

Annual Report 2014-15



Exploring
Green Energy

NUMALIGARH
REFINERY
LIMITED

A GOVERNMENT OF INDIA ENTERPRISE



Vision

To be a vibrant, growth oriented energy company of national standing and global reputation having core competencies in Refining and Marketing of petroleum products committed to attain sustained excellence in performance, safety standards, customer care and environment management and to provide a fillip to the development of the region.

Mission

- Develop core competencies in Refining and Marketing of petroleum products with a focus on achieving international standards on safety, quality and cost.
- Maximise wealth creation for meeting expectations of stakeholders.
- Create a pool of knowledgeable and inspired employees and ensure their professional and personal growth.
- Contribute towards the development of the region.

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CHAIRMAN'S MESSAGE



Dear Shareowners,

It gives me great pleasure to present to you the report of another successful year of NRL. 2014-15 has been a milestone year with record achievement on multiple fronts. This was possible due to the wholehearted and dedicated efforts of all individuals across the organization.

NRL registered its highest ever net profit of ₹ 718.31 crores in 2014-15, marking an increase of 93.5% over the previous year's net profit of ₹ 371.09 crores. The Gross Refining Margin during the year was the highest among Indian refineries and also the highest ever for NRL. Conversion of low margin products such as Naphtha, RPC to higher margin Petrochemical grade Naphtha, Motor Spirit and CPC contributed to achieving a higher refining margin during the year. To meet the growing market demand, production of MS, ATF and packed LPG were maximized through innovation. Such efforts led to the highest ever production for both MS and packed LPG. During the year, 'Excellent' MoU targets against major refining parameters could be achieved.

In pursuit of excellence, NRL continues to set new benchmarks for itself and for the industry. NRL's distillate yield during the year at 90.69% was the highest and Specific Energy Consumption (SEC) at 51.6 MBN was the second best among PSU refineries in the country.

NRL received the Sarvashreshtha Suraksha Puraskar (Golden Trophy) from the National Safety Council in Group-A (Manufacturing Coke and Refined Petroleum Products) under the manufacturing sector category.

The Wax project was successfully commissioned during the year and with 50 TMTA capacity, NRL has emerged as the largest wax producing unit in the country. Paraffin Wax, which has been added to NRL's product portfolio, will yield higher margins for the Company.

During the year, significant progress was made towards achieving NRL's strategic and long term goals. The Detailed Feasibility Report for the refinery expansion project has been completed and in-principle approval from both, NRL and BPCL Boards was obtained. With regard to the Indo-Bangla Pipeline, a MoU has been signed with Bangladesh Petroleum Corporation to form a joint venture company for implementing the pipeline project. In order to comply with the auto fuel norms of the country, NRL is installing a Diesel Hydrotreater unit for production of BS-IV HSD at 100% capacity utilization of the refinery. Completion of the project within the stipulated timelines is an emerging challenge for the Company.

NRL remains committed to be a responsible corporate citizen and continues to pursue its CSR and sustainability activities with utmost importance. Baseline and impact assessment surveys are being used as a tool to identify CSR schemes and to assess their impact on society. Towards renewable energy utilization, a 100 KW rooftop solar panel was installed during the year.

The employees, customers, suppliers contractors and shareholders have always been a tremendous source of strength for the Company, providing unstinted support throughout. With your continued cooperation, I am confident that NRL will achieve greater success and strive to exceed the expectations of all stakeholders.

Warm regards,

S. Varadarajan
Chairman

Board of Directors



S. Varadarajan
Chairman

Bankers

State Bank of India
HDFC Bank
United Bank of India
Union Bank of India
Canara Bank
UCO Bank
IndusInd Bank
Axis Bank
ICICI Bank

Auditors

M/s Ghoshal & Ghosal
Chartered Accountants
4, Commercial Buildings
23, Netaji Subhas Road,
Kolkata - 700001

Refinery Unit

Pankagrart
Numaligarh Refinery Complex
Golaghat District, Assam
Pin - 785699

Registered Office

122A, G. S. Road
Christianbasti
Guwahati - 781005

Co-ordination Office

Tolstoy House, 6th Floor
15 - 17 Tolstoy Marg
New Delhi - 110001

Marketing & BD Office

NEDFi House, 4th Floor
G. S. Road, Dispur
Guwahati - 781006

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P. Padmanabhan
Managing Director



S. R. Medhi
Director (Technical)



S. K. Barua
Director (Finance)



L. Rynjah
Director



B. P. Rao
Director



A. K. Ghoshal
Director
[up to 10-04-2015]



R T Jindal
Director



S K Srivastava
Director
[up to 30-06-2015]



Alok Tripathi
Director



(L to R) Mr. S. R. Medhi, Director (Technical); Mr. P. Padmanabhan, Managing Director and Mr. S. K. Barua, Director (Finance)

Management Team

Mr. Manoj Pant	Chief Vigilance Officer
Mr. D. Ghosh	Sr. GM (Technical)
Mr. M. R. Baruah	Sr. GM (Projects)
Mr. A. K. Bhattacharya	Sr. GM (HR)
Mr. B. Ekka	GM (Marketing & BD)
Mr. S. Chakraborty	GM (Maintenance)
Mr. P. K. Barua	GM (Commercial & Legal)
Mr. D. Choudhury	GM (Development Maintenance)
Mr. S. D. Maheshwari	GM (Finance)

Mr. A. K. Senapati	DGM (HR) [up to 31.7.2015]
Mr. N. Borthakur	DGM (Co-ordination)
Mr. A. Chakravortty	DGM (Commercial & Legal)
Mr. G. N. Sarma	DGM (Internal Audit)
Mr. P. K. Baruah	DGM (CSR)
Mr. Gopal Sarma	DGM (HSE)
Mr. A. K. Patra	DGM (Finance)
Mr. B. J. Phukan	DGM I/C (Operations)
Mr. H. K. Nath	DGM (Mechanical Maintenance)

Notice to the Shareholders

Notice is hereby given that the 22nd Annual General Meeting of the Shareholders of Numaligarh Refinery Limited will be held at Hotel Brahmaputra Ashok, M. G. Road, Guwahati-781001 on Friday, the 4th September, 2015 at 3.00 P.M. to transact the following Ordinary and Special Businesses.

A. Ordinary Business

1. To receive, consider and adopt the Directors' Report and the Report on Corporate Governance, the Audited Balance Sheet as at 31st March, 2015 and Statement of Profit & Loss for the year ended 31st March, 2015 along with the Reports of the Statutory Auditors and the Comments of the Comptroller & Auditor General of India.
2. To declare dividend.
3. To appoint a Director in place of Shri S. R. Medhi, Director (DIN:03641096) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S. K. Barua, Director (DIN:06503943) who retires by rotation and being eligible, offers himself for re-appointment.

B. Special Business

5. Remuneration of Cost Auditor

To consider and if thought fit, to pass the following Resolution with or without modification(s), as an Ordinary Resolution :-

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, appointment of M/s. Subhadra Dutta & Associates, Cost Accountants, Guwahati as the Cost Auditor of the Company for the financial year 2015-16 by the Board of Directors of the Company to conduct the audit of cost records maintained by the Company under Companies (Cost Records and Audit) Rules, 2014 at a remuneration of ₹75,000/- plus out of pocket expenses, reimbursement of travel and boarding expenses and payment of service tax at applicable rates etc., be and is hereby ratified and approved."

By Order of the Board of Directors

Sd/-

H. K. Sarmah
Company Secretary

Registered Office:

122A, G. S. Road,
Christianbasti,
Guwahati- 781005
Date: 4th August, 2015

Note:

1. Explanatory statements under Section 102 of the Companies Act, 2013, in respect of the business under item No. 5 as set out above is annexed hereto.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The Proxy form duly completed should be deposited at the registered office of the Company not less than forty eight hours before commencement of the Meeting.



Explanatory Statements for the Special Business pursuant to Section 102 of the Companies Act, 2013:

The following are the Explanatory Statements in respect of item No. 5 of the Special Business indicated in the Notice dated 4th August, 2015.

Item No. 5: Remuneration of Cost Auditor

M/s Subhadra Dutta & Associates was appointed by the Board as the Cost Auditor of the Company for the year 2015-16 in terms of section 148(3) of the Companies Act, 2013 at a remuneration of ₹75,000/- plus out of pocket expenses, reimbursement of travel and boarding expenses and payment of service tax at applicable rates.

Pursuant to Rule 14 of the Companies (Audit & Auditors) Rules, 2014, remuneration of Cost Auditor approved by the Board under section 148(3) of the Companies Act, 2013 is required to be ratified by the shareholders.

Accordingly, approval is sought from the shareholders for ratification of remuneration payable to the M/s Subhadra Dutta & Associates, Cost Auditor of the Company for the year 2015-16..

By Order of the Board of Directors

Sd/-

H. K. Sarmah
Company Secretary

Registered Office:

122A, G. S. Road,
Christianbasti,
Guwahati- 781005

Date: 4th August, 2015



Performance Profile



Performance Profile

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
1 Crude Oil Processed (TMT) :	2777	2613	2478	2825	2250	2619	2251	2568	2504	2133
2 Capacity Utilisation (%) : [Installed capacity 3000 TMT]	93%	87%	83%	94%	75%	87%	75%	86%	83%	71%
3 Production Quantity (TMT) :	2754	2558	2379	2755	2012	2366	2016	2302	2268	1958
Light Distillates %	20.3%	20.5%	19.1%	19.0%	13.8%	15.7%	15.5%	15.2%	14.7%	14.1%
Middle Distillates %	76.2%	76.7%	78.0%	77.3%	82.2%	80.0%	80.3%	80.4%	80.7%	80.6%
Heavy Ends %	3.5%	2.8%	2.9%	3.7%	4.0%	4.4%	4.2%	4.4%	4.6%	5.3%
4 Refinery Fuel and Loss as % of Crude Processed :	9.74%	10.26%	9.33%	9.72%	10.98%	9.85%	10.72%	10.24%	10.53%	10.30%
5 Market Sales (TMT) :	2,695	2,550	2,410	2,728	2,137	2,355	2,023	2,391	2,333	1,961
6 Manpower (Nos.):	878	864	861	851	820	820	789	788	718	705
7 Sales and Earnings (₹ in Crore) :										
i) Sales Turnover	10,823.41	9,872.15	8,752.88	14,067.86	8,972.19	7,874.09	8,853.35	8,764.16	7,930.32	5,820.37
ii) Profit Before Depreciation/ Amortisation, Interest & Tax	1,342.37	783.42	520.90	518.15	618.30	512.27	484.02	586.00	840.55	648.14
iii) Depreciation/Amortisation	172.90	179.01	180.13	173.97	170.17	153.64	147.96	157.62	159.74	140.60
iv) Interest	36.34	41.91	59.40	38.58	29.16	5.14	21.43	23.24	20.56	34.71
v) Extraordinary Items	(1.12)	8.98	12.89	-	-	-	-	-	-	-
vi) Adjustment for prior period	-	(9.13)	5.62	18.14	4.84	(8.22)	(4.96)	(7.96)	77.14	(2.81)
vii) Profit before tax	1,134.25	562.65	262.86	287.46	414.13	361.71	319.59	413.10	583.11	475.64
viii) Tax #	415.94	191.56	118.60	103.76	134.87	129.63	83.95	40.29	14.31	26.70
ix) Profit After Tax.	718.31	371.09	144.26	183.70	279.26	232.08	235.64	372.81	568.80	448.94
# Includes Deferred Tax provision - ₹ (21.64) crores (Current year) & - ₹ 9.69 crores (Previous year)										
8 What the Company Owned (₹ in Crore):										
i) Gross Fixed Assets (including Capital Work-in-Progress)	4,590.33	4,302.37	3,855.66	3,757.24	3,681.56	3,582.39	3,347.22	3,219.57	3,083.36	2,964.06
ii) Net Fixed Assets (including Capital Work-in-Progress)	2,347.12	2,224.79	1,952.22	2,010.45	2,111.92	2,155.43	2,071.31	2,086.28	2,105.35	2,226.71
iii) Non current assets	51.48	70.04	75.98	67.62	74.69	-	-	-	-	-
iv) Net Current Assets (including investments)	2,048.22	1,815.52	1,502.60	1,270.61	870.24	739.87	571.78	520.15	491.03	449.12
v) Intangible Assets to the extent not written off	2.85	5.71	5.66	8.94	7.86	1.76	3.94	4.92	6.89	7.22
Total Assets Net (ii+iii+iv+v)	4,449.67	4,116.06	3,536.46	3,357.62	3,064.71	2,897.06	2,647.03	2,611.35	2,603.27	2,683.05
9 What the Company Owed (₹ in Crore):										
i) Share Capital	735.63	735.63	735.63	735.63	735.63	735.63	735.63	735.63	735.63	735.63
ii) Reserve & Surplus	2,619.35	2,255.20	2,021.81	1,963.62	1,865.42	1,714.41	1,615.02	1,508.47	1,309.34	955.70
iii) Miscellaneous Expenditure to the extent not written off	-	-	-	-	-	-	-	-	-	-
iv) Net worth (i)+(ii)-(iii)	3,354.98	2,990.83	2,757.44	2,699.25	2,601.05	2,450.04	2,350.65	2,244.10	2,044.97	1,691.33
v) Borrowings	668.64	768.30	392.97	283.39	211.92	207.65	50.39	77.62	214.85	596.19
vi) Deferred Tax Liability	144.23	191.91	213.56	203.86	238.47	239.37	245.99	289.63	343.45	395.53
vii) Long term liabilities & provisions	281.82	165.02	172.49	171.12	13.27	-	-	-	-	-
Total Funds Employed (iv+v+vi+vii)	4,449.67	4,116.06	3,536.46	3,357.62	3,064.71	2,897.06	2,647.03	2,611.35	2,603.27	2,683.05
10 Internal Generation (₹ in Crore)	852.71	532.50	396.72	334.79	467.26	393.27	340.02	476.67	692.92	580.12

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
11 Ratios:										
i) Profit before Depreciation/Amortisation, Interest & Tax as % age of Net Revenue from operations & Other income	13.51%	8.42%	6.30%	3.85%	7.80%	7.70%	6.25%	7.90%	12.44%	13.07%
ii) Profit after Tax as % age of Average Net Worth.	22.64%	12.91%	5.29%	6.93%	11.06%	9.67%	10.26%	17.38%	30.45%	29.03%
iii) Profit after Tax as % age of Share Capital	97.65%	50.45%	19.61%	24.97%	37.96%	31.55%	32.03%	50.68%	77.32%	61.03%
iv) Average Net worth as % age of Share Capital	431%	391%	371%	360%	343%	326%	312%	292%	254%	210%
v) Profit before Depreciation/Amortisation, Interest & Tax as % age of Average Capital Employed.	39.50%	25.07%	17.38%	17.96%	23.93%	21.50%	21.11%	24.61%	35.28%	28.07%
vi) Profit Before Tax as % age of Average Capital Employed	33.38%	18.01%	8.77%	9.96%	16.03%	15.18%	13.94%	17.35%	24.47%	20.60%
vii) Profit After Tax as % age of Average Capital Employed (ROCE)	21.14%	11.88%	4.81%	6.37%	10.81%	9.74%	10.28%	15.66%	23.87%	19.44%
viii) Long Term Debt Equity Ratio	0.16	0.18	0.02	0.03	0.04	0.02	0.02	0.03	0.09	0.26
12 Earning Per Share (₹)	9.76	5.04	1.96	2.50	3.80	3.15	3.20	5.07	7.73	6.10
13 Book Value Per Share (₹)	45.61	40.66	37.48	36.69	35.36	33.31	31.96	30.51	27.80	22.99
14 SOURCES AND APPLICATION OF FUNDS (₹ in Crore)										
SOURCES OF FUNDS										
OWN :										
Profit after Tax	718.31	371.09	144.26	183.70	279.26	232.08	235.64	372.81	568.80	448.93
Depreciation/Amortisation	172.90	177.24	159.97	179.57	144.76	153.23	144.61	157.26	242.79	137.97
Deferred Tax provision	(47.68)	(21.64)	9.69	(34.59)	(0.92)	(6.60)	(43.64)	(53.82)	(52.08)	(15.12)
Investments	-	-	10.73	-	-	-	0.46	-	2.51	-
BORROWINGS :										
Loans (Net)	-	375.33	109.58	71.47	12.25	157.26	-	-	-	-
Decrease in Working Capital	-	-	-	-	-	-	-	33.88	-	-
Changes in long term liabilities & provisions	116.80	-	1.37	157.85	-	-	-	-	-	-
Changes in Non-Current assets & Provisions	18.56	5.94	-	7.07	-	-	-	-	-	-
Adjustment on account of retirement / reclassification of assets	5.57	3.93	99.27	65.43	45.31	1.30	-	22.95	14.42	1.47
	984.46	911.89	534.87	630.50	480.66	537.27	337.07	533.08	776.44	573.25
APPLICATION OF FUNDS :										
Capital Expenditure	297.80	450.64	197.69	141.11	148.39	236.49	127.65	159.16	133.72	188.91
Adjustment for Misc.Expenditure / Intangible Assets	0.12	3.14	0.04	3.53	8.18	-	1.03	-	1.79	8.05
Dividend	294.25	117.70	73.56	73.56	110.34	110.34	110.34	147.13	183.91	139.77
Tax on distributed profits	59.91	20.00	12.50	11.93	17.90	18.75	18.75	25.00	31.26	19.60
Repayment of Loans (Net)	99.66	-	-	-	-	-	27.23	137.24	381.34	32.99
Investments(Net)	197.36	35.48	-	61.22	29.92	-	-	63.00	-	64.31
Changes in long term liabilities & provisions	-	7.47	-	-	-	-	-	-	-	-
Increase in Working Capital	35.36	277.46	242.72	339.15	165.93	168.09	52.07	-	44.42	119.62
Changes in Non-Current assets & Provisions	-	-	8.36	-	-	-	-	-	-	-
Transitional Provision for Employee Benefit	-	-	-	-	-	3.60	-	1.55	-	-
	984.46	911.89	534.87	630.50	480.66	537.27	337.07	533.08	776.44	573.25



	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
15 Changes in Working Capital (₹ in Crore) :										
A) Current Assets :										
Inventories	248.68	142.28	(807.97)	383.33	82.03	571.63	57.15	100.34	22.95	80.65
Trade Receivables	958.52	(428.34)	(93.72)	44.82	643.19	(24.58)	(337.68)	269.18	(57.62)	92.22
Cash & Bank Balances	88.59	962.52	2.51	(201.55)	79.00	(169.35)	(220.01)	121.72	359.41	29.56
Other Current Assets	0.76	(108.60)	210.48	9.27	(3.95)	2.65	0.03	(2.24)	3.70	0.28
Loans & Advances, Others	-	-	-	-	(0.68)	38.71	(18.48)	(5.40)	(69.29)	(65.40)
Total Current Assets	1,296.55	567.86	(688.70)	235.87	799.59	419.06	(518.99)	483.60	259.15	137.31
Less:										
B) Current Liabilities & Provisions										
Current Liabilities	1,261.19	290.40	(931.42)	(103.28)	579.74	197.87	(558.03)	557.53	272.73	(43.66)
Provisions	-	-	-	-	53.92	53.10	(13.03)	(40.05)	(58.00)	61.35
Total Current Liabilities & Prov.	1,261.19	290.40	(931.42)	(103.28)	633.66	250.97	(571.06)	517.48	214.73	17.69
C) Working Capital (A - B)	35.36	277.46	242.72	339.15	165.93	168.09	52.07	(33.88)	44.42	119.62

Value Added

HOW VALUE IS GENERATED (₹ in Crore) :										
Value of Production :	10,074.11	9,268.47	7,601.63	13,659.35	7,847.50	7,218.61	7,708.80	7,496.73	6,675.80	5,032.41
Less : Direct Materials Consumed :	7,935.63	7,933.91	6,622.87	12,503.09	7,011.66	6,532.67	7,073.07	6,832.68	5,724.20	4,287.92
Value Added	2,138.48	1,334.56	978.76	1,156.26	835.84	685.94	635.73	664.05	951.60	744.49
Add : Other Incomes (including P.Y.A)	74.90	48.87	64.83	16.55	61.00	55.33	54.58	64.52	(48.62)	21.58
Total Value Generated	2,213.38	1,383.43	1,043.59	1,172.81	896.84	741.27	690.31	728.57	902.98	766.07
HOW VALUE IS DISTRIBUTED (₹ in Crore) :										
A) Operation :										
Employees' Benefits	178.60	144.53	129.92	143.28	138.01	104.89	87.42	54.08	48.51	38.43
Other Costs	691.29	455.33	411.28	529.53	144.89	115.89	117.77	79.18	88.55	76.70
	869.89	599.86	541.20	672.81	282.90	220.78	205.19	133.26	137.06	115.13
B) Providers of Capital										
Interest on Borrowings	36.34	41.91	59.40	38.58	29.16	5.14	21.43	23.24	20.56	34.71
Dividend	294.25	117.70	73.56	73.56	110.34	110.34	110.34	147.13	183.91	139.77
	330.59	159.61	132.96	112.14	139.50	115.48	131.77	170.37	204.47	174.48
C) Taxation:										
Corporate Tax	463.62	213.20	108.91	138.35	135.79	136.23	127.59	94.11	66.38	41.82
Tax on distributed profits	59.91	20.00	12.50	11.93	17.90	18.75	18.75	25.00	31.26	19.60
	523.53	233.20	121.41	150.28	153.69	154.98	146.34	119.11	97.64	61.42
D) Re-investment in Business										
Depreciation/ Amortisation	172.90	179.01	180.13	173.97	170.17	153.64	147.96	157.62	159.74	140.60
Provision on Investment	-	-	-	(0.01)	0.48	-	(3.86)	1.35	2.51	-
Deferred Tax	(47.68)	(21.64)	9.69	(34.59)	(0.92)	(6.60)	(43.64)	(53.82)	(52.08)	(15.12)
Retained Profit	364.15	233.39	58.20	98.21	151.02	102.99	106.55	200.68	353.64	289.56
	489.37	390.76	248.02	237.58	320.75	250.03	207.01	305.83	463.81	415.04
Total Value Distributed	2,213.38	1,383.43	1,043.59	1,172.81	896.84	741.27	690.31	728.57	902.98	766.07

Net Worth CAGR 10.40% (in ₹Crore)



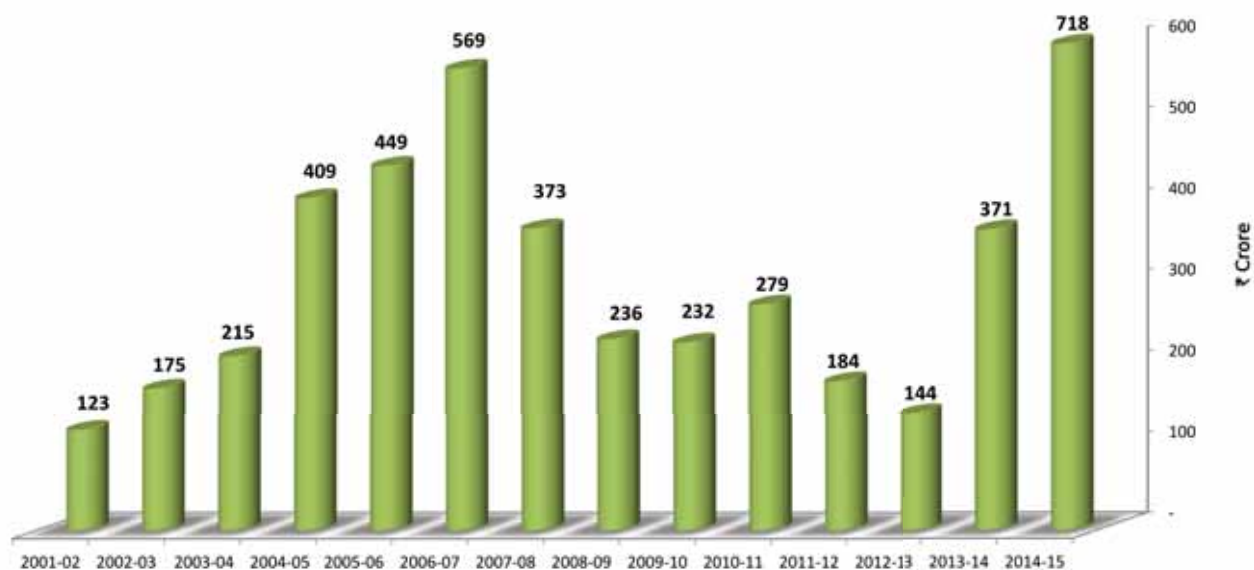
Turnover CAGR 20.32% (in ₹ Crore)



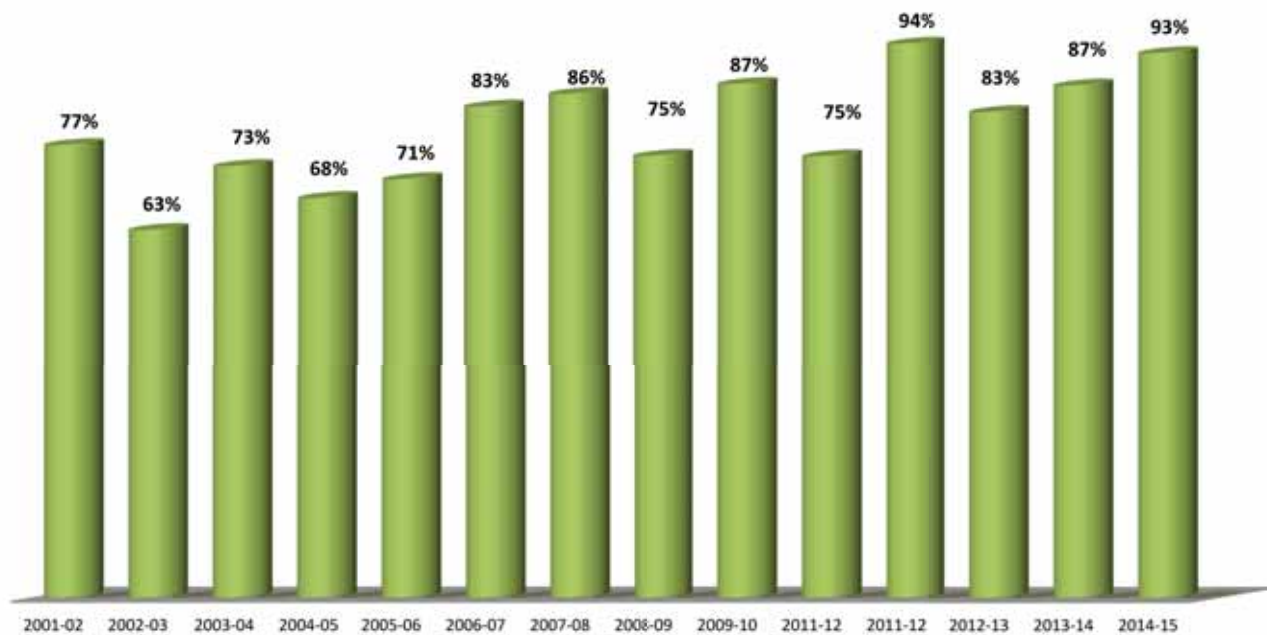


Profit After Tax CAGR 28.27%

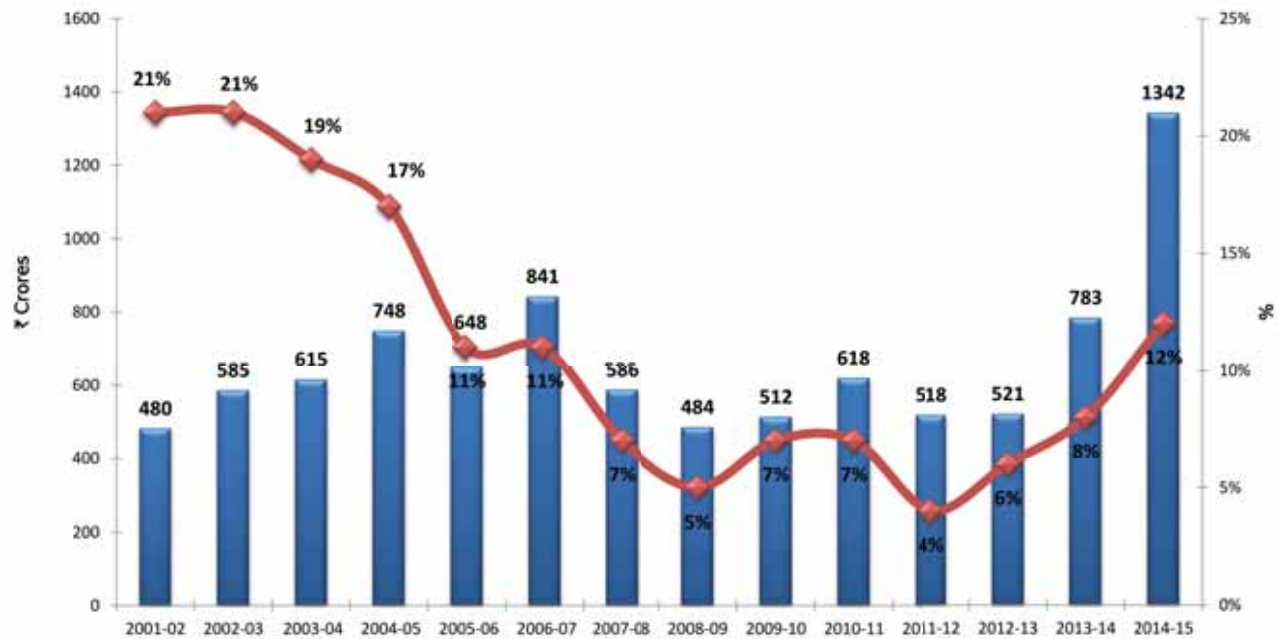
(in ₹ Crore)



Capacity Utilisation



PBDIT as a % of Sales



Turnover & PAT

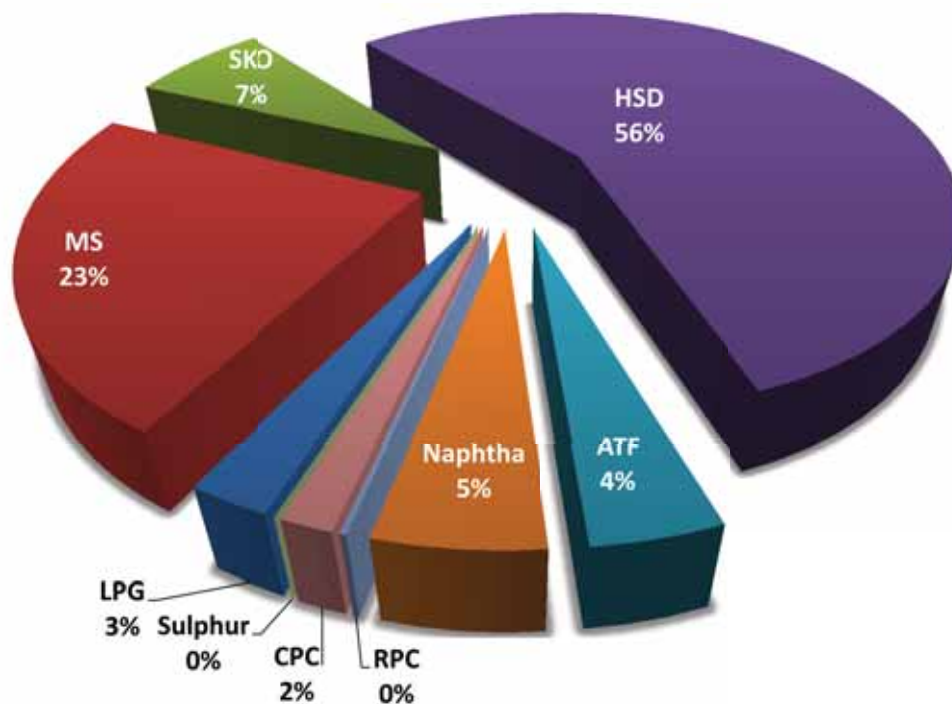




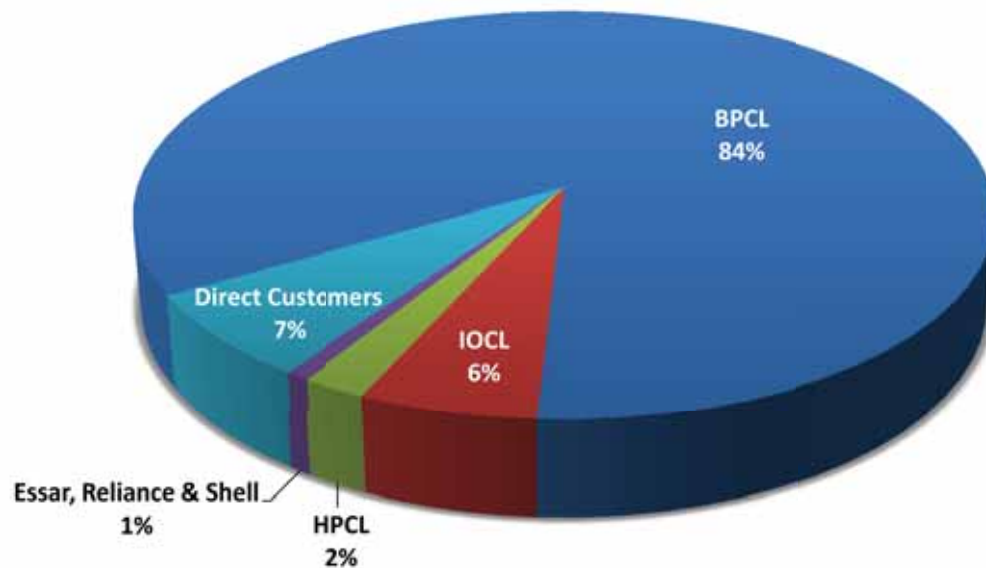
PAT & EPS



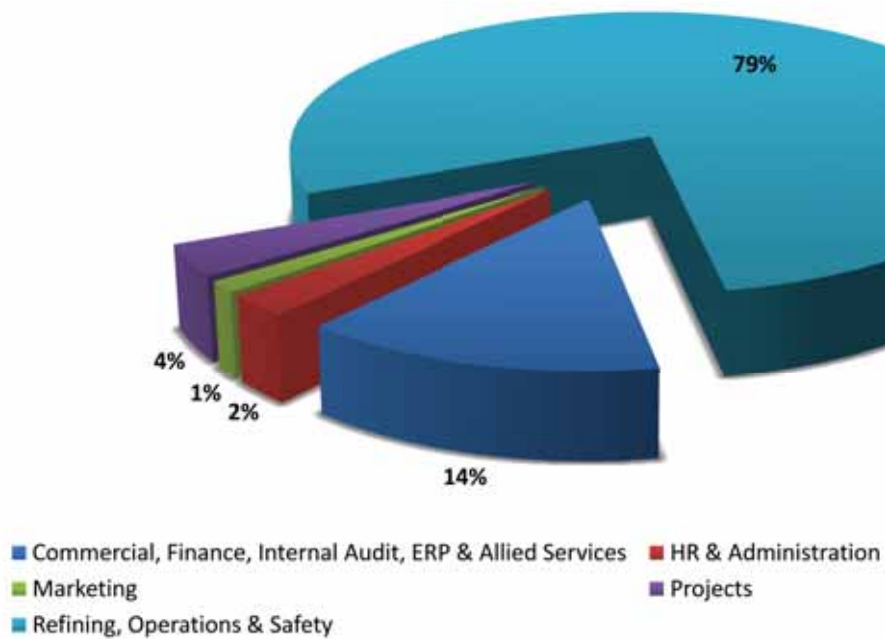
Productwise Sales Pattern



Party-wise Sales

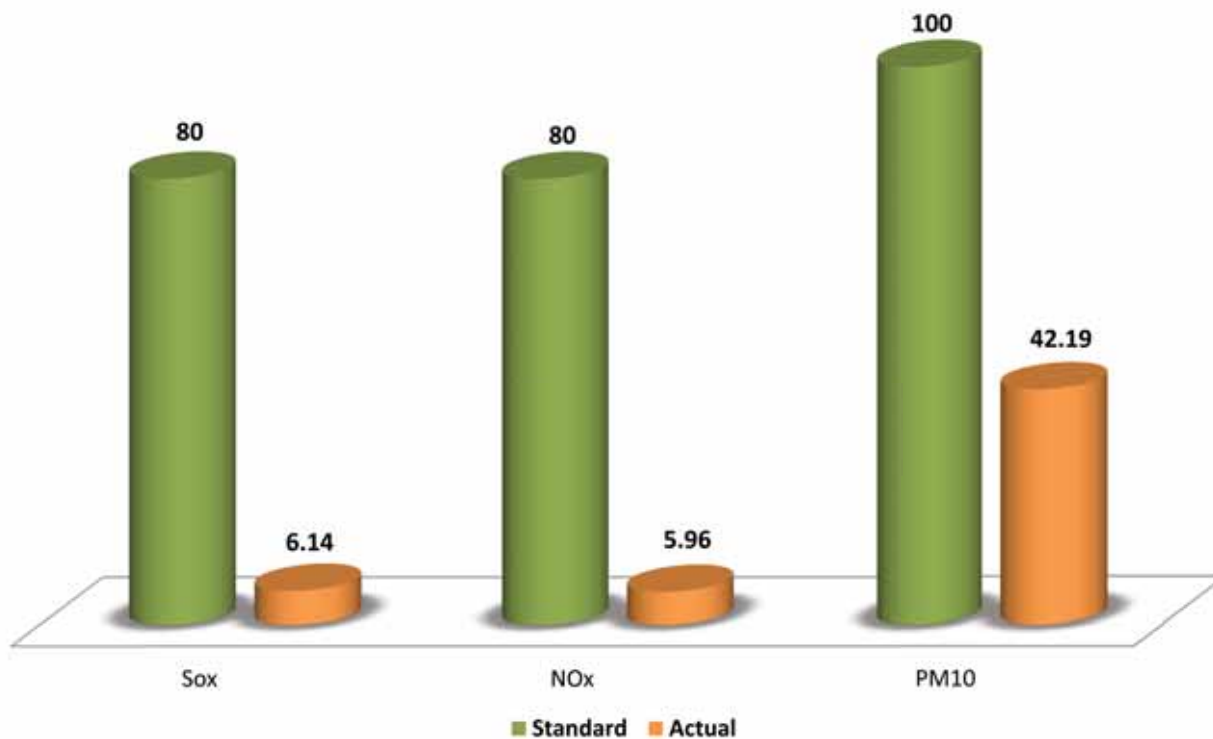


Manpower Function-wise

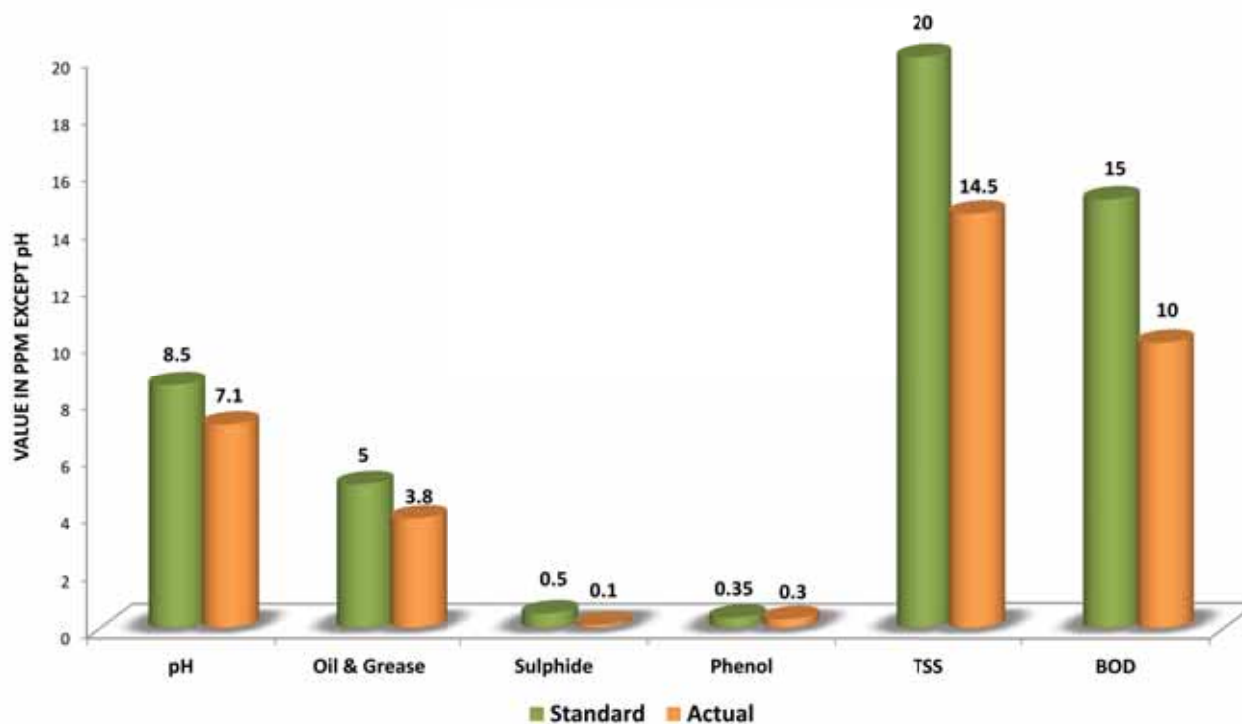




Ambient Air Quality at Numaligarh Refinery Township vis-a-vis National Standards



Treated Effluent Water Quality at Numaligarh Refinery vis-a-vis National Standards





Directors' Report



Directors' Report to Shareholders

Your Directors take pleasure in presenting the 22nd Annual Report on performance of your Company together with audited financial statement for the financial year ended 31st March, 2015.

