Mangalore Refinery And Petrochemicals Limited

June 22, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Non-convertible debentures	1,200.00	CARE AAA; Stable	Reaffirmed
Non-convertible debentures	2,583.00	CARE AAA; Stable	Reaffirmed
Non-convertible debentures	-	-	Withdrawn
Commercial paper	5,000.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

Reaffirmation of ratings assigned to debt instruments of Mangalore Refinery And Petrochemicals Limited (MRPL) continues to factor in its strong parentage of Oil and Natural Gas Corporation Limited (ONGC, rated CARE AAA; Stable/CARE A1+), its strategic importance in ONGC's hydrocarbon asset portfolio, and the managerial and financial support provided by ONGC. Ratings are also underpinned by the company's strong asset profile, given the superior processing capabilities of its refinery as reflected by high Nelson Complexity Index (NCI), its experienced management team, and favourable location, being close to the port.

Ratings also take cognisance of significantly improved operational and financial performance in FY26 (refers to April 01 to March 31), characterised by healthy crude throughput of 17.00 million metric ton and distillate yield of 82.70%. Gross Refining Margin (GRM) improved in FY26 to US$9.22 per barrel from US$4.45 per barrel in FY25 due to improved product crack spreads, and inventory gains, resulting in healthy financial performance. In-spite of West Asia crisis, MRPL is expected to maintain its financial profile, considering high GRMs while it does not have sizeable retail operations, which is currently incurring losses for other Oil Marketing Companies (OMCs). The company will continue to have healthy financial flexibility with strong parentage and strong capital structure.

Rating strengths are partially offset by the company's exposure to volatility in crude oil prices and crack spreads, and the resultant impact on its GRMs as seen in FY25, and its susceptibility to inherent regulatory risks.

CARE Ratings Limited (CareEdge Ratings) has withdrawn its rating assigned to MRPL's non-convertible debentures (NCDs; INE103A08043) with immediate effect as the company has repaid the rated instrument and there is no amount outstanding against this.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Not applicable.

Negative factors

- Significant reduction in MRPL's shareholding by ONGC or weakening of linkages between MRPL and ONGC or deterioration in the credit profile of ONGC.
- Higher-than-expected debt-funded capital expenditure plans leading to sustained pressure on debt protection metrics marked by total debt to profit before interest, lease rentals, depreciation, and taxation (TD/PBILDT) exceeding 5x on a sustained basis.
- Sustained weakening of operational performance, marked by lower throughputs and GRMs.

Analytical approach:

Consolidated, and notching based on linkages with its parent, ONGC . Entities considered in MRPL's consolidated financials are listed under Annexure 6.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Outlook: Stable

CareEdge Ratings expects that MRPL shall continue to remain a dominant player in the oil refining business underpinning its strategic importance to ONGC, which should help it to maintain its strong credit profile.

Detailed description of key rating drivers:

Key strengths

Strong parentage and support

MRPL has a strong parentage with ONGC holding ~88% equity stake, 71.63% directly, and balance through its subsidiary Hindustan Petroleum Corporation Limited (HPCL, a 'Maharatna' in petroleum refining sector). The company is of strategic importance to ONGC, being a key component in the downstream segment of its integrated oil and gas value chain. Apart from strategic linkages, there are also strong management linkages between entities. Arun Kumar Singh, Chairman of ONGC, is also the Non-executive Chairman on the Board of MRPL. The company also gets support in terms of managerial expertise from ONGC's senior management. Apart from managerial and Board's support, ONGC has supported the company financially and MRPL received loans in past for undertaking its capex plans at favourable interest rates. The company purchases ~14% of its crude oil requirement from ONGC. ONGC has also extended guarantee to one of the company's foreign crude oil suppliers with respect to payments of its crude purchases.

Experienced management team

The company is managed by professional and experienced management team, which has relevant experience in the oil and gas industry. Arun Kumar Singh (Chairman of MRPL and ONGC) has four decades of diversified experience in oil and gas industry, in India and abroad. He has been also on board of companies including Bharat Petroleum Corporation Limited, Indraprastha Gas Limited, Petronet LNG Limited, and Bharat Petro Resources Limited.

