

March 27, 2025

Mangalore Refinery and Petrochemicals Limited: Change in Limits

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long Term - Non-Convertible Debentures	2,060.00	2,060.00	[ICRA]AAA (Stable); Outstanding
Long Term - Term Loans	4,630.87	4,630.87	[ICRA]AAA (Stable); Outstanding
Long Term - Fund Based Limits	8,241.00	5231.00	[ICRA]AAA (Stable); Outstanding
Short Term - Non-Fund Based Limits	13,131.00	13,131.00	[ICRA]A1+; Outstanding
Issuer Rating	-	-	[ICRA]AAA (Stable); Outstanding
Short Term/ Long term – Unallocated limits	485.13	3,495.13	[ICRA]AAA (Stable)/[ICRA]A1+; Outstanding
Total	28,548.00	28,548.00	

*Instrument details are provided in Annexure I

Rationale

This rationale is being released to convey the change in the rated limits as depicted in the table above, based on the latest information received from Mangalore Refinery and Petrochemicals Limited.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, the liquidity position and rating sensitivities: [Click here](#)

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Refining and Marketing
Parent/Group support	Parent -Oil and Natural Gas Corporation Limited. ICRA expects MRPL's parent, ONGC [rated [ICRA]AAA(Stable)/[ICRA]A1+], to extend financial support to MRPL, should there be a need, given the high strategic importance that MRPL holds for ONGC to meet its diversification objectives
Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Mangalore Refinery and Petrochemicals Limited. As on March 31,2024, the entities consolidated are listed in Annexure-II

About the company

Mangalore Refinery & Petrochemicals Limited (MRPL) was set up as a joint venture between the AV Birla Group and Hindustan Petroleum Corporation Limited (HPCL). MRPL operates a refinery at Mangalore, with a nameplate capacity of 15 million metric tonnes per annum (MMTPA). The refinery project was initially implemented in two phases during a period of administered pricing, where the regulatory framework provided assured returns on the capital employed. However, since the deregulation of the refining sector in 1998, the company had been exposed to low and volatile international refining margins, which affected its operating profitability quite significantly. This, together with the high debt service commitments, resulted in MRPL posting

large losses in the past. Oil and Natural Gas Corporation Limited (ONGC) acquired a 51% stake in MRPL in March 2003, and later increased its stake to 72%. With a change in management, fund infusion by ONGC and upturn in the refining margin cycle, the company made a financial turnaround in the subsequent period. The refining capacity was enhanced to 15 MMTPA from 11.82 MMTPA in March 2012 with the commissioning of Phase-III. It also commissioned a 440 KTPA polypropylene unit.

In July 2015, MRPL's board approved the merger of its subsidiary, viz. ONGC Mangalore Petrochemicals Limited (OMPL). In January 2021, MRPL acquired ONGC's stake in OMPL, thereby increasing its stake in OMPL to 99.998% from 51%. The Ministry of Corporate Affairs, vide its final order dated April 14, 2022, approved the amalgamation of ONGC Mangalore Petrochemicals Limited with Mangalore Refinery and Petrochemicals Limited with April 01, 2021 as the appointed date and the effective date for scheme of amalgamation as May 01, 2022.

Key financial indicators (audited)

MRPL Consolidated	FY2023	FY2024	9M FY2025*
Operating income	109,026	90,407	70,086
PAT	2,617	3,582	-335
OPBDIT/OI	7.2%	8.8%	1.7%
PAT/OI	2.4%	4.0%	-0.5%
Total outside liabilities/Tangible net worth (times)	2.4	1.6	-
Total debt/OPBDIT (times)	2.1	1.6	-
Interest coverage (times)	6.1	7.1	-

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; * Provisional Number

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Sr No	Instrument	Types	Amount rated (Rs. crores)	Current rating (FY2025)				Chronology of rating history for the past 3 years									
				Date & Rating in FY2025				Date & Rating in FY2024				Date & Rating in FY2023		Date & Rating in FY2022			
				Mar 27, 2025	Dec 19, 2024	Jun 27, 2024	May 27, 2024	Feb 02, 2024	Sept 21, 2023	Jun 05, 2023	May 29, 2023	Apr 13, 2023	Oct 14, 2022	Sept 27, 2022	Mar 07, 2022	Jun 02, 2021	
1	Non-convertible debentures	Long Term	2,060.00	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)					
2	Fund based – Term loans	Long Term	4,630.87	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)					
3	Fund-based limits*	Short Term	-	-	[ICRA]A1+	-	-	-	-	-	-	-	-	-	-	-	
4	Fund-based limits	Long Term	5,231.00	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)					
5	Non-fund based limits	Short Term	13,131.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	
6	Unallocated limits	Long Term and Short Term	3495.13	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	-	-	-	-	-					
7	Issuer ratings	Long Term	-	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)					
8	Term loans	Short Term	-	-	-	[ICRA]A1+	[ICRA]A1+	-	-	-	-	-	-	-	-	-	
11	Unallocated limits	Long Term	-	-	-	-	-	-	-	-	-	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	-	-	-	
12	Unallocated limits	Short Term	-	-	-	-	-	-	-	-	-	[ICRA]A1+	-	-	-	-	

* Includes working capital limits as sub-limits.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Non-convertible debentures	Very Simple
Long term – Fund based – Term loans	Simple
Long term – Fund based limits	Simple
Short term – Non-fund based limits	Very Simple
Long term/Short term – Unallocated limits	Not Applicable
Issuer ratings	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
INE103A08019	Non-convertible debentures – I	January 13, 2020	7.40% P.A.	April 12, 2030	1,000.00	[ICRA]AAA (Stable)
INE103A08035	Non-convertible debentures – II	January 29, 2020	7.75% P.A.	January 29, 2030	1,060.00	[ICRA]AAA (Stable)
NA	Fund based – Term loans – FCTL	February 20, 2023	#	March 28, 2028	4,630.87	[ICRA]AAA (Stable)
NA	Fund based – Term loans – FCNR	February 12, 2021	#	July 26, 2024		[ICRA]AAA (Stable)
NA	Fund-based limits	NA	NA	NA	5231.00	[ICRA]AAA (Stable)
NA	Non-fund based limits	NA	NA	NA	13,131.00	[ICRA]A1+
NA	Unallocated limits	NA	NA	NA	3495.13	[ICRA]AAA (Stable)/[ICRA]A1+
NA	Issuer ratings	NA	NA	NA	-	[ICRA]AAA (Stable)

Source: Company; # FCTL of \$550 million (for working capital) at USD/INR 82.2110 with interest rate of 3 months' term SOFR (With zero floor) + 125 bps, FCNR of \$100 million (for capex) at USD/INR 72.8399 with interest rate of 6 months' USD Libor + 150bps

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company name	MRPL ownership	Consolidation approach
Shell MRPL Aviation Fuels and Services Limited	50.00%	Equity Method

Source: Company

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