1. Financial performance

1.1. Consolidated results

The consolidated financial results of the company and its associate for the year 2014-15 compared to those of the previous year are summarized below:

(₹ In Crore)

	2014-15	2013-14
Gross Revenue from Operations	10,844.22	9,892.14
Profit before Depreciation & Amortization, Interest and Tax	1,354.26	793.91
Interest	39.45	46.09
Depreciation & Amortization expense	176.87	183.41
Profit before extraordinary items and tax	1,137.94	564.41
Extraordinary Items	(1.12)	8.98
Prior period items (net)	-	(9.13)
Profit before Tax	1,139.06	564.56
Provision for Income Tax	464.85	213.68
Provision for Deferred Tax	(45.55)	(20.86)
Profit after Tax	719.76	371.74
Consolidated Earnings per share (₹)	9.78	5.05



A view of CDU/VDU Unit



Solvent De-oiling Unit of WAX Plant

The highlights of company's performance are as under :

- Revenue from operations increased to ₹10,844.22 crores registering a growth of 9.62% as compared to ₹9,892.14 crores in the previous year.
- The Gross Refining Margin (GRM) during 2014-15 was \$16.67 per barrel, which is amongst the highest in Indian refineries.
- Profit before tax (PBT) recorded at ₹1,139.06 crores is the highest ever achieved by the Company.
- The net worth of the Company increased to ₹3,355 crores as at 31st March 2015.

The consolidated revenue from operations for year ended 31st March 2015 was up by 9.62% to ₹10,844.22 crores which was mainly on account of higher production and sales.. Strong operating performance from NRL's refining business led to higher operating profits. Consolidated Profit before Tax was higher by 201.76 % to ₹1,139.06 crores

as compared to ₹564.56 crores in the previous year and Profit after Tax increased by 193.62% to ₹719.76 crores as compared to ₹371.74 crores in the previous year.

1.2 Standalone Results

The Company's refining business delivered record earnings during the year. The revenue from operations at ₹10,827.05 crores registered a growth of 9.62% as compared to ₹9,876.76 crores in the previous year. Profit before tax (PBT) increased by 101.59% to ₹1,134.25 crores from ₹562.65 crores in 2013-14 mainly on account of higher throughput and higher refining margins. PBT recorded during the year was the highest ever achieved by the Company. Consequently, highest ever Profit after tax (PAT) was recorded during 2014-15 at ₹718.31 crores, marking an increase of 93.57% from ₹371.09 crores in the previous year. The Compound Annual Growth Rate (CAGR) for PAT thus stood at 28.27% as on 31st March, 2015.



The financial results of the company on standalone basis for the year 2014-15 compared to those of the previous year are summarized below:

	(₹ In Crore)	
	2014-15	2013-14
Physical Performance		
Crude Throughput (TMT)	2,777	2,613
Sales (TMT)	2,695	2,550
Financial Performance		
Gross Revenue from Operations	10,827.05	9,876.76
Profit before Depreciation & Amortization, Interest and Tax	1,342.37	783.42
Interest	36.34	41.91
Depreciation & Amortization expense	172.90	179.01
Profit before extraordinary items and tax	1,133.13	562.50
Extraordinary Items	(1.12)	8.98
Prior period items (net)	-	(9.13)
Profit before Tax	1,134.25	562.65
Provision for Income Tax	463.62	213.20
Provision for Deferred Tax	(47.68)	(21.64)
Profit after Tax	718.31	371.09
Balance brought forward from the previous year	0.01	0.01
Amount available for Disposal	718.32	371.10
The Directors propose to appropriate this amount as under :		
Towards Dividend:		
Final (proposed) Dividend	294.25	117.70
Corporate Dividend tax	59.91	20.00
For transfer to General Reserve	364.15	233.39
Balance carried to Balance Sheet	0.01	0.01
Summarized Cash Flow Statement :		
Cash Flows :		
Inflow/(Outflow) from operations	570.97	1,103.34
Inflow/(Outflow) from investing activities	(399.31)	(459.18)
Inflow/(Outflow) from financing activities	(83.07)	318.36
Net Increase/(decrease) in cash & cash equivalent	88.59	962.52

(Previous year figures have been reclassified / regrouped to conform to current year's classification)

1.3 Dividend

Your Directors, after taking into account financial results of the Company during the year and keeping in view the need to maintain strategic investments for a secure future, are pleased to recommend for your approval, a dividend of 40% (₹4.00 per fully

paid equity share of ₹10.00 each) for the year on the paid-up share capital of ₹735.63 crores, which would absorb a sum of ₹354.16 crores out of the Company's PAT. The dividend payout is subject to approval of members at the ensuing Annual General Meeting. This would be the highest dividend payout by the Company since its inception.



21st Annual General Meeting

1.4 Treasury Operations

The Company continued its focused attention towards effective utilization of available surplus fund enabling it to earn an interest/dividend income of ₹56.25 crores during the year at an average rate of return of 8.90% on surplus fund. Surplus funds generated during the year were invested in line with DPE and NRL Board's guidelines.

During the year, term loans of ₹24.23 crores were repaid. Debt equity ratio at the close of the financial year stood at 0.16.

NRL continued to avail Buyers Credit, for working capital financing of imports. In line with its Financial Risk Management Policy, the foreign currency exposures were hedged through derivative instruments. CRISIL Ltd. has rated the Company at 'A1+' for Short Term Loan facilities and 'AAA/Stable' for Long-Term Loans, which has reduced the overall interest cost besides facilitating optimization of treasury activities. The average borrowing cost during the year stood at 6.26%.

During the year, the Company achieved 99.59% conversion in its e-payment / e-collection mechanisms for making payment and managing receivables.

1.5 Capital Expenditure

The total amount of Capital Expenditure incurred

during the year 2014-15 was ₹292.25 crores as compared to ₹448.48 crores during 2013-14.

1.6 Contribution to Exchequer

Your Company has contributed a total of ₹1,175.46 crores to the Central Exchequer and ₹249.78 crores to the State Exchequers in the form of taxes, duties and dividends compared to ₹890.35 crores and ₹243.88 crores respectively in the previous year.

1.7 Cost Control Initiatives

Your Company follows a system of online budgetary control through SAP ECC 6.0 ERP system for cost optimization whereby expenditures are monitored and controlled on a day-to-day basis for ensuring proper adherence to budget. Besides taking adequate measures towards austerity and rationalization of expenditures, your Company has continued its focused initiatives towards reduction in fuel and loss, conservation of energy, improvement in distillate yield, optimization of product mix and other techno-economic parameters.

1.8 Government Audit Review

Comments of the Comptroller and Auditor General of India (C&AG) under section 143 (6)(b) of the Companies Act 2013 on accounts of the Company (both stand alone as well as consolidated accounts) for the year ended 31st March, 2015 are placed next to the Statutory Auditors Report in the printed



Hon'ble Union Minister of State (Independent Charge) for Petroleum and Natural Gas Shri Dharmendra Pradhan visited NRL

Annual Accounts of the Company. We are pleased to report that the C&AG has no comments and issued no supplement to Statutory Auditors' report under section 143 (6)(b) of the Companies Act, 2013.

1.9 Consolidated Financial Statement

In accordance with the Companies Act, 2013 ("the Act") and AS - 23 on Accounting for Investments in Associates, the audited consolidated financial statement is provided in the Annual Report.

Information relating to Associate and Joint Venture companies duly certified by the management pursuant to section 129(3) of the Companies Act, 2013 has been provided in **Annexure- E** to the Directors' Report as per prescribed form AOC-1(Part-B).

1.10 Particulars of Investments made, Loans/Guarantees given by the Company

Particulars of investments made, loans given, and guarantees given by the Company are provided in the standalone financial statement (Please refer to Note 16, 17, 19 and 47 to the standalone financial statement).

1.11 Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business on an arm's length basis and are intended

to further the Company's interests. Relevant information in Form AOC 2 has been provided as Annexure C to Directors' Report.

During the year, the Company has not entered into any contract / arrangement / transaction with related parties which were in conflict with the Company's interest.

1.12 Post balance sheet events

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

1.13 Risk Management & Internal Control

The Company has laid down a Risk Management Policy and procedures thereof for periodically informing the Board Members about the risk assessment and procedures for minimizing the risks. The Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. All the risks that the organization faces such as strategic, financial, credit, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing these risks.

2. Physical Performance

Highlights of physical performance during FY 2014-15:

- Best ever Specific Energy Consumption (SEC) at 51.6 MBN. Previous best was 53.2 MBN in 2012-13.
- Highest ever MS production at 391.9 TMT. Previous best was 310.2 TMT in 2011-12.
- Highest ever ATF production at 82.6 TMT. Previous best was 72.7 TMT in 2013-14.

- Highest ever NSPL throughput with 1.81 MMT. Previous best was 1.64 MMT in 2013-14.
- Highest ever CPC production and sale at 73.1 and 81.2 TMT respectively. Previous best for CPC production was 57 TMT in 2013-14 and for CPC sale was 58 TMT in 2012-13.
- Highest ever production of packed LPG from the LPG Bottling at 19.6 TMT. Previous best was 16.4 TMT in 2013-14.

During 2014-15, your Company processed 2,777 TMT of crude oil against MoU 'Excellent' target of 2,700 TMT; marking a capacity utilization of 92.6%. Crude processed during the year increased by 6.28% compared to 2,613 TMT processed during the previous year. The refinery received 2,766 TMT of crude oil during the year. Distillate Yield during the year was 90.69% against the MOU 'Excellent' target of 88.00%. Specific Energy Consumption at 51.6 MBN was better compared to the MOU 'Excellent' target of 60.0 MBN besides being the best ever achieved by the Company so far. Production of MS during the year at 392 TMT was not only better compared to MOU 'Excellent' target of 265 TMT, but was also the highest ever achieved by the company. However, with respect to Wax production, MOU 'Excellent' target of 28 TMT could not be achieved due to delay in commissioning of the Wax plant.

Your refinery's total production during 2014-15 was 2,754 TMT, which includes 1,540 TMT of BS-III grade HSD, 293 TMT BS-IV HSD, 348 TMT BS-III MS and 44 TMT BS-IV MS. Total evacuation from the refinery was 2,702 TMT which included pipeline transfer of 1,806 TMT, rail dispatch of 305 TMT and road dispatch of 591 TMT. With regard to disposal of RPC/CPC, 16 TMT of RPC & 81 TMT CPC were sold during the year.

NRL's quality control laboratory received approval for renewal of accreditation by NABL besides the renewal of approvals from DGCA and DGAQA. NRL's QC laboratory is involved in inter laboratory comparison and proficiency testing program since long and this has enhanced competency levels besides facilitating retrospection of merits and demerits in the field of measurement accuracy and precision.

3. Safety Management

During the year, there was no Loss Time Accident (LTA) in the refinery. As on 31st March 2015, the refinery achieved 24.5 million LTA free man-hours (13 years 1 month). A total of, 1,057 man-days of safety training were imparted, which comprised 412 employees, 240 CISF and security personnel and 405 POL drive ₹ Besides, 100% of the workers engaged by contractors, totaling 5,924, were imparted safety training. Besides, 20 mock drills were conducted as planned, comprising 13 minor fire, four major fire, two onsite emergencies and one offsite emergency.

During the year, 9 safety awareness camps were organized on various safety topics involving NRL employees, CISF personnel, security staff,



Fire and Safety Mock drill



contractors & their workers, nearby public and school students. Besides, NRL regularly engages Civil Defense personnel for imparting rescue training to CISF personnel, Security Staff and nearby public. The Road Safety Week was organized in January 2015, followed by National Safety Week in March 2015. The Fire Service Fortnight was also observed during the year.

In recognition of NRL's efforts for developing and implementing effective Occupational Safety & Health Management Systems and procedures, NRL was conferred with the **Sarvashreshtha Suraksha Puraskar** (Golden Trophy) by the National Safety Council in Group-A (Manufacturing Coke and Refined Petroleum products) under the manufacturing sector category. The award was given based on NRL's outstanding performance during the three-year assessment period of 2011, 2012 and 2013.

Towards promoting safety compliance in all spheres of work, award and incentive schemes were introduced during the year. Safety themes were selected on monthly basis and contractor workers were encouraged to participate in discussions related to safety topics. Every month, workers were recognized and rewarded for adhering to safety norms.

Internal Safety Audit for 2014 was conducted from 12th to 14th Nov., 2014 with the members from BPCL group refineries.



NSCI Award 'Sarvashreshtha Suraksha Puraskar'

4. Occupational Health

The Occupational Health Centre inside the refinery is well equipped with diagnostic and treatment facilities. During 2014-15, periodic health checkups were conducted on 630 employees and 305 contract workers against corresponding figures of 628 and 272 during the previous year. No occupational health disease has been detected so far.

Occupational Health Centre organizes awareness programmes in Refinery and Township covering occupational health, first aid, transportation of victims, nutrition, hygiene, etc. among its employees, workers and township residents. Special camps are also organized to cover topics like physiotherapy, childcare etc. among female workers and ladies in refinery and township. Health check-up camps are also organized with assistance from VK-NRL Hospital.

5. Environment sustainability

NRL has adopted advanced control measures towards abatement of pollution, which is essentially the stepping-stone towards environmental protection. In its quest for environmental excellence and continual improvement, NRL has pursued a focused programme towards environment protection through well-defined objectives and has taken up several initiatives that are being implemented in a phased manner. The environmental parameters including quality and quantity of treated effluent, stack emission, ambient air quality and noise level were regularly monitored to ensure that the same are within permissible limits of latest applicable standards. Hazardous oily wastes were disposed off as per Hazardous Wastes (Management, Handling and Trans-boundary Movement) Rules, 2008. Your refinery has adopted upgradation plans related to implementation of a Volatile Organic Compound (VOC) recovery and the project including modernization of the Effluent



Greentech Environment Award

Treatment Plant (ETP) is in advanced stage of completion. In an effort towards controlling fugitive emission and vapour loss, installation of double seals in 17 numbers of floating roof tanks have been completed. Massive tree plantation was carried out in the Green Belt around the refinery to increase the density of trees.

With a view to spreading of environmental awareness amongst employees and people living in neighbourhood of the refinery, a number of awareness programmes were conducted during the year as a part of observance of 'World Environment Day-2014' in a befitting manner. Employees as well as local residents and students actively participated in the programmes.

Your company was awarded the "Greentech Environment Excellence Awards for 2013-14" in Gold Category.

6. Marketing Performance

Highlights of marketing performance during FY 2014-15:

- Achieved highest ever sales for MS, ATF, CPC and packed LPG
- Highest dispatch from Siliguri Marketing Terminal at 1.79 MMT.

Your Company has recorded a sales volume of 2,695 TMT registering year-on-year growths of 5.70%.

During the year, MS sales at 367 TMT grew by 17% while sale of HSD at 1,816 TMT registered a growth of 4.71%. Direct Sales, as percentage of total sales, has doubled during the year and reached 6.93% from 3.30% in 2013-14.

During 2014-15, highest ever sales was achieved for Packed LPG (19.5 TMT), MS (367 TMT), ATF (78 TMT) and CPC (81 TMT). Sale of Sulfur grew by 24% during the year. NRL was also able to maximize its sales volume within North East India to 655 TMT as against previous high of 620 TMT in 2013-14.

Understanding customers need and strengthening our bond with customers is a key step toward our effort to increase in sales and penetrate new markets. Your Company organized a Customers' Meet for the first time during the year. Additionally, a customer feedback initiative was also launched. Customers expressed their satisfaction of NRL's product & services and vested their commitment to continue doing business with NRL. Wax is a new product in our slate and your Company has identified prospective markets and appointed dedicated distributors spreading across the country.

7. Projects

7.1 Plan project

A) Wax Project

The Wax project of NRL has been successfully commissioned during the year. Mechanical completion for the Solvent De-oiling Unit (SDU) and Wax Hydro-finishing Unit (WHFU) were achieved on 26.09.2014 and 22.09.2014 respectively. Subsequently, SDU was commissioned on 20.02.2015 followed by WHFU on 09.03.2015. Commercial production of Paraffin Wax is expected to start during the first quarter of 2015-16. Post commissioning of the 50 TMTPA Wax plant, NRL has emerged as the largest wax producing unit in the country and is expected to contribute towards import substitution of Paraffin Wax. As on 31.03.2015, actual expenditure incurred for the



project was ₹607.50 crores against approved cost of ₹676.05 crores.

B) Refinery Expansion



IMC Ramkrishna Bajaj National Quality Award

To achieve economic scale of operation and for long term sustenance and growth, NRL is pursuing a proposal for expansion of its refining capacity from 3 to 9 MMTPA by installing a new train of process units at its existing refinery premises at Numaligarh. Detailed Feasibility Report (DFR) for the refinery expansion project has been completed and submitted by Engineers India Limited on 16.02.2015. The Board of Directors of NRL has accorded in-principle approval for pursuing the project and has recommended the proposal for obtaining investment approval from NRL's holding company BPCL.

C) Crude oil pipeline

As a linked project to the refinery expansion, NRL is also pursuing a project for construction of a 1400 km long cross country pipeline from Dhamra / Paradip in Odisha to Numaligarh for transporting imported crude oil to the refinery. Detailed Feasibility Report for the project has been completed and submitted by Engineers India Limited on 27.06.2014.

D) DHDT Project

For compliance of auto fuel norms stipulated in the Auto Fuel Vision Policy 2025 of the country, NRL

is installing a Diesel Hydrotreater (DHDT) unit for production of BS IV / VI grade HSD at an estimated cost of ₹1,481 crores. During the first phase of the project, a DHDT unit of 0.7 MMTPA capacity is envisaged to be installed by December 2018 involving a cost of ₹1,031 crores. Completion of the first phase of the project will facilitate production of BS IV HSD at 100% capacity of the refinery. The second phase of the project will involve capacity augmentation of the DHDT unit from 0.7 to 0.85 MMTPA and installation of other associated facilities at an estimated cost of ₹450 crores. Completion of the second phase will facilitate production of BS VI HSD at 100 % capacity of the refinery.

E) India Bangladesh product pipeline

NRL is pursuing a project for construction of a 135 km long Indo-Bangla Product pipeline from Siliguri in India to Parbatipur in Bangladesh. Construction of the pipeline will facilitate sustained supply of HSD to Bangladesh. NRL has signed a MoU with Bangladesh Petroleum Corporation (BPC) to form a joint venture company for implementing the pipeline project. Route survey, field survey and DFR have been completed for the pipeline. The cost estimated for implementing the project is ₹321 crores.

F) Bio Refinery

NRL has envisaged setting up a bio-refinery for production of ethanol from bio-mass, mainly bamboo. Towards this, a MoU with M/s Chempolis Oy has been signed to jointly pursue the project. DFR for the project has been completed.

7.2 Non -Plan Projects

The major schemes under implementation against the Company's Non-Plan (Additional Facility) capital expenditure budget are installation of Mounded bullets for LPG storage, CDU/VDU internal column revamping, residential quarters at Numaligarh Township, MS/HSD tanks at SMT, Upgrading of Gas



MoU with Bangladesh Petroleum Corporation (BPC)

Turbine Generator, Corporate Office building at Guwahati, Flare gas recovery system at refinery and preheat train temperature improvement at CDU/VDU.

8. Investment in Joint Venture Companies

Brahmaputra Cracker and Polymer Limited (BCPL):

NRL has 10% equity participation in the joint venture company Brahmaputra Cracker and Polymer Limited which is implementing the Assam Gas Cracker Project in Dibrugarh district of Assam. GAIL (India) Limited is the major promoter having 70% of equity participation and the rest 30% is equally distributed between Oil India Ltd (OIL), Numaligarh Refinery Limited (NRL) and Government of Assam. Upto 31st March 2015, NRL had contributed ₹126.90 crores towards equity in this joint venture. This project is likely to be commissioned by this year.

DNP Limited:

DNP Limited is a Joint Venture Company between Assam Gas Company Limited (AGCL), Oil India Limited (OIL) and Numaligarh Refinery Limited (NRL) and was incorporated on 15th June 2007 with an authorized share capital of ₹170.00 crores. As on 31st March 2015, the paid up share capital of DNP Limited is ₹167.25 crores. The present shareholding of the Company as on 31st March

2015 stands at AGCL (51%), NRL (26%) and OIL (23%). The registered office of the Company is at Guwahati, Assam with its operational headquarters at AGCL, Duliajan.

The main objective of DNP Limited is transportation of natural gas through the Duliajan – Numaligarh NG pipeline having a design capacity of 1.2 MMSCUM of natural gas per day from Madhuban at Duliajan to NRL. During 2014-15, the Company transported 242.12 MMSCUM of natural gas as against 223.39 MMSCUM of natural gas in 2013-14, thus registering a growth of 8.38%.

DNP Limited achieved Gross Revenue from Operations of ₹66.03 crores for the financial year ending 31st March 2015 as compared to ₹59.15 crores in the previous year. The Company's profit after tax for the year stood at ₹6.70 crores as against profit of ₹4.42 crores in the previous year. Earnings per Share (EPS) for the year 2014-15 stood at ₹0.40 compared to ₹0.26 in 2013-14. The Board of Directors of DNP Limited has recommended to the shareholders a dividend of ₹0.11 per share of ₹10.00 each for 2014-15 as compared to ₹0.07 per share of ₹10.00 in 2013-14.

9. Annual Plan 2014-15

Budget Estimates (BE) 2014-15 toward Plan projects of NRL was provided at ₹177.65 crores



Most Eco-Friendly Refinery Award



which was revised to ₹111.00 crores in revised estimate (RE) based on mid-year assessment. Actual expenditure during the year on Plan projects was ₹102.77 crores (57.85% of BE).

10. Procurement from MSME

Public Procurement Policy for Micro and Small Enterprises (MSEs) is being implemented for non-hydrocarbon goods and services. During financial year 2014-15, procurement of indigenous non-hydrocarbon goods and services amounted to ₹278.55 crores out of which total procurement from MSEs was ₹37.36 crores. The target set for the year towards procurement of goods and services from MSEs as percentage of non-hydrocarbon goods and services was 10% against which the actual performance was 13.41%. Benefits under MSE Policy such as issuing of Tender Sets free of cost, exemption in payment of Earnest Money Deposit and Price Preference Policy have been implemented in the organization.

11. Implementation of Official Language

Implementation of the official language, Hindi, was pursued actively at NRL under provisions of the Official Language Act, 1963 and the Official Language Rules, 1976. Hindi training and workshop were periodically organized for the employees. Incentive schemes for encouraging employees to use Hindi in official correspondences continued to be implemented. Events like 'Hindi Divas' and 'Hindi Week' were celebrated with active participation



Hindi Week celebration

from employees and their families. The Company's in-house journal 'Rodali' continued to incorporate a Hindi section.

12. RTI Act

Every application received from any citizen of India seeking information under the Right to Information Act 2005 is dealt with great deal of care and prudence. Internal mechanisms are in place to ensure that information flow is seamless and replies are furnished within the stipulated time of 30 days. In order to generate awareness, provisions of the RTI Act are regularly discussed in various internal forums so as to promote transparency and accountability in our working. Wherever possible, information are provided in the company's website www.nrl.co.in and updated regularly.

13. Vigilance

The endeavour of Vigilance department is to ensure transparency and accountability in every aspect of organisations' functioning, leading to better efficacy and efficiency.

During the year, vigilance Department of NRL continued to focus its attention on preventive vigilance by suggesting ways and means to streamline rules & procedures and undertook detailed CTE and other type of inspections for high value tenders and based on observations, specific recommendations were made to concerned departments. Routine and surprise inspections were conducted as per plan and outcome was shared with the management. Investigations of complaints received from various stakeholders were undertaken and suitable action was recommended. Vigilance department arranged Orientation Programmes from time to time so that the employees of NRL understand the perspective of transparency and fairness in the transaction of business. Regular communiqués were issued about latest circulars from the CVC so that officials are abreast of latest guidelines and unintended mistakes are avoided.



Vigilance awareness week pledge taking

Vigilance Awareness Week, 2014 was observed at all locations of the Company in a befitting manner with active participation of employees and other stake holders from 27th October to 1st November, 2014 in line with directives from Central Vigilance Commission with the theme “Combating Corruption - Technology as an enabler”. Events were organized for various stakeholders including students of nearby schools wherein several awareness programmes consisting of Slogan writing, Essay writing, Poster making, Elocution, Group discussion, competitions and interactive seminars etc. were held to generate awareness on the importance of vigilance. During the year, an edition of the annual newsletter titled “Chaitanya” containing various articles on vigilance was published.

Shri Manoj Pant, IFS, Chief Vigilance Officer, Bharat Petroleum Corporation Limited took over charge of Chief Vigilance Officer of NRL with effect from 15th July, 2014.

14. Integrated Information Systems (IIS)

The centralized computing and communication infrastructure at NRL designed to provide high availability, non-interruptive access to business resulted in smooth operation across all business functional areas in 2014-15.

During the year, unstinted support of IT platform & services in carrying out online and concurrent business transactions has contributed towards breakthrough physical performance. Several IT-enabled initiatives were launched in the year

enabling business changes and facilitating cross functional interaction and Governance.

SAP Document Management System was successfully implemented for secured storage of digitized drawings, manuals etc. and for easy access & retrieval from SAP.

To provide real time information to customers, ‘sms’ and email facilities were introduced from our marketing terminals leading to enhanced customer satisfaction.

Your Company adopted the AspenTech InfoPlus-21 (IP21), the industry’s best process historian which makes it easy to collect, merge, store & retrieve real time operational data. With Aspen Process Explorer, users have access to real time process data and aggregated summary at user’s desktop.

15. E-Governance

During the year 97 % of your Company’s totals sales transactions and payment processing was routed through secured B2B channel and e-payment mode through payment gateway. It aptly reflects our penchant for excellence in ICT (Information and Communications Technology) initiatives for business consolidation.

Road permit system in SAP has been implemented which has enabled users with speedy access to information, centralised storage and tracking of road permit data resulting in reduction in data loss. A new SAP based system was introduced for tracking of C-form details starting from collection of C-form from statutory department to subsequent issue to vendor.



Inauguration of SAP Document Management System



Governance Now Awards

In line with the new Companies Act 2013, new asset class creation and value migration to the new assets were successfully completed in SAP during the year.

Vendor's bill tracking system has been very successful and new features have been incorporated in Bill Tracking System to ensure transparent information sharing with vendors along with improvement in the internal processes.

To achieve secure and faster disbursement of payment in electronic mode, your company has implemented a second payment gateway system with Axis bank. With this redundancy arrangement, sole dependency on existing payment gateway could be avoided.

Incident Reporting and Investigation System (IRIS), a workflow based application has been adopted and implemented to record, root cause analysis of every Incidents involving damage, injury as well as near miss.

Besides, all compliance requirements of Information Security Management System and Control objectives as per requirement of ISO 27001:2005 Standard have been complied in 2014-15.

16. Certification and Awards

NRL continues to be certified under ISO 9001 on quality, ISO 14001 on environment management, OHSAS 18001 on occupational health and safety,

ISO 27001 on information security management system and ISO 50001 on energy management system.

Your Company was conferred with the coveted **SARVASHRESHTHA SURAKSHA PURASKAR** (Golden Trophy) by the National Safety Council in Group-A (Manufacturing Coke and Refined Petroleum products) under the manufacturing sector category. The award was given based on NRL's outstanding performance during the three-year assessment period of 2011, 2012 and 2013.

Your Company received the prestigious IMC Ramkrishna Bajaj National Quality Award (RBNQA) 'Performance Excellence Trophy 2014' under manufacturing category.

Your Company also received the Jawaharlal Nehru Centenary Award for energy performance from CHT, Governance Now PSU award for HR and Asset Utilization and the Most Eco Friendly PSU award from the India Today Group.

17. Conservation of Energy, Technology Absorption

The details regarding energy conservation and technology absorption as required to be furnished



Jawaharlal Nehru Centenary Award

pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are placed at **Annexure-A** as part of this report.

18. Foreign Exchange Earnings and Outgo

There were no direct foreign exchange earnings during 2014-15. However, foreign exchange outgo during the year was ₹475.40 crores mainly on account of purchase of raw materials, know-how, professional consultancy fees, travelling, etc.

19. Memorandum of Understanding with BPCL

Your Company has been achieving 'Excellent' performance rating consistently since signing of the first Memorandum of Understanding (MoU). Based on our self evaluation, our performance against MoU 2014-15, is expected to qualify in 'Excellent' category.

20. Remuneration

As per MCA Notification No. GSR 463(E) dated 5th June, 2015, Section 197 does not apply to a Government company. Therefore, the requirement of disclosure to be made in the Directors' report in terms of Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

21. Corporate Governance

Corporate Governance is about maintaining a trusted relationship with all stakeholders and is an integral part of our value creation in the Company. Your Company has been maintaining integrity transparency and accountability in all its spheres of business.

In accordance with the guidelines on Corporate Governance issued by the Department of Public



MoU Signed with BPCL

Enterprises (DPE) in May 2010, a report on Corporate Governance together with a Certificate from a practicing Company Secretary on compliance with guidelines on Corporate Governance is annexed at **Annexure-B** to the Directors' Report.

The forward looking statements made in the 'Management Discussion and Analysis' are based on certain assumptions and expectations of future events. The Directors does not guarantee that such expectations will eventually materialise.

22. Statutory Auditors

Messrs Ghoshal & Ghosal, Chartered Accountants, 4, Commercial Buildings, 23 Netaji Subhas Road, Kolkata-700001 were appointed as Statutory Auditors of the Company for the year 2014-15 by the Comptroller & Auditor General of India under the provisions of Section 139 of the Companies Act, 2013. They will hold office till the ensuing Annual General Meeting.

23. Cost Auditors

M/s. Musib & Associates, Cost Accountants, Mumbai were appointed as the Cost Auditor of the Company for the year 2013-14 in accordance with the provisions of Section 233B (2) of the Companies Act, 1956. Cost Audit Report for the year 2013-14 was filed with the Ministry of Corporate Affairs on 20th September, 2014 i.e. within the due date.

M/s. Subhadra Dutta & Associates, Cost Accountant, Guwahati were appointed as Cost Auditors of the



Company for the year 2014-15 in accordance with the provision of Section 148(3) of the Companies Act, 2013. The due date for filing of cost audit report for the year 2014-15 is 30.9.2015 for which necessary action is being taken.

24. Secretarial Audit report

In accordance with the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s Biman Debnath & Associates, Practicing Company Secretaries, Guwahati for conducting Secretarial Audit of the Company for the financial year 2014-15. The Secretarial Audit Report for the financial year 2014-15 is annexed as **Annexure** to this report. The said report does not contain any qualification, reservation or adverse remark.

25. Directors' Responsibility Statement

Your directors would like to inform that the audited accounts containing the Financial Statements for the year ended 31st March, 2015 are in conformity with the requirements of the Companies Act, 2013 and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations.

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your directors confirm that:

- (a) in the preparation of the annual accounts for the year ended 31st March, 2015, the applicable Accounting Standards have been followed and there was no material departure;
- (b) the directors had selected such Accounting Policies and applied them consistently and made judgments 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, 2015 and of the profit and loss of the company for that period;

- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual financial statements on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

During the year no fraud has been reported by the auditors under section 143(12) of the Companies Act, 2013.

26. Declaration by Independent Directors

The Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013.

As per the declaration given and noted by the Board of Directors, none of the Independent Directors was disqualified to be appointed as Independent Director of the Company as on 31st March, 2015.

27. Board Evaluation

As per MCA Notification No. GSR 463(E) dated 5th June, 2015, provisions of section 134(3)(p) shall not apply, in case the Directors are evaluated by the Ministry, which is administratively in charge of the Company as per its own evaluation methodology. As NRL is a Government Company, disclosure



PSPB Volleyball Tournament hoisted by NRL

requirement in respect of board evaluation process is not applicable to the Company.

28. Extract of Annual Return

In accordance with Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules 2014, the extract of the Annual Return as at 31st March, 2015 in the prescribed form MGT 9, forms part of this report and is annexed as 'Annexure- F'.

29. Board of Directors

Since the last AGM held on 12th September, 2014 Dr. A. K. Ghoshal, erstwhile Independent Director has resigned from the Board of NRL with effect from 10th April, 2015. The Directors have placed on record their appreciation of the valuable contributions made and guidance given by him for the development and progress of the Company's business.

Shri S.K.Srivastava, on attaining superannuation from Oil India Limited on 30th June, 2015 tendered his resignation from the Board with effect from 1st July, 2015. The Directors have placed on record their appreciation of the valuable contributions made and guidance given by him for the development and progress of the Company's business.

In accordance with provisions of Section 152 of the Companies Act, 2013, Shri S. R. Medhi and Shri

S.K. Barua will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment as Directors at the said meeting.

As required under Corporate Governance clause, brief bio-data of the Directors who are proposed to be appointed/re-appointed at the Annual General Meeting are provided in the Corporate Governance Report.

30. Acknowledgment

Your Directors wish to place on record their deep appreciation for the dedication and commitment of the employees at all levels for registering such an improved performance results in all areas of operations.

Your Directors acknowledge the support and guidance received from various Ministries of the Government of India, particularly the Ministry of Petroleum & Natural Gas and from State Government authorities which had helped NRL to progress well, scaling new heights.

Your Directors place on record their gratitude to NRL's valued customers, dealers, contractors and suppliers for their continued support and faith reposed in the Company. Your Directors also express their sincere thanks to all shareowners of the Company, viz. M/s Bharat Petroleum Corporation Limited, M/s Oil India Limited and Government of Assam and other business partners for their continued support to the management.

Your directors would like to affirm and remain committed to working towards enhancing shareholder value.

