)

Expected contribution in respect of Gratuity for next year will be Rs. 30.41 million.

34.10 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, 2018	As at March 31, 2017
Fair value of plan asset of Gratuity Trust:		
Managed through LIC	64.74	38.45
Total	**64.74**	**38.45**

The actual return on plan assets of gratuity was Rs. 3.37 million (As at March 31, 2017 Rs.1.91 million).

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

34.12 **Sensitivity analysis as at March 31, 2018**

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

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

34.13 **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)

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.

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35. Segment reporting

35.1 Business Segment:

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

35.2 Geographic Segment:

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operation		
Within India	47,672.12	563.55
Outside India	8,246.09	530.93
	55,918.21	**1,094.48**
Non-Current assets		
Within India	2,73,882.63	2,81,681.92
Outside India	-	-

35.3 Information about customers:

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Major Customers*	-	530.93
Others	55,918.21	563.55

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

36. Related party disclosures

36.1 Name of related parties and description of relationship:

A. Joint Ventures

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

B. Under Common Joint Control

1. Dahej SEZ Limited (DSL)
2. Mangalore Refinery & Petrochemical Limited (MRPL)
3. Petronet LNG Limited (PLL)

C. Key Management Personnel (KMP)

1. Mr. D.K.Sarraf (Chairman) (up to 01.10.2017)
2. Mr. Shashi Shanker (Chairman w.e.f. 11.10.2017)
3. Mr. Avinash Joshi (Managing Director)
4. Mr. M. M. Chitale (Independent Director)
5. Mr. S. Balachandran (Independent Director)
6. Mr. M. B. Lal (Director)
7. Mr. P. K. Gupta (Director)
8. Mr. Sanjib Datta (Director)
9. Mr. A. K. Srinivasan (Director) (up to 01.11.2017)
10. Mr. T. K. Sengupta (Director) (up to 01.01.2018)
11. Ms. Gita Singh (Director w.e.f. 06.02.2018)
12. Mr. Subhash Kumar (Director w.e.f. 06.02.2018)
13. Mr. Rajesh Kakkar (Director w.e.f. 24.03.2018)
14. Mr. Subodh Prasad Pankaj (Company Secretary)
15. Mr. Trinath Behera (Chief Finance Officer up to 05.02.2018)
16. Mr. Pradosh Basu (Chief Finance Officer w.e.f. 06.02.2018)
17. Mr. Manoj Srivastava (President)
18. Mr. Saumya Chakraborty (COO)
19. Mr. K. Satyanarayana (Chief Executive Officer up to 30.04.2017)

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36.2 Details of transactions:

36.2.1 Transactions with joint ventures

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

Name of related party	Nature of transaction	Year ended March 31, 2018	Year ended March 31, 2017
A. Reimbursement of expenses on behalf of OPaL:			
a) ONGC	Reimbursement of expense	44.25	85.64
b) GAIL	Reimbursement of expense	6.64	10.67
B. Reimbursement of expenses by ONGC:			
a) ONGC	Reimbursement of expense by ONGC	10.06	0.30
C. Reimbursement of expenses by GAIL:			
a) GAIL	Reimbursement of expense by GAIL	0.12	-
D. Purchase:			
a) ONGC	Purchase of Feed Stock	36,070.89	16,174.88
b) GAIL	Purchase of gases	-	635.70
c) GSPC	Purchase of gases	4,712.04	3,028.76
E. Security Deposit:			
a) GAIL	Security Deposit received	0.20	-
b) GAIL	Security Deposit Paid	5.93	-

36.2.2 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, 2018	As at March 31, 2017
A. Amount payable:			
a) ONGC	Reimbursement of expense	46.26	47.95
b) ONGC	Purchase of Feed Stock	6,033.10	1,759.07
c) GAIL	Reimbursement of expense	4.27	7.35
d) GAIL	Security Deposit	0.20	-
B. Share warrant:			
a) ONGC	Share warrant pending allotment	18,739.50	18,739.50
C. Amount receivable:			
a) ONGC	Reimbursement of expense	10.06	-
b) GAIL	Security deposit	7.53	1.60
c) GAIL	Other advances	0.13	0.13

