



Part-III

Obligations of /Assistance from the Government / BPCL

To enable NRL to achieve the agreed targets in the year 2010-11, M/s Bharat Petroleum Corporation Limited (BPCL) will extend the requisite assistance for :

- i) Supply of 2520 TMT of crude oil during the year 2010-11.
- ii) Supply of 1,20,014 MT of Natural Gas during the year 2010-11.
- iii) Timely evacuation of products from Numaligarh Refinery.
- iv) Help in priority movement of products as per requirements by Railways from the Numaligarh Refinery Marketing Terminal and Siliguri Marketing Terminal.
- v) Smooth transportation of products through the Numaligarh Siliguri Product Pipeline operated by M/s Oil India Ltd.

Part-IV

Frequency of Monitoring and Information Flow

A Review of the Performance against MOU targets is undertaken quarterly at the level of Functional Heads / Directors. In addition, Board is kept informed of the MOU performance on a quarterly basis.

A Performance Review Report will be submitted to BPCL on quarterly basis.



GLOSSARY OF TERMS

1.	Gross Margin	Profit before depreciation, interest, taxes, deferred revenue expenditure and excludes extra ordinary items (net).
2.	Gross Profit	Gross margin less depreciation, less deferred revenue expenditure.
3.	Net Profit	Gross profit less interest and less provision for tax less extra ordinary items (net).
4.	Net Worth	Paid-up capital plus reserves less accumulated losses and deferred revenue expenditure to the extent not written off.
5.	Gross Block	Original cost of procuring and erecting fixed assets as appearing in the annual accounts of the PSEs at the end of the accounting year and takes into account addition thereto and deduction there from by way of sales and transfers.
6.	Capital Employed	Gross Block less accumulated depreciation plus Working Capital.
7.	Gross Sales	The total turnover and includes elements of excise duty, commission and discounts, etc.
8.	Added Value	Gross margin less returns to capital computed as capital recovery factor @ 10%.
9.	Refining Cost	Operating Expenses excluding Depreciation and Marketing Terminal operating expenses.
10.	Refinery Crude Throughput	Total crude intake of Distillation Unit in Refinery.
11.	Refinery Production Pattern	
	(a) Total Distillates	Total production of Light Distillates (LPG, MS & Naphtha) and Middle Distillates (ATF, SKO & HSD)



Endorsement of Memorandum of Understanding: Year 2010-11

Based on the discussions with BPCL, this Memorandum of Understanding has been formulated for NRL for 2010-11.

The Memorandum of Understanding for the year 2010-11 incorporating targets on various parameters is hereby agreed and signed this _____ day of _____ of the year Two Thousand _____.

(B.K. Das)
Managing Director
Numaligarh Refinery Ltd.

(A. Sinha)
Chairman & Managing Director
Bharat Petroleum Corporation Ltd.