For and on behalf of Board of Directors

Sd/-

S. Varadarajan
Chairman

Mumbai

Dated: 4th August, 2015



Management Discussion and Analysis Report

Industry Structure and Developments

The International Monetary Fund, in its World Economic Outlook has projected global economic growth for 2015 at 3.5%, marginally higher than the 3.4% growth in 2014. Despite the moderate economic growth forecast, oil demand is expected to rise steadily. Until a few years back, rising oil prices curtailed global oil consumption growth despite economic revival in most countries but the trend has been reversed in recent past with declining oil prices.

There is currently oversupply of oil in the market, as reported by the Organisation of the Petroleum Exporting Countries (OPEC), but the situation is expected to ease in the forthcoming quarters. Slowdown in US crude production, particularly, shale oil is expected to continue significantly towards this end. This raises the possibility of sustained rebound in oil prices. The OPEC oil basket price has risen from \$44/bbl in Jan'15 to \$62/bbl in May'15. This, however, need not necessarily be a cause of concern for the refining industry as product prices are forecasted to rise in tandem with oil prices.

Global oil demand in 2015 is expected to rise by 1.18 mb/d, higher than the previous year's growth of 0.96 mb/d. toward end-2015, global demand of oil is anticipated to touch 92.5 mb/d.

The positive outlook for Indian refiners arises from refining margin that is expected to continue its rising trend. The Singapore Refinery Margin improved to \$6.36/bbl during financial year 2014-15 from \$5.87/bbl in the previous year.

In context of the Indian economy, the United Nations economic report has projected India's economic growth in 2015 and 2016 at 7.6% and 7.7% respectively, overtaking Chinese corresponding growth rates of 7% and 6.8% in the process.

The country's Gross Domestic Product (GDP) growth during 2014-15 was 7.3%, with improvement in manufacturing and service sectors. Projections by various agencies indicate growth edging toward 8% during the current year. Such optimistic scenario holds out promise for the refining sector, including Numaligarh Refinery.



The Indian crude basket price eased to \$84.16/bbl in 2014-15 from \$105.52/bbl in the previous year. The average price for this fiscal is expected to be even lower.

With regard to the Indian refining industry, during 2014-15, against the country's refining capacity of 215 MMTPA, production of petroleum products was 221 MMT. Against the country's total refinery crude throughput of 223 MMT, domestic supply of crude oil was only 37 MMT while the balance imported.

Consumption growth of petroleum products during 2014-15 improved significantly to 4.2% compared to 0.9% growth in the previous year. Petroleum coke registered the highest growth at 22.6%, followed by MS at 11.4% and LPG at 10.6%. HSD and ATF recorded moderate growth at 1.5% and 1.3% respectively. SKO and Naphtha registered negative growth.

Strengths

The Company's net worth has progressively risen to the level of ₹3,355 crores, with reserves and surplus at ₹2,619 crores. NRL has commissioned a Wax plant in 2014-15 for production of 50 TMTPA Paraffin Wax. Wax being a high value product, shall contribute to increase NRL's Gross Refining Margin (GRM).

Together with the dedicated team of human talent provides a decent base for pursuing major projects towards ensuring sustenance and growth. The Company enjoys unstinted support from stakeholders particularly from its holding company, BPCL and the administrative Ministry, MoP&NG, thus providing the needed inspiration to forge ahead towards achieving challenging objectives.

Weaknesses

The major weakness of NRL arises from its sub-economic refinery size at 3.0 MMTPA. Coupled with sub-optimal capacity, the logistical bottlenecks for importing limited crude oil to saturate existing

refining capacity results in relatively higher operating cost per unit of crude processed. Growth and Industrial development of this region plays an important role for consumption of POL products. The region being still product surplus, majority of our products are required to be evacuated to far flung locations incurring under recoveries in freight and CST sales.

Opportunities

Post commissioning of the Wax plant, NRL has emerged as the largest wax producing unit in the country. Currently, there is demand-supply gap in the country for Paraffin Wax and 53% of demand is met through imports. This gives NRL an opportunity to enter into a supply deficit market and become a leading brand in the country.

Being a major supplier of POL product to BPCL in eastern part of the country, the Company has the opportunity to pursue its refinery expansion project. As a linked project to refinery expansion, a pipeline will be constructed from an eastern port to Numaligarh for transporting imported crude oil. Route survey and DFR has been completed for the pipeline project. NRL's location gives an



Nepal Minister visits NRL

opportunity to export products to geographically contiguous countries like Bangladesh, Nepal, Bhutan and Myanmar. Towards this, NRL has envisaged to construct a 135 km Indo-Bangla pipeline from Siliguri to Parbatipur in Bangladesh. NRL has also recently entered into an agreement



with a company in Nepal for supply of MS and HSD to Nepal by road.

Threats

Inadequate availability of crude oil and natural gas in North East continues to be a primary threat for the company. Production of crude oil in the region has been declining over the past few years. The North East refineries have certain inherent constraints, in recognition to which, the Central Government has granted 50% excise duty benefit for the four refineries in the region. Continuance of such benefit is essential for sustaining economic viability of the North East refineries.

Product-wise Performance

NRL's total production during 2014-15 was 2,754 TMT against 2,558 TMT in the previous year. It included 1,540 TMT and 293 TMT of HSD in BS III and IV grades respectively besides 348 TMT and 44 TMT of MS in BS III and IV grades respectively. Production also comprised 111 TMT Naphtha which included 54 TMT of petrochemical grade, 54 TMT LPG, 83 TMT ATF, 184 TMT SKO, 20 TMT RPC, 73 TMT CPC and 4 TMT Sulphur.

Outlook

The outlook for 2015-16 is positive amidst several

new emerging developments. Post commissioning of the Wax plant, NRL will emerge as a dominant Wax producing unit in the country. Production of Wax will result in higher margin for the Company.

Major challenge for the Company lies in production of BS IV grade HSD at 100% capacity utilization of its refinery from April 2017, which is the timeline stipulated in the Auto Fuel Vision Policy 2025 of the country. NRL is in the process of installing a Diesel Hydrotreater (DHDT) at Numaligarh at an estimated cost of Rs. 1,031 crores.

NRL has taken an initiative to set up a bio-refinery in Assam. The refinery is envisaged to facilitate production upto 70 TMTPA ethanol, utilising about 5 lakh tons of green bamboo as raw material. Detailed feasibility report for the project has been completed. Cost of the project is estimated to be in the range of Rs. 800 crores. Upon implementation, NRL's bio-refinery is expected to be the first of its kind in the country.

Risks and Concerns

Risks and associated concerns for 2014-15 continue to be primarily associated with supplies of crude oil and natural gas. As of now the company's major concern remains in achieving the timeline of April 2017 for production of BS-IV HSD at 100% capacity.

Internal Control Systems and their adequacy

The Company has a robust and adequate internal control mechanism in place. The Company is committed to review business activities on a continuous basis to identify potential threats to the organization's functioning and profitability and to make suggestions for mitigating risks associated with those threats.

The Company has an Internal Audit department which conducts audits to ensure sound and appropriate business operations and thereby to

verify the adequacy and effectiveness of our internal control system.

The Audit Committee, on behalf of the Board, assesses the adequacy and effectiveness of the internal control system in detecting fraud, irregularities or infringement of laws, rules and regulations or material control failures on a regular basis by reviewing the work and findings of Internal Audit Department.

Financial Performance with respect to operational performance

During 2014-15, NRL's performances against primary refining parameters on crude throughput, distillate yield and specific energy consumption (SEC) were better compared to respective 'Excellent' MoU targets.



National Safety Council Award

During the year, the refinery processed 2,777 TMT of crude oil, which was 6.28% higher compared to 2,613 TMT in 2013-14. Capacity utilization thus increased to 92.6% from 87.1% in the previous year. The refinery's distillate yield at 90.69% continues to be the highest among PSU refineries in the country. Specific Energy Consumption (SEC) during 2014-15 at 51.6 MBN was also the second best among PSU refineries. In view of high margins in MS, production during the year was maximized to achieve record MS production of 392 TMT.

Correspondingly, total sales volume increased by 5.70% to 2,695 TMT in 2014-15 compared to 2,550 TMT in 2013-14. Consequent to excellent physical performance, Gross Refinery Margin (GRM) during the year has improved and reached US \$16.67 per barrel. Corresponding GRM during 2013-14 was US\$12.09 per barrel. GRM recorded by the Company at US\$ 16.67 per barrel was the highest in the industry. Owing to such refining margins, the Company registered highest ever profit during the year. The Earning per Share (EPS) for the year 2014-15 stood at ₹9.76 compared to ₹5.04 in 2013-14.

During 2014-15, the Company posted revenue from operations of ₹10,827.05 crores registering a growth of 9.62% as compared to ₹9,876.76 crores in the previous year, which was mainly on account of higher production and sales. Profit before tax (PBT) increased by 101.59% to ₹1,134.25 crores from ₹562.65 crores in 2013-14 mainly on account of higher throughput and higher refining margins. PBT recorded during the year was the highest ever achieved by the Company. Consequently, highest ever Profit after tax (PAT) was recorded during 2014-15 at ₹718.31 crores, marking an increase of 93.57% from ₹371.09 crores in the previous year. The Compound Annual Growth Rate (CAGR) for PAT thus stood at 28.27% as on 31st March, 2015.

Human Resources

Your Company is committed to operational excellence and increased productivity through optimum utilization of human resources. The company recognizes the need for strategic and customer centric HR initiatives through development of HR strategy aligned to the overall organizational goal. It has continued to enable its employees to work in a conducive environment, leveraging technology to ease its operations. Mentorship Development Program was also conducted for 11 Mentors and 21 Mentees during the year.



The manpower strength of NRL as on 31st March, 2015 was 878, as detailed below:

Group	Total	SC	ST	OBC	PWD	Minorities	Female
A	431	52	33	107	2	17	35
B	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C	443	37	62	146	11	31	9
D	4	2	1	Nil	Nil	Nil	Nil
Total	878	91	96	253	13	48	44

Developmental Training

Training and development plays an important role in the effectiveness of an organisation and to the experiences of people in work. The Training and Development department continued to play a critical role in training and skill development of our employees. During the year 1690 mandays of training were imparted to employees towards developmental training, excluding training on Fire & Safety. Eight programmes on leadership development with the objective of developing critical mass of leaders were organized. Training on project and risk management extended to 47 mandays and 22 mandays respectively.

SC/ ST Employees

The prescribed information of SC/ST employees of the Company is furnished at **Annexure D**.

Reservation and other welfare measures for SC/ST



Dividend cheque to Govt. of Assam for the year 2013-14

Your Company follows the Presidential Directives/ guidelines issued time to time in respect of providing reservation, concessions, relaxation to candidates belonging to Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs) and Persons with Disabilities (PWDs) in the matter of recruitments. The reservation percentages are ensured through maintenance of Post Based Roster system as prescribed by the Government.

Candidates belonging to SC/ST community, who are called for Written Test / Interview, are reimbursed travelling expenses. In addition to providing reservation in Employment, your company is also adopting relaxed criteria in promotions, as per the existing guidelines.

The Company has a SC/ST Cell to monitor the reservation and other enabling provisions for SC/ST employees. General Manager (HR) is appointed as the Chief Liaison Officer for SC/ST employees to ensure compliance of various guidelines pertaining to the SC/ST employees.

During the year 2014-15, various developmental activities focused on Socio-Economic development of SCs, STs and Backward classes have been carried out under Corporate Social Responsibility (CSR) schemes.

Persons with Disabilities

NRL is providing reservations and concessions to the Persons with Disabilities, accordingly 3% of the vacancies in Group A posts and 3% of total posts in Group C & D are reserved for PWD candidates. The nos. of posts reserved for PWDs and their actual placement are as below:

Group	Nos. of posts reserved for PWD	Nos. of PWD employees in place
A	4	2
C & D	16	11

Your Company has already taken initiatives for clearing the shortfall in recruitment of PWD candidates. It is a challenging task to find and



appoint suitable PWD candidates in a single unit refinery which is a hazardous chemical process unit. Besides, NRL is also making continuous effort for upliftment of persons with disabilities by undertaking various initiatives under CSR schemes.

Gender-friendly work place

Your company has provided a gender friendly work place with equal opportunity for men and women. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, is in force to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto. NRL's Internal Complaints Committee has been reconstituted as per provisions of the Act to make it more pro-active and functional. During the year 2014-15, no complaints of sexual harassment has been received.

Communication to Employees

Your Company puts a great deal of emphasis for clear and direct communication across the organization. Reaching out to employees and keeping them posted on significant developments feature high on the Company's governance agenda. More and more channels of communications are continuously being explored and evolved to make interaction within the organization stronger. Some of the major channels of communication with employees are outlined below:

- Functional Coordination Meeting (FCM) is held every month where structured presentations are made by all functions covering all locations and Business Plan targets are reviewed and concerns are discussed and deliberated.
- Weekly Communication Meeting (WCM) is held amongst HODs where various operation issues concerning the organization and its employees are discussed.
- Managing Director addresses all employees on various occasions such as NRL Day, New Year, Financial New Year and on important festivals.
- A monthly safety bulletin is circulated which covers topics ranging from safety in refinery operation to safety at home.
- The Vigilance Newsletter keeps all employees informed on new developments related to vigilance including government guidelines.
- Rodali, the quarterly in-house journal of the Company, keeps employees abreast of the happenings within the Company and its associates.
- The Intranet portal 'Eureka' facilitates storage and prompt access of information by employees keeping them informed about Company initiatives and policies.
- The Company's website www.nrl.co.in is regularly updated with latest news and developments, which caters to both internal and external customers.



Cleanliness drive at Refinery Complex



- Themes based months are celebrated where information sharing across functions takes place and creates awareness among employees.
- The Annual Report of the company apprises of major developments and performance highlights of the Company and soft copies are circulated to all employees.

Industrial Relations

Industrial relations were cordial and harmonious throughout 2014-15. Issues with various groups and agencies were amicably resolved facilitating smooth conduct of business during the year.

NRL had organised its first ever 'Vendor's Meet' in 2014-15. The meet was organised with the objective of enhancing and promoting a positive environment of honesty, trust and transparency with valued vendors of goods and services which the company considers as its partners in progress.

Corporate Social Responsibility and Sustainability

NRL's initiatives towards CSR and Sustainability were pursued with increased emphasis during 2014-15. CSR and Sustainability activities of the Company focused on capability development of beneficiaries in various spheres like self employment, education, health, infrastructure, promotion of sports and culture.

Some of the highlights of CSR and Sustainability activities undertaken by your Company during the year are:



Free eye checking camp sponsored by NRL



NRL sponsored Boat Clinic

- CSR & Sustainability expenditure during the year increased by 44% from ₹528 lakh in 2013-14 to ₹762.45 lakh. CSR & Sustainability budget for 2014-15 was ₹762.30 lakh.
- Joining the Nationwide campaign "Swachh Vidyalaya Abhiyan" NRL has taken up construction of 101 toilet block at schools in Golaghat & Sibsagar District. It is targeted to commission 101 toilet blocks by June, 2015.
- 100 KW Solar Photo Voltaic panels were installed and made operational at roof top of NRL's Administrative Building at Numaligarh.
- Under the scheme "Niramoy", 275 free Mobile Medical Camps were organized in the nearby villages which covered 15,780 patients.
- 100 unemployed youths were imparted skill development training for setting up small scale wax based units. The training program was six weeks long and focused on candle making techniques.

- 800 marginal farmers and 2,550 acres of land were covered under a CSR scheme for promoting the System of Rice Intensification (SRI) technique.
- 293 meritorious girl students covering 32 schools in the neighbourhood of the refinery were awarded scholarship under the scheme "Prerona".
- 370 meritorious students securing first division in their final board examination in class X & XII covering 38 schools were awarded scholarships under the scheme "Gyandeep".
- Under the scheme "Library for All", 10 libraries were established in 10 different schools.
- 75 BPL families were provided with hygienic sanitation facilities under a scheme called "Paricchannata".
- 14 eye screening camps covering 3,229 patients were organised under the scheme "Dristi".



Scholarship given to student

- A boat clinic named "Kaliyani" was sponsored by NRL to provide primary healthcare services in remote islands of Brahmaputra in Kamrup district of Assam.

A detailed report on NRL's CSR and Sustainability activities is enclosed at **Annexure G**.





Annexures to Directors' Report

Annexure –A

Efforts made by NRL with regard to conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo, which are required to be furnished under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

A. Conservation of Energy

a) Energy conservation measures taken

As a part of NRL's continual efforts towards energy conservation, following ENCON schemes have been taken up during 2014-15:

1. Low Pressure (LP) un-condensable Hydrocarbon (gas) recovery from Hot-Well of Vacuum Distillation Unit and utilize in LP burners of Crude Distillation Unit (CDU) furnace has been implemented in September, 2014.
2. High emissivity Ceramic coating in Delayed Coker Unit (DCU) furnace has been done in August, 2014. This has resulted in improving the heat transfer co-efficient as well as reduction in fuel consumption.
3. A trial run with Fuel Oil (FO) additive in Fuel oil to improve combustion efficiency has been carried out successfully in July, 2014. The trial has resulted in fuel saving of 3.5%.
4. ISO-50001 (Energy Management System, EnMS) 1st periodic audit was carried out in Dec'14.
5. Water decantation valve for auto draining facility was installed one each in Crude Tank and Slop Tank reducing oil carry-over to Effluent Treatment Plant (ETP).
6. 100 KW Solar PV panel was installed and commissioned (at Administrative building roof top of NRL site) in Nov'14 generating 60-70 KW solar power on a regular basis.
7. Cleaning of Tank bottom sludge by BLABO process. This is an energy efficient and environment friendly process.
8. Installation of Rentar fuel catalyst tube in two numbers of fuel oil burners in Utility Boiler in February, 2015. Fuel saving achieved is approx. 3.1 %.
9. Re-processing of generated slop from DCU in the unit itself as column quench with a modification.

Other energy saving schemes adding to continual benefit:

10. Steam Turbine Generator is generating power at an increased average load @ 7.53MW than the previous year at the cost of higher Coke Calcination Unit (CCU) load accruing the benefit of additional steam ex Waste Heat Boiler (WHB). This resulted saving in net incremental fuel in Gas Turbine Generator (GTG) to that tune.
11. Regular monitoring of passing of all valves connected with flare system by Acoustic Leak Detector throughout the year under LDAR (Leak Detection and Repair) program.

Also fugitive emission survey for detecting and rectifying any minor leak from valve glands, flanges etc. is being carried out on a regular basis throughout the year by using Gas Measuring Instrument (GMI) under the same program.



12. Increased Reliability with installation of Prognost Online monitoring system for Off-Gas and Make-up Gas Compressor of Hydro cracker unit (HCU). There has been increase in productivity, safety and reduction of unplanned outages & maintenance cost.
13. Replacement of higher heat duty exchanger EE-01 in HCU.
14. Installation of improved insulation of calcium silicate over the High Pressure (HP) steam line to reduce the heat loss.
15. Continuous operation of Advance Process Control (APC) in DCU, HCU and Hydrogen unit (H2U).

b) Energy efficient schemes being planned to implement in Refinery turn around (RTA) in 2015.

1. Installation of plate type heat exchanger (air pre-heater) in H2U flue gas duct.
2. CDU/VDU column internal modification for yield/energy optimization.
3. Replacement of catalyst in RB-02 of Isomerization Unit.
4. Replacement of High Capacity Tray in HCU fractionator
5. Replacement of Recycle gas compressor (RGC) rotor with new anti surge valve in Motor Spirit Unit (MSU).
6. Emissivity coating for controlled thermal radiative and convective heat transfer from the furnace surface and tubes of Process units.
7. Up-rating of GTG-1 for augmentation of capacity (4-5MW) to meet increased power demand of new Wax plant.

c) Energy conservation measures planned

In continuation of its energy conservation efforts, NRL has identified various new schemes for implementation in the current year and beyond.

1. Replacement of metallic blades with Epoxy-Reinforced Plastic (E-FRP) blades in all the air fin fan coolers of the Process Units.
2. Condensate recovery scheme in HCU, DCU and SRB (Sulphur Recovery Block)
3. Routing of Boiler Blow-down ex H2U to Cooling tower as make-up
4. Electrical system drive audit for efficiency improvement study for all motors
5. Installation of Ultrasonic Activator in CDU/VDU in upstream of crude booster pump
6. Hardware modification to improve pre-heat temperature in CDU/VDU
7. Use of FO additive program post successful trial run with resulted fuel savings.
8. Identification of potential areas for implementation of Divided Wall Column (DWC) technology.
9. Identification of potential areas for use of Solar Power and implementation.

B. Technology Absorption

The Wax project has been implemented for extracting Wax from Assam Crude processed by the refinery. The Wax Plant consisting Solvent De-oiling Unit (SDU) is licensed by EIL, IIP and NRL jointly and Wax Hydro-finishing Unit (WHFU) is licensed by M/s Axens, France.

The implementation of Flare Gas Recovery System (FGRS) is in progress. The FGRS skid is supplied by M/s Garo SPA, Italy.

NRL is also pursuing for implementation of Diesel Hydro Treater (DHDT) technology to meet the BS-IV compliant diesel fuel norms in line with Auto Fuel Vision & Policy 2025.

Research & Development

During the year, NRL pursued two R&D projects as envisaged in the performance MoU for the year in line with DPE guidelines on Research & Development:

- Studies on co-processing of tank bottom oily sludge with Raw Petroleum Coke (RPC)
- Studies on Co-processing of DCU Slop along with HCU Coker Distillate

Physical progress of these R&D projects during the year was evaluated by consultants from North East Institute of Science and Technology (NEIST), Jorhat.

Studies on co-processing of tank bottom oily sludge with RPC was completed on 19.12.2014. For the second R&D project on co-processing of DCU, studies were completed on 23.12.2014.

Benefits derived as a result of above R&D

Co-processing of tank bottom oily-sludge with RPC is an eco-friendly & cost-effective alternative to conventional methods for treatment of oily sludge like land-farming, incineration, solvent extraction or biodegradation. By employing co-processing of oily sludge with RPC, the contents of hazardous constituents can be reduced or eliminated, and its deleterious environmental and health impact can thus be mitigated. It has already been successfully carried out at NRL.

Co-processing of DCU Slop along with HCU Coker Distillate feed will ensure generation of valuable distillates out of less valued slop oils generated from DCU on a daily basis. Co-processing of slop along with HCU feed is found to be feasible as per laboratory feed blend study.

Technology Absorption, Adaptation & Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

NRL has implemented the Wax project. The SDU was commissioned in February, 2015 and WHFU in March'15.

Flare Gas Recovery System is under implementation to recover waste hydrocarbon gases going to flare for utilization in the refinery process heaters.

NRL has initiated actions for selection of process licensor for implementation of DHDT project to meet the BS IV compliant diesel quality norms in line with Auto Fuel Vision & Policy 2025.



2. Benefits derived as a result of the above efforts, e.g. product quality improvement, cost reduction, product development, import substitution etc.

Wax being a value added product is expected to improve NRL's gross refining margin (GRM).

Implementation of the Flare Gas Recovery System will help in cost reduction through improvement in Specific Energy Consumption (SEC).

With the implementation of DHDT, NRL will be able to produce 100% BS-IV compliant diesel.

3. Information regarding imported technology (imported during last five years reckoned from the beginning of the financial year):

a) Technology imported	Year of Import
• Wax Hydro-finishing Unit	2011-12
• Flare Gas Recovery System (under implementation)	2014-15
b) Technology fully absorbed	
• Wax Hydro-finishing Unit	2015

Annexure –B

Report on Corporate Governance

1. Company's philosophy on Code of Corporate Governance

Good Corporate Governance results in corporate excellence by ensuring that the powers vested in the executive management are used with care and responsibility to deliver sustained and long term value to its stakeholders. In NRL, our endeavour is to adopt best governance practices, which in our view are critical to ensure optimization of returns and satisfaction levels accruing to all the stakeholders. The interest of all stakeholders including shareholders, employees, customers and the Government exchequer are given paramount importance while taking commercial decisions. The Company has been sharing various information with the shareholders from time to time through Press release, Annual Reports, etc. Being a non-listed entity, disclosures required to be made under clause 49 of the Listing Agreement pertaining to Corporate Governance is not applicable to the Company. However, as a good corporate governance practice and as per Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE) in May, 2010, the Company has been complying with the stipulations contained therein to the extent applicable. Relevant information on areas covered under Corporate Governance disclosures during the financial year 2014-15 are furnished below:

2. Board of Directors

NRL is a Government Company under Section 2(45) of the Companies Act, 2013 by virtue of being subsidiary of Bharat Petroleum Corporation Limited (BPCL), a Government Company. In terms of the Articles of Association of the Company, the number of Directors shall not be less than three and more than fifteen.

As on 31st March, 2015, the Board of NRL comprised of 3 Whole Time Directors including the Managing Director, 3 Independent Directors, 1 Part-time (Ex-Officio) Director from Govt. of India, 1 Part-time (Ex-Officio) Director from Oil India Limited and 2 Part-time (Ex-Officio) Directors from Promoters, namely, BPCL (1) and Govt. of Assam (1).

The Chairman and Managing Director, BPCL is the Chairman of the Company. During the year, all the meetings of the Board and the Annual General Meeting were chaired by the Chairman. None of the Non-Executive Directors of NRL had any pecuniary relationship/ transaction with the Company during the year.

The Directors neither held membership of more than 10 Board Committees nor Chairmanship of more than 5 Committees (as specified in the Guidelines on Corporate Governance for CPSEs issued by DPE) across all the companies in which they were Directors. Further, as per Section 165 of the Companies Act, 2013, Director should not hold directorship in more than 20 Companies at the same time and directorship in Public Companies should not exceed 10 nos. During the year, there was no violation of Section 165 pertaining to number of directorship.

The Board's actions and decisions are aligned with the Company's best interests. The Management has put effective system in place for compliance of various applicable laws. The Board critically evaluates the strategic direction of the Company, management policy, annual plan, revenue budget, review of financial reports etc.

Details regarding Board Meetings, Annual General Meeting, Directors' attendance thereat, Directorship held by the Directors are as under:

Board Meetings :

Eight Board Meetings were held during the financial year 2014-2015 on the following dates:-

24 th May, 2014	22 nd July, 2014	7 th August, 2014	12 th September, 2014
11 th November, 2014	19 th January, 2015	10 th February, 2015	11 th March, 2015



During the year, Code of Business Conduct and Ethics for Board members and senior management personnel' have been amended by incorporating the new definitions and provisions particularly with reference to the duties of independent directors as laid down under Schedule IV [section 149(8)] and duties of directors under section 166 of the Companies Act, 2013. Affirmation from all the Board Member and Senior Management Personnel have been received in compliance with the Code of Business Conduct and Ethics.

Particulars of Directors including their attendance at Board/ Shareholders' Meeting during the financial year 2014-15:

Sl. No.	Name of the Directors	Academic Qualifications	Date of joining as Director of the Company	Attendance out of 8 Board Meetings held during the year and percentage thereof		Attendance at the last Annual General Meeting	Details of Directorship held in other Companies
				No. of Meetings Attended	%		
(a)	Whole Time Directors :						
1.	Shri P. Padmanabhan Managing Director	BE (Chemical Engineering) from NIT, Trichy	01.04.2014	8	100	Attended	Director: BCPL
2.	Shri S. R. Medhi Director (Technical)	B. Tech ; MBA (IIMA)	04.11.2011	8	100	Attended.	Nil
3.	Shri S. K. Barua Director(Finance)	A.I.C.W.A & LLB	01.05.2013	8	100	Attended	Director: DNP Ltd.
(b)	Part-time (Ex-Officio)						
1.	Shri S. Varadarajan, Chairman & Managing Director Bharat Petroleum Corporation Ltd. Mumbai-400001	A.C.A & A.I.C.W.A	12.10.2013	8	100	Attended	C&MD: 1. BPCL Chairman: 1. BORL 2. MBPL Director: 1. BPRL 2. PLL
2.	Shri R. T. Jindal, IAS Addl. Chief Secretary to the Govt. of Assam, Industries & Commerce Department, Dispur, Guwahati-781006	M.Sc (Chemistry) from Punjab Agricultural University	02.7.2012	2	25	Attended	Chairman: 1. AIIDCL 2. DNP Ltd. Dy. Chairman: 1. AGCL MD: 1. AHECL Director: 1. AIDC 1. APL 2. BCPL 3. ATPO 4. ATCL 5. IIE 6. AIM

Sl. No.	Name of the Directors	Academic Qualifications	Date of joining as Director of the Company	Attendance out of 8 Board Meetings held during the year and percentage thereof		Attendance at the last Annual General Meeting	Details of Directorship held in other Companies
				No. of Meetings Attended	%		
3.	Shri Alok Tripathi Director (LPG) Ministry of Petroleum & Natural Gas, Govt. of India, New Delhi-110001	B.Tech and M.Tech from IIT, Kanpur	26.08.2013	4	50	Absent	Nil
4.	Shri S. K. Srivastava Chairman & Managing Director Oil India Limited Noida, Uttar Pradesh	B.Sc (Hons) and M.Sc (Geology) from Lucknow University	26.7.2012	3	38	Attended	C&MD 1. OIL Director 1. OIIL 2. OII
C.	Part-Time (Non-Official)/ Independent Director						
1.	Shri L. Rynjah, IAS (Retd) Former Adviser to the Planning Commission, Govt. of India New Delhi	M.Sc.(Maths)	28.06.2013	5	63	Attended	Nil
2.	Shri B. P. Rao Sr. Partner, M/s. B. P. Rao & Co., Chartered Accountant Bangalore	FCA	28.06.2013	8	100	Attended	Director 1.RCPL
3.	Dr. A. K. Ghoshal Professor, Department of Chemical Engineering & Dean, Academic Affairs, Indian Institute of Technology Guwahati	M.Tech and Ph.D in Chemical Engineering from IIT, Kharagpur	28.06.2013	5	63	Attended	Nil

AGCL: Assam Gas Company Limited, **AHECL:** Assam Hydrocarbon & Energy Co. Limited; **AIDC:** Assam Industrial Development Corporation Ltd; **AIM-** Assam Institute of Management; **AIIDCL:** Assam Industrial Infrastructure Development Corporation Ltd; **APL:** Assam Petrochemicals Limited; **ATCL:** Assam Tea Corporation Limited; **ATPO:** Assam Trade Promotion Orgn.; **BCPL:** Brahmaputra Cracker & Polymer Limited; **BORL:** Bharat Oman Refineries Ltd; **BPCL :** Bharat Petroleum Corporation Ltd; **BPRL:** Bharat PetroResources Limited; **IIE** – Indian Institute of Entrepreneurs; **MBPL:** Matrix Bharat Pte Ltd; **OIL :** Oil India Limited; **OIL:** Oil India (USA) Inc; **OIIL:** Oil India International Ltd; **PLL:** Petronet LNG Ltd; **RCPL:** Reliance Computers Pvt. Limited

*Percentage computed by considering the meetings attended with the total meetings held during his tenure.

3. Audit Committee

NRL took the initiative to introduce Corporate Governance in the organization during the year 1999 itself, by constituting an Audit Committee. The said committee was reconstituted from time to time in accordance with the provisions of Section 292A of the Companies Act, 1956. The role, powers and functions of the Audit Committee were specified and approved by the Board. After enactment of the Companies Act, 2013, the Terms of Reference of the Audit Committee entailing composition, scope, power, role and responsibilities were revised by the Board in its meeting held on 19th January, 2015 read with DPE Guidelines on Corporate Governance. The Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, remuneration of Statutory Auditors, appointment and remuneration of Cost Auditors,



performance of Internal Auditor and its compliance with the legal and regulatory requirements etc. The quorum for the meetings of the Committee is two members or 1/3rd of the members of the Audit Committee whichever is higher.

As on 31st March, 2015, the Audit Committee was represented by Shri B. P. Rao, Independent Director as Chairman, Dr. A. K. Ghoshal, Independent Director as Member and Shri S. R. Medhi, Director (Technical) as Member. The members possess the requisite knowledge of Finance and Accounting for effective functioning of the Audit Committee. The Company Secretary acts as the Secretary of the Committee.

Director (Finance), BPCL and Executive Director (Audit), BPCL along with other two Functional Directors of the Company including Managing Director are invited to attend the meetings of the Audit Committee as Special Invitee. The head of Internal Audit, Statutory Auditors and Cost Auditor also attend and participate at the meetings, on invitation.

The role and responsibilities of the Audit Committee as approved by the Board includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if, required, the replacement or removal of the statutory auditor, fixation of audit fee and also approval for payment for any other services rendered by the statutory auditors.
3. Reviewing with management, the annual financial statements and auditor's report thereon before submission to the Board, focusing primarily on:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - Any change in accounting policies and practices and reasons for the same.
 - Qualifications in draft audit report.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with stock exchange and legal requirements concerning financial statement,
 - Disclosure of any related party transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
4. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
5. Reviewing with management, performance of statutory and internal auditors, the adequacy of internal control systems.
6. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
7. Discussion with internal auditors any significant findings and follow up thereon.
8. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

9. Discussion with statutory auditors before the audit commences, nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
10. Approval or any subsequent modification of transactions of the Company with related parties;
11. Scrutiny of inter-corporate loans and investments;
12. Valuation of undertakings or assets of the company wherever it is necessary;
13. Reviewing of quarterly reports of complaints under Whistle Blower Policy;
14. Reviewing the follow-up action on the audit observations of the C&AG audit.
15. Reviewing the company's financial and risk management policies.
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholder (in case of non- payment of declared dividends) and creditors.
17. Any other matter as may be referred by Board from time to time

During the financial year 2014-15, six meetings of the Audit Committee were held on the following dates:

24 th May, 2014	22 nd July, 2014	7 th Aug., 2014	11 th Nov., 2014	19 th Dec., 2014	10 th Feb., 2015
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Attendance at the Audit Committee Meetings during the financial year 2014-15:

Name of the members	No of Meetings attended	% age thereof [out of 6 nos. meeting held]	Attendance at the last Annual General Meeting
Shri B. P. Rao, Chairman of the Committee	6	100	Attended
Dr. A. K. Ghoshal	4	67	Attended
Shri S. R. Medhi	6	100	Attended

* Percentage computed by considering the meetings attended with the total meetings held during his tenure.

4. Nomination and Remuneration Committee

NRL has a 'Remuneration Committee' to examine, review and recommend proposals to the Board relating to perquisites and benefits payable to the employees of the Company within the parameters of Guidelines issued by the Government of India. In accordance with the provisions of Companies Act, 2013 the 'Remuneration Committee' was renamed by the Board as 'Nomination and Remuneration Committee' w.e.f. 19th January, 2015 headed by Shri L. Rynjah, Independent Director as Chairman, Shri B. P. Rao, Independent Director as Member and Shri S. K. Srivastava, Director as Member.

Director (HR), BPCL and all the three functional Directors including the Managing Director of the Company are invited to attend the meetings of the Remuneration Committee as permanent invitee. The head of HR function acts as a coordinator and the Company Secretary acts as the Secretary for convening such meetings. The quorum for the meetings of Remuneration Committee is 1/3rd of total members or two members whichever is higher.

During the financial year 2014-15, no meeting was held for Nomination and Remuneration Committee.

5. Remuneration to Directors

NRL being a Govt. Company, appointment and remuneration of Whole Time Directors are determined by the Government through the Ministry of Petroleum & Natural Gas. However, certain perquisites and facilities not specifically spelt out in their appointment letters are governed in accordance with the rules and regulations of the Company. The Part-time (Ex-officio) Directors do not receive any remuneration from the Company. The Part-time (Non-Official) Directors i.e Independent Director received sitting fees of ₹20,000 for each Board/ Audit Committee meeting attended by them and ₹10,000 for each of the other Committee meetings.



Details of remuneration paid/payable to the Whole-time Directors during the financial year 2014-2015 are given below:

Name of Directors	All elements of remuneration package of the Directors i.e. salary, benefits, bonuses, pension etc. (In ₹.)	Details of fixed component, Performance Related Pay (PRP) (In ₹.)	Other benefits (In ₹.)	Service Contracts, notice period, severance fees.
Shri P. Padmanabhan Managing Director	32,49,164.05	Fixed Com : 29,22,042.05 PRP : NIL	3,27,122.00	Appointed for five years w.e.f. 01-04-2014 or till the date of his superannuation. Notice period: Three months
Shri S. R. Medhi Director (Technical)	45,84,598.33	Fixed Com: 29,01,770.33 PRP : 13,92,840.00	2,89,988.00	Appointed for five years w.e.f. 04-11-2011. Present contract shall expire on 03-11-2016. Notice period: Three months
Shri S. K. Barua Director (Finance)	45,04,195.22	Fixed Com: 26,74,555.28 PRP : 12,84,870.00	5,44,769.94	Appointed for five years w.e.f. 01-05-2013. Present contract shall expire on 30-04-2018. Notice period: Three months

During the year, the part-time (Independent) Directors received sitting fees for attending the meetings of the Board/Committees as follows :

Name of Director	Sitting Fees(₹)
Shri L. Rynjah	1,10,000
Shri B.P. Rao	2,80,000
Dr. A.K. Ghoshal	2,00,000

6. Investors Grievance Committee

NRL being a non listed Company with only ten shareholders, no such Committee has been formed.

7. Annual/Extra Ordinary General Meetings

a) Details of location, time and date of last three AGMs/ EGM are given below:

	Date and Time of the Meetings	Venue
19 th Annual General Meeting	7 th September, 2012 at 3.00 PM	Hotel Brahmaputra Ashok, M.G. Road, Guwahati-781001
20 th Annual General Meeting	6 th September, 2013 at 3.00 PM	Hotel Brahmaputra Ashok, M.G. Road, Guwahati-781001
21 st Annual General Meeting	12 th September, 2014 at 3.00 PM	Hotel Brahmaputra Ashok, M.G. Road, Guwahati-781001

b) Details of Special Resolution passed during the last three years :

Special Business	Type of Resolution	Date of Meeting
Nil	Nil	Nil

c) **Postal Ballot:**

Being the number of Members is below 200, the Company is not required to transact any business by way of Postal ballot pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) rules, 2014.

