

ANNUAL REPORT

2018 - 19

Newer heights
Wider horizon

NUMALIGARH
REFINERY
LIMITED

A GOVERNMENT OF INDIA ENTERPRISE





ANNUAL REPORT 2018-19

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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ANNUAL REPORT 2018-19



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A photograph of a middle-aged man with grey hair and a mustache, wearing a dark blue suit, a light blue shirt, and a maroon tie. He is sitting in a black leather office chair at a desk, looking directly at the camera. His hands are resting on a white document on the desk, with a black pen lying on it. In the background, there is a blue wall with a geometric pattern and a small golden statue on the desk to the right.

CHAIRMAN'S MESSAGE

Dear Stakeholder,

Over the past 26 years of its eventful journey, your Company has established its position as a model business enterprise in the Oil and Gas industry of the country; creating value for all its stakeholders, while contributing significantly to the socio – economic development of North East of India and the Nation as a whole.

I place before you the Annual Report of the Company for the FY 2018-19. The year 2018-19 has been an eventful year with appreciable results, significant developments and forays into new territories.

It was a landmark moment in the history of the Company when the Union Government gave its formal approval in January 2019 for enhancing NRL's capacity from existing 3 MMTPA to 9 MMTPA at a project cost exceeding ₹22,000 Crore . This would be the highest ever investment in North East India so far, promising to elevate the socio-economic indices of the region and presenting immense opportunities; apart from easing out the constraints that the Refinery has been facing. The project also includes simultaneous laying of over 2,000 KM of pipeline for transporting imported Crude Oil from Paradeep port to Numaligarh and then to facilitate evacuation of products from Numaligarh to Siliguri. While it is a matter of honour to be associated with this flagship project, we all need to gear up for implementation of this mega project on ground. The road ahead is fraught with unknown challenges which we will have to face and overcome with our collective knowledge, skill, prudence and above all the spirit of team work while maintaining the highest standards of governance.

In 2018-19, the Company's refining business continued to deliver stellar results. For the first time, the Refinery could process 2,900 TMT of Crude Oil, though marginally lower than the installed capacity primarily due to non-

availability of indigenous Crude Oil. NRL recorded the highest ever HSD production of 1,933 TMT and highest ever Sales Turnover at ₹18,511 Crore - a growth of 16.25% as compared to the previous year due to higher sales volume and better price realization. There was however a marginal reduction in net profit at ₹1,968 Crore compared to ₹2,045 Crore in the previous year. As on 31st March 2019, your Company's net worth stood at ₹5,551 Crore, signifying strong economic fundamentals. Rightfully so, your Company was recognized as the 'Fastest Growing Miniratna of the year 2018 (Manufacturing)' by the Dalal Street Investment Journal.

The year 2018-19 saw NRL venturing into new grounds transcending its core business as a down-stream company. The 130 KM Indo-Bangla Friendship Pipeline (IBFPL) for transporting products from our Siliguri Marketing Terminal to Bangladesh is progressing well, consequent to the ground breaking ceremony in September 2018 in the presence of Hon'ble Prime Ministers of India and Bangladesh through video conferencing. The project is being jointly funded by the Government of India and NRL. Works for the first bamboo biomass based 2G Bio Refinery Plant in the country being implemented through a JV, 'Assam Bio-Refinery Pvt. Ltd' has attained a definite pace. The JV was formed in June 2018 with major equity stake of 50% by NRL along with Finnish collaborators for which the Foundation stone laying plaque was unveiled ceremonially by Hon'ble Prime Minister of India in February, 2019.

The Company also took its first steps in the Upstream business of exploration and production looking for win-win investment opportunities under Open Acreage Licensing Policy (OALP) / Discovered Small Field (DSF) rounds. After due diligence, we are now in the process of acquiring 20% Participatory Interest (PI) in Namrup Block from M/s Oil India Limited for which farm out agreement has already been signed.

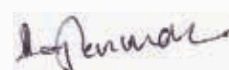
There has been a proliferation of digital technologies with diverse ramifications in all fields of business including ours. NRL has had a track record of fastest adoption of digital technology from the time that it became the first PSU in the Oil and Gas sector to adopt ERP way back in the year 1998. This year, it has embarked on a digital road map for the future for digital transformation. One specific area where implementation was initiated was end to end hydrocarbon production accounting and reconciliation. Several other State of the art info-technology is being imbibed to upgrade and enhance internal and customer experience.

NRL has always considered Human Resource as its greatest asset and the time has come yet again to prove our mettle as we embark on a challenging voyage to meet the goals that we have set for ourselves. Your Company has been maintaining integrity, transparency and accountability in all its spheres of business and will continue to imbibe the best business practices and highest principles of work and ethics in its onward journey. As a good governance practice and as per guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE) in May, 2010 and amendment thereon, the Company has been complying with the stipulations contained therein to the extent applicable.

As we grow and progress, so does our responsibility towards the society not just through business excellence but also on the premises of empathy, compassion and regard for the environment around us.

NRL is the rising star of the North East. I see a great future for the Company as one of the front ranking global energy companies; a dream that would not be possible without the steadfast support of entire team NRL and its valued stakeholders. I would like to place on record my heartfelt thanks to all our associates, business partners and well-wishers, who have supported us even when it was not quite smooth sailing, sharing our happiness and anxieties alike in this journey. Special thanks to the Ministry of Petroleum and Natural Gas for their expert guidance and hand holding at all times. I assure you that together, we will take NRL to scale the summits of success and accomplishment.

With regards,



D. Rajkumar
Chairman

BOARD OF DIRECTORS



D. Rajkumar
Chairman

Bankers

State Bank of India
HDFC Bank Ltd
IndusInd Bank

Axis Bank
Canara Bank
ICICI Bank

Union Bank
UCO Bank

Auditors

M. C. Bhandari & Co.
Chartered Accountants
4, Synagogue Street
(Behind Central Bank, Braboume Road)
Kolkata – 700001 (India)

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



S. K. Barua
Managing Director



B. J. Phukan
Director (Technical)



Shri Indranil Mitra
Director (Finance)
[w.e.f. 12-10-2018]



Ravi Capoor
Director



Rajkumar Sharma
Independent Director



Mrs. Sneha Lata Kumar
Independent Director



Utpal Bora
Director



Shri R K Kureel
Director
[w.e.f. 26-03-2019]



Dr. Sylvanus Lamare
Independent Director
[w.e.f. 16-07-2019]



Dr. Praphullachandra Sharma
Director
[up to 13-02-2019]



(L to R) Mr. B. J. Phukan, Director (Technical); Mr. S. K. Barua, Managing Director and Mr. Indranil Mittra, Director (Finance)

Management Team

Shri B. Ekka	Sr. CGM (Mktg. & BD)
Shri Debashish Choudhury	Sr. CGM (HR & Legal)
Shri Nikunja Borthakur	Sr. CGM (CA)
Shri A. P. Chakravorty	Sr. CGM (Project)
Shri Gopal Sarma	CGM (Operations)
Shri H. K. Nath	CGM (Maintenance)
Shri H. K. Sarmah	Company Secretary
Shri M. K. Pegu	CGM (Project-Pipeline)
Shri G. K. Borah	CGM (Project- Refinery)
Shri Nalini Kanta Buragohain	GM (Commercial) I/c
Shri Ghana Shyam Gogoi	GM (Commercial)
Shri Prabir Kr. Talukdar	GM (HRS)

Shri Pallav Kumar Das	GM (Project Process & Engg.)
Shri Subrata Das	GM (Marketing)
Shri Bimlesh Gupta	GM (Process Tech. & Planning)
Shri Dhiren Handique	GM (IHP)
Shri Pratul Saikia	GM (Finance)
Shri Kajal Saikia	GM (HRD)
Shri Samir Kundu	GM (Electrical Maintenance)
Shri Hemanta Neog	GM (P&U)
Shri Monjit Kumar Borah	GM (Maintenance Planning)
Shri Sobhan Konwar	GM (Operation)
Shri Ghanashyam Hazarika	GM (Process Technology)

Notice to the Members

Notice is hereby given that the 26th Annual General Meeting of the Members of Numaligarh Refinery Limited will be held at the Registered Office of the Company, 122A, G. S. Road, Christianbasti, Guwahati-781005 on Friday, the 16th August, 2019 at 3.00 P.M. to transact the following Ordinary and Special Business:

A. Ordinary Business:

1. To receive, consider and adopt (a) the Audited Financial Statement of the Company for the financial year ended 31st March, 2019; (b) the Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2019; and the Reports of the Board of Directors and the Statutory Auditors and the Comments of the Comptroller & Auditor General of India thereon.
2. To confirm the payment of Interim Dividend on Equity Shares and to declare Final Dividend on Equity Shares for the financial year ended 31st March, 2019.
3. To appoint a Director in place of Shri D. Rajkumar, Director (DIN:00872597), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri B.J. Phukan, Director (DIN:07721895), who retires by rotation and being eligible, offers himself for reappointment.