Mundkur Shyamprasad Kamath (Managing Director) has over three decades of experience in downstream hydrocarbon industry. Nandakumar Velayudhan Pillai (Director-Refinery) has diversified experience of over three decades in Petroleum Refining and Petrochemicals. Devendra Kumar (Director- Finance) has over three decades of experience in different functions of finance and accounting. The senior management is supported by experienced and technically qualified professional in the company's operations.

Location advantages of being a coastal refinery with proximity to port, high NCI, and diversification into petrochemical

MRPL is on the western coast of the country, with its sourcing of crude and product exports being handled through the New Mangalore Port Trust. The refinery's location provides strategic advantages in terms of sourcing crude oil, better suitability for export markets, and provides a better reach in the southern part of domestic market. In FY26, MRPL sourced ~79% of its crude oil requirement through imports. It also derived ~28% of its revenue from exports in the year. However, it does suffer from asset concentration risk due to the single location of its refinery; despite having adequate insurance cover. Following the merger with ONGC Mangalore Petrochemicals Limited (OMPL), MRPL entered the petrochemical business, benefiting from forward integration. MRPL's petrochemical intensity is at ~11%, and its proximity to the Mangalore Special Economic Zone (MSEZ) offers locational advantages.

MRPL's refinery has a high NCI of 11.67, which enables it to process heavy oil with high quality. It can process crude oil across APIs and deliver a variety of products, such as High-Speed Diesel (HSD), Petrol /Motor spirit (MS), and Aviation Turbine Fuel (ATF), among others.

Continued strong operational and financial performance in FY26

Strong domestic demand supported healthy throughput of 17.00 MMT (113% capacity utilisation) in FY26 compared to 18.18 MMT (121% capacity utilisation) in FY25. The year-on-year decline in throughput was due to a planned one-month shutdown in Q1FY26. Distillate yield improved to 82.70% in FY26 from 82.30% in FY25, reflecting efficient refinery operations.

The company reported total operating income (TOI) of ₹88,676 crore in FY26 compared to ₹94,713 crore in FY25. The decline in TOI was in line with lower throughput and softer crude oil prices. As a standalone refinery, MRPL's operational performance remains highly sensitive to its GRM. GRM improved in FY26 to US$9.22 per barrel from US$4.45 per barrel in FY25, owing to improved product crack spreads, and lower crude oil prices, resulting in improved profitability. With improved GRMs, PBILDT margin also increased from 2.47% in FY25 to 7.04% in FY26. CareEdge Ratings expects MRPL's throughput to remain stable at around current levels, while GRMs and profitability are likely to improve in FY27 due to elevated product cracks, considering West Asia crisis.

Comfortable capital structure; improving debt coverage indicators
In the last few years, MRPL has demonstrated a steady improvement in its leverage profile. The overall gearing ratio improved from 3.28x as on March 31, 2022, to 1.05x as on March 31, 2025 (1.15x as on March 31, 2024). It moderated slightly to 1.11x as on March 31, 2026, while remaining at a comfortable level.

The overall gearing ratio is expected to remain comfortable, supported by healthy profitability and scheduled debt repayments, while retaining adequate headroom for funding planned capital expenditure. CareEdge Ratings expects the gearing to remain at around current levels in the near-to-medium term.

With improvement in profitability, debt coverage indicators strengthened, with the interest coverage ratio improving to 6.88x in FY26 (PY: 2.30x) and TD/PBILDT improving to 2.46x in FY26 (PY: 5.63x).

Liquidity: Strong
The company generated healthy cash flows from operations of ₹2326 crore in FY26, which was primarily utilised towards loan repayment and capex. MRPL has unutilised fund-based working capital limits of ~₹7,800 crore as on March 31, 2026. MRPL has scheduled debt repayments of ~₹285 crore and planned capex of ~₹1,600 crore in FY27, which are expected to be adequately covered by its internal accruals and available liquidity buffers.

MRPL derives significant financial flexibility from its parentage of ONGC, which provides it with easy access to funds at competitive rates.