8. Brief Resumes of Directors seeking re-appointment/appointment

The information to be provided in case of re-appointment / appointment of Directors are as under:

i) **Shri S. R. Medhi**

Shri S. R. Medhi, Director (Technical) was appointed w.e.f. 4th November, 2011 under Article 85 and 88(i) of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 in pursuance of his appointment by the Government of India. Subsequently, he was appointed by the shareholders in the AGM held on 7th September, 2012.

Shri Medhi is a B.Tech from Indian School of Mines, Dhanbad and MBA with specialization in Finance from IIM, Ahmedabad. Before joining NRL, he worked as a Senior Executive at HCL Limited and as a Faculty of Indian Institute of Bank Management. He joined NRL in 1995 and held several important positions in the Finance Function. Prior to his appointment as Director (Technical), he was holding the position of General Manager (Finance).

He is liable to retire by rotation and being eligible, offers himself for re-appointment.

ii) **Shri S. K. Barua**

Shri S. K. Barua, Director (Finance) was appointed w.e.f. 1st May, 2013 under Article 85 and 88(i) of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 in pursuance of his appointment by the Government of India. Subsequently, he was appointed by the shareholders in the AGM held on 6th September, 2013.

Shri S.K. Barua is a Member of the Institute of Cost & Works Accountants of India and a graduate in Law from Dibrugarh University. Shri Barua started his career in Indian Oil Corporation (Assam Oil Division) in 1985 and thereafter joined NRL in the year 1993 as its first permanent employee. He has more than 28 years of rich and varied experience in Finance & Business Development disciplines in Oil & Gas Industry. Prior to his appointment as Director (Finance), he was holding the position of General Manager (Finance) in NRL.

He is liable to retire by rotation and being eligible, offers himself for re-appointment.

9. Disclosures and compliance

- There was no transaction of material nature with Directors or the Management or their relatives having potential conflict with the interest of the Company at large.
- There was no instances of non-compliance of any provisions of Law, guidelines issued by any regulatory authorities as well as no penalties was imposed on the Company during the last three years.
- An expenditure amounting to ₹7.62 Crores was spent on CSR & Sustainability activities during the year.
- During the year, no expenses was incurred which are personal in nature and incurred for the Board of Directors and Top Management.
- Administrative and office expenses as a percentage of total expenses was 2.74% during the year.



- e. The Company has a Whistle Blower Mechanism as per which the Public Interest Disclosure and protection of informer (PIDPI) Resolution No.89 of Government of India is being followed.
- f. A mechanism for Risk Management is in place to identify and mitigate construction phase, financial, operational and other risks.
- g. There is no qualifications in the Auditors' Report on the financial statements to the shareholders of the Company.
- h. During the year under review, no case was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

10. Code of conduct, Procedure and Disclosures for prevention of Insider Trading and Code of Corporate Disclosure Practice

The Company has a Code of conduct for the Board members and the Senior Management Personnel and all the members of the Board and Senior Management personnel have affirmed compliance of the Code of Conduct for the financial ended on 31st March, 2015.

Further, NRL being a non-listed company, Procedure and Disclosures for prevention of Insider Trading and Code of Corporate Disclosure Practice is not applicable.

11. Means of communication of Financial Performance

NRL, being a non listed company, publishing of quarterly/half yearly and annual financial statements are not mandatory. However, as a good corporate practice, the Company has been sharing relevant information with its shareholders as well as other stakeholders from time to time through its web site (www.nrl.co.in), press release, House Journal, Annual Reports etc.

12. Management Discussion & Analysis Report

A detailed chapter on Management Discussion & Analysis is incorporated in the Directors' Report.

13. General information to shareholders:

a.

Number of AGM	22 nd Annual General Meeting
Date and Time	4 th September, 2015 at 3.00 P.M.
Venue	Hotel Brahmaputra Ashok, M. G. Road, Guwahati- 781001
Dividend payment	The Board has recommended Dividend @ ₹.4.00 per share for the consideration of the shareholders at the ensuing Annual General Meeting. If approved by the shareholders, the same will be paid within 30 days from the date of declaration.

- b. Financial year – NRL follows the financial year from April to March.
- c. Market price of share – Since the Company's shares are not listed, market price of share is not available.
- d. Registrars & Share Transfer Agents:
M/s. Data Software Research Co. Pvt. Limited
19, Pycrofts Garden Road
Off. Haddows Road, Nungambakkam
Chennai - 600006
Ph: +91-44-28213738/ 28214487
Fax: +91-44-28214636
Email: dsrclmd@vsnl.com

e. Share Transfer System:

A Committee comprising of all the three Functional Directors, namely, Managing Director, Director (Finance) and Director (Technical) considers the request for transfer/ transmission of shares, dematerialization of shares etc. Transfers in physical form are registered after ascertaining objections, if any, from the transferor. Request for dematerialization of shares are processed and confirmation is given to the depository i.e. NSDL within the stipulated time.

f. Shareholding Pattern as on 31-03-2015.

Sl. No.	Name of share holder	Capital contribution (In ₹)	Nos. of shares held	Percentage of holding (%)
1.	Bharat Petroleum Corporation Limited	453,54,59,640/-	45,35,45,964	61.65
2.	Oil India Limited	191,26,42,020/-	19,12,64,202	26.00
3.	Governor of Assam	90,82,13,370/-	9,08,21,337	12.35
5.	Nominees of Promoters i.e. BPCL & Govt. of Assam	410/-	41	Negligible
	Total	735,63,15,440/-	73,56,31,544	100.00

g. Plant location:

Numaligarh Refinery Limited
Pankagrang,
P.O. Numaligarh Refinery Complex
Dist. Golaghat, Assam
Pin- 785699

h. Address for correspondence:

Numaligarh Refinery Limited
122A, G. S. Road,
Christianbasti,
Guwahati, Assam
Pin- 781005



To,
The Members,
M/s NUMALIGARH REFINERY LTD,
122A, G. S. Road, Christianbasti,
Guwahati-781005, Assam

Compliance of Corporate Governance Conditions

I have examined the compliance of conditions of Corporate Governance by **M/s. NUMALIGARH REFINERY LTD**, (a Non-Listed PSU) for the year ended **31st March, 2015** as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE), Government of India, in May, 2010.

The compliance of Conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the requirements of Corporate Governance as stipulated in the Guidelines.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the Affairs of the Company.

Signature: Sd/-
Name of the Company Secretary: Biman Debnath
FCS No.: 6717, C P No.: 5857

Date: 29/06/2015
Place: Guwahati

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST March, 2015

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]*

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST March, 2015

To,
The Members,
M/s NUMALIGARH REFINERY LIMITED,
CIN: U11202AS1993GOI003893
122A, G. S. Road, Christianbasti,
Guwahati-781005, Assam

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s NUMALIGARH REFINERY LIMITED** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the Corporate Conducts and Statutory Compliances and expressing my opinion thereon.

Based on my verification of 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 and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31ST March, 2015** 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31ST March, 2015** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Memorandum and Articles of Association of the Company.

I further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- a. Factories Acts and Rules ;
- b. The Petroleum Act 1934 and Petroleum Rules, 2002;
- c. Gas Cylinder Rules;
- d. Indian Boiler Regulations;
- e. The Manufacture, Storage and Import of Hazardous Chemicals Rules,1989;
- f. The Environment (Protection) Act,1986;
- g. Explosives Acts, 1884
- h. Air (Prevention and Control of Pollution) Act,1981;
- i. The Electricity Act, 2003; etc.



The Acts which are not applicable to the Company though forming part of the prescribed Secretarial Audit Report have not been considered while preparing this Secretarial Audit Report.

Further, I have also examined compliance with the applicable clauses of the following:

- (i) Guidelines from the Ministry of Petroleum & Natural Gas.
- (ii) Order, Instructions, Guidelines of the Department of Public Enterprises, Government of India and other concerned Ministry including Government of Assam.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except the following:

1. The Company has not complied with the provisions of Section 149 of the Companies Act read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 with relation to the appointment of Women Director during the financial year under review.
2. Separate meeting by Independent Directors pursuant to Clause VII of Schedule IV of the Companies Act, 2013.

As informed and apprised by the Company being a CPSE, the appointment of Directors are done by the Government of India, and the Government of India has not yet appointed any Women Director on the Board of the Company.

As apprised by the Management, the Company has informed the Independent Directors for holding a separate meeting of the Independent Directors but the same was not convened during the financial year ending on 31st March, 2015.

I further report that:

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 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.

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the Meetings of the Board of Directors of Committee of the Board, as the case may be.

I 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.

Signature: Sd/-

Name of the Company Secretary: Biman Debnath

FCS No.: 6717, C P No.: 5857

Date: 29/06/2015

Place: Guwahati

Annexure-C

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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 & nature of relationship	Nature of contracts /arrangements / transaction	Duration of the contracts / arrangements / transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
Bharat Petroleum Corporation Limited (Holding Company)	Sale of product	Ongoing transaction	Sale of products by NRL to BPCL at Refinery Transfer price - Rs.7,554.11 crores during the year	Not applicable	Nil
Oil India Limited (Substantial Holding)	Crude purchase & transportation charges	Ongoing transaction	Purchase of crude by NRL from OIL at market price - Rs.4,344.76 crores	Not applicable	Nil
Oil India Limited (Substantial Holding)	Natural Gas Purchase	Ongoing transaction	Purchase of natural gas by NRL from OIL at market price - Rs.271.26 crores	Not applicable	Nil
Oil India Limited (Substantial Holding)	Pipe Line Freight for transport of products	Ongoing transaction	Pipeline Transportation charges paid by NRL to OIL for finished goods transportation - Rs.171.50 crores	Not applicable	Nil
DNP Limited (Joint Venture)	Natural Gas Transportation	Ongoing transaction	Pipeline Transportation charges paid by NRL to DNP Ltd. for natural gas transportation - Rs.66.04 crores	Not applicable	Nil
Bharat Petroleum Corporation Limited (Holding Company)	Rendering of services	Ongoing transaction	Charges for various services provided by BPCL to NRL - Rs.4.05 crores during the year	Not applicable	Nil
Oil India Limited (Substantial Holding)	Charges for Facilities availed by OIL at NRL	Ongoing transaction	Charges received by NRL from OIL for various facilities provided by NRL to OIL - Rs.10.37 crores	Not applicable	Nil
Oil India Limited (Substantial Holding)	Rental on Supply of 2 Mbps bandwidth	Ongoing transaction	Charges paid by NRL to OIL for rental of bandwidth - Rs.0.02 crores	Not applicable	Nil



Annexure-D

Statement showing the total number of employees and the number of Scheduled Castes & Scheduled Tribes amongst them as on 01.01.2015

Group/Class	Permanent/ Temporary	Total No. of employees	Scheduled Castes	% of total employees	Scheduled Tribes	% of total employees	Remarks
Group - A Other than lowest rung of Group - A	Permanent	403	51	12.7	32	7.9	-
Lowest rung of Group-A (02)	Permanent	31	1	3.2	1	3.2	-
Total		434	52	12	33	7.6	-
Group - B	Permanent	-	-	-	-	-	-
Group - C	Permanent	446	38	8.5	62	13.9	-
Group - D (Excluding Sweepers)	Permanent	4	2	50.00	1	25.00	-
Group - D (Sweepers)	Nil	-	-	-	-	-	-
Total		884	92	10.4	96	10.9	

Statement showing representation of Scheduled Castes & Scheduled Tribes in each Service Controlled by the Ministry

(a) Position as on 1.1.2015

Grades of the Service including Scale of Pay		Groups	Total no. of Posts	Total No. of Employees	Employees belong to		
Grades	Scale of Pay (Under revision)				Other Community	SC	ST
1	(2)	(3)	(4)	(5)	(6)	(7)	(8)
NON-SUPERVISORY EMPLOYEES							
I	₹ 9000-15300	D	4	4	1	2	1
II	₹ 9700-16800	C	14	14	8	0	6
III	₹ 10350-31200	C	10	10	8	0	2
IV	₹ 10900-31500	C	2	2	2	0	0
V	₹ 11400-32500	C	50	50	42	2	6
VI	₹ 12200-33500	C	92	92	67	14	11
VII	₹ 12450-35500	C	96	96	71	6	19
VIII	₹ 13150-45000	C	182	182	148	16	18
SUPERVISORY EMPLOYEES							
02	₹ 20600-46500	A	31	31	29	1	1
A	₹ 24900-50500	A	74	74	57	11	6
B	₹ 29100-54500	A	117	117	89	16	12
C	₹ 32900-58000	A	52	52	35	11	6
D	₹ 36600-62000	A	75	75	66	6	3
E	₹ 43200-66000	A	48	48	40	5	3
F	₹ 51300-73000	A	21	21	18	1	2
G	₹ 51300-73000	A	9	9	8	1	0
H	₹ 51300-73000	A	7	7	7	0	0

Statement showing the Number of Reserved vacancies filled by Members of Scheduled Castes & Scheduled Tribes

Class of Posts	Total No. of Vacancies		Scheduled Castes						Scheduled Tribes						Remarks
	Notified	Filled	No. of Vacancies reserved		No. of SC	No. of SCs	No. of SCs candidates	No. of reservation lapsed	No. of Vacancies reserved		No. of STs	No. of STs vacancies	No. of STs	No.of reservations lapsed	
			Out of Col.2	Out of Col. 3	Candidates appointed	Vacancies carried forward	Appointed against vacancies reserved for Cs in the 3 rd year of carry forward	After carrying forward for three years	Out of Col 2	Out of Col 3	candidates appointed	carried forward from the previous year.	candidates appointed against vacancies reserved for STs in the 3 rd year of carry forward	After carrying forward for three years.	
1	2	3	4	5		6	7	8	9	10		11	12	13	14
Posts filled by Direct Recruitment															
Group A	3	3	1	1	1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Other than lowest rung of Group-A	3	3	1	1	1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Lowest rung of Group-A	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Group B	NIL	NIL	Filled by promotion by selection.												
Group C	27	24	2	2	3	NIL	NIL	NIL	2	NIL	NIL	NIL	NIL	NIL	
Group D (Excluding Sweepers)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Group D (Sweepers)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Posts filled by Promotion *	No promotions have taken place which attracts reservation.														
Group A															
Other than lowest rung of Group-A															
Lowest rung of Group-A															
Group- B	No promotions have taken place which attracts reservation.														
Group C	No promotions have taken place which attracts reservation.														
Group-D (Excluding Sweepers)	No promotions have taken place which attracts reservation.														

* Reservation policy is not applicable for promotion in Group 'A' posts. However, relaxations in performance ratings are given to officers belonging to SCs & STs.

* For Non-Management (Group 'C' & 'D'); the promotion policy is under review and no promotion have taken place during the tear 2013.



Annexure-E

FORM AOC-1

(Pursuant to first proviso to sub-section(3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014.

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/ Joint ventures as per Companies Act, 2013

PART "A": Subsidiaries : NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	DNP Limited	BCPL
1. Latest audited Balance Sheet Date	31 st March 2015	31 st March 2015
2. Shares of Associate/Joint Ventures held by the company on the year end		
• No. of Equity Shares	43490000	126900010
• Amount of Investment in Associates/Joint Venture	₹ 43.49 crores	₹ 126.90 crores
• Extend of Holding %	26	10
3. Description of how there is significant influence	There is significant influence due to percentage (%) of Share Capital.	There is no significant influence due to percentage (%) of Share Capital.
4. Reason why the associate/joint venture is not consolidated		No significant influence due to percentage (%) of Share Capital.
5. Net worth attributable to shareholding as per latest audited Balance Sheet	₹ 47.53 crores	
6. Profit/Loss for the year		
i. Considered in Consolidation	₹ 1.45 crores	
ii. Not Considered in Consolidation	₹ 0.31 crores	

- Names of associates or joint ventures which are yet to commence operations – Brahmaputra Cracker & Polymer Limited.
- Names of associates or joint ventures which have been liquidated or sold during the year – Nil.

As per our report of even date
For Ghoshal & Ghosal
Chartered Accountants
Firm Registration No.304013E
Sd/-
CA. P.K. Mitra
Partner
Membership No. 050716

Place: New Delhi
Date : 22nd May 2015

For and on behalf of the Board of Directors

Sd/- Sd/-
P. Padmanabhan **S.K. Barua**
Managing Director Director (Finance)

Sd/-
H. K. Sarmah
Company Secretary

Place: New Delhi
Date : 22nd May 2015

Annexure-F

FORM NO. MGT 9

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

EXTRACT OF ANNUAL RETURN

For the financial year ended on 31st March, 2015

I REGISTRATION & OTHER DETAILS:

i	CIN	U11202AS1993GOI003893
ii	Registration Date	22 nd April, -1993
iii	Name of the Company	NUMALIGARH REFINERY LTD
iv	Category of the Company	PUBLIC COMPANY/LIMITED BY SHARES
v	Address of the Registered office & contact details	
	Address :	122A, G. S. ROAD, CHRISTIANBASTI
	Town / City :	GUWAHATI
	Pin Code:	781005
	State :	ASSAM
	Country Name :	INDIA
	Telephone (with STD Code) :	0361-2203147
	Fax Number :	0361-2203152
	Email Address :	z_comsec@nrl.co.in
	Website, if any:	www.nrl.co.in
vi	Whether listed company	No
vii	Name and Address of Registrar & Transfer Agents (RTA):-	
	Name of RTA:	Data Software Research Co. Pvt. Ltd.
	Address :	19, Pycrofts Garden Road, Nungabakkam
	Town / City :	Chennai
	State :	Tamil Nadu
	Pin Code:	600006
	Telephone :	044-28213738/28214487
	Fax Number :	044-28214636
	Email Address :	dsr cmd@vsnl.com

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

"All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-"

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Refining	192-Manufacture of Refined Petroleum Products	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

No. of Companies for which information is being filled 2

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Bharat Petroleum Corporation Limited	L23220MH1952GOI008931	Holding	61.65%	2(46)
2	DNP Limited	U51410AS2007SGC008410	Associate	26%	2(6)



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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.-GoA	Nil	9,08,21,337	9,08,21,337	12.35%	-	9,08,21,337	9,08,21,337	12.35%	NO CHANGE
d) Bodies Corp.-BPCL	Nil	45,35,45,964	45,35,45,964	61.65%	Nil	45,35,45,964	45,35,45,964	61.65%	NO CHANGE
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-								
1. Prafulla Chandra Sarma (On behalf of Govt. of Assam)	-	7	7	-	-	7	7	Negligible	NO CHANGE
2. Bharat Petroleum Corporation Ltd. jointly with Ramaswamy Rajamani	-	1	1	-	-	1	1	Negligible	NO CHANGE
3. Bharat Petroleum Corporation Ltd. jointly with R. P. Natekar	-	8	8	-	-	8	8	Negligible	NO CHANGE
4. Bharat Petroleum Corporation Ltd. jointly with P. Balasubramanian	-	8	8	-	-	8	8	Negligible	NO CHANGE
5. Bharat Petroleum Corporation Ltd. jointly with B K Datta	-	8	8	-	-	8	8	Negligible	NO CHANGE
6. Bharat Petroleum Corporation Ltd. jointly with K. Balasubramanian	-	1	1	-	-	1	1	Negligible	NO CHANGE
7. Bharat Petroleum Corporation Ltd. jointly with S B Bhattacharya	-	8	8	-	-	Nil	Nil	Negligible	NO CHANGE
8. S. K. Agrawal jointly with Bharat Petroleum Corporation Ltd.	-	-	-	-	-	8	8	Negligible	NO CHANGE
(2) Foreign									
a) NRI - Individual/	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Other - Individual/	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	54,43,67,342	54,43,67,342	74.00%	-	54,43,67,342	54,43,67,342	74.00%	NO CHANGE
B. Public Shareholding	NIL								
2. Non-Institutions									
a) Bodies Corp.									
i) Indian - Oil India Ltd.	19,12,64,202	Nil	19,12,64,202	26.00%	19,12,64,202	-	19,12,64,202	26.00%	NO CHANGE
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	19,12,64,202	Nil	19,12,64,202	26.00%	19,12,64,202	-	19,12,64,202	26.00%	NO CHANGE
Total Public Shareholding (B)=(B)(1)+ (B)(2)	19,12,64,202	Nil	19,12,64,202	26%	19,12,64,202	-	19,12,64,202	26%	NO CHANGE
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	19,12,64,202	54,43,67,342	73,56,31,544	100%	19,12,64,202	54,43,67,342	73,56,31,544	100%	NO CHANGE



ii Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% 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	Bharat Petroleum Corporation Limited (BPCL)	45,35,45,964	61.65%	-	45,35,45,964	61.65%	-	NO CHANGE
2	Governor of Assam	9,08,21,337	12.35%	-	90821337	12.35%	-	NO CHANGE
4	Nominees of Promoters i.e. BPCL & Govt. of Assam	41	Negligible	-	41	Negligible	-	NO CHANGE
	TOTAL	54,43,67,342	74.00%	-	54,43,67,342	74.00%	-	-

iii Change in Promoters' Shareholding: **NO CHANGES DURING THE YEAR.**

iv Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): **NOT APPLICABLE**

v Shareholding of Directors and Key Managerial Personnel: **NIL**

V INDEBTEDNESS

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

Indebtedness at the beginning of the financial year 2014-15	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	533,22,72,500.00	225,52,09,309.03	Nil	758,74,81,809.03
ii) Interest due but not paid	31,15,056.00	22,68,292.74	Nil	53,83,348.74
iii) Interest accrued but not due				
Total (i+ii+iii)	533,53,87,556.00	225,74,77,601.77	Nil	759,28,65,157.77
Change in Indebtedness during the financial year 2014-15				
* Addition	43,68,05,540.28	443,14,55,202.38	Nil	486,82,60,742.66
* Reduction	(49,19,02,556.00)	(504,21,56,024.68)	Nil	(553,40,58,580.68)
Net Change	(5,50,97,015.72)	(61,07,00,822.30)	Nil	(66,57,97,838.02)
Indebtedness at the end of the financial year 2014-15				
i) Principal Amount	527,68,10,000.00	164,53,64,910.07	Nil	692,21,74,910.07
ii) Interest due but not paid	34,80,540.28	14,11,869.40	Nil	48,92,409.68
iii) Interest accrued but not due	-	0	0	-
Total (i+ii+iii)	528,02,90,540.28	164,67,76,779.47	-	692,70,67,319.75

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		P. Padmanabhan	S. R. Medhi	S K Barua	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,52,086	40,52,862	39,68,281	1,05,73,229
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,66,307	2,44,377	6,44,237	12,54,921
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	29,18,393	42,97,239	46,12,518	1,18,28,150
	Ceiling as per the Act	79 Crs (approx) being 11% of the Net Profit as per Section 197 & 198 of Companies Act,2013			

Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		A	B	C	
1	Independent Directors	L Rynjah	B P Rao	Dr. A K Ghoshal	
	Fee for attending Board / Board Sub-committee meetings	1,10,000	2,80,000	2,00,000	5,90,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	1,10,000	2,80,000	2,00,000	5,90,000
2	Other Non-Executive Directors	NIL			
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	1,10,000	2,80,000	2,00,000	5,90,000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act	Not Applicable			



REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO	H K Sarmah, Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		28,23,679	28,23,679
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		2,78,985	2,78,985
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-
2	Stock Option		-	-
3	Sweat Equity		-	-
4	Commission		-	-
	- as % of profit		-	-
	- others, specify...		-	-
5	Others, please specify		-	-
	Total		31,02,664	31,02,664

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

Annexure-G

Corporate Social Responsibility and Sustainability

With strong commitment towards socioeconomic upliftment of the region, NRL has been pursuing definite measures through various CSR initiatives for improving the lives of under privileged people in and around refinery. The vision of sustainable inclusive growth drives both business as well as corporate social responsibility activities. Revised CSR & sustainability policy of NRL has been accorded by the Board in its meeting held on 19th January, 2015 in line with provision of Company's Act, 2013 and DPE guideline on corporate social responsibility and sustainability for CPSE issued on 21st Oct, 2014. Vision & Mission of NRL CSR & Sustainability policy are as below:

Vision: "To pursue CSR and Sustainability activities with a difference for ushering in inclusive development of the community".

Mission: "To identify and implement welfare schemes based on genuine needs of the people through baseline survey and in-house assessment, in consultation with village development committee, district authorities, stakeholders, and to access effectiveness of implemented schemes through periodic evaluation".

CSR and Sustainability initiatives of NRL are administered through a three-tier organizational structure, comprising a CSR and Sustainability Committee of the Board at apex level, a committee of senior executives at mid-level and a CSR and Sustainability Steering Committee at execution level. The three member Board Level Committee is headed by an Independent Director. The mid level committee comprises three senior executives headed by General Manager (Human Resource). The CSR and Sustainability Steering Committee comprise of 8 cross functional employees as members. This committee is responsible for planning, actual implementation and monitoring of CSR and Sustainability activities.

CSR and sustainability initiatives of NRL were updated on quarterly basis at the company's website and highlights for the year including project wise expenditure incurred have been published in the Annual report.

Based on the average net profits of the Company for the last three financial years, total amount to be spent on CSR during the year 2014-15 was ₹762.30 lakhs against which actual amount spent was ₹762.45 lakhs.

Details of NRL's CSR and Sustainability expenditures during 2014-15 are enclosed at **Appendix to Annexure 'G'**.

Members of the CSR & Sustainability Committee confirmed that implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company.

For & on behalf of CSR & Sustainability Committee

Sd/-
L. Rynjah
Chairman

Sd/-
S.R. Medhi)
Member

Sd/-
S.K. Barua
Member



Appendix to Annexure-G

Details of CSR & sustainability activities executed during the year 2014-15

Sl.	CSR Project or activity identified	Sector in which project is covered	Project or Program 1. Local area or other 2. State/ Dist where project or prog was undertaken	Amount outlay project or Program wise (in Lac)	Amount Spent on the Project or Program (Subhead : 1. Direct Exp 2. Overhead)	Cummulative exp up to reporting Period (In Lac)	Amount spent Direct or through implementing agency
1	Providing assistance to farmers of nearby localities by way of providing technical support such as SRI technique, fertilizer, seeds, agri-farm equipment, water pump etc to enhance production of rice.	Agri Allied	Within 10KM radius of Refinery, Golaghat Assam	28.00	27.30	27.30	Direct
2	Promotion of livelihood through cultivation of Rabi Crop(Mashroom/ Mustered seed, Potato)	Agri Allied	Within 10KM radius of Refinery, Golaghat Assam	8.00	8.20	8.20	Direct
3	Organize entrepreneurship and skill development training programme on candle making technique covering 100 nos of unemployed youth in collaboration with NEITCO. Also support FINER for promotion of vocational and livelihood enhancement schemes by organizing industrial & investment trade fair.	Agri Allied & skill development	Within 10KM radius of Refinery, Golaghat Assam	10.00	10.00	10.00	Direct
4	"Swa Nirbhar" a project to provide financial assistance to 10 nos of educated unemployed youth for setting up dairy, poultry, piggery & goat farm for livelihood generation.	Agri Allied & Livelihood enhancement	Within 10KM radius of Refinery, Golaghat Assam	7.00	7.00	7.00	Direct
5	Promotion of traditional Handicraft of Assam by supporting weaving units operating in and around Refinery	Agri Allied & Livelihood enhancement	Within 10KM radius of Refinery, Golaghat Assam	6.00	5.50	5.50	Direct
6	Baseline and impact assessment study of CSR project executed under CSR initiatives of NRL.		Within 10KM radius of Refinery, Golaghat Assam	8.00	3.75	3.75	Direct

Sl.	CSR Project or activity identified	Sector in which project is covered	Project or Program 1. Local area or other 2. State/ Dist where project or prog was undertaken	Amount outlay project or Program wise (in Lac)	Amount Spent on the Project or Program (Subhead : 1. Direct Exp 2. Overhead)	Cummulative exp up to reporting Period (In Lac)	Amount spent Direct or through implementing agency
7	Promotion of Education by providing award of scholarship to the students under scheme "Gyandeep", "Prerona" & Dornacharya	Education	Within 10KM radius of Refinery, Golaghat Assam	62.00	62.25	62.25	Direct
8	Provide quality education in reputed schools like DPS Numaligarh, Sainik school Goalpara to the students of economically weaker section of the society.	Education	Within 10KM radius of Refinery, Golaghat Assam	16.00	16.38	16.38	Direct
9	Support for renovation, construction of School Infrastructures such as Building, Boundary wall, Auditorium, Toilet block, including supply of furniture, drinking water facility, teaching aid etc.	Education	Within Assam	45.00	45.43	45.43	Direct
10	Supporting felicitation programme of rank holders in HSSLC & HSSLC examination	Education	Assam	10.00	11.65	11.65	Direct
11	"Road to Success" a Programme on Career planning guidance for students of Class VIII to X, organised in 60 schools in the vicinity of refinery.	Education	Within 10KM radius of Refinery, Golaghat Assam	3.50	3.50	3.50	Direct
12	Setting up a centre for implementation of digital Literacy curriculum at Letekujan Tea Estate in association with IRDIS, Guwahati	Education	Within 10KM radius of Refinery, Golaghat Assam	7.00	6.98	6.98	Direct
13	Providing quality education through setting up library in 10 high schools under project "Library for all".	Education	Within 10KM radius of Refinery, Golaghat Assam	8.00	8.00	8.00	Direct
14	Distribution of Test paper among class X students of 53 schools adjacent to refinery appearing Board Exam 2014-15.	Education	Within 10KM radius of Refinery, Golaghat Assam	7.00	6.93	6.93	Direct



Sl.	CSR Project or activity identified	Sector in which project is covered	Project or Program 1. Local area or other 2. State/ Dist where project or prog was undertaken	Amount outlay project or Program wise (in Lac)	Amount Spent on the Project or Program (Subhead : 1. Direct Exp 2. Overhead)	Cummulative exp up to reporting Period (In Lac)	Amount spent Direct or through implementing agency
15	Support various educational institutes for organizing Technical workshop, Seminer, debating, Quiz etc.	Education	Within Assam	4.00	3.70	3.70	Direct
16	Support to build a corpus for providing Merit scholarship to 3 nos of ececonomically under previlidged students of 4 yrs optometry course conducted at Sri Sankardeva Nethralaya Hospital.	Education	Guwahati, Assam	10.00	10.00	10.00	Direct
17	Installation of Solar power lighting system in 8 schools under project "Suryajyoti".	Education & Environment sustainability	Within 10KM radius of Refinery, Golaghat Assam	58.00	59.27	59.27	Direct
18	Improvement and gravelling of 30 nos of village road and culverts adjacent to Refinery through local village developemental committee	Rural Infrastructure development	Within 10KM radius of Refinery, Golaghat Assam	70.00	70.00	70.00	Direct
19	Repairing/ renovation of Ponka Borchapori wooden bridge through PWD, Assam as deposit work.	Rural Infrastructure development	Within 10KM radius of Refinery, Golaghat Assam	10.00	9.80	9.80	PWD, GoA
20	Providing drinking water facility by installation of ring well and Mark III hand pump in 5 adjacent villages of refinery through Assam Public Health Engg Deptt, Golaghat as deposit work.	Rural Infrastructure development	Within 10KM radius of Refinery, Golaghat Assam	23.00	23.00	23.00	PHED, GoA
21	Provide assistance for Installation of LED based Traffic Signal at Golaghat town and maintenance of High mast lighting system at Rongajan & Numaligarh point in NH-39 as road safety measures.	Road Safety	Golaghat Assam	20.00	19.57	19.57	District Admin- istration, Golaghat
22	Support DFO, Golaghat for initiating activities and measures to reduce man animal Conflict in an around deoparbat area, near refinery	Environment Sustainability	Golaghat Assam	9.00	8.90	8.90	DFO, Golaghat

Sl.	CSR Project or activity identified	Sector in which project is covered	Project or Program 1. Local area or other 2. State/ Dist where project or prog was undertaken	Amount outlay project or Program wise (in Lac)	Amount Spent on the Project or Program (Subhead : 1. Direct Exp 2. Overhead)	Cummulative exp up to reporting Period (In Lac)	Amount spent Direct or through implementing agency
23	"Niramoy" a project that organizes routine free mobile medical camp in the villages in the vicinity of NRL in collaboration with VK NRL Hospital. Each medical camp covers a cluster of villages.	Health	Within 10KM radius of Refinery, Golaghat Assam	45.00	44.64	44.64	Direct
24	"Paricchannata" a scheme to construct 75 nos of Low Cost Sanitary toilet for BPL household to ensure better health and Hygiene including elimination of open defecation.	Health	Within 10KM radius of Refinery, Golaghat Assam	10.30	10.58	10.58	Direct
25	Assistance provided for treatment of critical ailment to persons from economically weaker section of the society.	Health	Within 10KM radius of Refinery, Golaghat Assam	2.50	2.50	2.50	Direct
26	"NRL Helping Hand" A scheme that support differently abled people by way of providing aid and appliances, supporting rehabilitation, operation of Handicapped School and to provide medical assistance etc.	Health	Within Assam	10.00	10.70	10.70	Direct
27	Under Project "Dishtri" NRL planned to organize 12 nos of eye screening cum cataract operation camp and also to screen 4000 school students covering 20 school.	Health	Within 10KM radius of Refinery, Golaghat Assam	6.50	6.70	6.70	Direct
28	"Mobilizing the Unreached" a project to provide a Boat clinic to deliver services to the people living in remote island of River Brahmaputra	Health	For people living on the remote Islands of the Brahmaputra	10.00	10.16	10.16	Direct
29	Relief & rehabilitation of flood affected people	Health	Within 10KM radius of Refinery, Golaghat Assam	5.00	4.65	4.65	Direct



Sl.	CSR Project or activity identified	Sector in which project is covered	Project or Program 1. Local area or other 2. State/ Dist where project or prog was undertaken	Amount outlay project or Program wise (in Lac)	Amount Spent on the Project or Program (Subhead : 1. Direct Exp 2. Overhead)	Cummulative exp up to reporting Period (In Lac)	Amount spent Direct or through implementing agency
30	Organize 2 nos Vatanery Vaccination camp in association with Golaghat Foundation	Health	Within 10KM radius of Refinery, Golaghat Assam	1.00	1.00	1.00	Direct
31	"Swacchh Vidyalaya Abhiyan" A project to construct 101 nos toilet block at schools in Assam	Health	Within Assam	144.00	144.00	144.00	Direct & GoA
32	Organize Campaign to promote awareness on Cleanliness and sanitation under Swachh Bharat Mission	Health	Within Assam	5.00	5.00	5.00	Direct
33	Financial support to various organizations for Promotion of art & Literature of Assam	Promote Art & Culture	Within Assam	30.00	30.85	30.85	Direct
34	Operation and maintenance of football academy at Numaligarh and Badminton coaching centre at Furkating under project "Khel Prakshishan"	Promoting sports	Within Assam	20.00	20.66	20.66	Direct
35	Financial support to variuos organizations for Promoting sports events including rural sports	Promoting sports	Within Assam	8.50	8.50	8.50	Direct
36	Provide Financial support for construction of Bokahkat Natya Mandir, Sangeet Sattr, Guwahati, Ponka Sanskritik vikash kendra etc.	Promote Art & Culture	Within Assam	25.00	25.40	25.40	Direct
37	Administrative Expenses & overhead			10.00	10.00	10.00	
			Total	762.300	762.450	762.450	



Independent Auditor's Report

(Standalone)



Independent Auditors' Report

To
The Members of
Numaligarh Refinery Limited

Report on the Standalone Financial Statements

On the basis of the audit queries made by the Comptroller & Auditor General of India, this revised audit report has been prepared in lieu of the earlier report dated 22nd May, 2015 to comply with the directions issued by the Comptroller & Auditor General of India.

We have audited the accompanying stand alone financial statements of **NUMALIGARH REFINERY LIMITED** ("The Company"), which comprise the Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss & Cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibilities for the Stand Alone Financial Statements

The Company's Board of Directors 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 this Standalone financial statements that give a true and fair view of the financial position, financial performance and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rules 7 of the Companies (Accounts) Rules, 2014. 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; and design, the implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion in whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. 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 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 financial statements.

Opinion

In our Opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the company as at 31st March 2015 and its profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure-I a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) 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 purpose of our audit.
 - b) In our opinion proper books of 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 & Loss and the Cash Flow statement dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion, the standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on the financial position in its financial statements -Ref. Note 47 to the financial statements.
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts, -Ref. Note 48(c) to the financial statements, and
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Report pursuant to directions issued by office of C &AG u/s 143(5) of the Companies Act, 2013

Report pursuant to directions issued by Comptroller & Auditor General of India as per section 143(5) of the Companies Act, 2013 has been reported vide Annexure II attached.

For **GHOSHAL & GHOSAL**
Chartered Accountants

Firm registration No. 304013E

Sd/-

CA. P.K. MITRA

Partner

Membership No. 050716

Place: Kolkata

Date : 26th June 2015



Annexures to Independent Auditor's Report (Standalone)

Annexure-I to Independent Auditors' Report

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2015, we report that :

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) The fixed assets of the Company have been physically verified by the management in a phased manner designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the programme, of verification the other fixed assets (Buildings, Plant & Machineries, Tanks & Pipelines, Railway Siding, Dispensing Tanks & Pumps & Vehicles) have been physically verified by the management during the year and the discrepancies noticed between book records and physical inventory, though not significant, have been duly adjusted in the books of account.
2. (a) As explained to us the inventories of Finished Goods, Raw Materials and Stores and Spares except those lying with contractors / third parties have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In accordance with the information and explanations given to us, the procedures of physical verification of inventory followed by the management appear to be reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared with book records were not material considering the size of the company and the nature of its business and the same have been properly adjusted in the accounts.
3. The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("The Act").
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. We have not observed any major weaknesses, or continuing failure to correct any major weakness in the internal control system.
5. According to information and explanations given to us, the Company has not accepted any deposits from the Public.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of Cost Records under Sec. 148(1) of the Companies Act, 2013 and we are of the opinion that, prima facie, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the same.
7. (a) According to the records of the Company and information and explanations given to us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid statutory dues were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.