B. Special Business:

5. Appointment of Shri Indranil Mittra as Director (Finance)

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder as amended from time to time, Shri Indranil Mittra [DIN:06883068], who was appointed by the Board as an Additional Director and Director (Finance) of the Company from the date of his assuming the charge i.e. with effect from 12th October, 2018 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director (Finance) of the Company, liable to retire by rotation.”

6. Appointment of Shri Rajendra Kumar Kureel as Director

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder as amended from time to time, Shri Rajendra Kumar Kureel (DIN:05149486), who was appointed by the Board as an Additional Director w.e.f. 26th March, 2019 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom, the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director, liable to retire by rotation.”

7. Appointment of Dr. Sylvanus Lamare as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder read with Schedule IV of the Companies Act, 2013 as amended from time to time, Dr. Sylvanus Lamare (DIN: 08511474), who was appointed by the Govt. of India as an Independent Director on the Board of the Company for a period of 3 years and thereafter appointed by the Board as an Additional Director w.e.f. 16th July, 2019 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom, the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation till completion of his tenure.”

8. Approval of Remuneration of the Cost Auditor for the financial year 2019-20

To consider and if thought fit, to pass with or without modifications, the following Resolution 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 as amended from time to time, the appointment of M/s. A. C. Dutta & Co, Cost Accountants, by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020 at a remuneration of ₹75000/- 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.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and to take all such steps as may be necessary or expedient to give effect to this Resolution.”

9. Increase of Authorised Share Capital of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 61 and all other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with Companies (Share Capital and Debentures) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Authorised Share Capital of the Company be increased from ₹1000,00,00,000/- (Rupees One Thousand Crore) divided into 100,00,00,000 (One Hundred Crore) Equity Shares of ₹10/- (Rupees Ten) each to ₹5000,00,00,000/- (Rupees Five Thousand Crore) divided into 500,00,00,000 (Five Hundred Crore) Equity Shares of ₹10/- (Rupees Ten) each by the creation of additional capital of ₹4000,00,00,000/- (Rupees Four Thousand Crore) divided into 400,00,00,000 (Four Hundred Crore) Equity Shares of ₹10/- (Rupees Ten) each and such new Equity Shares shall rank pari passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT Managing Director and Company Secretary be and are hereby authorized, severally, to take necessary steps to give effect to the increase in the Authorized Share Capital as above and for amendment of the capital clause of the Memorandum of Association and to sign all / any e-forms, other forms, returns, documents as may be required to be filed electronically with the Ministry of Corporate Affairs, Registrar of Companies, consequent upon proposed increase in the Authorised Share Capital of the Company and consequent change in the Capital clause of the Memorandum of Association of the Company.”

10. Amendment of Clause V of the Memorandum of Association of the Company.

To consider, and if deemed fit, to pass with or without modification the following resolution as a Special Resolution.

“**RESOLVED THAT** pursuant to the provisions of Sections 13, 61 and all other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent be and is hereby given to substitute the Clause V of the Memorandum of Association of the Company as given below :

V. “The Authorized Share Capital of the company is ₹5000,00,00,000 (Rupees Five Thousand Crore) divided into 500,00,00,000 (Five Hundred Crore) equity shares of ₹10/- (Rupees Ten only) each.”

RESOLVED FURTHER THAT Managing Director and Company Secretary be and are hereby authorized, severally, to take necessary steps to give effect for alteration of the capital clause of the Memorandum of Association and to sign all / any e-forms, other forms, returns, documents as may be required to be filed electronically with the Ministry of Corporate Affairs, Registrar of Companies, consequent upon proposed increase in the Authorised Share Capital of the Company and consequent change in the Capital clause of the Memorandum of Association of the Company.”

By Order of the Board of Directors

Sd/-

H. K. Sarmah
Company Secretary

Registered Office:

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

Date: 19th July 2019

Note:

1. Explanatory statements are annexed to the Notice of Annual General Meeting of the Company pursuant to Section 102 of the Companies Act, 2013 relating to the Business set out above hereto.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on Poll 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.
3. A person shall act as proxy for only 50 members and holding in the aggregate of not more than 10 percent of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

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

Following are the explanatory statements in respect of item No. 5 to 10 of the Special Business included in the Notice dated 19th July, 2019:

Item No. 5: Appointment of Shri Indranil Mitra as Director (Finance)

As per MOP&NG letter No. C-31020/2/2018-PNG (22815) dated 10th October, 2018, the Board of Directors of the Company in its meeting held on 11th October, 2018 had approved the appointment of Shri Indranil Mitra as Additional Director on the Board of the Company with immediate effect pursuant to the provisions of Article 84 of the Articles of Association of the Company read with section 161 of the Companies Act, 2013 and as Director(Finance) of the Company pursuant to Article 87(i) of the Articles of Association of the Company. Accordingly, Shri Mitra assumed the charge of the office of Director(Finance) w.e.f. 12th October, 2018.

Being appointed as an Additional Director, he will hold office upto the date of the ensuing Annual General Meeting. The Company has received a Notice along with deposit of requisite amount under Section 160 of the Companies Act, 2013 from a Member proposing his name as a Director of the Company. A brief resume of Shri Indranil Mitra is provided separately in the Corporate Governance Report. The Board recommends appointment of Shri Indranil Mitra as Director of the Company.

Shri Indranil Mitra is interested in the Resolution to the extent as it concerns his appointment. No other Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Ordinary Resolution

Item No. 6: Appointment of Shri Rajendra Kumar Kureel as Director

Shri Rajendra Kumar Kureel, Director (Exploration –II), MOP & NG was appointed as Additional Director on the Board of the Company w.e.f. 26th March, 2019 pursuant to Article 84 of the Articles of the Association of the Company read with Section 149, 152 and 161 of the Companies Act, 2013 in accordance with the direction of the Govt. of India.

Being appointed as an Additional Director, he will hold office upto the date of the ensuing Annual General Meeting. The Company has received a Notice along with deposit of requisite amount under Section 160 of the Companies Act, 2013 from a Member proposing his name as a Director of the Company. A brief resume of Shri Rajendra Kumar Kureel is provided separately in the Corporate Governance Report. The Board recommends appointment of Shri Rajendra Kumar Kureel as Director of the Company.

Shri Rajendra Kumar Kureel is interested in the Resolution to the extent as it concerns his appointment. No other Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Ordinary Resolution.

Item No.7: Appointment of Dr. Sylvanus Lamare as an Independent Director

Dr. Sylvanus Lamare (DIN:08511474), Principal, St. Edmund's College, Shillong, who was appointed by the Govt. of India as an Independent Director on the Board of the Company for a period of three years as conveyed vide Ministry of Petroleum & Natural Gas letter No. 31033/22018-CA/PNG(25758) dated 12th

July, 2019 was appointed by the Board as an Additional Director w.e.f. 16th July, 2019 pursuant to Article 84 of the Articles of the Association of the Company read with Section 149, 150, 152 and 161 of the Companies Act, 2013.

Being appointed as an Additional Director, he will hold office upto the date of the ensuing Annual General Meeting. The Company has received a Notice under Section 160 of the Companies Act, 2013 from a Member proposing his name as a Director of the Company. A brief resume of Dr. Sylvanus Lamare is provided separately in the Corporate Governance Report.

Dr. Sylvanus Lamare has given declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act. In compliance with the provisions of section 149 read with Schedule IV of the Companies Act, 2013, the appointment of Dr. Sylvanus Lamare as an Independent Director is placed before the members at the AGM for approval.

