



P Padmanabhan
Managing Director, NRL



MD's New Year Message 2016

Dear Colleagues,

Another year has flashed past in a seemingly lightning pace and we are all set to usher in another brand new year. I take this opportunity to wish you and your families a very happy and prosperous New Year 2016!

As we step into another new year, let us revisit and take pride in our achievements during the year gone by, while introspecting on what we could have done better.

Our Company performance surpassed expectations during the last financial year 2014-15 with several best ever records scripted on the physical front, which has been shared in my Financial Year ending message. Important among them are highest MS and ATF production at 392 and 83 TMT respectively, commissioning of all units of the Wax plant and best ever Specific Energy consumption at 51.6 MBN. Wax from the Wax plant has since been launched in the market during the current financial year 2015-16. To add to the euphoria of best ever physical performance, we closed the financial year with the highest ever net profit of ₹ 718 crores, after subsequent finalization of accounts. This led to the highest ever dividend payout of 40% on paid up capital to our stakeholders declared during the Company's AGM held on 4th of September'15. In another first, Chairman addressed the Guwahati Media after the AGM and shared the outstanding results of the Company while deliberating on the road ahead.

Our pursuit for excellence continues to gain momentum in the present financial year with stellar results achieved during the first 3 quarters viz. April to December'15 of the ongoing financial year 2015-16, with even better performances recorded against several parameters. MS production has reached a level of around 55 TMT per month vis-à-vis 35 TMT per month during previous year. ATF production has increased to a level of 10 TMT per month vis-à-vis an average of 7 TMT per month during previous year. Energy Efficiency Index (EII) has improved to 95 compared to 97 during previous year. GRM has been at an all-time high of around \$ 20/ bbl. During April to September'15, GRM at \$ 22/bbl was the highest among all PSU refineries. All this could not have been possible without collaboration, innovativeness and commitment of each one of you. The cumulative effect of all this has been a marked increase in profitability with estimated Profit Before Tax (PBT) for the period between April to December'15 likely to be around ₹ 1,300 crores surpassing previous full year's PBT of ₹ 1,134 crores. It is a matter of great pride to inform you that NRL may turn up to be the highest contributor in NE to the Central and State exchequer during this financial year, exceeding much bigger and older companies in the region.

I would also like to share with you that our plans for Refinery expansion from the current 3 MMTPA to 9 MMTPA and setting up a Bio Refinery at Numaligarh are being pursued assiduously and form part of the NE Vision Document of the Govt. of India. In order to generate support from important stakeholders, a presentation was made before the NE MPs' forum on 5th August'15 which is being followed up with representations to the North East Council, DoNER Ministry and MoPNG. We are also ardently exploring and pursuing opportunities to export products to the neighbouring countries of Bangladesh, Myanmar and Nepal in line with Govt. of India's **Act East** policy.

For the first time in the history of the Company, coastal movement of 12 TMT of Alkylate from Jamnagar to Haldia and then to Numaligarh by railway wagon was facilitated during the current financial year 2015-16. This has enabled up gradation and attractive value addition to the existing stock of Naphtha lying at NRMT for almost 1½ years; which could not have been otherwise upgraded to MS with conventional blend components like Py gas, Reformate or MTBE (due to its high benzene



content and high Reid Vapour Pressure (RVP). This also helped produce 60 TMT of MS during the month of October'15, which till the other day was considered unachievable. In another first on the Marketing Operations front, substantial value addition was achieved on account of 'Zero' Interface handling during NSPL operations at SMT between 25 – 27 November'15. All this would not have been possible but for the innovative approach of the NRMT team of working in 2 shifts with the same manpower. Meanwhile, the base of direct customers for HSD has steadily increased to a comfortable 14 nos., ensuring a captive market for NRL products in the neighbourhood.

Innovation is the hallmark of progress and the same was manifested in ample measure across the organization in more ways than one. To begin with, waste Wax from our plant was used to carve idols of Lord Viswakarma, cultural icon of the state Dr. Bhupen Hazarika and were packaged beautifully as *Diyas* during Deepawali. Towards energy optimization, Online Energy Management System (OLEMS) was successfully commissioned during Nov'15. The system provides for unit wise power consumption and facilitates energy optimization as well as accounting. Another step in this direction has been the modification of CDU/ VDU column internals for improvement of yield & fuel consumption. Leveraging on innovation, a new generation relay having input filter was able to resolve the long standing STG tripping problem during heavy lightening. Praiseworthy innovations adopted and implemented in many other Departments would be too long for me to mention in this message.

Under CSR, we are now focusing on skill development of local people for livelihood opportunities. As a part of this process, 25 welders have been trained at ITI Jorhat, 14 girls have been enrolled for Nursing in Downtown Hospital, Guwahati and 47 women for sewing technology at ITI, Bokakhat. Lending our support to the Hon'ble PM's clarion call of making India clean, 100 nos. of toilets have been constructed in nearby schools under the *Swachha Bharat Abhiyan*.

Employees are our greatest assets and so are their families, who have been the source of encouragement and support at all times. To enhance camaraderie and feeling of togetherness amongst the NRL family including the extended NRL family comprising of DPS, VK NRL Hospital, CISF and Contract workmen, the concept of Fraternity lunch/dinner was introduced in all locations of the company to celebrate the success of the Company during the last financial year 2014-15.

Along with employees, Contract workers are integral part of our business. Towards this end, we have stepped up welfare measures and implemented schemes that would benefit them and their families and ensure a secure future for their children. In addition to implementing mandatory 100% ESI & PF compliance by all NRL contractors and vendors, merit scholarships for children of contract workmen and Govt. of India schemes such as *Pradhan Mantri Suraksha Bima Yojana (PMSBY)* & *Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)* have been introduced.

Each one of you has responded admirably well to the changes around. We have together contributed in creating value for the organization and its stakeholders by developing competitive strategies and harnessed the power of great teams to implement them. Let us continue to contribute whole heartedly for sustainable growth and progress of NRL. While doing so, let us not forget to be empathetic and do our bit to bring about a positive change in the lives of our less fortunate brethren.

I am sure that together, we will soar even greater heights in future!

I once again wish you and your families a New Year 2016 filled with joy, success, harmony and contentment.

Best wishes and regards,

(P. Padmanabhan)

31st December, 2015