(c) According to the records of the Company and the information and explanations given to us, the following are the details of disputed dues in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess as on 31st March, 2015:

Name of the Statute	Nature of Dues	Since when Pending	Amount (₹ in Crore)	Where Dispute is Pending
The C. Excise Act, 1944 (Excise Duty including Penalty and Interest)	Adoption of lower Transaction Value for OMCs -IOC/HPC/IBP on HSD & MS other than BPCL.	28-03-2013	100.00	Deptt.'s appeal against favorable order to NRL is pending before CESTAT, Kolkata
	disallowing Cenvat Credit of Refinery Project	29-03-2010	60.14	CESTAT Kolkata
	Adoption of lower transaction value on sales to Oil Marketing Companies (other than BPCL)	18-12-2013	0.62	CESTAT Kolkata
	Interest on Erroneous AED Refund	28-02-2011	73.16	CESTAT Kolkata
	Duty on Intermingling Loss of SKO in Pipeline Transportation	20-12-2013	35.31	CESTAT Kolkata
The Finance Act relating to Service Tax	non-payment of Service Tax on Foreign Services..	08-02-2008	1.75	CESTAT Kolkata
The Finance Act relating to Service Tax	levy of ST on License Fee Recovery (LFR) received from Retail Outlet Dealers	05-03-2014	0.34	Commissioner of Central Excise (Appeal) Guwahati
Sales tax	Revision of Assessment Order on Input Tax Credit	20-05-2014	5.08	Commissioner Appeal Chandigarh Tribunal
Chandigarh Taxation Tribunal				
Chandigarh Taxation Tribunal	Revision of Assessment Order on Input Tax Credit	20-05-2014	2.37	Commissioner Appeal Chandigarh Tribunal
West Bengal Value Added Tax Act'2003	Demand against suppressed sale	05.02.2015	17.45	West Bengal Taxation Tribunal
West Bengal Value Added Tax Act'2003	Demand for non-submission of 'C' Forms	03-07-2014	0.74	W B Revision Board
West Bengal Value Added Tax Act'2003	Demand for submission of lesser value of 'C' Forms	19-02-2015	0.09	Additional Commissioner (Appeal)
West Bengal Value Added Tax Act'2003	Demand against wrong valuation of Closing Stock	03-07-2014	3.65	Additional Commissioner (Appeal)
Assam Sales Tax	Demand for non-submission of 'C' Forms	31-03-2014	0.05	Asst. Commissioner of Sales Tax Assam
Chandigarh Tribunal	Demand for non-submission of 'C' Forms	21-08-2014	0.33	Joint Commissioner (Appeal)

Name of the Stat-ute	Nature of Dues	Since when Pending	Amount (₹ in Crore)	Where Dispute is Pending
Entry Tax	Entry Tax	Nov-06	107.89	Supreme Court
The Assam Entry Tax Act				
The Assam Entry Tax Act	Entry Tax	2011-12	5.62	Asst. Commissioner of Sales Tax Assam
ESI Matters	Demand Notice received from ESI u/s 45A towards contribution payable in respect of the employee of factory/establishment from June 2008 to march 2010	26-07-2010	1.86	ESI Court Guwahati

(d) According to the information and explanations given to us, no amount was required to be transferred to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 (1 of 1956) and Rules made there under.

8. The Company does not have any accumulated losses as at 31st March, 2015 and has not incurred any cash losses in the financial year ended on that date or in the immediate preceding financial year.
9. Based on our audit procedures and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank. The Company has not issued debentures.
10. According to the information and explanations given to us, the Company has given Corporate Guarantees for ₹36.34 crores and ₹27.78 crores for loans taken by Brahmaputra Cracker and Polymer Ltd. from Oil Industry Development Board (OIDB) and GAIL(INDIA) Limited respectively, the terms and conditions of which are, prima facie, not prejudicial to the interest of the company.
11. According to information and explanations given to us, the term loans have, prima facie, been applied for the purpose for which the loans were obtained.
12. According to the information and explanations given to us, and representation obtained from the management, no material fraud on or by the Company has been noticed or reported during the course of our audit.



Annexure-II to Independent Auditors' Report

Report pursuant to directions issued by office of C & AG u/s 143(5) of the Companies Act, 2013

Sl. No.	Directions	Remarks
1.	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process.	As informed the Company has not been selected for disinvestment, hence the question of giving a complete status report in terms of valuation of assets (including intangible assets and land) and Liabilities (including Committed & General Reserve) does not arise.
2.	Please report whether there are any cases of wavier/writeoff of debts/loan/interest etc., if yes, the reasons there for and the amount involved	We have not come across any cases of wavier/write off of debts/loan/interest etc. However, ₹ 1.55 crores incurred by the company in 29 LOI locations have been written off during the year as these locations would not be taken over by BPCL as approved by the Board of Directors of the Company in its 6 th Meeting held on 19 th January, 2015
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government of other authorities.	As informed by the management and based on records examined, proper records are maintained for the inventories lying with third parties. As informed by the management and based on records examined, the Company has not received any gift from Govt. or Other Authorities.
4.	A report on age wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	The age wise analysis of major pending legal/arbitration cases is enclosed in Annexure II (A) In our opinion the Company has an adequate monitoring mechanism for legal arbitration cases.
5.	Examine the accounting treatment in relation to transaction with the holding company especially with reference to the transaction relating to the handing over of retail outlets to BPCL.	The accounting treatment in relation to transaction of the Company with BPCL relating to handing over of retail outlets is found to be in order.

Appendix II (A) to Independent Auditors' Report

Details of Major pending legal/arbitration cases

Sl. No	Party / (Vs)	Year of commencement	Particulars/ issue	Pending with	Present Status
1	Indiana Conveyors Ltd Vs NRL	2000	Nonpayment of extra claim for Supply of Petroleum Coke Handling System & Installation and Commissioning at NRL.	Arbitration before Justice Chittotosh Mookerjee & two others	Cross examination NRL's witness
2	Valecha Engineering Vs NRL	2008	For termination of contract of Site development works for Siliguri Marketing Terminal Project of NRL.	Arbitration before Justice B.N.Shrikrishna & two others	Evidence stage. Initiated for amicable settlement.
3	Nogen Gogoi Vs NRL (Case No. 1)	2009	Nonpayment of extra wage as per wage revision for Construction of Car Shed near 60 B-Type Quarters at NRL Township.	Arbitration before Mr.D.Ghosh (in-house Arbitrator)	Initiated for amicable settlement.
4	Nogen Gogoi Vs NRL (Case No. 2)	2009	Nonpayment as per wage revision for Provision of ground clearance for FW Header in offsite area.	Arbitration before Mr.D.Ghosh (in-house Arbitrator)	Initiated for amicable. Subject to CFD approval
5	Nogen Gogoi Vs NRL (Case No. 3)	2011	Nonpayment as per wage revision for Development of Play Ground & Construction of Pavilion Building at NRL Township.	Arbitration before Mr.D.Ghosh (in-house Arbitrator)	Board has approved the proposal for amicable settlement
6	Ganesh Tamuli Engineering Pvt. Ltd Vs NRL	2010	Nonpayment of balance arrear revised wage for Construction of 36 units B type quarters at NRL township". (Group – I).	Arbitration before Mr.A.K. Bhattacharya (in-house Arbitrator)	Both parties have filed a joint petition for passing an award on amicable settlement.
7	Bright Construction Corporation Vs NRL	2011	Nonpayment as per wage revision for Construction of Additional B-Type quarters at CISF Complex, NRL	Arbitration before Mr.P.K.Barua (in-house Arbitrator)	Cross examination of NRL's witness Sri Gautam Kr. Das, M (Proj.).
8	NRL Vs Daelim Industrial Company Ltd.	2011	For retention money of Co-generation power plant. NRL challenged the Arbitral award dated 22.8.2011.	Misc. (Arbitration) D.J. Golaghat Court	Argument started by NRL.
9	NRL Vs Ranjul Baruah	2005	NRL challenge Arbitral award dated 07.08.2005 issue is related to nonpayment of extra claim for Site grading & Road Phase -I Part – III (A).	Misc. (Arbitration) D.J. Kamrup, Guwahati	Hearing stage.
10	NRL Vs Ranjul Baruah	2005	NRL challenge Arbitral award dated 08.08.2005. Issue is related to nonpayment of extra claim for Construction of Ware House Part- B..	Misc. (Arbitration) D.J. Kamrup, Guwahati	Hearing stage.



Sl. No	Party / (Vs)	Year of commencement	Particulars/ issue	Pending with	Present Status
11	ECOS Engineering Vs NRL	2008	ECOS has challenged the Arbitral award dated 16.07.2008. Issue is related to Nonpayment for Hiring 4 Nos. Tyre Mounted Cranes.	Misc. (Arbitration) D.J. Kamrup	Hearing stage.
12	NRL Vs Biswajit	2012	Transit loss of product for default of Tank Lorry Transporters.	Money Suit D.J. Golaghat Court	Evidence stage
13	NRL Vs Rofique Ahmed	2012	Transit loss of product for default of Tank Lorry Transporters.	Money Suit D.J. Golaghat Court	Evidence stage
14	NRL Vs Manab Gogoi	2012	Transit loss of product for default of Tank Lorry Transporters.	Money Suit D. J. Golaghat Court	Decree has been passed in favour of NRL. NRL will file execution case
15	Jitumani Saikia Vs DPS & NRL	2014	Compensation for illegal eviction.	Title Suit A.D.J. Golaghat Court	Hearing stage
16	Siwal Project Pvt Ltd Vs M/s. Jaisakti Associates and NRL	2014	Payment relating to the sub- vendor for the work Terrace beautification & modification of OPD Area and emergency area at CKNRL Hospital.	Money Suit A.D.J. Kamrup, Guwahati	NRL filed a petition for depositing the alleged amount
17	NRL Vs Kuldeep Kaur Bajaj	2000	Non refund of the security deposit for Delhi Guest House.	Title Suit D. J. Tis Hazari Court, Delhi	Decree has been passed in favour of NRL. NRL will file Execution Case.
18	State Vs M/s. Stealex India	2014	Lifting of unauthorized Scrap Matter.	Criminal Case Golaghat Police Station	Charge sheet yet to be submitted by Golaghat Police
19	NRL Vs Ranjul Baruah	2005	Nonpayment of extra amount for Construction of Dyke wall, Firewall and Lining of Storm Water Drains. NRL has filed appeal against the award dated 28.11.2005.	Arbitration Appeal Gauhati H.C	Hearing stage.
20	M/s Green View Tea & Industries Vs NRL	1995	Payment of balance compensation for land acquisition.	Appeal Gauhati H.C	Decree has been passed against NRL. NRL preferred an appeal.
21	Powal Ch. Bora Vs NRL	2010	Powal has challenged the award dtd 26/11/2010. Issue is related to non-payment of wages as per revision for contract the of Maintenance and weed control at NRP Site.	Arbitration Appeal Gauhati H.C	Hearing stage
22	Rajib Bhat-tacharjee Vs VKNRL & NRL	2015	Termination of contract of running pharmacy by VKNRL	Writ Petition Gauhati H.C	NRL will file its Affidavit

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NUMALIGARH REFINERY LIMITED FOR THE YEAR ENDED 31ST MARCH, 2015

The preparation of financial statements of Numaligarh Refinery Limited for the year ended 31st March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their revised Audit Report dated 26th June 2015.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Numaligarh Refinery Limited for the year ended 31st March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

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

Sd/-

Praveer Kumar

Principal Director of Commercial Audit
& Ex-officio Member, Audit Board - I,
Kolkata

Place : Kolkata
Dated: 09-07-2015



Balance Sheet as at 31st March, 2015

₹ in Crores

	Notes	31-03-2015	31-03-2014
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	735.63	735.63
Reserves and Surplus	4	2,619.35	2,255.20
Total Shareholders' funds		3,354.98	2,990.83
Non Current Liabilities			
Long-Term Borrowings	5	503.03	509.00
Deferred tax liabilities (net)	6	144.23	191.91
Other Long-Term Liabilities	7	2.46	2.46
Long-Term Provisions	8	279.36	162.56
Total Non-current liabilities		929.08	865.93
Current Liabilities			
Short-Term Borrowings	9	165.61	259.30
Trade Payables	10	1,578.88	791.40
Other Current Liabilities	11	324.17	223.32
Short-Term Provisions	12	550.60	177.74
Total current liabilities		2,619.26	1,451.76
Total Equity and Liabilities		6,903.32	5,308.52
Assets			
Non Current Assets			
Fixed Assets			
Tangible Assets	13	1,922.37	1,618.44
Intangible Assets	14	2.85	5.71
Capital work-in-progress	15	424.75	606.35
Non Current Investment	16	170.39	156.78
Long-Term Loans and Advances	17	51.48	70.04
Other Non-Current Assets	18	-	-
Total Non-Current Assets		2,571.84	2,457.32
Current Assets			
Current Investments	19	236.80	53.05
Inventories	20	1,598.51	1,349.83
Trade Receivables	21	1,236.88	278.36
Cash & Cash equivalents	22	1,053.74	965.15
Short-Term Loans and Advances	23	163.17	153.79
Other Current Assets	24	42.38	51.02
Total Current Assets		4,331.48	2,851.20
Total Assets		6,903.32	5,308.52
Significant accounting policies	2		
Notes to Financial Statement	3-53		
The accompanying notes are an integral part of these financial statements.			

As per our report of even date

For Ghoshal & Ghosal

Chartered Accountants

Firm Registration No.304013E

Sd/-

CA. P.K. Mitra

Partner

Membership No. 050716

Place: New Delhi

Date : 22nd May 2015

For and on behalf of the Board of Directors

Sd/-

P. Padmanabhan

Managing Director

Sd/-

S.K. Barua

Director (Finance)

Sd/-

H. K. Sarmah
Company Secretary

Place: New Delhi

Date : 22nd May 2015

Statement of Profit and Loss for the year ended 31st March, 2015

₹ in Crores

	Notes	31-03-2015	31-03-2014
Revenue			
Revenue from operations	25	9,862.42	9,255.09
Other income	26	73.78	50.14
Total revenue		9,936.20	9,305.23
Expenses			
Cost of material consumed	27	7,704.88	7,761.09
Changes in inventories of finished goods and work in progress	28	(211.69)	(13.38)
Employee benefits expenses	29	178.60	144.53
Finance costs	30	36.34	41.91
Depreciation and amortisation expense	13 & 14	172.90	179.01
Other expenses	31	922.04	629.57
Total Expenses		8,803.07	8,742.73
Profit before exceptional and extraordinary items and tax		1,133.13	562.50
Exceptional items		-	-
Profit before extraordinary items and tax		1,133.13	562.50
Extraordinary Items	32	(1.12)	8.98
Prior period items (net)	33	-	(9.13)
Profit Before Tax		1,134.25	562.65
Tax Expense			
Current tax	34	438.11	205.84
Deferred Tax	6	(47.68)	(21.64)
Short/(excess) provision for Taxation in earlier years provided for		25.51	7.36
Profit /(Loss) for the year		718.31	371.09
Earnings per equity share (in ₹):			
Basic and Diluted Earning per share (Face value ₹ 10)	35	9.76	5.04
Significant accounting policies	2		
Notes to Financial Statement	3-53		
The accompanying notes are an integral part of these financial statements.			

As per our report of even date
For Ghoshal & Ghosal
Chartered Accountants
Firm Registration No.304013E
Sd/-
CA. P.K. Mitra
Partner
Membership No. 050716

Place: New Delhi
Date : 22nd May 2015

For and on behalf of the Board of Directors

Sd/- Sd/-
P. Padmanabhan **S.K. Barua**
Managing Director Director (Finance)

Sd/-
H. K. Sarmah
Company Secretary

Place: New Delhi
Date : 22nd May 2015



Cash Flow Statement for the year ended 31st March, 2015

₹ in Crores

	31-03-15	31-03-14
A Cash Flow from Operating Activities		
Profit before taxation, prior period and extraordinary item	1,133.13	562.50
<i>Adjustments for :</i>		
Depreciation and amortisation expense	172.90	179.01
Interest expenditure	41.73	44.12
(Profit) / Loss on Sale/Write Off of tangible assets (net)	1.69	1.38
Foreign Exchange Fluctuations	1.27	14.13
Income from Investments	-	-
Dividend Income	(13.56)	(9.93)
Interest Income	(46.82)	(15.86)
Other Non-Cash items (refer explanatory Note no. 4)	(16.02)	16.68
Operating Profit before Working Capital Changes	1,274.33	792.03
<i>(Invested in) / Generated from:</i>		
Trade receivables	(958.52)	430.48
Other receivables	(0.74)	111.10
Inventories	(248.68)	(145.14)
Current Liabilities & Provisions	825.62	175.77
Cash generated from Operations	892.01	1,364.24
Income Tax and Interest thereon (net of refund)	(322.15)	(261.05)
Cash generated from Operations before extraordinary items	569.85	1,103.19
Prior period items (net)	-	9.13
Extraordinary Items	1.12	(8.98)
Non-Cash items	-	-
Net Cash from Operating Activities	570.97	1,103.34

₹ in Crores

	31-03-15	31-03-14
B Cash Flows from Investing Activities		
Purchase of tangible assets/Capital WIP	(279.18)	(451.58)
Purchase of intangible assets	(0.13)	(3.14)
Sale of tangible assets	0.13	0.20
Investment in associate companies	(13.61)	(7.49)
Purchase of / Accretion to Investments	(183.75)	(27.99)
Sale of Investments	-	-
Income from Investment	-	-
Dividend Received	13.56	9.93
Long Term Loans and Advances	16.85	5.03
Interest Received	46.82	15.86
Net Cash from Investing Activities	(399.31)	(459.18)
C Cash Flows from Financing Activities		
Long term Borrowings	82.74	492.75
Repayment of Long-term loans/borrowings	(88.71)	(24.23)
Net Increase/Decrease(-) in other borrowings	-	-
Other Long Term Liabilities	-	(1.35)
Other Long Term Provisions	116.80	(6.12)
Interest paid	(54.93)	(42.50)
Dividend Paid	(117.70)	(73.56)
Corporate Dividend Tax	(20.00)	(12.50)
Realised (loss) / gains of foreign exchange differences	(1.27)	(14.13)
Net Cash used in Financing Activities	(83.07)	318.36
D Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	88.59	962.52
E Cash & Cash Equivalents at beginning of Period	965.15	2.63
Cash/cheques in Hand	0.01	0.01
Cash at Bank	0.14	2.62
Remittance in transit	0.00	-
Fixed Deposits with Banks	965.00	-



₹ in Crores

	31-03-15	31-03-14
F Cash & Cash Equivalents at end of Period	1,053.74	965.15
Cash/cheques in Hand	0.01	0.01
Cash at Bank	33.73	0.14
Remittance in transit	-	0.00
Fixed Deposits with Banks	1,020.00	965.00
Net change in Cash and Cash equivalents (F-E)	88.59	962.52

1. The Cash Flow Statement is prepared in accordance with the format included in Accounting Standard 3 as notified by the Central Government.
2. In Part-A of Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.
3. The net profit/loss arising due to conversion of Current assets/ current liabilities, receivable/ payables in foreign currency is furnished under the head "Foreign Exchange Fluctuations".
4. "Other Non-Cash items" comprise of provisions for Stores and Consumables, provision for doubtful debts / claims and write back of Provisions.

As per our report of even date
For Ghoshal & Ghosal
Chartered Accountants
Firm Registration No.304013E
Sd/-
CA. P.K. Mitra
Partner
Membership No. 050716

Place: New Delhi
Date : 22nd May 2015

For and on behalf of the Board of Directors

Sd/- Sd/-
P. Padmanabhan **S.K. Barua**
Managing Director Director (Finance)

Sd/-
H. K. Sarmah
Company Secretary

Place: New Delhi
Date : 22nd May 2015

Notes to Financial Statements

1. Corporate Information

Numaligarh Refinery Limited referred to as "NRL" or "the company" was incorporated on 22nd April 1993. NRL is a Government Company, incorporated under the provisions of the Companies Act, 1956 and is a subsidiary of Bharat Petroleum Corporation Limited. The company is engaged in the business of refining of crude oil.

2. Statement of Significant Accounting Policies

2.1 Basis for Preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis (unless otherwise stated) and under historical cost convention.

2.2 Use of Estimates

The preparation of financial statements requires management of the company to make certain estimates and assumptions that affect the amounts reported in the financial statement and notes thereto. Differences, if any, between actual amounts and estimates are recognised in the period in which the results are known.

2.3 Fixed Assets

2.3.1 Tangible Assets

2.3.1.1 Fixed Assets are stated at cost of acquisition (including incidental expenses) net of accumulated depreciation.

2.3.1.2 Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

2.3.1.3 First time procurement cost of catalyst including content of precious metals is capitalized along with the project costs and the cost of subsequent replacements are charged off in the year of issuance to consumption.

2.3.1.4 Expenditure on assets, other than plant and machinery, not exceeding ₹1,000 per item are charged to revenue.

2.3.1.5 Machinery spares that are specific to a fixed asset are capitalized along with the fixed asset. Replacement of such spares is charged to revenue.

2.3.1.6 Land acquired on outright purchase / perpetual lease basis are treated as freehold land.

2.3.1.7 Expenditure during construction period: Direct expenses including borrowing cost incurred during construction period on capital projects are capitalized. Indirect expenses of the project group which are allocated to projects costing ₹5 crores and above are also capitalized. Expenditure incurred generally during construction period of projects on assets like electricity transmission lines, roads, culverts etc. the ownership of which is not with the company are charged to revenue in the accounting period of incurrence of such expenditure.

2.3.2 Intangible Assets

2.3.2.1 Intangible assets are carried at cost less accumulated amortization.

2.3.2.2 Expenditure incurred for creating/acquiring intangible assets of ₹0.50 crores and above, from which future economic benefits will flow over a period of time, is amortised over the estimated useful life of the asset or five years, whichever is earlier, from the time the intangible asset starts providing the economic benefit.



Notes to Financial Statements

2.3.2.3 In other cases, the expenditure is charged to revenue in the year the expenditure is incurred.

2.4 Impairment of Assets

The values of tangible and intangible assets of respective Cash Generating Units are reviewed by the management for impairment at each Balance Sheet date, if events or circumstances indicate that the carrying values may not be recoverable. If the carrying value is more than the net selling price of the asset or present value, the difference is recognised as an impairment loss.

2.5 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets till the month in which the asset is ready for use. All other borrowing costs are charged to revenue.

2.6 Depreciation

2.6.1 Depreciation on fixed assets is provided over the useful life of the assets prescribed under Schedule II of the Companies Act, 2013, up to 95% of the cost of the asset. The carrying amount of the existing assets for which the useful life is NIL has been charged off to Profit and Loss.

2.6.2 Premium paid for acquiring leasehold land (other than perpetual lease) is amortized over the period of lease.

2.6.3 Depreciation is charged on addition / deletion on pro-rata monthly basis including the month of addition / deletion.

2.6.4 In the following cases Depreciation on assets has not been charged as per Schedules II of the Companies Act 2013

- assets given to the employees are depreciated as per company policy.
- assets costing up to ₹5,000/- are depreciated fully in the year of its purchase/capitalisation.

2.7 Investments

2.7.1 Current investments are valued at lower of cost or fair value determined on an individual investment basis.

2.7.2 Long-term investments are valued at cost. Provision for diminution in value is made to recognize a decline, other than of temporary nature, in the value of such investments.

2.8. Inventory

2.8.1 Raw materials are valued at cost or net realizable value, whichever is lower.

2.8.2 Stock-in-process is valued at raw material cost plus conversion costs as applicable or net realizable value, whichever is lower.

2.8.3 Finished products are valued at weighted average cost or net realizable value, whichever is lower.

2.8.4 Cost is determined on weighted average basis and comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis.

2.8.5 The net realizable value of finished goods is based on the transfer prices (applicable at the location of stock for sale to oil companies) and the final selling prices for sale to other customers.

2.8.6 Stores and spares are valued at weighted average cost. Obsolete, slow moving/non- moving stores for 3 years and above and other materials including project materials identified as surplus are provided for in full so as to value them at ₹ Nil. Regular stores are provided for at a rate of 2%.

Notes to Financial Statements

2.9 Revenue Recognition

- 2.9.1** Sales represent invoiced value of goods supplied net of trade discounts, and include applicable North East excise duty benefit, excise duty, surcharge and other elements as are allowed to be recovered as part of the price but excludes VAT/Sales Tax. Further, it includes other elements allowed by the Government from time to time.
- 2.9.2** Other claims are booked when there is reasonable certainty of recovery.
- 2.9.3** Income from sale of scrap is accounted for on realization where sufficient risk and rewards are transferred to customers, which is generally on dispatch of goods.
- 2.9.4** Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- 2.9.5** Dividend income is recognized when right to receive is established.

2.10 Classification of Income / Expenses

- 2.10.1** Expenditure on Research, other than capital expenditure, is charged to revenue in the year in which the expenditure is incurred.
- 2.10.2** Income / expenditure up to ₹0.05 crore in each case pertaining to prior years is charged to the current year.
- 2.10.3** Prepaid expenses up to ₹0.05 crore in each case, are charged to revenue as and when incurred.
- 2.10.4** Deposits placed with Government agencies/local authorities which are perennial in nature are charged to revenue in the year of payment.

2.11 Employee Benefits

- 2.11.1** Contributions to defined contribution schemes such as Pension, Provident Fund, etc. are charged to the Statement of Profit and Loss as and when incurred.
- 2.11.2** The Company also provides for retirement/ post-retirement benefits in the form of gratuity, leave encashment, post retirement medical benefits, resettlement benefits and long service award. Such defined benefits are charged to the Statement of Profit and Loss based on valuations made by independent actuaries using the Projected Unit Credit Method, as at the balance sheet date.

2.12 Duties on Bonded Stocks

- 2.12.1** Excise duty on finished stocks lying in bond is provided for, at the assessable value applicable at each of the locations at maximum rates based on end use.

2.13 Foreign Currency Transactions & Derivative Transactions

- 2.13.1** Transactions in foreign currency are accounted in the reporting currency at the exchange rate prevailing on the date of transaction.
- 2.13.2** Monetary items denominated in foreign currency are converted at exchange rates prevailing on the date of Balance Sheet.
- 2.13.3** Foreign Exchange differences arising at the time of translation or settlement are recognised as income or expense in the Statement of Profit & Loss either under foreign exchange fluctuation or interest, as the case may be.
- 2.13.4** Foreign exchange differences on long term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset.



Notes to Financial Statements

2.13.5 Premium/discount arising at the inception of the forward exchange contracts to hedge foreign currency risks are amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit & Loss.

2.13.6 Gains / losses arising on settlement of Derivative transactions entered into by the Company to manage the exposures on account of fluctuations in foreign exchange are recognised in the Statement of Profit and Loss. Provision for losses in respect of outstanding contracts as on balance sheet date is made on the basis of mark to market valuations of such contracts.

2.14 Government Grants

2.14.1 When the grant relates to an expense item or depreciable fixed assets, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

2.14.2 Government grants in the nature of promoters' contribution or relating to non depreciable assets are credited to Capital Reserve and treated as a part of shareholders' funds.

2.15 Provisions, Contingent Liabilities and Capital Commitments

2.15.1 Show cause notices issued by various Government Authorities are not considered as Obligation. When the demand notices are raised against such show cause notices and are disputed by the Company, then they are treated as Obligations.

2.15.2 A provision is recognised when an enterprise has a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made.

2.15.3 Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

2.15.4 Capital commitments and Contingent liabilities disclosed are in respect of items which exceed ` 0.05 crore in each case.

2.16 Taxes on Income

2.16.1 Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

2.16.2 Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date.

2.16.3 The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future. However, in respect of unabsorbed depreciation or carry forward losses, the deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

2.16.4 The carrying amount of deferred tax assets and unrecognized deferred tax assets are reviewed at each balance sheet date.

2.17 Earnings per share

2.17.1 Basic earnings per share are calculated by dividing the net profit or loss (after deducting preference dividends, if any, and attributable taxes) for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period.

2.17.2 For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

Notes to Financial Statements

3 Share Capital

In ₹ crores

	31-03-15	31-03-14
Equity Shares		
Authorised		
100,00,00,000 Equity Shares of ₹10 each	1,000.00	1,000.00
	1,000.00	1,000.00
Issued, subscribed and paid-up		
73,56,31,544 fully paid Equity Shares of ₹10 each	735.63	735.63
	735.63	735.63

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31-03-15		31-03-14	
Equity Shares	Number	₹ crores	Number	₹ crores
Shares outstanding at the beginning of the year	73,56,31,544	735.63	73,56,31,544	735.63
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	73,56,31,544	735.63	73,56,31,544	735.63

b. Terms/rights attached to equity shares

The company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. 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.

c. Shares held by holding company

Out of equity shares issued by the Company, shares held by Holding Company is as below:

In ₹ crores

	31-03-15	31-03-14
Bharat Petroleum Corporation Limited (with nominees)		
45,35,45,998 (previous year 45,35,45,998) equity shares of ₹10 each fully paid	453.55	453.55

d. Details of shareholders holding more than 5% shares in the company

	31-03-15		31-03-14	
Name of Shareholder	Number	% of Holding	Number	% of Holding
Bharat Petroleum Corporation Limited	45,35,45,998	61.65%	45,35,45,998	61.65%
Oil India Limited	19,12,64,202	26.00%	19,12,64,202	26.00%
Governor of Assam	9,08,21,344	12.35%	9,08,21,344	12.35%



Notes to Financial Statements

4 Reserves and Surplus

In ₹ crores

	31-Mar-15	31-Mar-14
Capital Reserve		
As per last Account	100.00	100.00
	100.00	100.00
General Reserve		
As per last Account	2,155.19	1,921.80
Add: Transfer from Statement of Profit & Loss	364.15	233.39
	2,519.34	2,155.19
Surplus/ (deficit) in the statement of profit and loss		
As per last Account	0.01	0.01
Add: profit/(loss) for the year	718.31	371.09
Less: Proposed Dividend	(294.25)	(117.70)
Less: Corporate Dividend Tax	(59.91)	(20.00)
Less: Transfer to General Reserve	(364.15)	(233.39)
	0.01	0.01
	2,619.35	2,255.20

Capital Reserve represents grant of ₹100.00 crores received in the year 1999-2000 from the Government of India.

5 Long-term Borrowings

In ₹ crores

	31-03-15	31-03-14
Term Loans		
From Banks		
Secured (External Commercial Borrowings)	469.43	450.75
Unsecured	-	-
From Oil Industry Development Board		
Secured	33.60	42.00
Unsecured	-	16.25
	503.03	509.00

External Commercial Borrowing carries interest at 3 months LIBOR plus 1.85% Margin. The loan is repayable in 3 equal yearly instalments at the end of 4th, 5th and 6th year from the date of the loan taken on various dates and keeping the average age of the maturity of repayments as 5 years. The loan is secured in

Notes to Financial Statements

favour of participating banks ranking pari-passu inter-alia by hypothecation of Plant & Equipments both present and future.

Secured Loans from Oil Industry Development Board consists of 3 loans as on 31.03.2015:

- ₹22.68 crores drawn at 8.56% p.a. and repayable in 5 years (incl. 1 year moratorium) in annual instalment of ₹5.67 crores.
- ₹3.16 crores drawn at 8.65% p.a. and repayable in 5 years (incl. 1 year moratorium) in annual instalment of ₹0.79 crores.
- ₹7.76 crores drawn at 8.77% p.a. and repayable in 5 years (incl. 1 year moratorium) in annual instalment of ₹1.94 crores.

The loan is secured by way of mortgage/hypothecation of assets/projects financed out of loan proceeds from OIIB for which the charge is under creation.

6 Deferred Tax Liabilities (Net)

As per requirement of the Accounting Standard 22 -“Accounting for Taxes on Income” the net tax liability recognised to the Statement of Profit and Loss during the period is ₹ (47.68) crores [previous period ₹ (21.64) crores]. The period end position of Deferred Tax Liability and Asset is as under:

	<i>In ₹ crores</i>	
	31-Mar-15	31-Mar-14
Deferred Tax Liability		
Difference of Book Depreciation & Tax Depreciation	285.49	284.63
Deferred Tax Assets		
Disallowance u/s 43B of Income Tax Act, 1961	72.45	66.67
Others including retirement benefits	68.81	26.05
Total	141.26	92.72
Net Deferred Tax Liability	144.23	191.91

7 Other Long-Term Liabilities

	<i>In ₹ crores</i>	
	31-03-15	31-03-14
Security and Earnest Money Deposits	2.46	2.46
	2.46	2.46

8 Long-Term Provisions

	<i>In ₹ crores</i>	
	31-03-15	31-03-14
Provision for employee benefits:		
Long Service Award	7.30	6.34
Resettlement Allowance	2.12	1.69
Contingencies for probable obligations (refer note 45)	269.94	154.53
	279.36	162.56



Notes to Financial Statements

9 Short-term Borrowings

In ₹ crores

	31-03-15	31-03-14
Loans repayable on demand		
From banks		
Secured (Cash Credit)	-	33.08
Un-Secured (Overdraft)	1.08	0.70
Un-Secured (Foreign Currency Loans)	164.53	225.52
Un-Secured (Rupee Loans)	-	-
	165.61	259.30

Un-secured loan includes over draft from HDFC Bank with a limit of ₹3 crores which carries interest @ 10% p.a. These loans are repayable on demand.

Foreign Currency Loans are in the form of Buyer's Credit USD 26.36 million (previous period USD 36.61 million).

10 Trade Payables

In ₹ crores

	31-03-15	31-03-14
Due to micro and small enterprises	0.65	1.55
Due to others	1,578.23	789.85
	1,578.88	791.40

To the extent, the Company has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act 2006, the disclosures are provided as under:

In ₹ crores

	31-03-15	31-03-14
Amount due and payable		
Principal	0.65	1.55
Interest on above principal	-	-
Payment made during the year after the due date		
Principal	-	-
Interest	-	-
Interest due and payable for Principals already paid	-	-
Total Interest accrued and remained unpaid at year end	-	-

Notes to Financial Statements

11 Other Current Liabilities

	<i>In ₹ crores</i>	
	31-03-15	31-03-14
Current maturities of long term debt	24.65	24.23
Advances from Customers	3.62	2.33
Interest Accrued but not due on borrowings	0.49	0.54
Sales Tax, Entry Tax, Excise, Customs etc.	212.15	125.58
Employee related liabilities	14.97	15.31
Deposits from customers	3.83	2.76
Other deposits and retentions	61.67	51.06
Other Payables	2.79	1.51
	324.17	223.32

Current maturities of long term debt consist of four loans from Oil Industry Development Board as on 31.03.2015:

- Instalment of ₹16.25 crores drawn at 7.48% p.a. which is repayable in the next 1 year.
- Instalment of ₹5.67 crores drawn at 8.56% p.a. which is repayable in the next 1 year.
- Instalment of ₹0.79 crores drawn at 8.65% p.a. which is repayable in the next 1 year.
- Instalment of ₹1.94 crores drawn at 8.77% p.a. which is repayable in the next 1 year.

12 Short-Term Provisions

	₹ in Crores	
	31-03-15	31-03-14
a Provision for employee benefits		
Gratuity	-	-
Leave Encashment	39.85	30.81
Pension	2.96	2.96
Other defined benefits		-
Long Service Award	0.12	0.29
Resettlement Allowance	0.05	0.03
Post Retirement Medical Benefit	1.22	-
Other Short-term Employee Benefits	8.70	0.35
	52.90	34.44
b Other Provisions		
Provision for Taxation (net of Tax paid)	143.54	5.60
Proposed Dividend	294.25	117.70
Corporate Dividend Tax on Proposed Dividend	59.91	20.00
	497.70	143.30
	550.60	177.74

Pension: The Company has a defined contribution pension plan managed by a trust. The contribution is the differential between (a) 30% of (Basic + DA) less (b) PF + Gratuity + Post Retirement Medical Benefit Scheme and paid to the trust which is invested with LIC. Pension is paid to the Staff member who has put in a minimum qualifying period of 15 years of service on superannuation.