Key weaknesses
Exposure to fluctuation in crude oil prices
MRPL's profitability margins are exposed to sharp movements in crude oil prices. Crude oil prices and crack spreads are a function of many dynamic markets and fundamental factors, such as global demand-supply dynamics, geopolitical stability in countries with oil reserves, Organization of the Petroleum Exporting Countries (OPEC) policies, and foreign exchange rates, among others. Consequently, refinery players are known to be price takers, as they have no control over two key drivers: crude prices and refined product prices.

Exposure to foreign exchange fluctuation risk
MRPL imports ~70-80% of the raw material (crude) requirement. It secures its crude supply position by entering term contracts mainly with national oil companies from various regions. Payment for the import of crude oil is dollar denominated. As a practice, the company does not hedge its forex exposure and relies primarily on its export income to act as natural hedge and import parity pricing for domestic sales. MRPL derived ~28% of its sales income from export of products in FY26 (PY:33%). The company is further exposed to currency fluctuation risk through foreign currency term loans availed.

Regulatory risk
The government of India's (GoI) policy and decisions with respect to finished product pricing, subsidy sharing, windfall taxes, duties, cess, and dividend payments have a significant bearing on MRPL's profitability, cash flows and liquidity position. With elevated prices of crude, the GoI may choose to pass on the fiscal burden by sharing of profits of public sector undertakings (PSUs) through higher fiscal levies, higher dividend declaration or providing discounts to OMCs, which has the potential to impact MRPL's income and accruals. Refineries are required to comply with increasingly stringent product specifications (such as equivalent of Bharat Stage VI) as stipulated by the regulator.

Environment, social, and governance (ESG) risks

Parameters	Risk factors
Environmental	• MRPL has set a net zero target for Scope 1 and Scope 2 emissions by 2038. • The company continued renewable-energy initiatives, including solar power generation and consumption; from FY24-FY25, solar energy generated was 8,838 MWh and total solar energy consumed was 56,729 MWh. • MRPL undertook energy-efficiency measures, resulting in fuel savings of 38,725 MT of oil equivalent.

	• The company has implemented water-conservation measures through water treatment and recycling technologies; 57.50% of ETP feed flow was recycled and reused in the refinery. • MRPL utilised 56,77,318 m^3 of desalinated water and 52,64,327 m^3 of treated Mangalore city sewage water from FY24-FY25, reducing dependence on fresh river water. • The company has a robust waste-management system covering recycling, reuse and responsible disposal of hazardous waste. • In FY25, 78.54% of total hazardous and non-hazardous waste was recycled and reused, while the remaining waste was co-processed in cement industries. • MRPL developed a 50-acre greenbelt at Pilikula Biodiversity Park with ~4,000 native Western Ghats plant species and undertook a 25-acre afforestation project at Bengre. • In FY25, MRPL planted 5,762 saplings within refinery premises and distributed 2,239 fruit tree saplings under the "Ek Ped Maa Ke Naam" plantation drive. • The company produced ~41 MT of vermicompost from in-house vermicomposting units.
Social	• MRPL's corporate social responsibility (CSR) initiatives focus on education, healthcare, and sanitation, basic infrastructure, environment and community development in and around its operational areas. The CSR budget for FY25 was ₹82.85 crore, and the entire amount was committed to CSR initiatives. • Major CSR initiatives included providing CB-NAAT machines for Tuberculosis (TB) eradication, ECG machines to rural Primary Health Centres (PHCs), medical equipment to PHCs, and free artificial limb camps for Endosulfan victims. • MRPL's CSR programme "Samrakshan" covers five focus areas: Shiksha Samrakshan, Arogya Samrakshan, Bahujan Samrakshan, Prakruti Samrakshan, and Sanskrithi Samrakshan. • MRPL implemented POSH provisions across the company; no sexual harassment cases were reported in FY25. • The company reported a grave process safety incident involving hydrogen sulphide gas exposure in the Oil Movement Section, tragically resulting in fatalities of two operational field workers.
Governance	• MRPL has formulated policies, which ensure transparency, accountability, disclosures, and reporting. Policies on ethics, bribery, corruption, enterprise risk management, CSR, safety, quality, corporate environment, occupational health and safety, energy management and social accountability and sustainable development are in place, in line with the requirement. • Throughout the year, no complaint was received under the Whistle Blower Policy. • The Secretarial Auditor observed that MRPL did not possess the requisite number of Independent Directors required under SEBI Regulation from April 1, 2024, to March 27, 2025. The company only regained compliance at the absolute end of the fiscal year when the Ministry of Petroleum and Natural Gas (MoPNG) re-appointed four Independent Directors, including a woman director, on March 28, 2025.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Withdrawal Policy
Short Term Instruments
Consolidation & Combined Approach
Notching by Factoring Linkages in Ratings