The Board recommends appointment of Dr. Sylvanus Lamare as Independent Director of the Company. Dr. Sylvanus Lamare is interested in the Resolution to the extent as it concerns his appointment. No other Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Ordinary Resolution.

Item No. 8: Approval of Remuneration of Cost Auditor for the financial year 2019-20

M/s. A. C. Dutta & Co., Cost Accountants, Kolkata was appointed by the Board as the Cost Auditor of the Company for the year 2019-20 on recommendation of the Audit Committee to conduct the audit of Cost Records at a remuneration of ₹75000/- plus out of pocket expenses, reimbursement of travel and boarding expenses and payment of service tax at applicable rates.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014, remuneration of Cost Auditor approved by the Board is required to be ratified by the Members by way of an Ordinary Resolution.

The Board accordingly recommends the passing of the proposed Ordinary Resolution for approval of the Members. None of the Directors or Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in passing of the said Ordinary Resolution.

Item No. 9 & 10: Increase in Authorised Share Capital of the Company and Amendment of Clause V of the Memorandum of Association of the Company

The Govt. of India has approved the capacity expansion of Numaligarh Refinery from 3.0 MMTPA to 9.00 MMTPA along with crude oil pipeline from Paradip to Numaligarh and product pipeline from Numaligarh to Siliguri at an estimated cost of ₹22,594 Crore. In accordance with the revised cost of the project approved by the Government, requirement of additional equity capital will be ₹4165 Crore. The Promoters i.e. BPCL and Govt. of Assam and Oil India Limited have conveyed their consent for bringing additional equity amounting to ₹4165 crore for the project.

In order to facilitate issue of additional equity as stated above, it would be essential for the Company to enhance the authorised share capital of the Company from ₹1000,00,00,000.00 (Rupees One Thousand Crore) divided into 100,00,00,000 (One hundred Crore) Equity Shares of ₹10/- each (Rupees Ten) to ₹5000,00,00,000.00 (Rupees Five Thousand Crore) divided into 500,00,00,000 (Five Hundred Crore) Equity

Shares of ₹10/- each (Rupees Ten) by the creation of additional capital of ₹4000,00,00,000/- (Rupees Four Thousand Crore) divided into 400,00,00,000 (Four Hundred Crore) Equity Shares of ₹10/- each (Rupees Ten) and such new Equity Shares shall rank pari passu in all respects with the existing Equity Shares of the Company.

Further, subsequent to the increase in the Authorised Share Capital, Clause V of the Memorandum of Association of the Company would need to be amended by passing a Special Resolution in the General Meeting of the Company.

Your Directors recommend passing of the Resolutions at Item Nos. 9 and 10, as Special Resolutions.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions as set out at Item Nos. 9 and 10 of the Notice.

By Order of the Board of Directors

Sd/-

H. K. Sarmah
Company Secretary

Registered Office:

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

Date: 19th July, 2019

A vibrant, stylized sailboat with a rainbow-colored sail is depicted flying through a clear blue sky. The sailboat is angled upwards and to the right, with a bright sun or light source behind it, creating a lens flare effect. The sail features a gradient of colors from red at the top to green at the bottom. The boat's hull is white with a red stripe. The overall composition is dynamic and optimistic.

PERFORMANCE PROFILE

Performance Profile

	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
1 Crude Oil Processed (TMT) :	2900	2809	2683	2520	2777	2613	2478	2825	2250	2619
2 Capacity Utilisation (%) : [Installed capacity 3000 TMT]	97%	94%	89%	84%	93%	87%	83%	94%	75%	87%
3 Production Quantity (TMT) :	2882	2824	2652	2521	2754	2558	2379	2755	2012	2366
Light Distillates %	20.5%	23.5%	23.0%	21.7%	20.3%	20.5%	19.1%	19.0%	13.8%	15.6%
Middle Distillates %	75.7%	73.3%	74.0%	74.5%	76.2%	76.7%	78.0%	77.3%	82.2%	80.0%
Heavy Ends %	3.8%	3.2%	3.0%	3.9%	3.5%	2.8%	2.9%	3.7%	4.0%	4.4%
4 Refinery Fuel and Loss as % of Crude Processed :	9.73%	10.54%	10.81%	9.64%	9.74%	10.26%	9.33%	9.72%	10.98%	9.85%
5 Market Sales (TMT) :	2,978	2,912	2,679	2,619	2,695	2,550	2,410	2,728	2,137	2,355
6 Manpower (Nos.):	880	864	871	880	878	864	861	851	820	820
7 Sales and Earnings (₹ in Crore) :										
i) Gross Revenue from Operations	18,511.15	15,923.19	13,946.91	11,925.44	10,827.05	9,876.76	8,757.01	14,075.58	8,972.19	7,874.09
ii) Profit Before Depreciation/ Amortisation, Interest & Tax	3,261.50	3,341.74	3,333.62	2,109.06	1,342.37	783.42	520.90	518.15	618.30	512.27
iii) Depreciation and amortisation expense	194.45	183.60	163.63	220.03	172.90	179.01	180.13	173.97	170.17	153.64
iv) Interest	12.62	15.80	22.42	23.32	36.34	41.91	59.40	38.58	29.16	5.14
v) Profit/ (Loss) before exceptional items and tax	3,054.43	3,142.34	3,147.57	1,865.71	1,133.13	562.50	281.37	305.60	418.97	353.49
vi) Exceptional Items	2.52	-	-	1.86	(1.12)	(0.15)	18.51	18.14	4.84	(8.22)
vii) Profit/(Loss) before tax	3,051.91	3,142.34	3,147.57	1,863.85	1,134.25	562.65	262.86	287.46	414.13	361.71
viii) Tax Expense #	1,083.81	1,097.69	1,047.00	654.03	415.94	191.56	118.60	103.76	134.87	129.63
ix) Profit/(Loss) for the period	1,968.10	2,044.65	2,100.57	1,209.82	718.31	371.09	144.26	183.70	279.26	232.08
x) Other Comprehensive Income net of tax	1.52	(2.88)	(3.85)	0.96	-	-	-	-	-	-
xi) Total Comprehensive Income for the period (comprising profit / (loss) and Other Comprehensive income for the period.) **	1,969.62	2,041.77	2,096.72	1,210.78	718.31	371.09	144.26	183.70	279.26	232.08
# Includes Deferred Tax provision - ₹ 65.00 Crore (Current year) & - ₹ 43.41 Crore (Previous year)										
8 What the Company Owned (₹ in Crore):										
i) Gross Property Plant and Equipment (including Capital Work-in-Progress)	3,848.37	3,448.79	3,043.42	2,603.05	4,590.33	4,302.37	3,855.66	3,757.24	3,681.56	3,582.39
ii) Net Property Plant and Equipment (including Capital Work-in-Progress)	3,105.44	2,891.20	2,664.60	2,386.24	2,347.12	2,224.79	1,952.22	2,010.45	2,111.92	2,155.43
iii) Non current assets	74.03	60.35	62.44	54.30	51.48	70.04	75.98	67.62	74.69	-
iv) Net Current Assets (including investments)	2,713.11	2,706.09	3,162.08	2,928.17	2,048.22	1,815.52	1,502.60	1,270.61	870.24	739.87
v) Intangible Assets to the extent not written off	6.76	1.64	0.60	1.48	2.85	5.71	5.66	8.94	7.86	1.76
Total Assets Net (ii+iii+iv)	5,899.34	5,659.28	5,889.72	5,370.19	4,449.67	4,116.06	3,536.46	3,357.62	3,064.71	2,897.06
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	4,815.05	4,308.72	4,445.01	3,543.56	2,619.35	2,255.20	2,021.81	1,963.62	1,865.42	1,714.41
iii) Miscellaneous Expenditure to the extent not written off	-	-	-	-	-	-	-	-	-	-
iv) Net worth (i)+(ii)-(iii)	5,550.68	5,044.35	5,180.64	4,279.19	3,354.98	2,990.83	2,757.44	2,699.25	2,601.05	2,450.04
v) Borrowings	3.28	162.63	353.10	497.94	668.64	768.30	392.97	283.39	211.92	207.65
vi) Deferred Tax Liability	337.13	271.31	229.44	110.69	144.23	191.91	213.56	203.86	238.47	239.37
vii) Long term liabilities & provisions	8.25	180.99	126.54	482.37	281.82	165.02	172.49	171.12	13.27	-
Total Funds Employed (iv+v+vi)	5,899.34	5,659.28	5,889.72	5,370.19	4,449.67	4,116.06	3,536.46	3,357.62	3,064.71	2,897.06