Notes to Financial Statements

13 Tangible Assets

In ₹ crores

	Gross Block/Cost			Depreciation			Net Block	
	As at	Addition	Deductions on account of Retirement/Reclassifications	As at	Addition	Deductions on account of Retirement/Reclassifications	As at	As at
	01-04-14			31-03-15	01-04-14		31-03-15	31-03-14
	(1)	(2)	(3)	(4)=(1+2+3)	(5)	(6)	(8)=(5+6+7)	(10)=(1-5)
LAND								
i) Land Freehold	29.38	2.48		31.86	-	-	-	29.38
ii) Land Leasehold	0.16			0.16	0.09	-	0.09	0.07
BUILDINGS								
i) RCC Frame Structure (other than factory)	128.59	5.99	(0.02)	134.56	22.96	1.95	24.90	109.66
ii) Non RCC Frame Structure (other than factory)	4.65	0.62	-	5.27	0.61	0.19	0.79	4.48
iii) FACTORY	197.93	97.62	-	295.55	51.68	8.59	60.25	235.30
iv) Fences, Wells and Tube Wells	0.60	-	-	0.60	0.11	0.40	0.51	0.09
v) Others (Temporary Structures)	1.54	-	-	1.54	0.14	1.31	1.45	0.09
BRIDGE, CULVERS, BUNKERS Etc	28.54	-	-	28.54	5.64	0.76	6.40	22.14
ROADS								
i) Carpeted Roads-RCC	13.43	0.03	-	13.46	2.44	6.87	9.31	4.15
ii) Carpeted Roads-Other than RCC	30.61	3.84	-	34.45	5.10	26.44	31.54	2.91
iii) Non Carpeted Road	6.32	-	-	6.32	1.36	4.64	6.00	0.32
PLANT & MACHINERY								
i) CONTINUOUS PROCESS PLANT/Refineries	2,372.07	321.98	(1.83)	2,692.22	1,427.66	65.80	1,492.14	1,200.08
ii) Plant and Machinery-Other than Continuous Process Plant	209.67	2.50	(0.06)	212.11	97.51	16.64	114.08	98.03
iii) Storage Tanks & Related Equipments	221.14	18.25	-	239.39	178.43	4.87	183.30	56.09
iv) Plant & Machinery (Captive Power Plants)	270.33		(0.30)	270.03	185.93	3.24	189.01	81.02
v) Plant & Machinery Used in Medical and Surgical	3.59	1.11	-	4.70	1.33	0.62	1.95	2.75
vi) Heavy Lift Equipment	17.80	-	-	17.80	15.38	0.27	15.54	2.26
RAILWAY SIDING	48.08	0.68	-	48.76	23.61	3.16	26.77	21.99
FURNITURE								
i) FURNITURE - GENERAL	7.16	1.39	-	8.55	4.48	0.98	5.38	3.17
ii) FURNITURE - Others	2.27	0.60	(0.18)	2.69	0.77	0.31	0.91	1.78
iii) FOH-to Employees	2.79	0.81	-	3.60	0.80	0.45	1.23	2.37
OFFICE EQUIPMENTS								
i) Office Equipments-General	13.50	3.74	(0.07)	17.17	4.83	5.51	10.27	6.90
ii) Mobile on Hire-to Employees	0.08	0.01	-	0.09	0.06	0.02	0.08	0.01
COMPUTERS AND DATA PROCESSING UNITS								

13 Tangible Assets (contd.)

	Gross Block/Cost			Depreciation			Net Block	
	As at	Addition	Deductions on account of Retirement/Reclassifications	As at	Addition	Deductions on account of Retirement/Reclassifications	As at	As at
	01-04-14			31-03-15	01-04-14		31-03-15	31-03-14
i) Servers and Network	15.38	0.96	(0.83)	15.51	11.32	1.58	12.11	3.40
ii) End User Devices-Desktop,Laptops,Printers etc	9.79	1.02	(0.78)	10.03	7.33	1.12	7.72	2.31
iii) PC On Hire-To Employees	0.73	0.22	-	0.95	0.31	0.22	0.52	0.43
ELECTRICAL EQUIPMENTS	42.06	8.13	(0.60)	49.59	16.84	12.97	29.37	20.22
LABORATORY EQUIPMENT	13.66	1.95	(0.52)	15.09	8.44	0.58	8.97	6.12
VEHICLES								
i) Motor Cycles,Scooters & Other Mopeds	0.17	0.01	(0.02)	0.16	0.04	0.02	0.04	0.12
ii) Motor Buses, Motor Lorries, motor cars and motor taxis	0.68	0.68	(0.35)	1.01	0.29	0.10	0.20	0.81
iii) TRUCKS / HEAVY VEHICLES,Harvesting Combines	3.32	0.51	(0.01)	3.82	2.09	0.33	2.38	1.44
iv) Electrically Operated Vehicles	-	-	-	-	-	-	-	-
Total	3,696.02	475.13	(5.57)	4,165.58	2,077.58	169.94	(4.31)	1,618.44
<i>Previous Year Figures</i>	3,588.40	111.55	(3.93)	3,696.02	1,903.44	176.48	2,077.58	1,684.96

a) Total freehold land of 1330.34 acres (1312.72 acres) includes 358.05 acres (340.43 acres) of land acquired through Government of Assam for which the process of registration is on. Out of the freehold land not yet registered 324.75 acres (324.75 acres) is disputed i.e under litigation.

b) Additions to Gross Block includes capitalisation of borrowing costs of ₹9.27 crores (₹0.05 crores).

c) Deduction from Gross Block (Column 3) includes :

- ₹1.40 crores (₹0.47 crores) on account of Write off of Physical Verification discrepancies.
- ₹4.17 crore (₹3.46 Crore) on account sale retirement, deletions and reclassifications.

d) Depreciation for the year (column 6) includes :

- Charged to Profit & Loss Account ₹ 169.51 Crore(₹ 175.91 Crore) which includes ₹45.11 Crores for assets whose useful life is over as per Schedule II of Companies Act 2013 .
 - Charged to project expenses ₹0.43 crore (₹0.57 Crore)
 - Depreciation calculated as per provision of the Companies Act 1956 would have amounted to ₹187.67 Crores.
 - Depreciation on assets given to employees has been charged as per company policy based on life of the asset envisaged as per the buy-back scheme and not as per Schedules II of Companies Act 2013. The impact of this deviation results in higher depreciation by an amount of ₹0.10 crores for the year.
 - Assets costing up to ₹5000 are depreciated fully in the year of purchase/capitalisation as per company's accounting policy and are not as per the rates prescribed by Schedule II of Companies Act 2013. The impact of this deviation results in higher depreciation by an amount of ₹0.20 crores for the year.
- e) Deduction from Depreciation(Column 7) includes :
- ₹0.92 Crore (₹0.41 Crore) on account of Write off of Physical Verification discrepancies.
 - Withdrawal of depreciation of ₹2.96 Crore (₹1.36 Crore) on account sale, deletions, retirement & reclassification.



Notes to Financial Statements

14 Intangible Assets

In ₹ crores

	Gross Block/Cost				Amortisation				Net Block	
	As at	Addition	Disposal/ adjustments	As at	As at	Addition	Disposal/ adjustments	As at	As at	As at
	01-04-14			31-03-15	01-04-14			31-03-15	31-03-15	31-03-14
Computer Software (SAP Implementation cost)	8.34	-	-	8.34	8.34	-	-	8.34	-	-
Computer Software (Aspen PIMS)	3.49	0.12	-	3.61	1.80	0.72	-	2.52	1.09	1.69
Licenses - SAP Upgradation (For SAP upgradation, Process plants, etc)	13.94	0.01	-	13.95	9.93	2.26	-	12.19	1.76	4.02
Total	25.77	0.13	-	25.90	20.07	2.98	-	23.05	2.85	5.71
Previous Year Figures	22.63	3.14	-	25.77	16.97	3.10	-	20.07	5.71	5.66

Amortisation for the year includes:

(i) Charged to the Statement of Profit & Loss ₹2.98 Crores(₹3.10 Crores)

15 Capital work-in-progress

In ₹ crores

	31-03-15	31-03-14
Work-in-progress	409.84	564.49
Assets held for sale	1.69	3.35
Less : Provision for Capital Losses	(0.47)	(2.15)
	411.06	565.69
Capital Stores	1.32	8.49
Capital goods in transit	4.61	8.48
	416.99	582.66
Construction period expenses pending allocation		
Opening balance	23.69	12.19
Add: Expenditure during the year		-
Establishment charges	4.43	3.35
Depreciation	0.43	0.57
Finance Cost	13.20	9.30
	41.75	25.41
Less : Allocated to assets during the year	33.99	1.72
Closing balance	7.76	23.69
Total	424.75	606.35

Notes to Financial Statements

16 Non Current Investment

			<i>In ₹ crores</i>	
	Number of Shares	Face Value ₹	31-03-15	31-03-14
Trade Investment (valued at cost unless stated otherwise)				
Investments in Equity Instruments (Unquoted)				
Brahmaputra Cracker and Polymer Ltd.	126,900,010	10	126.90	113.29
Investments in associates				
DNP Limited	43,490,000	10	43.49	43.49
Other Investments			-	-
			170.39	156.78

NRL holds 10% share in Brahmaputra Cracker and Polymer Limited.

DNP Limited is an associate company of Numaligarh Refinery Limited (NRL). NRL holds 26% shares in DNP Limited.

17 Long-Term Loans and Advances

(Unsecured, considered good unless otherwise stated)

	<i>In ₹ crores</i>	
	31-03-15	31-03-14
Capital Advances	2.30	11.41
Security Deposits	3.95	4.25
Loans and advances to employees (secured)	45.06	40.74
Advance for investment	-	13.61
Other Loans and advances	-	-
Considered good	0.17	0.03
	51.48	70.04

Advance for investment is made towards equity shares of:

Brahmaputra Cracker and Polymer Limited (Pending Allotment)	-	13.61
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18 Other Non-Current Assets

(Unsecured, considered good unless otherwise stated)

	<i>In ₹ crores</i>	
	31-03-15	31-03-14
Non Current Bank Balances	-	-
Long Term Trade Receivables	-	-

19 Current Investments

	<i>In ₹ crores</i>	
	31-03-15	31-03-14
Valued at cost or fair value unless stated otherwise		
Investments in Mutual Funds (Non-Trade, Quoted)	236.80	53.05
	236.80	53.05



Notes to Financial Statements

20 Inventories

(refer note 2.8 for valuation policy)

In ₹ crores

	31-03-15	31-03-14
Raw materials	280.90	257.71
Stock in process	47.04	64.22
Finished products	1,190.50	961.64
Stores and spares	167.91	147.40
Less: Provision for losses	(90.13)	(81.45)
Stores and spares in Transit	2.29	0.31
	1,598.51	1,349.83

21 Trade Receivables

In ₹ crores

	31-03-15	31-03-14
Unsecured		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	0.85	13.35
Considered doubtful	0.11	0.11
Provision for doubtful receivables	(0.11)	(0.11)
	0.85	13.35
Other receivables		
Considered good	1,236.03	265.01
Considered doubtful	-	-
	1,236.03	265.01
	1,236.88	278.36

22 Cash & Cash equivalents

In ₹ crores

	31-03-15	31-03-14
Cash & Cash Equivalents		
Balances with bank		
On current accounts	33.64	0.05
Deposits with original maturity of less than three months	1,020.00	965.00
Other earmarked balances with bank	0.09	0.09
Cash on hand	0.01	0.01
	1,053.74	965.15

Notes to Financial Statements

23 Short-Term Loans and Advances

(Unsecured, considered good unless otherwise stated)

In ₹ crores

	31-03-15	31-03-14
Security Deposits	1.34	1.34
Loans and advances to employees (secured)	4.41	3.82
Other loans and advances		-
Considered good	4.83	1.03
Considered doubtful	1.56	1.20
Less: Provision for doubtful advances	(1.56)	(1.20)
Prepaid expenses	0.64	0.54
Claims Receivable		
Considered good	59.73	49.20
Considered doubtful	2.04	2.23
Less: Provision for doubtful claims	(2.04)	(2.23)
Deposits with Customs, Excise, etc.(net)	26.19	27.78
Advance Income Tax (net of provision for taxation)	66.03	70.08
	163.17	153.79

24 Other Current Assets

In ₹ crores

	31-03-15	31-03-14
Interest accrued but not due on Bank Deposits	13.81	9.20
Unamortised premium on forward contract	1.29	0.97
Other Receivables	26.80	35.93
Gratuity	0.48	3.77
Post Retirement Medical Benefit	-	1.15
	42.38	51.02

25 Revenue from operations

In ₹ crores

	31-03-15	31-03-14
a) Sale of Products (Gross)	10,823.41	9,872.15
b) Other Operating Revenue	3.64	4.61
	10,827.05	9,876.76
c) Less: Excise Duty	(964.63)	(621.67)
	9,862.42	9,255.09



Notes to Financial Statements

26 Other Income

	<i>In ₹ crores</i>	
	31-03-15	31-03-14
Interest Income		
On Bank Deposits	43.00	18.88
On Current Investments	-	-
Others	3.09	2.75
Dividend Income		
On Current Investments	13.25	9.44
On Long term Investments	0.31	0.49
Net gain/(loss) on sale of investment	-	-
Other non-operating income	12.63	12.98
Write back of liabilities/provisions no longer required	0.03	5.60
Foreign Exchange Fluctuations (net)	1.47	-
	73.78	50.14

27 Cost of material consumed

	<i>In ₹ crores</i>	
	31-03-15	31-03-14
Opening Stock	257.70	133.39
Add : Purchases	7,728.08	7,885.40
	7,985.78	8,018.79
Less : Closing Stock	280.90	257.70
Cost of material consumed	7,704.88	7,761.09
Details of raw material consumed		
Crude Oil	7,008.45	7,177.10
MTBE and Reformate	562.89	457.91
Natural Gas	133.54	126.08
	7,704.88	7,761.09

Notes to Financial Statements

28 Changes in inventories of finished goods and work in progress

In ₹ crores

	31-03-15	31-03-14
Value of closing stock of		
Finished goods	1,190.50	960.25
Stock in process	47.04	65.60
	1,237.54	1,025.85
Less:		
Value of opening stock of		
Finished goods	961.63	930.91
Stock in process	64.22	81.56
	1,025.85	1,012.47
	211.69	13.38

29 Employee benefits expenses

In ₹ crores

	31-03-15	31-03-14
Salaries and wages	105.04	88.51
Contribution to provident fund and other funds	20.07	18.31
Contribution to gratuity fund	3.29	-
Bonus	14.04	14.13
Leave Encashment	12.56	4.33
Welfare expenses	23.60	19.25
	178.60	144.53

30 Finance costs

In ₹ crores

	31-03-15	31-03-14
Interest expense on loans	7.85	30.20
Interest expense others	7.77	0.19
Other borrowing costs	0.15	0.20
Applicable net loss on foreign currency transactions and translations	20.57	11.32
	36.34	41.91



Notes to Financial Statements

31 Other expenses

In ₹ crores

	31-03-15	31-03-14
Power and Fuel	220.51	167.95
Less:Consumption of fuel out of own production	(16.42)	(21.32)
Power and Fuel (net)	204.09	146.63
Consumption of stores, spares and materials	26.66	26.19
Rent	3.49	3.28
Other Duties and taxes	87.11	84.05
Transportation	214.49	194.29
Repairs to buildings	0.67	0.56
Repairs to machinery	41.10	17.72
Repairs others	50.36	45.23
Insurance	7.22	6.88
Rates and taxes, excluding taxes on income	1.48	0.83
Payment to Auditor as Auditor	0.07	0.07
Payment to Auditor for other services	0.02	0.01
Payment to Auditor for reimbursement of expenses	0.01	0.01
Utilities	4.70	4.38
Facility hire charges	6.83	5.28
Travelling and conveyance	15.06	13.15
Communication expenses	0.51	0.53
Others	43.54	40.15
Increase/(Decrease) in Excise Duty on inventory differential	61.88	2.60
Loss on sale/write off of Fixed Assets (net)	1.69	-
Loss on sale of Stores (net)	5.74	1.43
Foreign Exchange Fluctuations (net)	2.74	16.88
Provision for Stores	8.68	2.86
Provision for Doubtful Debts, Advances and Claims	0.50	1.18
Provision for Litigation cases	125.41	10.00
Expenses on CSR activities	7.79	5.18
Charity and donation	0.20	0.20
	922.04	629.57

Notes to Financial Statements

32 Extraordinary Items

In ₹ crores

	31-03-15	31-03-14
Loss on account of fire	(1.12)	8.98
	(1.12)	8.98

Claim on account of Loss due to fire on 31st May 2013 in the Crude Distillation Unit/Vacuum Distillation Unit of the Refinery has been settled by the Insurance company and the differential between the amount of claim provisionally recognized earlier and the amount settled has been recognized (net-off expenses).

33 Prior period items (net)

In ₹ crores

	31-03-15	31-03-14
Consumption of Stores	-	-
Employee Cost - Post Retirement Medical Benefit	-	-
Other operating and administration expenses	-	(9.13)
Depreciation and amortisation expense	-	-
	-	(9.13)

- 34** Provision for taxation for the period Apr-Mar 2015 amounting to ₹438.11 crores (previous period ₹205.84 crores) has been made as per normal provisions of the Income Tax Act.

35 Earnings per equity share

In ₹ crores

	31-03-15	31-03-14
Face value ₹10/- each		
Net Profit as per Profit and Loss account available to Equity Shareholders	718.31	371.09
Weighted average number of Equity Shares outstanding during the year	735,631,544	735,631,544
Basic earnings per share (₹)	9.76	5.04
Diluted earnings per share (₹)	9.76	5.04

- 36 Segment Reporting:** The company operates in a single segment-Refining and Marketing activities i.e., downstream petroleum sector. Considering the nature of business and operation, there is no reportable segment (business and/or geographical) in accordance with the requirements of Accounting Standard-17 "Segment Reporting".
- 37 Impairment of Assets:** As per Accounting Standard -28 "Impairment of Assets", the company has assessed the recoverable amount of the relevant assets and found that no impairment exists in relation to its assets as on 31st March 2015.



Notes to Financial Statements

38 Related Party Disclosures as per Accounting Standard 18:

Key Management Personnel (Whole time Directors)	Mr. P. Padmanabhan	Managing Director
	Mr. Sona Ram Medhi	Director (Technical)
	Mr. Saumendra Kumar Barua	Director (Finance)

Remuneration to Key Managerial Personnel:	31-Mar-15	31-Mar-14
Salary and Allowances	0.70	0.69
Contribution to Provident Fund & other funds	0.15	0.14
Other benefits	0.38	0.45
Total	1.23	1.28

- 39** The company has taken operating lease of product tanks from IMC Limited for 12 - 36 months duration with renewable option and lease rent amounting to ₹8.52 crore (previous years ₹7.98 crore) which has been debited to the Statement of Profit and Loss. The future minimum lease payment is as under:

	31-Mar-15	31-Mar-14
Not later than one year	8.98	8.49
Later than one year and not later than five years	7.74	16.12
Later than five years	-	-

- 40** An amount of ₹87.11 crores (Previous year ₹84.05 crores) has been charged to the Statement of Profit and Loss towards under recovery of Central Sales Tax (CST) on petroleum products.

- 41** The company has numerous transactions with other oil companies, which are reconciled on an ongoing basis and are subject to confirmation.

- 42** Ministry of Petroleum & Natural Gas (MOP & NG) vide letter No: P-20012/16/2008-PP (Vol.II) dated 20th June 2012 advised Petroleum Planning & Analysis Cell (PPAC) to include Assam Crude Oil quantity supplied to Numaligarh Refinery Ltd. (NRL) for upstream discount due to Bharat Petroleum Corporation Ltd. (BPCL). Accordingly, PPAC on a quarterly basis has intimated the ₹ per bbl crude oil discount rate for the year 2014-15 to be passed on by Oil India Ltd. (OIL) and Oil and Natural Gas Corporation Ltd. (ONGC) to NRL. Accordingly NRL has received upstream crude oil discount amounting to ₹3,919.46 crores (Previous year ₹5738.13 crores) from OIL / ONGC which has been subsequently passed on by NRL to BPCL through sale of products.

- 43** Pending finalization of the Crude Oil Sales Agreement (COSA), purchases of Crude Oil from Oil India Limited (OIL) and Oil and Natural Gas Corporation Limited (ONGC) have been accounted for as per the Benchmark price of crude oil in the financial year 2014-15 in line with financial year 2013-14.

To augment crude availability of north-east refineries, imported crude is brought in to IOCL Bongaigaon Refinery and the transportation cost and other incidentals thereof is being shared by all four North-East (NE) refineries as per mutual agreement. The company's share of the transportation cost and other incidentals thereof has been included in crude cost as well as for valuation of the closing inventory.

- 44** As on 31st March 2015, the Company has a stock of approximately 800 kgs of spent catalyst (scrap), which contains approximately 2.632 kgs of platinum.

Notes to Financial Statements

45 In compliance of Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets, the required information is as under:

In ₹ crores

Nature	Opening Balance	Additions during the year	Utilisation during the year	Reversal during the year	Closing Balance
Entry Tax	144.53	106.36	-	-	250.89
Sales Tax		17.81	-	-	17.81
Excise Duty		1.24	-	-	1.24
Legal Cases	10.00	-	10.00	-	-
Total	154.53	125.41	10.00		269.94
<i>Previous year</i>	<i>144.53</i>	<i>10.00</i>			<i>154.53</i>

Provision for Entry Tax represents an amount of ₹194.53 crores towards Assam Entry Tax for the period November 2006 to May 2008, which has been disputed by the Company and a Writ Petition (Civil) has been filed before the Hon'ble Supreme Court of India. Based on the Writ Petition, the Court has directed the Assessing Authority to assess the liability for the aforesaid period which was assessed at ₹194.53 crores. The Court vide interim Order dated 04.02.2010 has directed the Company to pay, under protest, to the State a sum of ₹50 crores which the Company has deposited under protest to the tax authority. Additions during the year for Entry Tax is the Interest amount which was not considered earlier. The applicability of Interest was reviewed and based on some recent court judgments and opinion the interest element on the Entry Tax amount commencing from 28th February 2011 (i.e. the effective date when the provisions of levy of interest under the Assam Value Added Tax Act 2003 was incorporated) till 31st March 2015 amounting to ₹106.35 Crores has been provided.

Provision for Sales Tax includes an amount of ₹17.47 crores as penalty for non submission of waybill as required under West Bengal VAT Act based on some recent court judgments and opinion.

Provision for Excise Duty represents an amount of ₹1.24 crores against demand raised on Cenvat availed by the company on outward transportation of final products from place of removal.

Against Provision for Legal cases, the Company has paid the amount of ₹10.00 crores provided for last year in the current year after finalization of the award.

The above provisions are made based on estimates and the expected timing of outflow is not ascertainable at this stage.

46 Disclosure as per requirements of Accounting Standard 15 - "Employee Benefits"

The Company's contribution to Provident Fund is remitted to Employees Provident Fund on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss.

Gratuity: The Company has a defined benefit gratuity plan managed by a trust. The contribution based upon actuarial valuation is paid to the trust which is invested with LIC. Gratuity is paid to the Staff member who has put in a minimum qualifying period of 5 years of continuous service on superannuation, resignation, termination or to his nominee on death.



Notes to Financial Statements

Leave Encashment: The Employees are entitled to accumulate Earned Leave and Half Pay Leave, which can be availed during the service period. Employees are also allowed to encash the accumulated Earned Leave during the service period and resignation. Further, the accumulated Earned Leave and Half Pay Leave can be encashed by the employees on superannuation or by nominee on death.

Other defined benefits: These are :

- Long Service Award
- Post Retirement Medical Benefit Scheme (managed by a trust) to employees, spouse, dependent children and dependent parents.
- Resettlement allowance paid to employees to permanently settle down at a place other than the location of last posting at the time of retirement.

₹ in Crore

Reconciliation of balances of Defined Benefit Obligations	Gratuity Funded		Post Retirement Medical Benefit Funded		Long Service Award Non Funded		Leave Encashment Non Funded		Resettlement Allowance Non Funded	
	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14
Defined Obligations at the beginning of the year	21.82	22.46	16.21	16.00	6.63	7.36	30.81	29.86	1.73	2.16
Interest Cost	2.03	1.79	1.51	1.28	0.62	0.59	2.87	2.39	0.16	0.17
Current Service Cost	0.20	0.37	1.23	1.22	0.47	0.47	0.67	0.74	0.22	0.20
Benefits paid	(0.60)	(0.36)	(0.23)	(0.11)	(0.49)	(0.03)	(3.52)	(3.38)	(0.42)	(0.30)
Actuarial (Gains)/ Losses on obligations	3.47	(2.44)	1.29	(2.18)	0.19	(1.76)	9.02	1.20	0.48	(0.50)
Defined Obligations at the end of the year	26.92	21.82	20.01	16.21	7.42	6.63	39.85	30.81	2.17	1.73

Reconciliation of balances of Fair Value of Plan Assets in respect of Gratuity/ Post Retirement Medical Benefit Fund				
	31-03-15	31-03-14	31-03-15	31-03-14
Fair Value at the beginning of the year	25.59	23.80	17.36	-
Expected Return	2.38	1.90	1.62	-
Actuarial Gain/(Losses)	0.03	0.25	0.04	0.87
Actual return on Plan assets		2.15		0.87
Contribution by employer	-	-		16.60
Benefits paid	(0.60)	(0.36)	(0.23)	(0.11)
Fair Value of Plan Assets at the end of the year	27.40	25.59	18.79	17.36

Notes to Financial Statements

Reconciliation of balances of Defined Benefit Obligations	Gratuity Funded		Post Retirement Medical Benefit Funded		Long Service Award Non Funded		Leave Encashment Non Funded		Resettlement Allowance Non Funded	
Amount recognised in Balance Sheet										
	(0.48)	(3.77)	1.22	(1.15)	7.42	6.63	39.85	30.81	2.17	1.73

Amount recognised in the Statement of Profit and Loss										
Current Service Cost	0.20	0.37	1.23	1.22	0.47	0.47	0.67	0.74	0.22	0.20
Interest Cost	(0.35)	1.79	(0.11)	1.28	0.62	0.59	2.87	2.39	0.16	0.17
Expected Return on Plan Assets	-	(1.90)	-	(0.87)	-	-	-	-	-	-
Actuarial (Gains)/ Losses	3.44	(2.69)	1.25	(2.18)	0.19	(1.76)	9.02	1.20	0.48	(0.50)
Expenses for the period	3.29	(2.43)	2.37	(0.55)	1.28	(0.70)	12.56	4.33	0.86	(0.13)

Major Actuarial Assumptions										
Discount Rate	7.99%	9.31%	7.99%	9.31%	7.99%	9.31%	7.99%	9.31%	7.99%	9.31%
Salary Escalation / Inflation	8.00%	8.00%	8.00%	8.00%	8.00%	7.00%	8.00%	8.00%	8.00%	8.00%
Attrition Rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Expected Return on Plan Assets	7.99%	9.31%	7.99%	9.31%	-	-	-	-	-	-

Investment pattern for Gratuity Fund	31-03-15	31-03-14	31-03-15	31-03-14
Category of Asset	%	%	%	%
Government of India Asset	-	-	-	-
Corporate Bonds	-	-	-	-
Special Deposit Scheme	-	-	-	-
State Government	-	-	-	-
Others	100	100	100	100
Total	100	100	100	100

As per our best estimate, ₹ Nil crores is expected to be paid to the Gratuity Fund as contribution in the year 2015-16.

Effect of Increase / Decrease of 1% in assumed medical cost trend to the Post Retirement Medical Liability:

	31-03-15	31-03-14
Change in Liability for : 1% increase in Discount Rate	1.33	0.91
Change in Liability for : 1% decrease in Discount Rate	(1.63)	(1.33)

The estimate for future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation.



Notes to Financial Statements

47 Commitments and Contingent Liabilities:

In ₹ crores

	31-03-15	31-03-14
Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net off Advance)	72.25	168.03
Commitments relating to lease arrangements	16.72	24.61
Contingent Liabilities :		
Claims against the Company not acknowledged as debts :		
Claim by contractors Arbitration cases/other extra claims on capital account	106.29	113.90
Land matters	-	-
In respect of taxation matters:		
Excise Duty Matters	269.23	264.14
Service Tax Matters	2.09	2.01
Sales Tax Matters	29.75	61.55
Income Tax Matters	-	-
Entry Tax Matters	113.51	165.41
ESI Matter	1.86	1.86
Guarantees:		
Guarantees in favour of Oil Industry Development Board and GAIL (India) Ltd. for long term loans extended to BCP Ltd.	52.16	60.17

48 Derivative Instruments and unhedged foreign currency exposure:

a. Derivatives outstanding as at the reporting date					
Particulars	Purpose	31-03-15		31-03-14	
		USD million	₹ crores	USD million	₹ crores
Forward contracts to buy USD	Hedge of Buyers Credit Loan (Short Term)	14.62	91.51	16.13	96.95
b. Particulars of unhedged foreign currency exposures as at reporting date					
Particulars		USD million	₹ crores	USD million	₹ crores
Buyers Credit Loan (Short Term)		11.75	73.51	21.55	129.54
c. Mark-to-Market losses					
Mark-to-Market losses provided for			0.53		2.45

49 Value of imports calculated on C.I.F. basis :

	31-03-15	31-03-14
Raw Materials	464.32	414.64
Components and spare parts	11.20	14.19
Capital goods	15.53	141.26

Notes to Financial Statements

50 Expenditure in foreign currency :

	31-03-15	31-03-14
Royalty	-	-
Know-how	2.42	0.20
Professional Consultancy Fees	0.11	1.67
Purchase of products	471.03	546.87
Other matters		
i) Travelling	0.75	-
ii) Others	1.09	-

51 Value of raw materials, stores/spare parts and components including chemicals & catalysts consumed (on derived basis) :

	Imported		Indigenous		Total
	In ₹ crores	%	In ₹ crores	%	In ₹ crores
Crude Oil	-	-	7,008.45	100.00	7,008.45
	-	-	(7,177.10)	100.00	(7,177.10)
MTBE and Reformate	562.89	100.00	-	-	562.89
	(457.91)	100.00		-	(457.91)
Natural Gas	-	-	133.54	100.00	133.54
	-	-	(126.08)	100.00	(126.08)
Stores/Spare parts and Components (including chemicals & catalysts)	6.13	22.99	20.53	77.01	26.66
	(4.35)	16.61	(21.84)	83.39	(26.19)

52 Earnings in foreign currency (accrual basis)

	31-3-15	31-3-14
Exports at F.O.B. Value	Nil	Nil

53 Previous year figures

Previous year figures have been reclassified / regrouped to conforms to current year's classification.

Signature to Notes '1' to '53'

As per our report of even date
For Ghoshal & Ghosal
Chartered Accountants
Firm Registration No.304013E
Sd/-
CA. P.K. Mitra
Partner
Membership No. 050716

Place: New Delhi
Date : 22nd May 2015

For and on behalf of the Board of Directors

Sd/-
P. Padmanabhan
Managing Director

Sd/-
S.K. Barua
Director (Finance)

Sd/-
H. K. Sarmah
Company Secretary

Place: New Delhi
Date : 22nd May 2015



Independent Auditor's Report

(Consolidated)

Independent Auditors' Report

To
The Members of
Numaligarh Refinery Limited

Report on the Consolidated Financial Statements

On the basis of the audit queries made by the Comptroller & Auditor General of India, this revised audit report has been prepared in lieu of the earlier report dated 22nd May, 2015 to comply with the directions issued by the Comptroller & Auditor General of India.

We have audited the accompanying consolidated financial statements of **NUMALIGARH REFINERY LIMITED** ("The Company") and its associate, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "The Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "The Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors and of its Associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its Associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Company including its associate as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statements / financial information of one associate, whose financial statements / financial information reflect total assets of ₹24.48 crores as at 31st March, 2015, total revenues of ₹17.01 crores and net cash flows amounting to ₹0.33 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the associate's share of net profit of ₹1.45 crores for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of one associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by an other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid associate, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Company and its Associate Company incorporated in India, we give in the Annexure-I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Company as on 31st March, 2015 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of the Company along with its Associate Company incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its associate. -Ref. Note 49 to the financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.- Ref. Note 50(c) to the financial statements.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company and its associate company incorporated in India.

Report pursuant to directions issued by office of C & AG u/s 143(5) of the Companies Act, 2013

Report pursuant to directions issued by Comptroller & Auditor General of India as per section 143(5) of the Companies Act, 2013 has been reported vide Annexure-II attached.

For **GHOSHAL & GHOSAL**

Chartered Accountants

Firm registration No. 304013E

Sd/-

CA. P.K. MITRA

Partner

Membership No. 050716

Place: Kolkata

Date : 26th June 2015



Annexures to Independent Auditor's Report (Consolidated)

Annexure-I to Independent Auditors' Report

The Annexure referred to in paragraph 1 under the heading " Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report to the members of the Company and its Associate on the consolidated financial statements for the year ended 31st March 2015, we report that :

1. (a) The Company and its Associate have maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
(b) The fixed assets of the Company has been physically verified by the management in a phased manner designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and its Associate and nature of its assets. Pursuant to the programme, of verification the other fixed assets (Buildings, Plant & Machineries, Tanks & Pipelines, Railway Siding, Dispensing Tanks & Pumps & Vehicles) have been physically verified by the management during the year and the discrepancies noticed between book records and physical inventory, though not significant, have been duly adjusted in the books of account. In respect of the associate, the major items of fixed assets have been physically verified by the management at periodic intervals, which in our opinion is reasonable having regards to the size of the company and the nature of its fixed assets, and no material discrepancies have been noticed on such verification.
2. (a) As explained to us the inventories of Finished Goods, Raw Materials and Stores and Spares except those lying with contractors / third parties have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
(b) In accordance with the information and explanations given to us, the procedures of physical verification of inventory followed by the management appear to be reasonable and adequate in relation to the size of the Company and its Associate and the nature of its business.
(c) On the basis of our examination of the inventory records, in our opinion, the Company and its Associate have maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared with book records were not material considering the size of the company and the nature of its business and the same have been properly adjusted in the accounts.
3. The Company and its Associate have not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('The Act').
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and its Associate and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. We have not observed any major weaknesses or continuing failure to correct any major weakness in the internal control system.
5. According to information and explanations given to us, the Company and its Associate have not accepted any deposits from the Public.
6. We have broadly reviewed the books of account maintained by the Company and its Associate pursuant to the rules made by the Central Government for the maintenance of Cost Records under Sec. 148(1) of the Companies Act, 2013 and we are of the opinion that, prima facie, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the same.
7. (a) According to the records of the Company and its Associate and information and explanations given to us, the Company and its Associate is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues with the appropriate authorities.
(b) According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid statutory dues were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
(c) According to the records of the Company and its Associate and the information and explanations given to us, the following are the details of disputed dues in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess as on 31st March, 2015:



Name of the Statute	Nature of Dues	Since when Pending	Amount (₹ in Crore)	Where Dispute is Pending
The C. Excise Act, 1944 (Excise Duty including Penalty and Interest)	Adoption of lower Transaction Value for OMCs -IOC/HPC/IBP on HSD & MS other than BPCL.	28-03-2013	100.00	Deptt.'s appeal against favorable order to NRL is pending before CESTAT, Kolkata
	disallowing Cenvat Credit of Refinery Project	29-03-2010	60.14	CESTAT Kolkata
	Adoption of lower transaction value on sales to Oil Marketing Companies (other than BPCL)	18-12-2013	0.62	CESTAT Kolkata
	Interest on Erroneous AED Refund	28-02-2011	73.16	CESTAT Kolkata
	Duty on Intermingling Loss of SKO in Pipeline Transportation	20-12-2013	35.31	CESTAT Kolkata
The Finance Act relating to Service Tax	non-payment of Service Tax on Foreign Services..	08-02-2008	1.75	CESTAT Kolkata
The Finance Act relating to Service Tax	levy of ST on License Fee Recovery (LFR) received from Retail Outlet Dealers	05-03-2014	0.34	Commissioner of Central Excise (Appeal) Guwahati
Sales tax	Revision of Assessment Order on Input Tax Credit	20-05-2014	5.08	Commissioner Appeal Chandigarh Tribunal
Chandigarh Taxation Tribunal				
Chandigarh Taxation Tribunal	Revision of Assessment Order on Input Tax Credit	20-05-2014	2.37	Commissioner Appeal Chandigarh Tribunal
West Bengal Value Added Tax Act'2003	Demand against suppressed sale	05.02.2015	17.45	West Bengal Taxation Tribunal
West Bengal Value Added Tax Act'2003	Demand for non-submission of 'C' Forms	03-07-2014	0.74	W B Revision Board
West Bengal Value Added Tax Act'2003	Demand for submission of lesser value of 'C' Forms	19-02-2015	0.09	Additional Commissioner (Appeal)
West Bengal Value Added Tax Act'2003	Demand against wrong valuation of Closing Stock	03-07-2014	3.65	Additional Commissioner (Appeal)
Assam Sales Tax	Demand for non-submission of 'C' Forms	31-03-2014	0.05	Asst. Commissioner of Sales Tax Assam
Chandigarh Tribunal	Demand for non-submission of 'C' Forms	21-08-2014	0.33	Joint Commissioner (Appeal)
Entry Tax	Entry Tax	Nov-06	107.89	Supreme Court
The Assam Entry Tax Act				
The Assam Entry Tax Act				
	Entry Tax	2011-12	5.62	Asst. Commissioner of Sales Tax Assam

Name of the Stat-ute	Nature of Dues	Since when Pending	Amount (₹ in Crore)	Where Dispute is Pending
ESI Matters	Demand Notice received from ESI u/s 45A towards contribution payable in respect of the employee of factory/establishment from June 2008 to march 2010	26-07-2010	1.86	ESI Court Guwahati
Service Tax (related to Associate Com-pany)	Demand relating to non-payment of Service Tax	31-03-2015	0.11	Commissioner of Central Ex-cise & Service Tax, Dibrugarh

- (d) According to the information and explanations given to us, no amount was required to be transferred to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 (1 of 1956) and Rules made there under.
8. The Company and its Associate does not have any accumulated losses as at 31st March, 2015 and has not incurred any cash losses in the financial year ended on that date or in the immediate preceding financial year.
 9. Based on our audit procedures and the information and explanations given to us, the Company and its Associate have not defaulted in repayment of dues to any financial institution or bank. The Company and its Associate have not issued debentures.
 10. According to the information and explanations given to us, by the Company and its Associate the Company has given Corporate Guarantees for ` 36.34 crores and ` 27.78 crores for loans taken by Brahmaputra Cracker and Polymer Ltd. from Oil Industry Development Board (OIDB) and GAIL(INDIA) Limited respectively, the terms and conditions of which are, prima facie, not prejudicial to the interest of the company, while the Associate has not given any such guarantee.
 11. According to information and explanations given to us, the term loans have, prima facie, been applied for the purpose for which the loans were obtained.
 12. According to the information and explanations given to us and representation obtained from the management, no material fraud on or by the Company and its Associate has been noticed or reported during the course of our audit.