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Energy	Oil, gas and consumable fuels	Petroleum products	Refineries and marketing

MRPL is a schedule 'A' Miniratna, Central Public Sector Enterprise (CPSE) under the Ministry of Petroleum and Natural Gas (MoPNG). MRPL is a subsidiary of ONGC with 71.63% shareholding as on March 31, 2026. HPCL held 16.96% shareholding as on March 31, 2026. MRPL is a standalone refiner in north of Mangaluru city, in Dakshina Kannada District, Karnataka, with a 15.0

million metric tonnes per annum (MMTPA) refinery to process light to heavy and sour to sweet crudes with 24 to 46 API gravity. Apart from refinery capacity, the company is also into manufacturing value-added petrochemical products and has a polypropylene plant. It sources its crude oil requirement from India and national oil companies of exporting countries on term basis and from open market on spot basis. It sells mainly to PSU OMCs and derives income through exports. The company also has 249 retail outlets in Karnataka and Kerala as on March 31, 2026.

Particular	FY25 (A)	FY26 (Ab)
Total operating income	94713	88676
PBILDT	2338	6244
PAT	56	1925
Overall gearing (times)	1.05	1.11
Interest coverage (times)	2.30	6.88

A: Audited; Ab: Abridged; Note: These are latest available financial results.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Commercial Paper-Commercial Paper (Standalone)	NA	NA	Not Yet Placed	Not Yet Placed	5000.00	CARE A1+
Debentures-Non Convertible Debentures	NA	NA	Not Yet Placed	Not Yet Placed	2583.00	CARE AAA; Stable
Debentures-Non Convertible Debentures	INE103A08043	29-Dec-2020	6.18	29-Dec-2025	0.00	Withdrawn
Debentures-Non Convertible Debentures	INE103A08050	29-Dec-2021	7.48	14-Apr-2032	1200.00	CARE AAA; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Commercial Paper-Commercial Paper (Standalone)	ST	5000.00	CARE A1+	-	1)CARE A1+ (23-Jun-25)	1)CARE A1+ (24-Jun-24)	1)CARE A1+ (06-Jul-23)
2	Debentures-Non Convertible Debentures	LT	-	-	-	1)CARE AAA; Stable (23-Jun-25)	1)CARE AAA; Stable (24-Jun-24)	1)CARE AAA; Stable (06-Jul-23)
3	Debentures-Non Convertible Debentures	LT	1200.00	CARE AAA; Stable	-	1)CARE AAA; Stable (23-Jun-25)	1)CARE AAA; Stable (24-Jun-24)	1)CARE AAA; Stable (06-Jul-23)
4	Debentures-Non Convertible Debentures	LT	2583.00	CARE AAA; Stable	-	1)CARE AAA; Stable (23-Jun-25)	1)CARE AAA; Stable (24-Jun-24)	1)CARE AAA; Stable (06-Jul-23)

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Debentures-Non Convertible Debentures	Simple

Annexure-5: Lender details

Not applicable

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Shell MRPL Aviation Fuels & Services Ltd.	Moderate	Joint Venture

Annexure-7: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026 to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Note on complexity levels of the rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Contact us

Media Contact	**Analytical Contacts**
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Ranjan Sharma Senior Director **CARE Ratings Limited** Phone: +91-22-6754 3453 E-mail: ranjan.sharma@careedge.in
Relationship Contact Saikat Roy Senior Director **CARE Ratings Limited** Phone: 912267543404 E-mail: saikat.roy@careedge.in	Hardik Manharbhai Shah Director **CARE Ratings Limited** Phone: +91-22-6754 3591 E-mail: hardik.shah@careedge.in Richa Bagaria Associate Director **CARE Ratings Limited** Phone: +91-33-4018 1600 E-mail: richa.jain@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

For detailed Rating Report and subscription information,
please visit www.careratings.com