	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
10 Internal Generation (₹ in Crore)	2,233.48	2,331.87	2,439.03	1,594.93	979.81	542.50	396.72	334.79	467.26	393.27
11 Ratios:										
i) Profit before Depreciation/Amortisation, Interest & Tax as % of Net Revenue from operations & Other income	20.04%	25.01%	28.70%	20.73%	13.51%	8.42%	6.30%	3.85%	7.80%	7.70%
ii) Profit after Tax as % of Average Net Worth.	37.15%	39.99%	44.41%	31.69%	22.64%	12.91%	5.29%	6.93%	11.06%	9.67%
iii) Profit after Tax as % of Share Capital	267.54%	277.95%	285.55%	164.46%	97.65%	50.45%	19.61%	24.97%	37.96%	31.55%
iv) Average Net worth as % of Share Capital	720%	695%	643%	519%	431%	391%	371%	360%	343%	326%
v) Gross Profit before Depreciation/Amortisation, Interest & Tax as % of Average Capital Employed.	76.04%	71.89%	70.29%	51.01%	39.50%	25.07%	17.38%	17.96%	23.93%	21.50%
vi) Profit Before Tax as % of Average Capital Employed	71.15%	67.60%	66.37%	45.08%	33.38%	18.01%	8.77%	9.96%	16.03%	15.18%
vii) Profit After Tax as % of Average Capital Employed (ROCE)	45.89%	43.98%	44.29%	29.26%	21.14%	11.88%	4.81%	6.37%	10.81%	9.74%
viii) Long Term Debt Equity Ratio	-	0.03	0.06	0.12	0.16	0.18	0.02	0.03	0.04	0.02
12 Earning Per Share (₹)	26.76	27.80	28.56	16.45	9.76	5.04	1.96	2.50	3.80	3.15
13 Book Value Per Share (₹)	75.46	68.57	70.43	58.17	45.61	40.66	37.48	36.69	35.36	33.31
14 SOURCES AND APPLICATION OF FUNDS (₹ In Crore)										
SOURCES OF FUNDS										
OWN :										
Profit after Tax	1,969.62	2,041.77	2,096.73	1,210.78	718.31	371.09	144.26	183.70	279.26	232.08
Depreciation/Amortisation	194.45	183.60	163.63	220.03	172.90	177.24	159.97	179.57	144.76	153.23
Deferred Tax provision	65.00	43.41	120.79	(44.01)	(47.68)	(21.64)	9.69	(34.59)	(0.92)	(6.60)
Investments				89.79		-	10.73	-	-	-
BORROWINGS :										
Loans (Net)						375.33	109.58	71.47	12.25	157.26
Decrease in Working Capital	723.46	606.62	-	-	-	-	-	-	-	-
Changes in long term liabilities & provisions		54.44		200.55	116.80		1.37	157.85	-	-
Changes in Long Term Loans & Advances and Non-Current assets		2.09			18.56	5.94	-	7.07	-	-
Adjustment on account of retirement / reclassification of assets	12.62	13.66	19.46	5.37	5.57	3.93	99.27	65.43	45.31	1.30
	2,965.15	2,945.59	2,400.61	1,682.51	984.46	911.89	534.87	630.50	480.66	537.27
APPLICATION OF FUNDS :										
Capital Expenditure	424.82	432.69	462.62	259.00	297.80	450.64	197.69	141.11	148.39	236.49
Adjustment for Misc. Expenditure / Intangible Assets	6.12	2.03	-	0.09	0.12	3.14	0.04	3.53	8.18	-
Dividend	1,213.79	1,809.66	993.10	551.72	294.25	117.70	73.56	73.56	110.34	110.34
Tax on distributed profits	249.50	368.40	202.16	112.33	59.91	20.00	12.50	11.93	17.90	18.75
Repayment of Loans (Net)	159.35	190.47	144.84	171.19	99.66	-	-	-	-	-
Investments (Net)	725.16	142.34	181.70		197.36	35.48	-	61.22	29.92	-
Changes in long term liabilities & provisions	172.73		355.83			7.47				
Increase in Working Capital			52.22	586.78	35.36	277.46	242.72	339.15	165.93	168.09
Changes in Non-Current assets & Provisions	13.68		8.14	1.40	-	-	8.36	-	-	-
Transitional Provision for Employee Benefit	-	-	-	-	-	-	-	-	-	3.60
	2,965.15	2,945.59	2,400.61	1,682.51	984.46	911.89	534.87	630.50	480.66	537.27

	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
15 Changes in Working Capital (₹ in Crore) :										
A) Current Assets :										
Inventories	(290.96)	178.97	572.99	(542.95)	248.68	142.28	(807.97)	383.33	82.03	571.63
Trade Receivables	204.42	212.60	(15.80)	(417.57)	958.52	(428.34)	(93.72)	44.82	643.19	(24.58)
Cash & Bank Balances	(716.73)	(656.48)	(259.64)	683.20	88.59	962.52	2.51	(201.55)	79.00	(169.35)
Loans & Advances, Others	(10.41)	14.04	(14.73)	(89.39)	0.76	(108.60)	210.48	9.27	(4.63)	41.36
	(813.68)	(250.87)	282.82	(366.71)	1,296.55	567.86	(688.70)	235.87	799.59	419.06
Less:										
B) Current Liabilities & Provisions										
Current Liabilities	(258.83)	431.38	215.23	(865.20)	888.33	279.31	(915.64)	(16.93)	579.74	197.87
Provisions	168.61	(75.63)	15.37	(88.29)	372.86	11.09	(15.78)	(86.35)	53.92	53.10
	(90.22)	355.75	230.60	(953.49)	1,261.19	290.40	(931.42)	(103.28)	633.66	250.97
C) Working Capital (A - B)	(723.46)	(606.62)	52.22	586.78	35.36	277.46	242.72	339.15	165.93	168.09