36.2.3 Transactions with common directorship

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

Name of related party	Nature of transaction	Year ended March 31, 2018	Year ended March 31, 2017
A. Reimbursement of expenses:			
a) MRPL	Reimbursement for manpower	3.71	6.08
b) DSL	Lease Rent & ROU Charges	98.92	84.64
c) DSL	Security Deposit Paid	0.20	-
d) PLL	Purchase of Gas	5,721.50	444.23

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36.2.4 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, 2018	As at March 31, 2017
A. Amount payable:			
a) MRPL	Reimbursement of expense	2.04	1.01
b) DSL	Lease rent	86.01	70.00
c) PLL	Purchase of Gas	167.08	-
B. Amount receivable			
a) DSL	Advance rent paid for ROU	0.73	0.73
b) DSL	Security deposit	0.65	0.45

36.2.5 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, 2018	Year ended March 31, 2017
Santosh Kumar Kotipalli	Remuneration	-	0.02
	Other Employee Benefit	-	0.07

36.2.6 Compensation of key management personnel

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Short term employee benefits	23.92	14.71
Director Sitting Fees	0.63	0.80
Post-employment benefits (includes provision for leaves, gratuity and other post-retirement benefits)	3.19	1.92
Other long-term benefits (includes contribution to provident fund)	1.30	0.44
Total	**29.04**	**17.87**

37. Financial instruments

37.1 Capital management

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

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

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

37.2 Gearing Ratio

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

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

Particulars	As at March 31, 2018	As at March 31, 2017
Debt*	2,82,262.95	2,56,839.67
Cash and bank balances	113.79	52.43
Net debt	2,82,149.16	2,56,787.24
Total equity	6,137.61	28,329.56
Net debt to equity ratio	**45.97**	**9.06**

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

37.3 **Categories of financial instruments**

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

Particulars	As at March 31, 2018	As at March 31, 2017
Financial assets		
Measured at amortised cost		
(a) Trade receivables	1,309.59	341.62
(b) Cash and cash equivalents	113.79	52.43
(c) Other bank balances	15.36	19.05
(d) Loans	318.13	303.70
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	2,68,523.74	2,43,748.73
(b) Trade payable	8,604.97	4,184.27
(c) Other financial liabilities	21,062.78	19,292.69

37.4 **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.

37.5 **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.

37.6 **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, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
USD	15,631.90	22,086.49	427.05	348.14
GBP	-	8.82	-	-
EURO	391.27	402.58	-	-

37.7 **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:

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

USD sensitivity at year end	As at March 31, 2018	As at March 31, 2017
Receivables:		
Weakening of INR by 5%	21.35	17.41
Strengthening of INR by 5%	(21.35)	(17.41)
Payables:		
Weakening of INR by 5%	(781.60)	(1,104.32)
Strengthening of INR by 5%	781.60	1,104.32

37.8 Forward foreign exchange contracts

The Company does not have any outstanding forward foreign exchange contracts as at March 31, 2018.

37.9 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.

37.9.1 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 for the year ended March 31, 2018 would decrease/increase by Rs.1,411.91 million (for the year ended March 31, 2017 decrease/ increase by Rs. 1,284.80 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

37.10 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.

37.11 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.

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

Particulars	Weighted average effective interest rate	Less 1 month	1 month - 1 year	1 year - 3 years	More than 3 years	Total	Carrying amount
As at March 31, 2018	**						
External Commercial Borrowings	-	-	2,339.17	4,593.40	4,345.11	11,277.68	11,277.68
Long Term Loans	-	-	11,400.03	23,024.16	87,551.94	1,21,976.13	1,21,976.13
Total	-	-	**13,739.21**	**27,617.56**	**91,897.05**	**1,33,253.81**	**1,33,253.81**
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	1,23,579.74	1,23,579.74
Total	-	-	**13,092.74**	**27,796.20**	**96,042.20**	**1,36,931.14**	**1,36,931.14**

** 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)

Particulars	Weighted average effective interest rate	Less 1 month	1 month - 1 year	1 year - 3 years	More than 3 years	Total	Carrying amount
As at March 31, 2018							
Fixed Deposits with Banks	-	22.80	-	-	-	22.80	22.80
Trade Receivables	-	1,246.38	63.21	-	-	1,309.59	1,309.59
Loans	-	1.55	31.13		332.57	365.25	365.25
Total	-	**1,270.73**	**94.34**	-	**332.57**	**1,697.64**	**1,697.64**
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**

37.12 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.