Annexure-II to Independent Auditors' Report

Report pursuant to directions issued by office of C & AG u/s 143(5) of the Companies Act, 2013

Sl. No.	Directions	Remarks
1.	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process.	As informed the Company and its Associate has not been selected for disinvestment, hence the question of giving a complete status report in terms of valuation of assets (including intangible assets and land) and Liabilities (including Committed & General Reserve) does not arise.
2.	Please report whether there are any cases of wavier/writeoff of debts/loan/interest etc., if yes, the reasons there for and the amount involved	We have not come across any cases of wavier/write off of debts/loan/interest etc. in respect to the Company and its Associate. However, ₹1.55 crores incurred by the company in 29 LOI locations have been written off during the year as these locations would not be taken over by BPCL as approved by the Board of Directors of the Company in its 6 th Meeting held on 19 th January, 2015
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government of other authorities.	As informed by the management of the Company and based on records examined, proper records are maintained by the Company for the inventories lying with third parties. As informed there is no inventories of the Associate lying with 3 rd parties. As informed by the management and based on records examined, the Company and its Associate has not received any gift from Govt. or Other Authorities
4.	A report on age wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	The age wise analysis of major pending legal/ arbitration cases is enclosed in Annexure II (A) The Company and its Associate has an adequate monitoring mechanism for legal arbitration cases.
5.	Examine the accounting treatment in relation to transaction with the holding company especially with reference to the transaction relating to the handing over of retail outlets to BPCL.	The accounting treatment between the Company and BPCL relating to handing over of retail outlets have been examined by us and found the same to be in order.

Appendix II (A) to Independent Auditors' Report

Details of Major pending legal/arbitration cases

Sl. No	Party / (Vs)	Year of commencement	Particulars/ issue	Pending with	Present Status
1	Indiana Conveyors Ltd Vs NRL	2000	Nonpayment of extra claim for Supply of Petroleum Coke Handling System & Installation and Commissioning at NRL.	Arbitration before Justice Chittotosh Mookerjee & two others	Cross examination NRL's witness
2	Valecha Engineering Vs NRL	2008	For termination of contract of Site development works for Siliguri Marketing Terminal Project of NRL.	Arbitration before Justice B.N. Shrikrishna & two others	Evidence stage. Initiated for amicable settlement.
3	Nogen Gogoi Vs NRL (Case No. 1)	2009	Nonpayment of extra wage as per wage revision for Construction of Car Shed near 60 B-Type Quarters at NRL Township.	Arbitration before Mr. D. Ghosh (in-house Arbitrator)	Initiated for amicable settlement.
4	Nogen Gogoi Vs NRL (Case No. 2)	2009	Nonpayment as per wage revision for Provision of ground clearance for FW Header in offsite area.	Arbitration before Mr. D. Ghosh (in-house Arbitrator)	Initiated for amicable. Subject to CFD approval
5	Nogen Gogoi Vs NRL (Case No. 3)	2011	Nonpayment as per wage revision for Development of Play Ground & Construction of Pavilion Building at NRL Township.	Arbitration before Mr. D. Ghosh (in-house Arbitrator)	Board has approved the proposal for amicable settlement
6	Ganesh Tamuli Engineering Pvt. Ltd Vs NRL	2010	Nonpayment of balance arrear revised wage for Construction of 36 units B type quarters at NRL township". (Group – I).	Arbitration before Mr. A.K. Bhattacharya (in-house Arbitrator)	Both parties have filed a joint petition for passing an award on amicable settlement.
7	Bright Construction Corporation Vs NRL	2011	Nonpayment as per wage revision for Construction of Additional B-Type quarters at CISF Complex, NRL	Arbitration before Mr. P.K. Barua (in-house Arbitrator)	Cross examination of NRL's witness Sri Gautam Kr. Das, M (Proj.).
8	NRL Vs Daelim Industrial Company Ltd.	2011	For retention money of Co-generation power plant. NRL challenged the Arbitral award dated 22.8.2011.	Misc. (Arbitration) D.J. Golaghat Court	Argument started by NRL.
9	NRL Vs Ranjul Baruah	2005	NRL challenge Arbitral award dated 07.08.2005 issue is related to nonpayment of extra claim for Site grading & Road Phase -I Part – III (A).	Misc. (Arbitration) D.J. Kamrup, Guwahati	Hearing stage.
10	NRL Vs Ranjul Baruah	2005	NRL challenge Arbitral award dated 08.08.2005. Issue is related to nonpayment of extra claim for Construction of Ware House Part- B..	Misc. (Arbitration) D.J. Kamrup, Guwahati	Hearing stage.
11	ECOS Engineering Vs NRL	2008	ECOS has challenged the Arbitral award dated 16.07.2008. Issue is related to Nonpayment for Hiring 4 Nos. Tyre Mounted Cranes.	Misc. (Arbitration) D.J. Kamrup	Hearing stage.



Sl. No	Party / (Vs)	Year of commencement	Particulars/ issue	Pending with	Present Status
12	NRL Vs Biswajit	2012	Transit loss of product for default of Tank Lorry Transporters.	Money Suit D.J. Golaghat Court	Evidence stage
13	NRL Vs Rofique Ahmed	2012	Transit loss of product for default of Tank Lorry Transporters.	Money Suit D.J. Golaghat Court	Evidence stage
14	NRL Vs Manab Gogoi	2012	Transit loss of product for default of Tank Lorry Transporters.	Money Suit D. J. Golaghat Court	Decree has been passed in favour of NRL. NRL will file execution case
15	Jitumani Saikia Vs DPS & NRL	2014	Compensation for illegal eviction.	Title Suit A.D.J. Golaghat Court	Hearing stage
16	Siwal Project Pvt Ltd Vs M/s. Jaisakti Associates and NRL	2014	Payment relating to the sub- vendor for the work Terrace beautification & modification of OPD Area and emergency area at CKNRL Hospital.	Money Suit A.D.J. Kamrup, Guwahati	NRL filed a petition for depositing the alleged amount
17	NRL Vs Kuldeep Kaur Bajaj	2000	Non refund of the security deposit for Delhi Guest House.	Title Suit D. J. Tis Hazari Court, Delhi	Decree has been passed in favour of NRL. NRL will file Execution Case.
18	State Vs M/s. Steelelex India	2014	Lifting of unauthorized Scrap Matter.	Criminal Case Golaghat Police Station	Charge sheet yet to be submitted by Golaghat Police
19	NRL Vs Ranjul Baruah	2005	Nonpayment of extra amount for Construction of Dyke wall, Firewall and Lining of Storm Water Drains. NRL has filed appeal against the award dated 28.11.2005.	Arbitration Appeal Gauhati H.C	Hearing stage.
20	M/s Green View Tea & Industries Vs NRL	1995	Payment of balance compensation for land acquisition.	Appeal Gauhati H.C	Decree has been passed against NRL. NRL preferred an appeal.
21	Powal Ch. Bora Vs NRL	2010	Powal has challenged the award dtd 26/11/2010. Issue is related to non-payment of wages as per revision for contract the of Maintenance and weed control at NRP Site.	Arbitration Appeal Gauhati H.C	Hearing stage
22	Rajib Bhat-tacharjee Vs VKNRL & NRL	2015	Termination of contract of running pharmacy by VKNRL	Writ Petition Gauhati H.C	NRL will file its Affidavit

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NUMALIGARH REFINERY LIMITED FOR THE YEAR ENDED 31ST MARCH, 2015

The preparation of consolidated financial statements of Numaligarh Refinery Limited for the year ended 31st March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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) read with Section 129(4) of the Act is responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their revised Audit Report dated 26th June 2015.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statements of Numaligarh Refinery Limited for the year ended 31st March 2015. We conducted a supplementary audit of the financial statements of Numaligarh Refinery Limited, but did not conduct supplementary audit of the financial statements of DNP Limited, an associate for the year ended on that date. 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.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

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

Sd/-
Praveer Kumar
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board - I,
Kolkata

Place : Kolkata
Dated: 09-07-2015



Consolidated Balance Sheet as at 31st March 2015

₹ in Crores

	Notes	31-03-2015	31-03-2014
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	735.63	735.63
Reserves and Surplus	4	2,623.10	2,257.58
Money Received against Share Warrants		-	-
Total Shareholders' funds		3,358.73	2,993.21
Non Current Liabilities			
Long-Term Borrowings	5	519.88	536.75
Deferred tax liabilities (net)	6	149.08	194.63
Other Long-Term Liabilities	7	3.24	3.24
Long-Term Provisions	8	279.36	162.56
Total Non-current liabilities		951.56	897.18
Current Liabilities			
Short-Term Borrowings	9	165.61	259.30
Trade Payables	10	1,568.52	782.20
Other Current Liabilities	11	330.97	227.60
Short-Term Provisions	12	552.41	178.57
Total current liabilities		2,617.51	1,447.67
Total Equity and Liabilities		6,927.80	5,338.06
Assets			
Non Current Assets			
Fixed Assets			
Tangible Assets	13	1,995.16	1,694.67
Intangible Assets	14	2.85	5.71
Capital work-in-progress	15	424.75	606.76
Non Current Investment	16	126.90	113.29
Long-Term Loans and Advances	17	51.50	70.06
Other Non-Current Assets	18	-	-
Total Non-Current Assets		2,601.16	2,490.49
Current Assets			
Current Investments	19	236.80	53.05
Inventories	20	1,599.56	1,351.71
Trade Receivables	21	1,228.20	270.65
Cash & Cash equivalents	22	1,054.87	965.95
Short-Term Loans and Advances	23	164.66	155.48
Other Current Assets	24	42.55	50.73
Total Current Assets		4,326.64	2,847.57
Total Assets		6,927.80	5,338.06
Significant accounting policies	2		
Notes to Financial Statement	3-55		
The accompanying notes are an integral part of these financial statements.			

As per our report of even date

For Ghoshal & Ghosal

Chartered Accountants

Firm Registration No.304013E

Sd/-

CA. P.K. Mitra

Partner

Membership No. 050716

Place: New Delhi

Date : 22nd May 2015

For and on behalf of the Board of Directors

Sd/-

P. Padmanabhan

Managing Director

Sd/-

S.K. Barua

Director (Finance)

Sd/-

H. K. Sarmah
Company Secretary

Place: New Delhi

Date : 22nd May 2015

Consolidated Statement of Profit and Loss for the period ended 31st March 2015

₹ in Crores

	Notes	31-03-2015	31-03-2014
Revenue			
Revenue from operations	25	9,879.59	9,270.47
Other income	26	73.62	49.88
Total revenue		9,953.21	9,320.35
Expenses			
Cost of material consumed	27	7,704.88	7,761.09
Changes in inventories of finished goods and work in progress	28	(211.69)	(13.38)
Employee benefits expenses	29	179.36	145.31
Finance costs	30	39.45	46.09
Depreciation and amortisation expense	13 & 14	176.87	183.41
Other expenses	31	926.40	633.42
Total Expenses		8,815.27	8,755.94
Profit before exceptional and extraordinary items and tax		1,137.94	564.41
Exceptional items		-	-
Profit before extraordinary items and tax		1,137.94	564.41
Extraordinary Items	32	(1.12)	8.98
Prior period items (net)	33	-	(9.13)
Profit Before Tax		1,139.06	564.56
Tax Expense			
Current tax	34	439.34	206.32
Deferred Tax	6	(45.55)	(20.86)
Short/(excess) provision for Taxation in earlier years provided for		25.51	7.36
Profit /(Loss) for the year		719.76	371.74
Earnings per equity share (in ₹):			
Basic and Diluted Earning per share (Face value ₹10)	35	9.78	5.05
Significant accounting policies	2		
Notes to Financial Statement	3-55		
The accompanying notes are an integral part of these financial statements.			

As per our report of even date
For Ghoshal & Ghosal
Chartered Accountants
Firm Registration No.304013E
Sd/-
CA. P.K. Mitra
Partner
Membership No. 050716

Place: New Delhi
Date : 22nd May 2015

For and on behalf of the Board of Directors

Sd/-
P. Padmanabhan
Managing Director

Sd/-
S.K. Barua
Director (Finance)

Sd/-
H. K. Sarmah
Company Secretary

Place: New Delhi
Date : 22nd May 2015



Consolidated Cash Flow Statement for the year ended 31st March 2015

₹ in Crores

	31-03-15	31-03-14
A Cash Flow from Operating Activities		
Profit before taxation, prior period and extraordinary item	1,137.94	564.92
<i>Adjustments for :</i>		
Depreciation and amortisation expense	176.87	183.41
Interest expenditure	44.84	48.97
(Profit) / Loss on Sale/Write Off of tangible assets (net)	1.69	1.38
Foreign Exchange Fluctuations	1.27	14.13
Income from Investments	-	-
Dividend Income	(13.26)	(9.93)
Interest Income	(46.95)	(16.09)
Other Non-Cash items (refer explanatory Note no. 4)	(16.02)	16.68
Operating Profit before Working Capital Changes	1,286.39	803.47
<i>(Invested in) / Generated from:</i>		
Trade receivables	(958.38)	433.55
Other receivables	(0.74)	111.10
Inventories	(247.85)	(144.60)
Current Liabilities & Provisions	825.11	176.21
Cash generated from Operations	904.53	1,379.73
Income Tax and Interest thereon (net of refund)	(323.19)	(261.61)
Cash generated from Operations before extraordinary items	581.34	1,118.12
Prior period items (net)	-	9.13
Extraordinary Items	1.12	(8.98)
Non-Cash items	-	-
Net Cash from Operating Activities	582.46	1,118.27

₹ in Crores

	31-03-15	31-03-14
B Cash Flows from Investing Activities		
Purchase of tangible assets/Capital WIP	(279.36)	(453.53)
Purchase of intangible assets	(0.13)	(3.14)
Sale of tangible assets	0.13	0.20
Investment in associate companies	(13.61)	(7.49)
Purchase of / Accretion to Investments	(183.75)	(27.99)
Sale of Investments	-	-
Income from Investment	-	-
Dividend Received	13.56	9.93
Long Term Loans and Advances	16.85	5.03
Interest Received	46.95	16.08
Net Cash from Investing Activities	(399.35)	(460.91)
C Cash Flows from Financing Activities		
Long term Borrowings	82.74	492.75
Repayment of Long-term loans/borrowings	(96.69)	(34.83)
Net Increase/Decrease(-) in other borrowings	-	-
Other Long Term Liabilities	-	(1.35)
Other Long Term Provisions	116.80	(6.12)
Interest paid	(58.06)	(46.66)
Dividend Paid	(117.70)	(73.56)
Corporate Dividend Tax	(20.00)	(12.50)
Realised (loss) / gains of foreign exchange differences	(1.27)	(14.13)
Net Cash used in Financing Activities	(94.19)	303.60
D Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	88.92	960.96
E Cash & Cash Equivalents at beginning of Period	965.95	4.99
Cash/cheques in Hand	0.01	0.01
Cash at Bank	0.17	3.80
Remittance in transit	0.00	-
Fixed Deposits with Banks	965.77	1.18



₹ in Crores

	31-03-15	31-03-14
F Cash & Cash Equivalents at end of Period	1,054.87	965.95
Cash/cheques in Hand	0.01	0.01
Cash at Bank	34.08	0.17
Remittance in transit	-	0.00
Fixed Deposits with Banks	1,020.78	965.77
Net change in Cash and Cash equivalents (F-E)	88.92	960.96

1. The Cash Flow Statement is prepared in accordance with the format included in Accounting Standard 3 as notified by the Central Government.
2. In Part-A of Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.
3. The net profit/loss arising due to conversion of Current assets/ current liabilities, receivable/ payables in foreign currency is furnished under the head "Foreign Exchange Fluctuations".
4. "Other Non-Cash items" comprise of provisions for Stores and Consumables, provision for doubtful debts / claims and write back of Provisions.

As per our report of even date
For Ghoshal & Ghosal
Chartered Accountants
Firm Registration No.304013E
Sd/-
CA. P.K. Mitra
Partner
Membership No. 050716

Place: New Delhi
Date : 22nd May 2015

For and on behalf of the Board of Directors

Sd/- Sd/-
P. Padmanabhan **S.K. Barua**
Managing Director Director (Finance)

Sd/-
H. K. Sarmah
Company Secretary

Place: New Delhi
Date : 22nd May 2015

Notes to consolidated Financial Statements

2. Statement of Significant Accounting Policies (Consolidated)

2.1 Basis of Consolidation

The consolidated financial statements relate to Numaligarh Refinery Limited (NRL) and its Associate Company DNP Limited.

2.1.1 Basis of Accounting

The Financial Statements of the associate company used in preparation of the Consolidated Financial Statements are drawn up to the same reporting date as that of NRL viz. 31st March 2015.

2.1.2 Principles of Consolidation

The Consolidated Financial Statements have been prepared as per AS-23 "Accounting for Investments in Associates in Consolidated Financial Statements" as notified on the following basis:

2.1.2.1 The Financial Statements of NRL and its Associate Company DNPL have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, contingent liabilities and capital commitments. The intra group balances and intra group transactions and unrealized profits or losses resulting from intra group transactions are fully eliminated.

2.1.2.2 The share of equity in the associate company as on the date of investment, if in excess of the cost of investment, the difference is recognized as "Capital Reserve on Acquisition of Associate" and if the cost of investment in the associate company exceeds share of equity, the difference is recognized as "Goodwill".

2.1.3 The percentage of interest of the Company in its Associates as on 31st March 2015 is as under:

Associate	Percentage of Interest as on	
	31-03-2015	31-03-2014
DNP Limited	26	26

2.2 Basis for Preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis (unless otherwise stated) and under historical cost convention.

2.3 Use of Estimates

The preparation of financial statements requires management of the company to make certain estimates and assumptions that affect the amounts reported in the financial statement and notes thereto. Differences, if any, between actual amounts and estimates are recognized in the period in which the results are known.

2.3.1 Certain accounting policies of Associate which are different with that followed by the Company have been stated along with the respective policy.

2.4 Fixed Assets

2.4.1 Tangible Assets

2.4.1.1 Fixed Assets are stated at cost of acquisition (including incidental expenses) net of accumulated depreciation.

2.4.1.2 Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.



Notes to consolidated Financial Statements

2.4.1.3 First time procurement cost of catalyst including content of precious metals is capitalized along with the project costs and the cost of subsequent replacements are charged off in the year of issuance to consumption.

2.4.1.4 Expenditure on assets, not exceeding ₹1,000 per item (other than plant and machinery) and not exceeding ₹5,000 in case of its Associate DNPL are charged to revenue.

2.4.1.5 Machinery spares that are specific to a fixed asset are capitalized along with the fixed asset. Replacement of such spares is charged to revenue.

2.4.1.6 Land acquired on outright purchase / perpetual lease basis are treated as freehold land.

2.4.1.7 Expenditure during construction period - Direct expenses including borrowing cost incurred during construction period on capital projects is capitalized. Indirect expenses of the project group which are allocated to projects costing ₹5 crores and above and irrespective of an amount in case of its Associate DNPL are also capitalized. Expenditure incurred generally during construction period of projects on assets like electricity transmission lines, roads, culverts etc. the ownership of which is not with the company are charged to revenue in the accounting period of incurrence of such expenditure.

2.4.1.8 The pre-operative expenditure incurred during construction period are allocated on completion of the project after setting-off the income earned, if any.

2.4.2 Intangible Assets

2.4.2.1 Intangible assets are carried at cost less accumulated amortization.

2.4.2.2 Expenditure incurred for creating/acquiring intangible assets of ₹0.50 crores and above and irrespective of an amount in case of its Associate DNPL, from which future economic benefits will flow over a period of time, is amortized over the estimated useful life of the asset or five years, whichever is earlier, from the time the intangible asset starts providing the economic benefit.

2.4.2.3 In other cases, the expenditure is charged to revenue in the year the expenditure is incurred.

2.5 Impairment of Assets

The values of tangible and intangible assets of respective Cash Generating Units are reviewed by the management for impairment at each Balance Sheet date, if events or circumstances indicate that the carrying values may not be recoverable. If the carrying value is more than the net selling price of the asset or present value, the difference is recognized as an impairment loss.

2.6 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets till the month in which the asset is ready for use. All other borrowing costs are charged to revenue.

2.7 Depreciation

2.7.1 Depreciation on fixed assets is provided over the useful life of the assets prescribed under Schedule II of the Companies Act, 2013, up to 95% of the cost of the asset. The carrying amount of the existing assets for which the useful life is NIL has been charged off to Profit and Loss.

2.7.2 Premium paid for acquiring leasehold land (other than perpetual lease) and leasehold land not exceeding 99 years in case of its Associate DNPL is amortized over the period of lease.

2.7.3 Depreciation is charged on addition / deletion on pro-rata monthly basis including the month of addition / deletion.

Notes to consolidated Financial Statements

2.7.4 In the following cases Depreciation on assets has not been charged as per Schedule II of the Companies Act 2013

- assets given to the employees are depreciated as per company policy. Whereas no such policy exists in case of its Associate DNPL.

- assets costing up to ₹5,000/- are depreciated fully in the year of its purchase/capitalisation.

2.8 Investments

2.8.1 Current investments are valued at lower of cost or fair value determined on an individual investment basis.

2.8.2 Long-term investments are valued at cost. Provision for diminution in value is made to recognise a decline, other than of temporary nature, in the value of such investments.

2.9 Inventory

2.9.1 Raw materials are valued at cost or net realizable value, whichever is lower. No such policy exists in case of its Associate DNPL.

2.9.2 Stock-in-process is valued at raw material cost plus conversion costs as applicable or net realizable value, whichever is lower. No such policy exists in case of its Associate DNPL.

2.9.3 Finished products are valued at weighted average cost or net realizable value, whichever is lower. No such policy exists in case of its Associate DNPL.

2.9.4 Cost is determined on weighted average basis and comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis. No such policy exists in case of its Associate DNPL.

2.9.5 The net realizable value of finished goods is based on the transfer prices (applicable at the location of stock for sale to oil companies) and the final selling prices for sale to other customers. No such policy exists in case of its Associate DNPL.

2.9.6 Stores and spares are valued at weighted average cost. Obsolete, slow moving/non- moving stores for 3 years and above and other materials including project materials identified as surplus are provided for in full so as to value them at ₹ Nil. Regular stores are provided for at a rate of 2%. No such policy for provision exists in case of its Associate DNPL except for project materials identified as surplus which are provided for at a rate of 95% of the value.

2.10 Revenue Recognition

2.10.1 Sales represent invoiced value of goods supplied net of trade discounts, and include applicable North East excise duty benefit, excise duty, surcharge and other elements as are allowed to be recovered as part of the price but excludes VAT/Sales Tax. Further, it includes other elements allowed by the Government from time to time. In case of its Associate DNPL, revenue is recognized to the extent that it is probable that the economic benefit will flow to the company and the revenue can be reliably measured and revenue from services rendered is recognized net of Service Tax on performance of service based on agreements/arrangements with the concerned parties.

2.10.2 Other claims are booked when there is reasonable certainty of recovery.

2.10.3 Income from sale of scrap is accounted for on realization where sufficient risk and rewards are transferred to customers, which is generally on dispatch of goods.

2.10.4 Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.



Notes to consolidated Financial Statements

2.10.5 Dividend income is recognized when right to receive is established.

2.10.6 Liquidated damages in case of its Associate DNPL are accounted for as and when recovery is affected and the matter is considered settled by the Management. Liquidated Damages if settled after capitalisation of the assets and less than ₹0.05 crore in each case are charged to revenue, otherwise adjusted against the cost of the relevant assets.

2.10.7 Insurance claim is accounted for on the basis of claims admitted by the insurers by its Associate DNPL.

2.11 Classification of Income / Expenses

2.11.1 Expenditure on Research, other than capital expenditure, is charged to revenue in the year in which the expenditure is incurred. No such policy exists in case of its Associate DNPL but expenses are accounted for on accrual basis and provision is made for all known liabilities.

2.11.2 Income / expenditure up to ₹0.05 crore and ₹0.01 crore in case of its Associate DNPL in each case pertaining to prior years is charged to the current year.

2.11.3 Prepaid expenses up to ₹0.05 crore and ₹0.01 crore in case of its Associate DNPL in each case, are charged to revenue as and when incurred.

2.11.4 Deposits placed with Government agencies/local authorities which are perennial in nature are charged to revenue in the year of payment. No such policy exists in case of its Associate DNPL.

2.12 Employee Benefits

2.12.1 Contributions to defined contribution schemes such as Pension, Provident Fund, etc. are charged to the Statement of Profit and Loss as and when incurred. No such policy exists in case of its Associate DNPL.

2.12.2 The Company also provides for retirement/ post-retirement benefits in the form of gratuity, leave encashment, post retirement medical benefits, resettlement benefits and long service award. Such defined benefits are charged to the Statement of Profit and Loss based on valuations made by independent actuaries using the Projected Unit Credit Method, as at the balance sheet date. No such policy exists in case of its Associate DNPL.

2.13 Duties on Bonded Stocks

2.13.1 Excise duty on finished stocks lying in bond is provided for, at the assessable value applicable at each of the locations at maximum rates based on end use.

2.14 Foreign Currency Transactions & Derivative Transactions

2.14.1 Transactions in foreign currency are accounted in the reporting currency at the exchange rate prevailing on the date of transaction.

2.14.2 Monetary items denominated in foreign currency are converted at exchange rates prevailing on the date of Balance Sheet.

2.14.3 Foreign Exchange differences arising at the time of translation or settlement are recognised as income or expense in the Statement of Profit & Loss either under foreign exchange fluctuation or interest, as the case may be.

2.14.4 Foreign exchange differences on long term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset.

2.14.5 Premium/discount arising at the inception of the forward exchange contracts to hedge foreign currency risks are amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit & Loss. No such policy exists in case of its Associate DNPL.

Notes to consolidated Financial Statements

2.14.6 Gains / losses arising on settlement of Derivative transactions entered into by the Company to manage the exposures on account of fluctuations in foreign exchange are recognised in the Statement of Profit and Loss. Provision for losses in respect of outstanding contracts as on balance sheet date is made on the basis of mark to market valuations of such contracts. No such policy exists in case of its Associate DNPL.

2.15 Government Grants

2.15.1 When the grant relates to an expense item or depreciable fixed assets, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. No such policy exists in case of its Associate DNPL.

2.15.2 Government grants in the nature of promoters' contribution or relating to non depreciable assets are credited to Capital Reserve and treated as a part of shareholders' funds.

2.16 Provisions, Contingent Liabilities and Capital Commitments

2.16.1 Show cause notices issued by various Government Authorities are not considered as Obligation. When the demand notices are raised against such show cause notices and are disputed by the Company, then they are treated as Obligations. No such policy exists in case of its Associate DNPL.

2.16.2 A provision is recognized when an enterprise has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made.

2.16.3 Contingent Liabilities irrespective of amount and ₹0.01 crore in case of its Associate DNPL are not recognized but are disclosed in the Notes. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

2.16.4 Capital commitments and Contingent liabilities disclosed in each case are in respect of items which exceed ₹0.05 crore and ₹0.01 crore in case of its Associate DNPL.

2.17 Taxes on Income

2.17.1 Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

2.17.2 Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date.

2.17.3 The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However, in respect of unabsorbed depreciation or carry forward losses, the deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realised in future.

2.17.4 The carrying amount of deferred tax assets and unrecognised deferred tax assets are reviewed at each balance sheet date.

2.18 Earnings per share

2.18.1 Basic earnings per share are calculated by dividing the net profit or loss (after deducting preference dividends, if any, and attributable taxes) for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period.

2.18.2 For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.



Notes to consolidated Financial Statements

3 Share Capital (Consolidated)

In ₹ crores

	31-03-15	31-03-14
Equity Shares		
Authorised		
100,00,00,000 Equity Shares of ₹10 each	1,000.00	1,000.00
	1,000.00	1,000.00
Issued, subscribed and paid-up		
73,56,31,544 fully paid Equity Shares of ₹10 each	735.63	735.63
	735.63	735.63

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31-03-15		31-03-14	
Equity Shares	Number	₹ crores	Number	₹ crores
Shares outstanding at the beginning of the year	73,56,31,544	735.63	73,56,31,544	735.63
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	73,56,31,544	735.63	73,56,31,544	735.63

b. Terms/rights attached to equity shares

The company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. 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.

c. Shares held by holding company

Out of equity shares issued by the Company, shares held by Holding Company is as below:

In ₹ crores

	31-03-15	31-03-14
Bharat Petroleum Corporation Limited (with nominees)		
45,35,45,998 (previous year 45,35,45,998) equity shares of ₹10 each fully paid	453.55	453.55

d. Details of shareholders holding more than 5% shares in the company

	31-03-15		31-03-14	
Name of Shareholder	Number	% of Holding	Number	% of Holding
Bharat Petroleum Corporation Limited	45,35,45,998	61.65%	45,35,45,998	61.65%
Oil India Limited	19,12,64,202	26.00%	19,12,64,202	26.00%
Governor of Assam	9,08,21,344	12.35%	9,08,21,344	12.35%

Notes to consolidated Financial Statements

4 Reserves and Surplus (Consolidated)

In ₹ crores

	31-Mar-15	31-Mar-14
Capital Reserve		
As per last Account	100.00	100.00
	100.00	100.00
General Reserve		
As per last Account	2,158.06	1,923.87
Add: Transfer from Statement of Profit & Loss	365.02	233.69
	2,523.08	2,157.56
Surplus/ (deficit) in the statement of profit and loss		
As per last Account	0.02	0.02
Add: profit/(loss) for the year	719.76	371.74
Less: Proposed Dividend	(294.73)	(118.00)
Less: Corporate Dividend Tax	(60.01)	(20.05)
Less: Transfer to General Reserve	(365.02)	(233.69)
	0.02	0.02
	2,623.10	2,257.58

Capital Reserve represents grant of ₹100.00 crores received in the year 1999-2000 from the Government of India.

5 Long-term Borrowings (Consolidated)

In ₹ crores

	31-03-15	31-03-14
Term Loans		
From Banks		
Secured (External Commercial Borrowings)	469.43	450.75
Unsecured	-	-
From Oil Industry Development Board		
Secured	33.60	44.22
Unsecured	-	16.25
From Others		
Secured	-	-
Unsecured	16.85	25.53
	519.88	536.75

External Commercial Borrowing carries interest at 3 months LIBOR plus 1.85% Margin. The loan is repayable in 3 equal yearly instalments at the end of 4th, 5th and 6th year from the date of the loan taken on various dates and keeping the average age of the maturity of repayments as 5 years. The loan is secured in favour of participating banks ranking pari-passu inter-alia by hypothecation of Plant & Equipments both present and future.

Secured Loans from Oil Industry Development Board consists of 3 loans as on 31.03.2015:

- ₹22.68 crores drawn at 8.56% p.a. and repayable in 5 years (incl. 1 year moratorium) in annual instalment of ₹5.67 crores.



Notes to consolidated Financial Statements

- b) ₹3.16 crores drawn at 8.65% p.a. and repayable in 5 years (incl. 1 year moratorium) in annual instalment of ₹0.79 crores.
- c) ₹7.76 crores drawn at 8.77% p.a. and repayable in 5 years (incl. 1 year moratorium) in annual instalment of ₹1.94 crores.

The loan is secured by way of mortgage/hypothecation of assets/projects financed out of loan proceeds from OIDB for which the charge is under creation.

Unsecured Loan from Others represents Loan from Oil India Ltd. drawn at 11.45% p.a. which is repayable in 45 (forty-five) monthly installments, consisting of 44 (fourty-four) equal monthly installments of ₹20,000 thousand each and Last 1 (one) installment of ₹ 8,000 thousand only.

6 Deferred Tax Liabilities (Net) (Consolidated)

	<i>In ₹ crores</i>	
	<i>31-Mar-15</i>	<i>31-Mar-14</i>
Deferred Tax Liability		
Difference of Book Depreciation & Tax Depreciation	294.18	291.59
Deferred Tax Assets		
Disallowance u/s 43B of Income Tax Act, 1961	72.47	66.71
Others including retirement benefits	72.63	30.25
Total	145.10	96.96
Net Deferred Tax Liability	149.08	194.63

7 Other Long-Term Liabilities (Consolidated)

	<i>In ₹ crores</i>	
	<i>31-03-15</i>	<i>31-03-14</i>
Trade Payables	-	-
Security and Earnest Money Deposits	2.46	2.46
Deposits from Customer	0.78	0.78
	3.24	3.24

8 Long-Term Provisions (Consolidated)

	<i>In ₹ crores</i>	
	<i>31-03-15</i>	<i>31-03-14</i>
Provision for employee benefits:		
Gratuity	-	-
Long Service Award	7.30	6.34
Resettlement Allowance	2.12	1.69
Post Retirement medical Benefit	-	-
Contingencies for probable obligations (refer note 45)	269.94	154.53
	279.36	162.56

Notes to consolidated Financial Statements

9 Short-term Borrowings (Consolidated)

In ₹ crores

	31-03-15	31-03-14
Loans repayable on demand		
From banks		
Secured (Working Capital Demand Loan)	-	-
Secured (Cash Credit)	-	33.08
Un-Secured (Overdraft)	1.08	0.70
Un-Secured (Foreign Currency Loans)	164.53	225.52
Un-Secured (Rupee Loans)	-	-
	165.61	259.30

Un-secured loan in the form of over draft from HDFC Bank with a limit of ₹3 crores which carries interest @ 10% p.a. These loans are repayable on demand.

Foreign Currency Loans are in the form of Buyer's Credit USD 26.36 million (previous period USD 36.61 million).

10 Trade Payables (Consolidated)

In ₹ crores

	31-03-15	31-03-14
Due to micro and small enterprises	0.65	1.55
Due to others	1,567.87	780.65
	1,568.52	782.20

To the extent, the Company has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act 2006, the disclosures are provided as under:

In ₹ crores

	31-03-15	31-03-14
Amount due and payable		
Principal	0.65	1.55
Interest on above principal	-	-
Payment made during the year after the due date		
Principal	-	-
Interest	-	-
Interest due and payable for Principals already paid	-	-
Total Interest accrued and remained unpaid at year end	-	-



Notes to consolidated Financial Statements

11 Other Current Liabilities (Consolidated)

	<i>In ₹ crores</i>	
	31-03-15	31-03-14
Current maturities of long term debt	30.89	27.55
Advances from Customers	3.62	2.33
Interest Accrued but not due on borrowings	0.49	0.56
Sales Tax, Entry Tax, Excise, Customs etc.	212.36	125.70
Employee related liabilities	14.97	15.31
Deposits from customers	3.83	2.76
Other deposits and retentions	61.87	51.54
Other Payables	2.94	1.85
	330.97	227.60

Current maturities of long term debt consist of four loans from Oil Industry Development Board as on 31.03.2015:

- Instalment of ₹16.25 crores drawn at 7.48% p.a. which is repayable in the next 1 year.
- Instalment of ₹5.67 crores drawn at 8.56% p.a. which is repayable in the next 1 year.
- Instalment of ₹0.79 crores drawn at 8.65% p.a. which is repayable in the next 1 year.
- Instalment of ₹1.94 crores drawn at 8.77% p.a. which is repayable in the next 1 year.

12 Short-Term Provisions (Consolidated)

	<i>₹ in Crores</i>	
	31-03-15	31-03-14
a Provision for employee benefits		
Gratuity	-	-
Leave Encashment	39.85	30.81
Pension	2.96	2.96
Other defined benefits		
Long Service Award	0.12	0.29
Resettlement Allowance	0.05	0.03
Post Retirement Medical Benefit	1.22	-
Other Short-term Employee Benefits	8.70	0.35
	52.90	34.44
b Other Provisions		
Provision for Taxation (net of Tax paid)	144.77	6.08
Proposed Dividend	294.73	118.00
Corporate Dividend Tax on Proposed Dividend	60.01	20.05
	499.51	144.13
	552.41	178.57

Pension: The Company has a defined contribution pension plan managed by a trust. The contribution is the differential between (a) 30% of (Basic + DA) less (b) PF + Gratuity + Post Retirement Medical Benefit Scheme and paid to the trust which is invested with LIC. Pension is paid to the Staff member who has put in a minimum qualifying period of 15 years of service on superannuation.