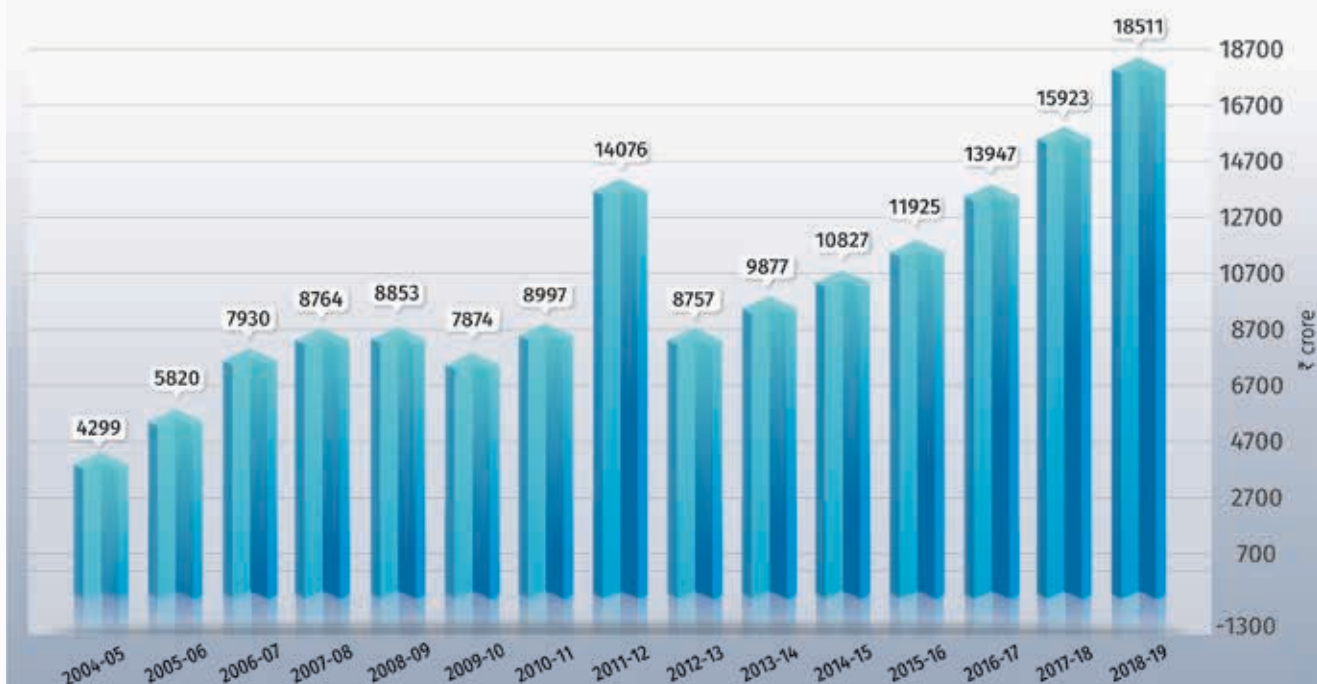
Value Added

	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
HOW VALUE IS GENERATED (₹ in Crore) :										
Value of Production :	15,650.94	13,092.28	11,416.58	9,632.41	10,074.11	9,268.47	7,601.63	13,659.35	7,847.50	7,218.61
Less : Direct Materials Consumed :	11,524.73	8,834.98	7,680.06	6,764.52	7,935.63	7,933.91	6,622.87	12,503.09	7,011.66	6,532.67
Value Added	4,126.21	4,257.30	3,736.52	2,867.89	2,138.48	1,334.56	978.76	1,156.26	835.84	685.94
Add : Other Incomes	122.49	126.65	366.44	140.09	74.90	48.87	64.83	16.55	61.00	55.33
Total Value Generated	4,248.70	4,383.95	4,102.96	3,007.98	2,213.38	1,383.43	1,043.59	1,172.81	896.84	741.27
HOW VALUE IS DISTRIBUTED (₹ in Crore) :										
A) Operation :										
Employees' Benefits	300.19	308.08	212.99	187.81	178.60	144.53	129.92	143.28	138.01	104.89
Other Costs	688.01	737.01	560.20	712.00	691.29	455.33	411.28	529.53	144.89	115.89
	988.20	1,045.09	773.19	899.81	869.89	599.86	541.20	672.81	282.90	220.78
B) Providers of Capital										
Interest on Borrowings	12.62	15.80	22.42	23.32	36.34	41.91	59.40	38.58	29.16	5.14
Dividend	1,250.57	1,360.92	993.10	551.72	294.25	117.70	73.56	73.56	110.34	110.34
	1,263.19	1,376.72	1,015.52	575.04	330.59	159.61	132.96	112.14	139.50	115.48
C) Taxation:										
Corporate Tax	1,018.81	1,054.28	926.21	698.05	463.62	213.20	108.91	138.35	135.79	136.23
Tax on distributed profits	257.06	277.05	202.16	112.33	59.91	20.00	12.50	11.93	17.90	18.75
	1,275.87	1,331.33	1,128.37	810.38	523.53	233.20	121.41	150.28	153.69	154.98
D) Re-investment in Business										
Depreciation/ Amortisation	194.45	183.60	163.63	220.03	172.90	179.01	180.13	173.97	170.17	153.64
Provision on Investment	-	-	-	-	-	-	-	(0.01)	0.48	-
Deferred Tax	65.00	43.41	120.79	(44.01)	(47.68)	(21.64)	9.69	(34.59)	(0.92)	(6.60)
Retained Profit	461.99	403.80	901.46	546.73	364.15	233.39	58.20	98.21	151.02	102.99
	721.44	630.81	1,185.88	722.75	489.37	390.76	248.02	237.58	320.75	250.03
Total Value Distributed	4,248.70	4,383.95	4,102.96	3,007.98	2,213.38	1,383.43	1,043.59	1,172.81	896.84	741.27