38. Contingent Liabilities, Contingent Assets and commitments

Contingent Liabilities:

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OPaL

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

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

Sl. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	Demand for stamp duty of Rs. 2 million by Deputy Commissioner of Revenue & Stamps for foreign bank guarantee submitted by Samsung Engineering Co. Ltd. (South Korea) and Linde AG (Germany) which is considered as bond eligible for payment of stamp duty. The said stamp duty if ultimately becomes payable has to be paid with 2% penalty p.m. from the date of execution of the document till the date of payment.	2.00	2.00
2	Professional charges payable to Royal Bank of Scotland (now taken over by HSBC) and N M Rothschild & Sons.	43.50	43.50
3	Storage rental charges including interest payable to M/s GCPTCL	-	232.59
4	Tecnimont, SPA, Italy for quantum of loss suffered on different counts (PP& PE swing unit)	1,847.36	4,204.84
5	Amount of Premium charged by ONGC on account of Purchase of Naphtha & C2 not considered as payable by OPaL.	770.26	240.73
6	Amount charged by ONGC not considered as payable by OPaL (Interest/SBM/CHA etc.)	962.95	362.69
7	LSTK Contractors	1,154.78	4,864.13
8	Income Tax Demand for A.Y. 2015-16	29.38	-
9	Deputy Collector office Vadodara, dispute w.r.t. stamp duty	6.74	-
10	There are few cases filed by Sub-Contractors and Statutory Authority against Contractors wherein OPaL has been made party to it. However, OPaL does not envisage any financial implication against those litigations in future.	-	-

38.2 Contingent Assets - Claims lodged by the Company :

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

Sl. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	Damages against M/s Daelim Industrial Co. Limited Korea	8,450.31	-
2	Damages against M/s Fernas Construction India Limited and Fernas Construction Co.Inc. Turkey	83,371.53	-
3	Damages against M/s Tecnimont SPA & Tecnimont India Private Limited	9,308.14	-
4	Against NH Bank Korea on account of refusal of Bank Guarantee	1,349.54	-

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

38.3.1 Guarantees executed for financial obligations:

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

Particulars	As at March 31, 2018	As at March 31, 2017
Guarantee		
*The company has executed a Performance Bond-cum-Legal undertaking in favour of the President of India acting through the Development Commissioner of Kandla, Special Economic Zone and the Specified Officer, binding itself to follow and accept the Special Economic Zone Act and Rules provided thereunder and also the terms, as prescribed in Development Commissioner's Letter of Approval No. KASEZ/P&C/6/28/07-08/7722 dated 16.10.2007.	23,000.00	23,000.00
Guarantees execution for financial obligation in form of comfort Letters issued	54.37	123.22
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,922.25	6,761.52

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

39. The Contract for "Integrated Utilities and Offsite (IU & O) awarded to M/s Fernas Construction India Pvt. Ltd. (Fernas) for Rs. 18122.13 million has been expelled as the completion certificate submitted by Fernas was not valid. As per understanding from Engineers India Limited (PMC of OPaL) the criminal proceedings initiated against Fernas by the EIL. The bank guarantee of Rs. 1844.37 million submitted by Fernas has been encashed by OPaL. OPaL has also initiated arbitration proceedings against M/s Fernas.

40. Events Occurring after the Reporting period

A fire took place on 28th April, 2018 in the product warehouse area at Dahej plant which was contained and localized with prompt and swift action by the Company. However, the damage caused by fire was covered under Insurance and the Company is in the process of lodging claim with the Insurance Company. As per IND AS 10 "Events Occurring after the reporting period", no amount of adjustment is required as the indicative condition arose after reporting period (non-adjustive event).

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

42. Approval of financial statements

The Financial Statements were approved for issue by the board of directors on 18th May, 2018.

PARIKH MEHTA & ASSOCIATES
BARODA
Chartered Accountants


Quality
Health
Safety
Environment
CSR
Global Reach

ONGC Petro additions Limited

CIN: U23209GJ2006PLC060282

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