Notes to consolidated Financial Statements

13 Tangible Assets (Consolidated)

In ₹ crores

	Gross Block/Cost			Depreciation			Net Block	
	As at	Addition	Deductions on account of Retirement/Reclassifications	As at	Addition	Deductions on account of Retirement/Reclassifications	As at	As at
	01-04-14	31-03-15	01-04-14	31-03-15	31-03-15	31-03-15	31-03-15	31-03-14
	(1)	(2)	(3)	(4)=(1+2+3)	(5)	(6)	(7)=(4-5+6+7)	(8)=(1-5)
LAND								
i) Land Freehold	29.92	2.48	-	32.40	-	-	32.40	29.92
ii) Land Leasehold	0.16	-	-	0.16	0.09	-	0.09	0.07
BUILDINGS								
i) RCC Frame Structure (other than factory)	129.66	5.99	(0.02)	135.63	23.01	1.96	24.96	110.67
ii) Non RCC Frame Structure (other than factory)	4.65	0.62	-	5.27	0.61	0.19	0.79	4.48
iii) FACTORY	200.39	97.62	-	298.01	51.92	8.66	60.56	237.45
iv) Fences, Wells and Tube Wells	0.60	-	-	0.60	0.11	0.40	0.51	0.09
v) Others (Temporary Structures)	1.54	-	-	1.54	0.14	1.31	1.45	0.09
BRIDGE, CULVERS, BUNKERS Etc	28.54	-	-	28.54	5.64	0.76	6.40	22.14
ROADS								
i) Carpeted Roads-RCC	13.43	0.03	-	13.46	2.44	6.87	9.31	4.15
ii) Carpeted Roads-Other than RCC	31.74	3.84	-	35.58	5.15	26.93	32.08	3.50
iii) Non Carpeted Road	6.32	-	-	6.32	1.36	4.64	6.00	0.32
PLANT & MACHINERY								
i) CONTINUOUS PROCESS PLANT/Refineries	2,383.52	321.98	(1.83)	2,703.67	1,429.46	66.21	1,494.35	1,209.32
ii) Plant and Machinery-Other than Continuous Process Plant	275.95	2.98	(0.06)	278.87	106.76	18.83	125.52	153.35
iii) Storage Tanks & Related Equipments	221.14	18.25	-	239.39	178.43	4.87	183.30	56.09
iv) Plant & Machinery (Captive Power Plants)	270.33	-	(0.30)	270.03	185.93	3.24	189.01	81.02
v) Plant & Machinery Used in Medical and Surgical	3.59	1.11	-	4.70	1.33	0.62	1.95	2.75
vi) Heavy Lift Equipment	17.80	-	-	17.80	15.38	0.27	15.54	2.26
RAILWAY SIDING	48.08	0.68	-	48.76	23.61	3.16	26.77	21.99
FURNITURE								
i) FURNITURE - GENERAL	7.18	1.39	-	8.57	4.49	0.98	5.39	3.18
ii) FURNITURE - Others	2.27	0.60	(0.18)	2.69	0.77	0.31	0.91	1.78
iii) FOH-to Employees	2.79	0.81	-	3.60	0.80	0.45	1.23	2.37
OFFICE EQUIPMENTS								
i) Office Equipments-General	13.50	3.74	(0.07)	17.17	4.83	5.51	10.27	6.90
ii) Mobile on Hire-to Employees	0.08	0.01	-	0.09	0.06	0.02	0.08	0.01
COMPUTERS AND DATA PROCESSING UNITS								
i) Servers and Network	17.34	0.96	(0.83)	17.47	12.20	1.88	13.29	4.18
ii) End User Devices-Desktop,Laptops,Printers etc	9.82	1.02	(0.78)	10.06	7.35	1.12	7.74	2.32
iii) PC on Hire-To Employees	0.73	0.22	-	0.95	0.31	0.22	0.52	0.43



13 Tangible Assets (Consolidated)

	Gross Block/Cost			Depreciation			Net Block	
	As at	Addition	Deductions on account of Retirement/Reclassifications	As at	Addition	Deductions on account of Retirement/Reclassifications	As at	As at
	01-04-14			31-03-15	01-04-14		31-03-15	31-03-14
ELECTRICAL EQUIPMENTS	46.22	8.16	(0.60)	53.78	17.41	13.45	30.42	28.81
LABORATORY EQUIPMENT	13.66	1.95	(0.52)	15.09	8.44	0.58	8.97	5.22
VEHICLES	-	-	-	-	-	-	-	-
i) Motor Cycles, Scooters & Other Mopeds	0.17	0.01	(0.02)	0.16	0.04	(0.02)	0.04	0.12
ii) Motor Buses, Motor Lorries, motor cars and motor taxis	0.68	0.68	(0.35)	1.01	0.29	(0.19)	0.20	0.39
iii) TRUCKS / HEAVY VEHICLES, Harvesting Combines	3.32	0.51	(0.01)	3.82	2.09	(0.04)	2.38	1.44
iv) Electrically Operated Vehicles	-	-	-	-	-	-	-	1.23
Small Value Assets	0.01	-	-	-	0.01	-	-	-
Total	3,785.13	475.64	(5.57)	4,255.19	2,090.46	173.89	2,260.03	1,694.67
<i>Previous Year Figures</i>	3,677.27	111.79	(3.93)	3,785.13	1,911.91	180.88	2,090.45	1,765.36

a) Total freehold land of 1330.74 acres (1312.72 acres) includes 358.05 acres (340.43 acres) of land acquired through Government of Assam for which the process of registration is on. Out of the freehold land not yet registered 324.75 acres (324.75 acres) is disputed i.e under litigation.

b) Additions to Gross Block includes capitalisation of borrowing costs of ₹9.27 crores (₹0.05 crores).

c) Deduction from Gross Block (Column 3) includes :

- ₹1.40 crores (₹0.47 crores) on account of Write off of Physical Verification discrepancies.
- ₹4.17 crore (₹3.46 Crore) on account sale retirement, deletions and reclassifications.
- ₹ Nil crore (₹ Nil Crore) on account of charging off of expenditure on assets not owned by the company, consequent to change in accounting policy on assets not owned by the company.

d) Depreciation for the year (column 6) includes :

- Charged to Profit & Loss Account ₹169.51 Crore (₹175.91 Crore) which includes ₹45.11 Crores for assets whose useful life is over as per Schedule II of Companies Act 2013.
- Charged to project expenses ₹0.43 crore (₹0.57 Crore)
- Depreciation calculated as per provision of the Companies Act 1956 would have amounted to ₹187.67 Crores.
- Depreciation on assets given to employees has been charged as per company policy based on life of the asset envisaged as per the buy-back scheme and not as per Schedules II of Companies Act 2013. The impact of this deviation results in higher depreciation by an amount of ₹0.10 crores for the year.

(v) Assets costing up to ₹5000 are depreciated fully in the year of purchase/capitalisation as per company's accounting policy and are not as per the rates prescribed by Schedule II of Companies Act 2013. The impact of this deviation results in higher depreciation by an amount of ₹0.20 crores for the year.

e) Deduction from Depreciation (Column 7) includes :

- ₹0.92 Crore (₹ 0.41 Crore) on account of Write off of Physical Verification discrepancies.
- Withdrawal of depreciation of ₹2.96 Crore (₹1.36 Crore) on account sale, deletions, retirement & reclassification.

f) Total Freehold Land of Associate DNPL is 18.16 acres (18.16 acres) which includes 2.53 acres (2.53 acres) of land acquired through Government of Assam. Out of the total freehold land, mutation is pending for 5.61 acres (5.61 acres).

Notes to consolidated Financial Statements

14 Intangible Assets (Consolidated)

In ₹ crores

	Gross Block/Cost				Amortisation				Net Block	
	As at	Addition	Disposal/ adjustments	As at	As at	Addition	Disposal/ adjustments	As at	As at	As at
	01-04-14			31-03-15	01-04-14			31-03-15	31-03-15	31-03-14
Computer Software (SAP Implementation cost)	8.34	-	-	8.34	8.34	-	-	8.34	-	-
Computer Software (Aspen PIMS)	3.49	0.12	-	3.61	1.80	0.72	-	2.52	1.09	1.69
Licenses - SAP Upgradation (For SAP upgradation, Process plants, etc)	13.94	0.01	-	13.95	9.93	2.26	-	12.19	1.76	4.02
Total	25.77	0.13	-	25.90	20.07	2.98	-	23.05	2.85	5.71
<i>Previous Year Figures</i>	<i>22.63</i>	<i>3.14</i>	<i>-</i>	<i>25.77</i>	<i>16.97</i>	<i>3.10</i>	<i>-</i>	<i>20.07</i>	<i>5.71</i>	<i>5.66</i>

Amortisation for the year includes:

(i) Charged to the Statement of Profit & Loss ₹2.98 Crores (₹3.10 Crores)

15 Capital work-in-progress (Consolidated)

In ₹ crores

	31-03-15	31-03-14
Work-in-progress	409.84	564.90
Assets held for sale	1.69	3.35
Less : Provision for Capital Losses	(0.47)	(2.15)
	411.06	566.10
Capital Stores	1.32	8.49
Capital goods in transit	4.61	8.48
	416.99	583.07
Construction period expenses pending allocation		
Opening balance	23.69	12.19
Add: Expenditure during the year		
Establishment charges	4.43	3.35
Depreciation	0.43	0.57
Finance Cost	13.20	9.30
	41.75	25.41
Less : Allocated to assets during the year	33.99	1.72
Closing balance	7.76	23.69
Total	424.75	606.76



Notes to consolidated Financial Statements

16 Non Current Investment (Consolidated)

In ₹ crores

	Number of Shares	Face Value ₹	31-03-15	31-03-14
Trade Investment (valued at cost unless stated otherwise)				
Investments in Equity Instruments (Unquoted)				
Brahmaputra Cracker and Polymer Ltd.	126,900,010	10	126.90	113.29
Other Investments			-	-
			126.90	113.29

NRL holds 10% share in Brahmaputra Cracker and Polymer Limited.

17 Long-Term Loans and Advances (Consolidated)

(Unsecured, considered good unless otherwise stated)

In ₹ crores

	31-03-15	31-03-14
Capital Advances	2.30	11.41
Security Deposits	3.97	4.27
Loans and advances to employees (secured)	45.06	40.74
Advance for investment	-	13.61
Other Loans and advances	-	-
Considered good	0.17	0.03
	51.50	70.06

Advance for investment is made towards equity shares of:

Brahmaputra Cracker and Polymer Limited (Pending Allotment)	-	13.61
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18 Other Non-Current Assets (Consolidated)

(Unsecured, considered good unless otherwise stated)

In ₹ crores

	31-03-15	31-03-14
Non Current Bank Balances	-	-
Long Term Trade Receivables	-	-

Notes to consolidated Financial Statements

19 Current Investments (Consolidated)

In ₹ crores

	31-03-15	31-03-14
Valued at cost or fair value unless stated otherwise		
Investments in 7% Oil Companies GOI Special Bonds 2012 (Non-Trade, Quoted)	-	-
Less: Provision for Diminution in value in Investment	-	-
Investments in Mutual Funds (Non-Trade, Quoted)	236.80	53.05
Investments in Inter Corporate Deposits (Non-Trade, Unquoted)	-	-
	236.80	53.05

20 Inventories (Consolidated)

(refer note 2.9 for valuation policy)

In ₹ crores

	31-03-15	31-03-14
Raw materials	280.90	257.71
Stock in process	47.04	64.22
Finished products	1,190.50	961.64
Stores and spares	170.41	149.94
Less: Provision for losses	(91.58)	(82.12)
Stores and spares in Transit	2.29	0.32
	1,599.56	1,351.71

21 Trade Receivables (Consolidated)

In ₹ crores

	31-03-15	31-03-14
Unsecured		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	0.85	13.35
Considered doubtful	0.11	0.11
Provision for doubtful receivables	(0.11)	(0.11)
	0.85	13.35
Other receivables		
Considered good	1,227.35	257.30
Considered doubtful	-	-
	1,227.35	257.30
	1,228.20	270.65



Notes to consolidated Financial Statements

22 Cash & Cash Equivalents (Consolidated)

In ₹ crores

	31-03-15	31-03-14
Cash & Cash Equivalents		
Balances with bank		
On current accounts	33.99	0.08
Deposits with original maturity of less than three months	1,020.78	965.51
Other earmarked balances with bank	0.09	0.09
Cash on hand	0.01	0.01
Other Bank Balances		
Deposits with original maturity for more than three months	-	0.26
	1,054.87	965.95

23 Short-Term Loans and Advances (Consolidated)

(Unsecured, considered good unless otherwise stated)

In ₹ crores

	31-03-15	31-03-14
Security Deposits	1.34	1.34
Loans and advances to employees (secured)	4.41	3.82
Other loans and advances		
Considered good	4.85	1.05
Considered doubtful	1.56	1.20
Less: Provision for doubtful advances	(1.56)	(1.20)
Prepaid expenses	0.66	0.56
Claims Receivable		
Considered good	59.74	49.20
Considered doubtful	2.04	2.23
Less: Provision for doubtful claims	(2.04)	(2.23)
Deposits with Customs, Excise, etc.(net)	26.33	28.68
Advance Income Tax (net of provision for taxation)	67.33	70.83
	164.66	155.48

Notes to consolidated Financial Statements

24 Other Current Assets (Consolidated)

In ₹ crores

	31-03-15	31-03-14
Interest accrued but not due on Bank Deposits	13.81	9.21
Interest accrued but not due on Investments	-	-
Interest accrued on other loans	-	-
Unamortised premium on forward contract	1.29	0.97
Other Receivables	26.97	35.63
Gratuity	0.48	3.77
Post Retirement Medical Benefit	-	1.15
	42.55	50.73

25 Revenue from operations (Gross) (Consolidated)

In ₹ crores

	31-03-15	31-03-14
a) Sale of Products (Gross)	10,840.58	9,887.53
b) Other Operating Revenue	3.64	4.61
	10,844.22	9,892.14
c) Less: Excise Duty	(964.63)	(621.67)
	9,879.59	9,270.47

26 Other Income (Consolidated)

In ₹ crores

	31-03-15	31-03-14
Interest Income		
On Bank Deposits	43.13	19.11
On Current Investments	-	-
Others	3.09	2.75
Dividend Income		
On Current Investments	13.26	9.44
On Long term Investments	-	-
Net gain/(loss) on sale of investment		
Other non-operating income	12.64	12.98
Write back of liabilities/provisions no longer required	0.03	5.60
Foreign Exchange Fluctuations (net)	1.47	-
	73.62	49.88



Notes to consolidated Financial Statements

27 Cost of material consumed (Consolidated)

	<i>In ₹ crores</i>	
	31-03-15	31-03-14
Opening Stock	257.70	133.39
Add : Purchases	7,728.08	7,885.40
	7,985.78	8,018.79
Less : Closing Stock	280.90	257.70
Cost of material consumed	7,704.88	7,761.09

28 Changes in inventories of finished goods and work in progress (Consolidated)

	<i>In ₹ crores</i>	
	31-03-15	31-03-14
Value of closing stock of		
Finished goods	1,190.50	960.25
Stock in process	47.04	65.60
	1,237.54	1,025.85
Less:		
Value of opening stock of		
Finished goods	961.63	930.91
Stock in process	64.22	81.56
	1,025.85	1,012.47
	211.69	13.38

29 Employee benefits expenses (Consolidated)

	<i>In ₹ crores</i>	
	31-03-15	31-03-14
Salaries and wages	105.80	89.29
Contribution to provident fund and other funds	20.07	18.31
Contribution to gratuity fund	3.29	-
Bonus	14.04	14.13
Leave Encashment	12.56	4.33
Welfare expenses	23.60	19.25
	179.36	145.31

Notes to consolidated Financial Statements

30 Finance costs (Consolidated)

In ₹ crores

	31-03-15	31-03-14
Interest expense on loans	10.96	34.38
Interest expense others	7.77	0.19
Other borrowing costs	0.15	0.20
Applicable net loss on foreign currency transactions and translations	20.57	11.32
	39.45	46.09

31 Other expenses (Consolidated)

In ₹ crores

	31-03-15	31-03-14
Power and Fuel	222.54	169.77
Less:Consumption of fuel out of own production	(;16.42)	(21.32)
Power and Fuel (net)	206.12	148.45
Consumption of stores, spares and materials	27.43	26.90
Rent	3.50	3.29
Other Duties and taxes	87.11	84.05
Transportation	214.49	194.29
Repairs to buildings	0.67	0.56
Repairs to machinery	41.38	17.87
Repairs others	50.40	45.26
Insurance	7.35	7.00
Rates and taxes, excluding taxes on income	1.49	0.84
Payment to Auditor as Auditor	0.07	0.07
Payment to Auditor for other services	0.02	0.01
Payment to Auditor for reimbursement of expenses	0.01	0.01
Utilities	4.70	4.38
Facility hire charges	6.83	5.28
Travelling and conveyance	15.13	13.24
Communication expenses	0.51	0.53
Others	43.78	40.39
Increase/(Decrease) in Excise Duty on inventory differential	61.88	2.60
Loss on sale/write off of Fixed Assets (net)	1.69	-
Loss on sale of Stores (net)	5.74	1.43
Foreign Exchange Fluctuations (net)	2.74	16.88
Provision for Stores	9.46	3.53
Provision for Doubtful Debts, Advances and Claims	0.50	1.18
Provision for Litigation cases	125.41	10.00
Expenses on CSR activities	7.79	5.18
Charity and donation	0.20	0.20
	926.40	633.42



Notes to consolidated Financial Statements

32 Extraordinary Items (Consolidated)

In ₹ crores

	31-03-15	31-03-14
Loss on account of fire	(1.12)	8.98
	(1.12)	8.98

Claim on account of Loss due to fire on 31st May 2013 in the Crude Distillation Unit/Vacuum Distillation Unit of the Refinery has been settled by the Insurance company and the differential between the amount of claim provisionally recognized earlier and the amount settled has been recognized (net-off expenses).

33 Prior period items (net) (Consolidated)

In ₹ crores

	31-03-15	31-03-14
Sale of Products	-	-
Purchase for Resale	-	-
Raw Materials Consumed	-	-
Consumption of Stores	-	-
Employee Cost - Post Retirement Medical Benefit	-	-
Other operating and administration expenses	-	(9.13)
Depreciation and amortisation expense	-	-
	-	(9.13)

34 Provision for taxation for the period Apr-Mar 2015 amounting to ₹439.34 crores (previous period ₹206.32 crores) has been made as per normal provisions of the Income Tax Act.

35 Earnings per equity share (Consolidated)

In ₹ crores

	31-03-15	31-03-14
Face value ₹ 10/- each		
Net Profit as per Profit and Loss account available to Equity Shareholders	719.76	371.74
Weighted average number of Equity Shares outstanding during the year	735,631,544.00	735,631,544
Basic earnings per share (₹)	9.78	5.05
Diluted earnings per share (₹)	9.78	5.05

36 Segment Reporting: The company operates in a single segment-Refining and Marketing activities i.e., downstream petroleum sector. Considering the nature of business and operation, there is no reportable segment (business and/or geographical) in accordance with the requirements of Accounting Standard-17 "Segment Reporting".

37 Impairment of Assets: As per Accounting Standard -28 "Impairment of Assets", the company has assessed the recoverable amount of the relevant assets and found that no impairment exists in relation to its assets as on 31st March 2015.

Notes to consolidated Financial Statements

38 Related Party Disclosures as per Accounting Standard 18:

Key Management Personnel (Whole time Directors)	Mr. P. Padmanabhan	Managing Director, NRL
	Mr. Sona Ram Medhi	Director (Technical), NRL
	Mr. Saumendra Kumar Barua	Director (Finance), NRL
	Mr. B. Borpatragohain	Director, DNPL

Remuneration to Key Managerial Personnel:	31-Mar-15	31-Mar-14
Salary and Allowances	0.70	0.69
Contribution to Provident Fund & other funds	0.15	0.14
Other benefits	0.38	0.45
Total	1.23	1.28

- 39** The company has taken operating lease of product tanks from IMC Limited for 12 - 36 months duration with renewable option and lease rent amounting to ₹8.52 crore (previous years ₹7.98 crore) which has been debited to the Statement of Profit and Loss. The future minimum lease payment is as under:

	31-Mar-15	31-Mar-14
Not later than one year	8.98	8.49
Later than one year and not later than five years	7.74	16.12
Later than five years	-	-

- 40** An amount of ₹87.11 crores (Previous year ₹84.05 crores) has been charged to the Statement of Profit and Loss towards under recovery of Central Sales Tax (CST) on petroleum products.

- 41** The company has numerous transactions with other oil companies, which are reconciled on an ongoing basis and are subject to confirmation.

- 42** Ministry of Petroleum & Natural Gas (MOP & NG) vide letter No: P-20012/16/2008-PP (Vol.II) dated 20th June 2012 advised Petroleum Planning & Analysis Cell (PPAC) to include Assam Crude Oil quantity supplied to Numaligarh Refinery Ltd. (NRL) for upstream discount due to Bharat Petroleum Corporation Ltd. (BPCL). Accordingly, PPAC on a quarterly basis has intimated the ₹ per bbl crude oil discount rate for the year 2014-15 to be passed on by Oil India Ltd. (OIL) and Oil and Natural Gas Corporation Ltd. (ONGC) to NRL. Accordingly NRL has received upstream crude oil discount amounting to ₹3,919.46 crores (Previous year ₹5738.13 crores) from OIL / ONGC which has been subsequently passed on by NRL to BPCL through sale of products.

- 43** Pending finalization of the Crude Oil Sales Agreement (COSA), purchases of Crude Oil from Oil India Limited (OIL) and Oil and Natural Gas Corporation Limited (ONGC) have been accounted for as per the Benchmark price of crude oil in the financial year 2014-15 in line with financial year 2013-14.

To augment crude availability of north-east refineries, imported crude is brought in to IOCL Bongaigaon Refinery and the transportation cost and other incidentals thereof is being shared by all four North-East (NE) refineries as per mutual agreement. The company's share of the transportation cost and other incidentals thereof has been included in crude cost as well as for valuation of the closing inventory.



Notes to consolidated Financial Statements

44 As on 31st March 2015, the Company has a stock of approximately 800 kgs of spent catalyst (scrap), which contains approximately 2.632 kgs of platinum.

45 In compliance of Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under:

In ₹ crores

Nature	Opening Balance	Additions during the year	Utilisation during the year	Reversal during the year	Closing Balance
Entry Tax	144.53	106.36	-	-	250.89
Sales Tax		17.81			17.81
Excise Duty		1.24			1.24
Legal Cases	10.00	-	10.00	-	-
Total	154.53	125.41	10.00	-	269.94
<i>Previous year</i>	<i>144.53</i>	<i>10.00</i>	<i>-</i>	<i>-</i>	<i>154.53</i>

Provision for Entry Tax represents an amount of ₹194.53 crores towards Assam Entry Tax for the period November 2006 to May 2008, which has been disputed by the Company and a Writ Petition (Civil) has been filed before the Hon'ble Supreme Court of India. Based on the Writ Petition, the Court has directed the Assessing Authority to assess the liability for the aforesaid period which was assessed at ₹194.53 crores. The Court vide interim Order dated 04.02.2010 has directed the Company to pay, under protest, to the State a sum of ₹50 crores which the Company has deposited under protest to the tax authority. Additions during the year for Entry Tax is the Interest amount which was not considered earlier. The applicability of Interest was reviewed and based on some recent court judgements and opinion the interest element on the Entry Tax amount commencing from 28th February 2011 (i.e. the effective date when the provisions of levy of interest under the Assam Value Added Tax Act 2003 was incorporated) till 31st March 2015 amounting to ₹106.35 Crores has been provided.

Provision for Sales Tax includes an amount of ₹17.47 crores as penalty for non submission of waybill as required under West Bengal VAT Act.

Provision for Excise Duty represents an amount of ₹1.24 crores against demand raised on Cenvat availed by the company on outward transportation of final products from place of removal.

Against Provision for Legal cases, the Company has paid the amount of ₹10.00 crores provided for last year in the current year after finalization of the award.

The above provisions are made based on estimates and the expected timing of outflow is not ascertainable at this stage.

46 Disclosure as per requirements of Accounting Standard 15 - "Employee Benefits"

The Company's contribution to Provident Fund is remitted to Employees Provident Fund on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss.

Gratuity: The Company has a defined benefit gratuity plan managed by a trust. The contribution based upon

Notes to consolidated Financial Statements

actuarial valuation is paid to the trust which is invested with LIC. Gratuity is paid to the Staff member who has put in a minimum qualifying period of 5 years of continuous service on superannuation, resignation, termination or to his nominee on death.

Leave Encashment: The Employees are entitled to accumulate Earned Leave and Half Pay Leave, which can be availed during the service period. Employees are also allowed to encash the accumulated Earned Leave during the service period and resignation. Further, the accumulated Earned Leave and Half Pay Leave can be encashed by the employees on superannuation or by nominee on death.

Other defined benefits: These are :

- Long Service Award
- Post Retirement Medical Benefit Scheme (managed by a trust) to employees, spouse, dependent children and dependent parents.
- Resettlement allowance paid to employees to permanently settle down at a place other than the location of last posting at the time of retirement.

₹ in Crore

Reconciliation of balances of Defined Benefit Obligations	Gratuity Funded		Post Retirement Medical Benefit Funded		Long Service Award Non Funded		Leave Encashment Non Funded		Resettlement Allowance Non Funded	
	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14
Defined Obligations at the beginning of the year	21.82	22.46	16.21	16.00	6.63	7.36	30.81	29.86	1.73	2.16
Interest Cost	2.03	1.79	1.51	1.28	0.62	0.59	2.87	2.39	0.16	0.17
Current Service Cost	0.20	0.37	1.23	1.22	0.47	0.47	0.67	0.74	0.22	0.20
Benefits paid	(0.60)	(0.36)	(0.23)	(0.11)	(0.49)	(0.03)	(3.52)	(3.38)	(0.42)	(0.30)
Actuarial (Gains)/ Losses on obligations	3.47	(2.44)	1.29	(2.18)	0.19	(1.76)	9.02	1.20	0.48	(0.50)
Defined Obligations at the end of the year	26.92	21.82	20.01	16.21	7.42	6.63	39.85	30.81	2.17	1.73

Reconciliation of balances of Fair Value of Plan Assets in respect of Gratuity/ Post Retirement Medical Benefit Fund				
	31-03-15	31-03-14	31-03-15	31-03-14
Fair Value at the beginning of the year	25.59	23.80	17.36	-
Expected Return	2.38	1.90	1.62	-
Actuarial Gain/(Losses)	0.03	0.25	0.04	0.87
Actual return on Plan assets		2.15		0.87
Contribution by employer	-	-		16.60
Benefits paid	(0.60)	(0.36)	(0.23)	(0.11)
Fair Value of Plan Assets at the end of the year	27.40	25.59	18.79	17.36

Amount recognised in Balance Sheet										
	(0.48)	(3.77)	1.22	(1.15)	7.42	6.63	39.85	30.81	2.17	1.73



Notes to consolidated Financial Statements

Reconciliation of balances of Defined Benefit Obligations	Gratuity Funded		Post Retirement Medical Benefit Funded		Long Service Award Non Funded		Leave Encashment Non Funded		Resettlement Allowance Non Funded	
Amount recognised in the Statement of Profit and Loss										
Current Service Cost	0.20	0.37	1.23	1.22	0.47	0.47	0.67	0.74	0.22	0.20
Interest Cost	(0.35)	1.79	(0.11)	1.28	0.62	0.59	2.87	2.39	0.16	0.17
Expected Return on Plan Assets		(1.90)		(0.87)	-	-	-	-		-
Actuarial (Gains)/ Losses	3.44	(2.69)	1.25	(2.18)	0.19	(1.76)	9.02	1.20	0.48	(0.50)
Expenses for the period	3.29	(2.43)	2.37	(0.55)	1.28	(0.70)	12.56	4.33	0.86	(0.13)

Major Actuarial Assumptions										
Discount Rate	7.99%	9.31%	7.99%	9.31%	7.99%	9.31%	7.99%	9.31%	7.99%	9.31%
Salary Escalation / Inflation	8.00%	8.00%	8.00%	8.00%	8.00%	7.00%	8.00%	8.00%	8.00%	8.00%
Attrition Rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Expected Return on Plan Assets	7.99%	9.31%	7.99%	9.31%	-	-	-	-	-	-

Investment pattern for Gratuity Fund	31-03-15	31-03-14	31-03-15	31-03-14
Category of Asset	%	%	%	%
Government of India Asset	-	-	-	-
Corporate Bonds	-	-	-	-
Special Deposit Scheme	-	-	-	-
State Government	-	-	-	-
Others	100	100	100	100
Total	100	100	100	100

As per our best estimate, ₹ Nil crores is expected to be paid to the Gratuity Fund as contribution in the year 2015-16.

Effect of Increase / Decrease of 1% in assumed medical cost trend to the Post Retirement Medical Liability:

	31-03-15	31-03-14
Change in Liability for : 1% increase in Discount Rate	1.33	0.91
Change in Liability for : 1% decrease in Discount Rate	(1.63)	(1.33)

The estimate for future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation.

Notes to consolidated Financial Statements

47 As indicated in Significant Accounting Policies, certain accounting policies of Associate towards Depreciation, Employee Benefits and classification of Income/ Expenses are not in line with that followed by the company. However, considering the nature of transactions and amounts involved the impact is not expected to be material had the accounting policies of the company had been followed.

48 In respect of Associate DNPL, the following notes to accounts are disclosed:

- Trade payable, Trade Receivable and Creditors for Capital Expenditure are subject to Confirmation.
- The Company is not having any permanent employee on its rolls as on date. The Operations are managed through outsourced personnel in addition to the officers and employees of Assam Gas Company Limited (The Holding Company) working on deputation.
- Permanent manpower of the company including the post of Co. Secretary was approved by the Govt. of Assam in November 2014. The company has already taken steps to appoint a full time company secretary. However, pending appointment of the company secretary the job responsibilities of Company Secretary have been discharged by the Company Secretary of Assam Gas Company Limited, its holding company, on secondment basis.

49 Commitments and Contingent Liabilities:

	<i>In ₹ crores</i>	
	31-03-15	31-03-14
Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net off Advance)	72.25	168.03
Commitments relating to lease arrangements	16.72	24.61
Contingent Liabilities :		
Claims against the Company not acknowledged as debts :		
Claim by contractors Arbitration cases/other extra claims on capital account	106.44	113.90
Land matters	-	-
In respect of taxation matters:		
Excise Duty Matters	269.23	264.14
Service Tax Matters	2.15	2.09
Sales Tax Matters	29.75	61.55
Income Tax Matters	-	-
Entry Tax Matters	113.51	165.41
ESI Matter	1.86	1.86
Guarantees:		
Guarantees in favour of Oil Industry Development Board and GAIL (India) Ltd. for long term loans extended to BCP Ltd.,an associate company.	52.16	60.17



Notes to consolidated Financial Statements

50 Derivative Instruments and unhedged foreign currency exposure:

a. Derivatives outstanding as at the reporting date					
Particulars	Purpose	31-03-15		31-03-14	
		USD million	₹ crores	USD million	₹ crores
Forward contracts to buy USD	Hedge of Buyers Credit Loan (Short Term)	14.62	91.51	16.13	96.95
b. Particulars of unhedged foreign currency exposures as at reporting date					
Particulars		USD million	₹ crores	USD million	₹ crores
Buyers Credit Loan (Short Term)		11.75	73.51	21.55	129.54
c. Mark-to-Market losses					
Mark-to-Market losses provided for			0.53		2.45

51 Value of imports calculated on C.I.F. basis :

	31-03-15	31-03-14
Raw Materials	464.32	414.64
Components and spare parts	11.20	14.19
Capital goods	15.53	141.26

52 Expenditure in foreign currency :

	31-03-15	31-03-14
Royalty	-	-
Know-how	2.42	0.20
Professional Consultancy Fees	0.11	1.67
Purchase of products	471.03	546.87
Other matters		
i) Travelling	0.75	-
ii) Others	1.09	-

Notes to consolidated Financial Statements

53 Value of raw materials, stores/spare parts and components including chemicals & catalysts consumed (on derived basis) :

	Imported		Indigenous		Total
	In ₹ crores	%	In ₹ crores	%	In ₹ crores
Crude Oil	-	-	7,008.45	100.00	7,008.45
	-	-	(7,177.10)	100.00	(7,177.10)
MTBE, Reformate and Py-Gas	562.89	100.00	-	-	562.89
	(457.91)	100.00	-	-	(457.91)
Natural Gas	-	-	133.54	100.00	133.54
	-	-	(126.08)	100.00	(126.08)
Stores/Spare parts and Components (including chemicals & catalysts)	6.13	22.99	20.53	77.01	26.66
	(4.35)	16.61	(21.84)	83.39	(26.19)

54 Earnings in foreign currency (accrual basis)

	31-3-15	31-3-14
Exports at F.O.B. Value	Nil	Nil

55 Previous year figures

Previous year figures have been reclassified / regrouped to conforms to current year's classification.

Signature to Notes '1' to '53'

As per our report of even date
For Ghoshal & Ghosal
 Chartered Accountants
 Firm Registration No.304013E
 Sd/-
CA. P.K. Mitra
 Partner
 Membership No. 050716

Place: New Delhi
 Date : 22nd May 2015

For and on behalf of the Board of Directors

Sd/- Sd/-
P. Padmanabhan **S.K. Barua**
 Managing Director Director (Finance)

Sd/-
H. K. Sarmah
 Company Secretary

Place: New Delhi
 Date : 22nd May 2015



Human Resource Accounting

Human resources is being considered by NRL as the key to the organisation's success. Development of human resources is a continuous process and gets the top priority to meet new challenges. The value of human assets who are committed to achieve excellence in all fronts is being recognised by NRL. The Human Resource profile, as given in the table below, shows that NRL is a youthful Company.

Category	Age				Total
	20-30	30-40	40-50	Over 50	
Technical					
Executives	46	112	117	40	315
Workmen	35	93	262	17	407
Sub Total	81	205	379	57	722
Others					
Executives	5	37	55	19	116
Workmen	2	8	26	4	40
Sub Total	7	45	81	23	156
Grand Total	88	250	460	80	878
Average age 41 Years					

The human resources have been valued by adopting Lev and Schwartz model with the following assumptions:

- Continuity of present pattern of employee compensation, both direct and indirect.
- Continuity in career growth as per present policy of the company.
- The future earnings have been discounted at the cost of capital of 7.36% (previous year 2.14%)

Value of Human Resources

	in ₹ Crore				
	2014-15	2013-14	2012-13	2011-12	2010-11
Executives	1168.90	1,172.48	1,731.22	1,659.65	1,305.62
Workmen	656.17	666.71	999.98	1,037.57	1,051.41
	1,825.07	1,839.19	2,731.20	2,697.22	2,357.03
Human Assets vis-à-vis Total Assets					
Value of Human Assets	1,825.07	1,839.19	2,731.20	2,697.22	2,357.03
Net Fixed Assets	2347.12	2,224.79	1,952.22	2,010.45	2,111.92
Net Current Assets	1641.03	1,605.69	1,328.25	1,085.53	746.38
	5,813.22	5,669.67	6,011.67	5,793.20	5,215.33
Profit before tax	1134.25	562.65	262.86	287.46	414.13
Value Added	2213.38	1,383.43	1,043.59	1,172.81	896.84
Ratio of :					
Profit(before tax) to Human Resources	62%	31%	10%	11%	18%
Value Added to Human Resources	121%	75%	38%	43%	38%
Human Resources to Total Resources	31%	32%	45%	47%	45%

Social Accounts

in ₹ Crore

	2014-15	2013-14	2012-13	2011-12	2010-11
I. SOCIAL BENEFITS AND COSTS TO EMPLOYEES					
a) Social Benefits to Employees					
1 Welfare facilities	10.17	7.58	7.35	7.92	6.34
2 Ex-gratia/Awards	14.04	14.13	9.98	10.49	10.16
3 Medical facilities	13.63	12.39	11.89	10.78	8.16
4 Retirement Benefits	16.10	6.32	12.00	25.33	5.99
5 Interest Concessions		-	-	0.87	2.20
6 Training and career development	1.08	0.89	0.70	0.62	0.78
7 Clothing and Uniform	0.40	0.03	0.31	-	0.26
8 Holiday Facilities	3.20	3.00	3.06	4.90	3.23
9 Transport Facilities	4.04	3.59	3.82	3.48	2.84
10 Insurance	1.01	1.04	0.88	0.65	0.28
11 Educational Facilities	0.89	0.75	1.42	1.74	1.39
12 Township Costs	4.01	4.42	4.61	5.10	4.36
13 Power Service at Township	-	0.93	0.93	0.94	1.23
14 Others	31.92	24.66	20.86	19.79	11.59
Total (a)	100.49	79.73	77.81	92.61	58.81
b) Social Cost to Employees :					
1 Out of pocket expenses surrendered	1.63	1.49	1.67	0.99	1.34
Total (b)	1.63	1.49	1.67	0.99	1.34
Net Social Income to Employees (a-b)	98.86	78.24	76.14	91.62	57.47
II SOCIAL BENEFITS TO COMMUNITY					
1 Local Taxes	0.94	0.33	0.60	0.66	0.59
2 Environment Improvements	0.59	0.69	1.24	1.10	0.47
3 Expenditure on Project-Education	2.18	1.11	1.18	1.69	1.90
4 Expenditure on -Agriculture & allied	0.58	0.74	0.61	0.72	0.54
5 Expenditure on -Infrastructure	1.48	0.78	1.89	2.00	1.46
6 Expenditure on -Medical	2.47	0.96	0.55	0.53	0.35
7 Expenditure on -Sports & Culture	0.91	1.70	1.28	0.93	0.72
8 Generation of job potential to local people	16.57	12.95	12.53	7.58	7.48
9 Generation of business	436.18	387.71	389.45	368.77	288.53
Total Social income to community	461.90	406.97	409.33	383.98	302.04



In ₹ Crores

	2014-15	2013-14	2012-13	2011-12	2010-11
III SOCIAL COST AND BENEFIT TO THE GENERAL PUBLIC					
a) Benefits to the General Public					
1 Taxes paid to State Government	235.26	234.79	270.74	542.49	340.61
2 Dividend paid to State Government	14.53	9.08	9.08	13.43	13.62
3 Taxes and Duties paid to Central Government	1,175.46	890.35	748.34	859.60	791.98
Total (a)	1,425.25	1,134.22	1,028.16	1,415.52	1,146.21
b) Costs to the General Public :					
1 Purchase of Power	4.70	4.38	4.49	3.37	3.36
Total (b)	4.70	4.38	4.49	3.37	3.36
Net Social Income to the General Public (a-b)	1,420.55	1,129.84	1,023.67	1,412.15	1,142.85
Net Social Income to Employees, Community and General Public (I+II+III)	1,981.31	1,615.05	1,509.14	1,887.75	1,502.36

Economic Value Added

Economic value added measures the profitability of a company after taking into account the cost of capital. It is post-tax return on capital employed (adjusted for the tax shield on debt) less the cost of capital employed.

In ₹ Crores

	2014-15	2013-14
Cost of Capital		
Cost of Equity	10.94%	7.84%
Cost of Debt (net of tax)	4.33%	5.15%
Weighted Average Cost of Capital	10.08%	7.36%
Average Capital Employed	3,398.05	3,124.36
Economic Value Added		
Operating Profits	1,170.59	604.56
Less: Tax	415.94	191.56
Cost of Capital	342.52	229.95
Economic Value Added	412.13	183.05
Return Ratios		
PAT/Average Capital Employed	21.14%	11.88%
EVA/Average Capital Employed	12.13%	5.86%