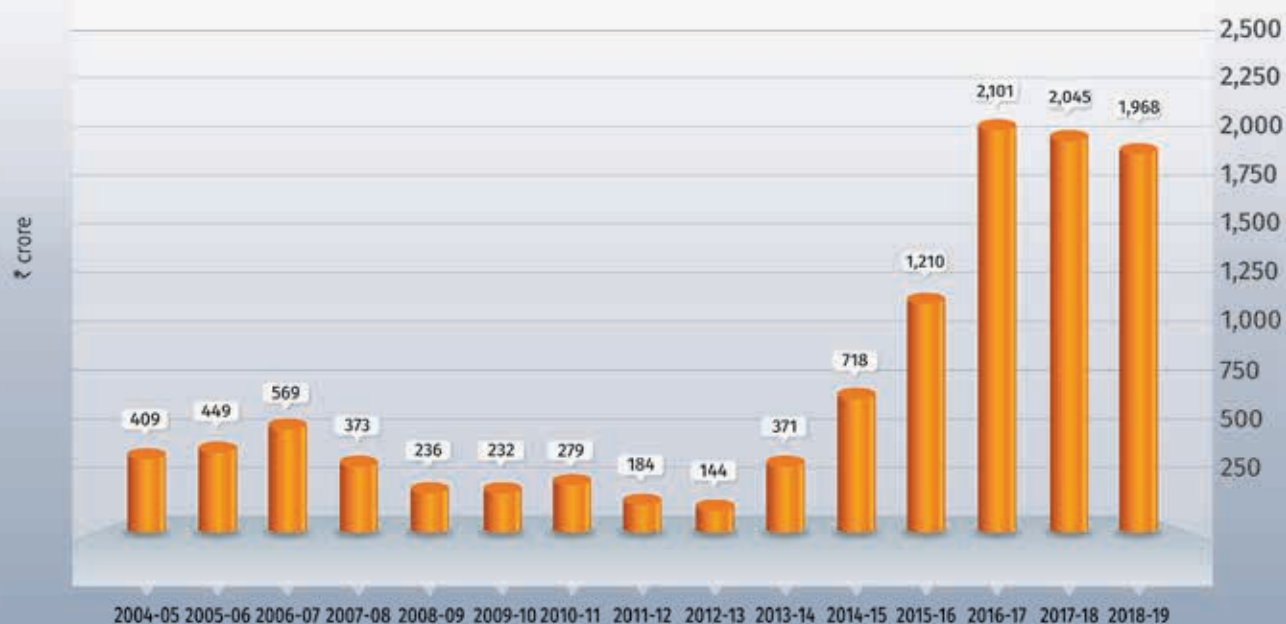
Net Worth CAGR 11.06 %



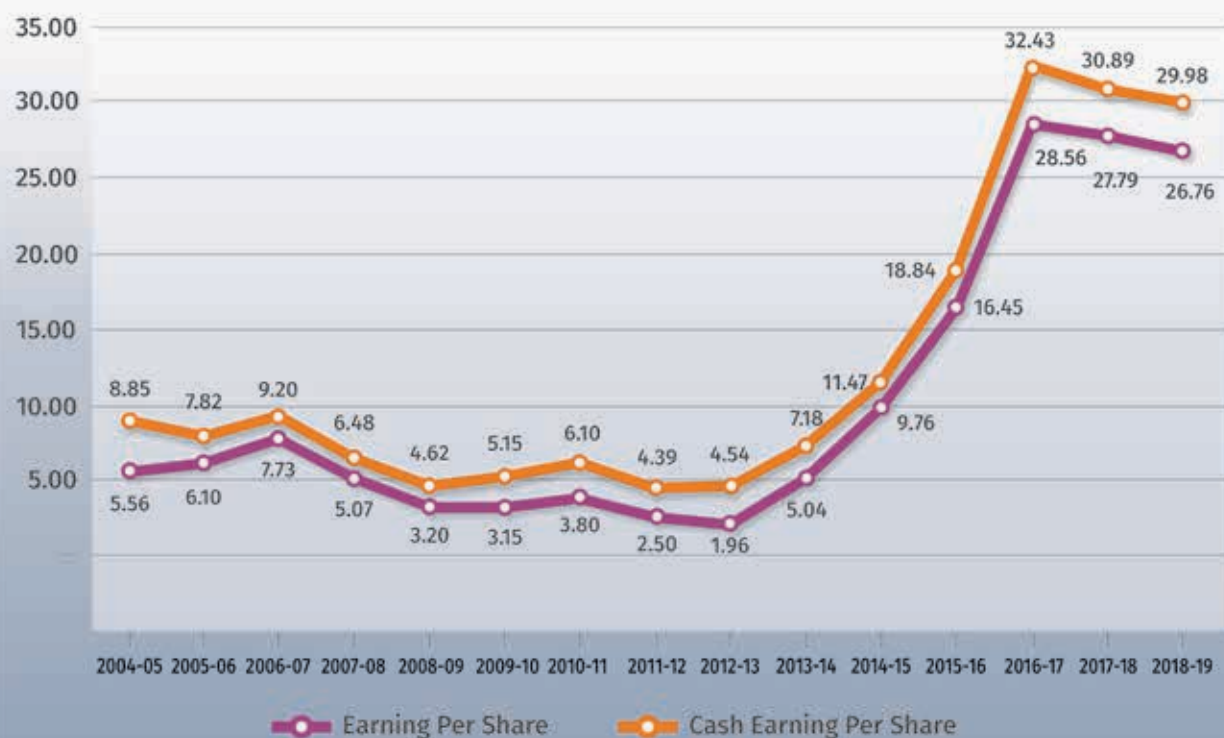
Turnover CAGR 18.97%



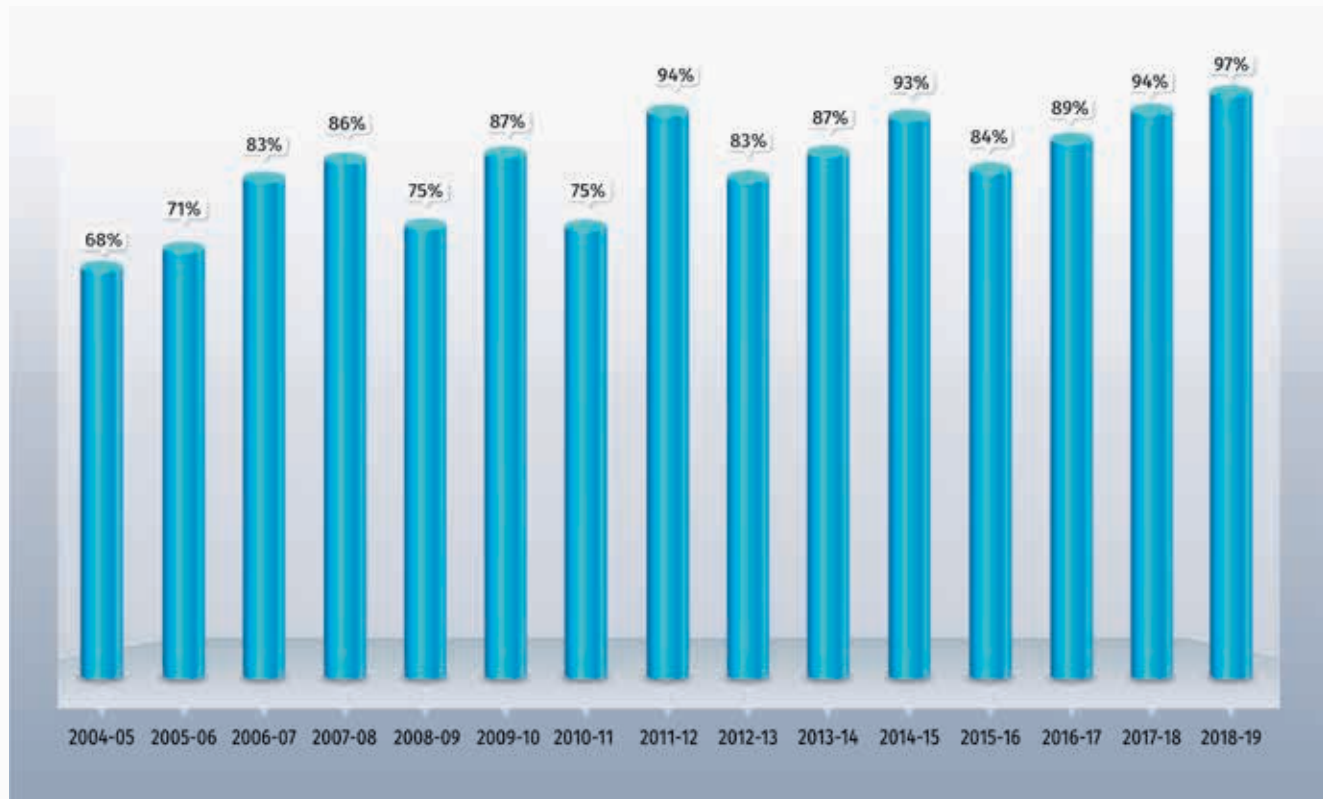
Profit After Tax CAGR 28.36%



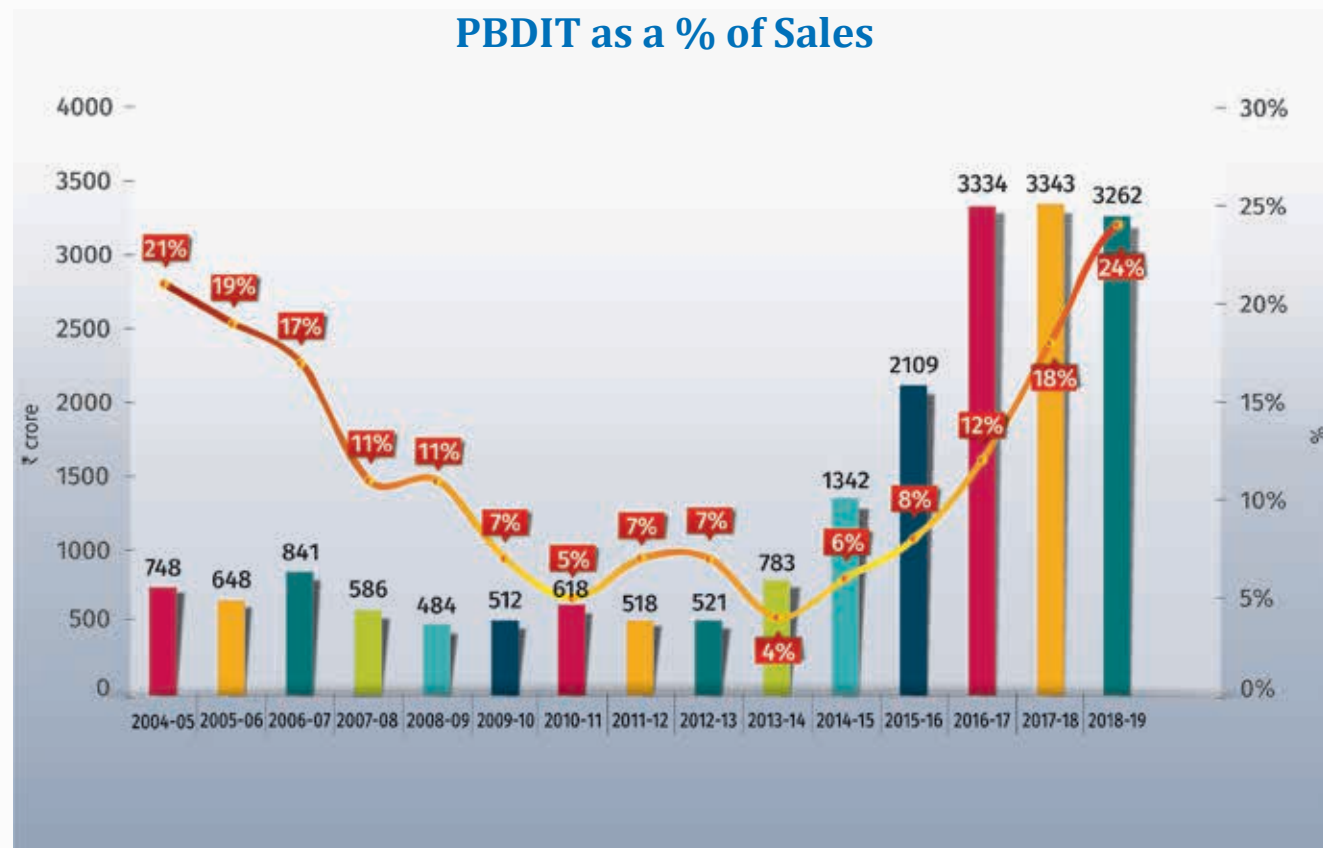
EPS and CEPS (₹ per share of ₹ 10/-)



Capacity Utilisation



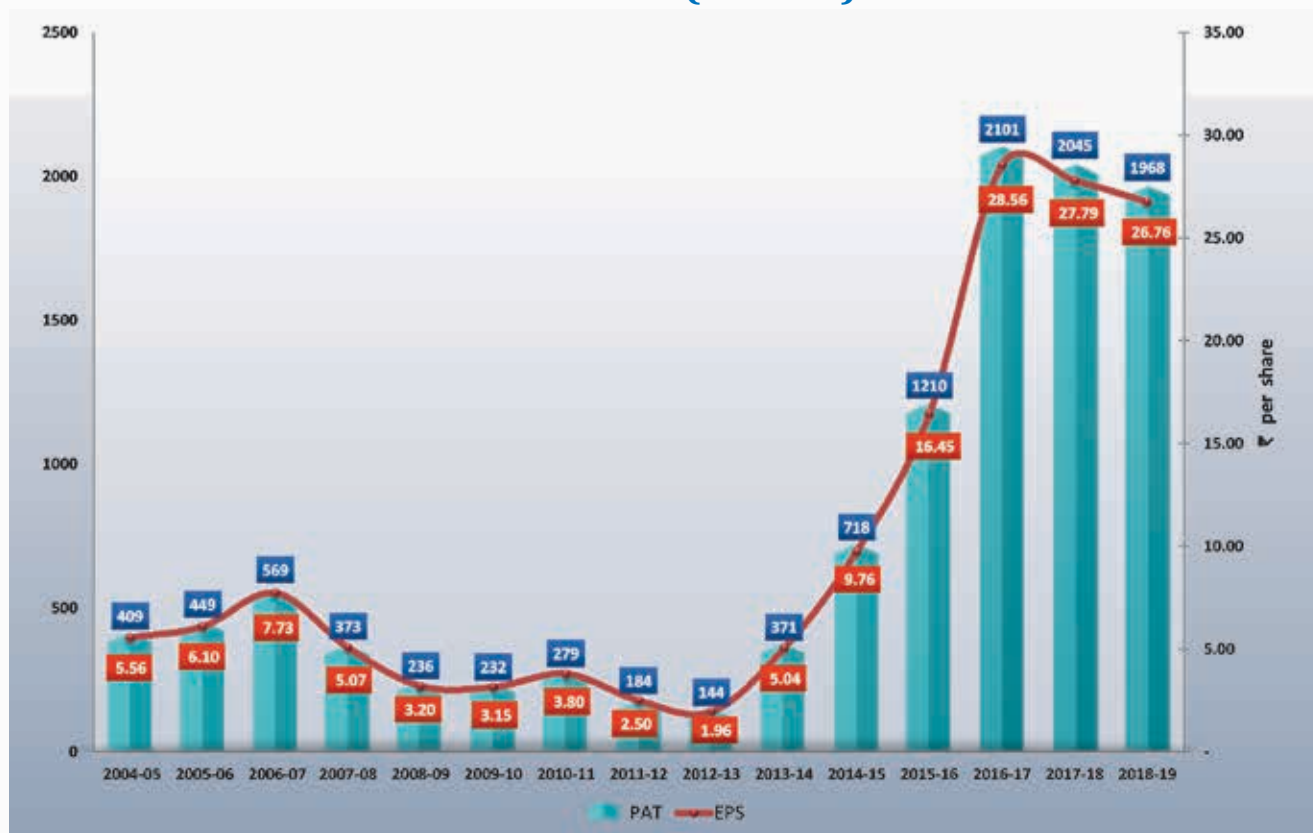
PBDIT as a % of Sales



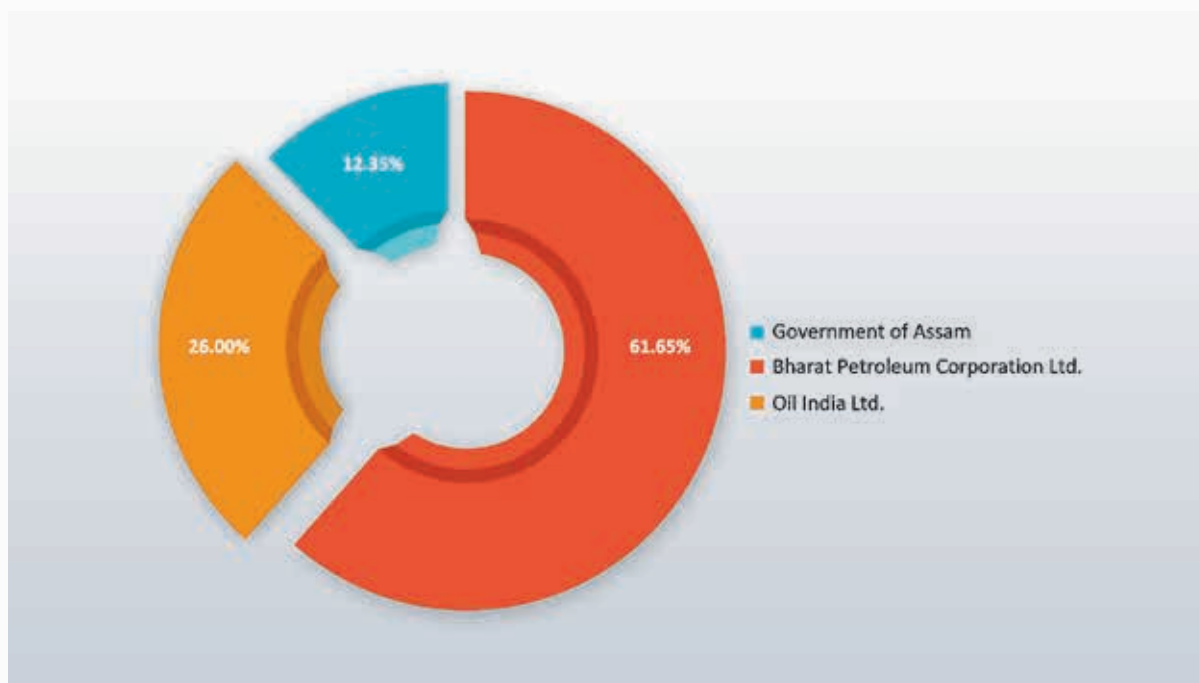
Turnover & PAT (₹ Crore)



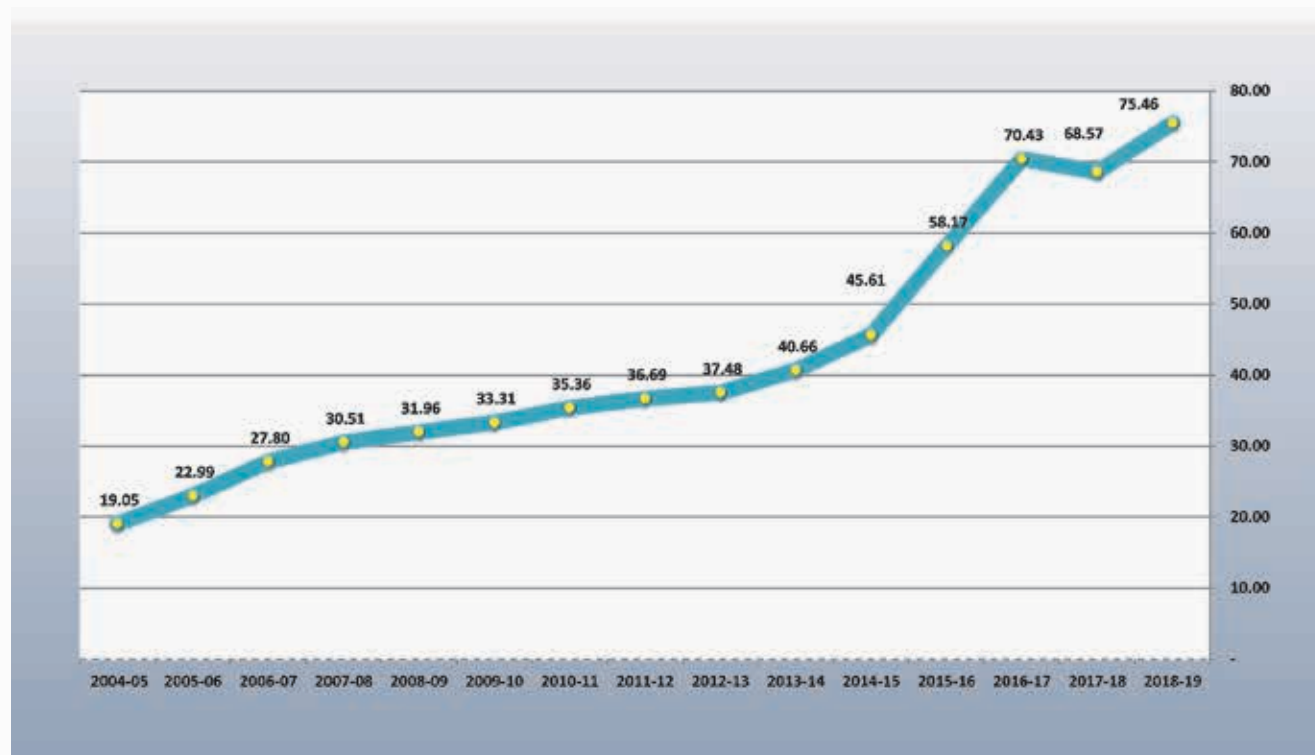
PAT & EPS (₹ Crore)



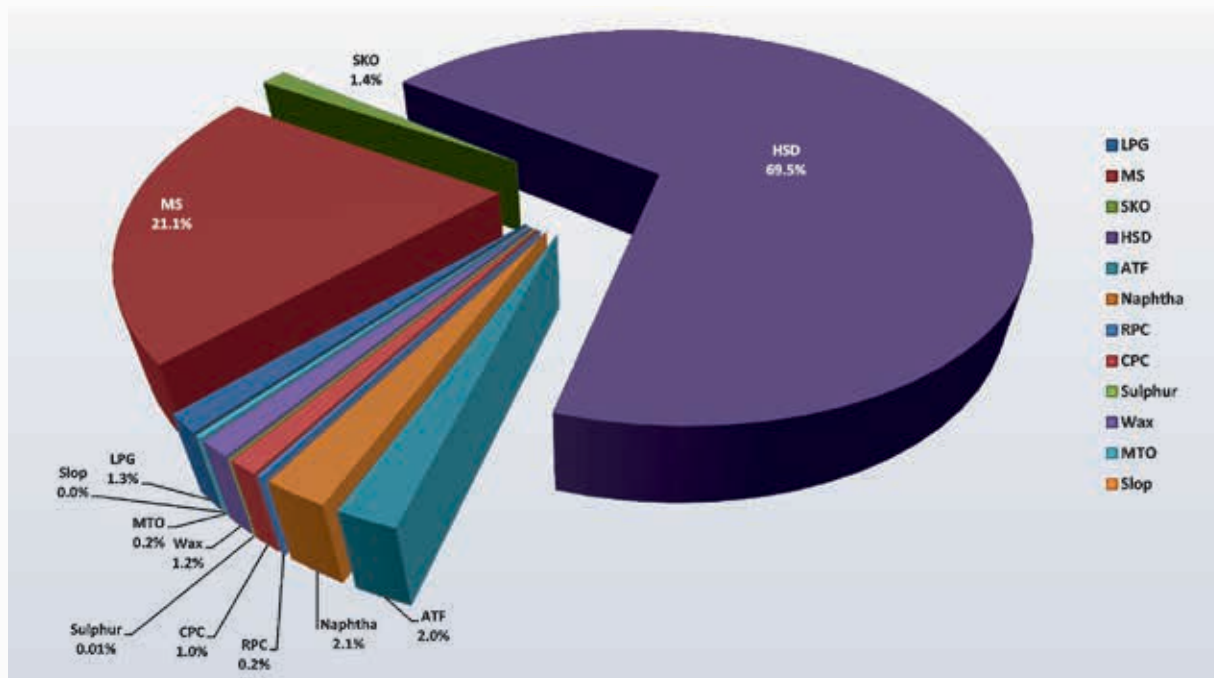
Shareholding Pattern



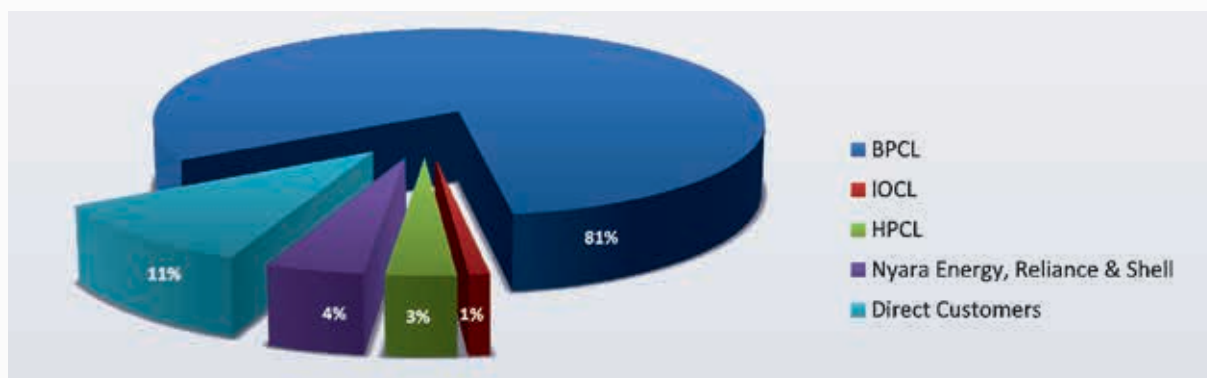
Book Value per share (Face value ₹ 10 each)



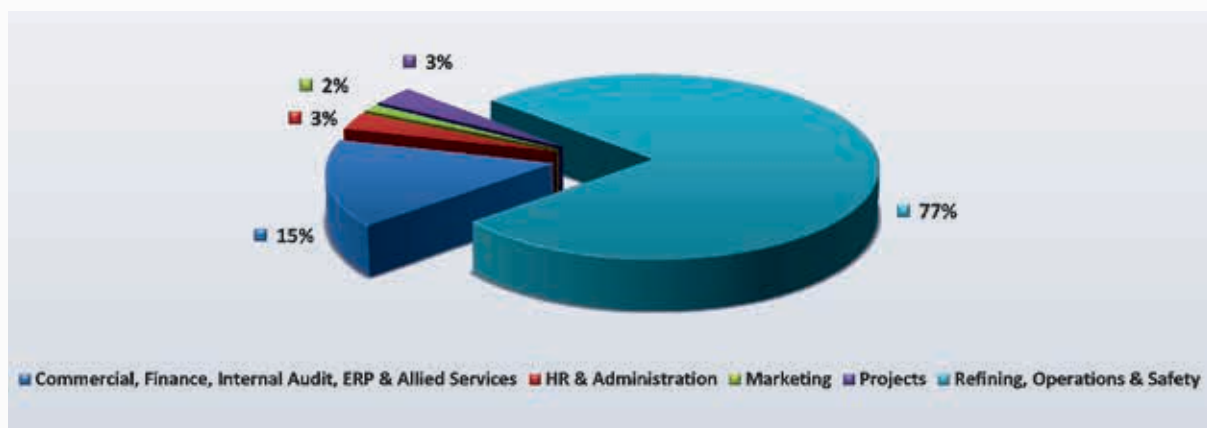
Product Wise Sales Pattern



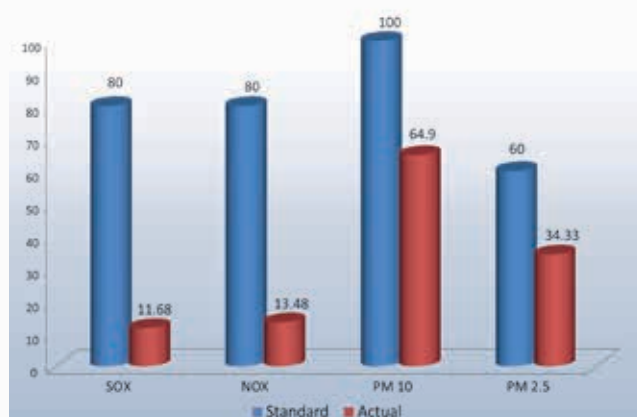
Party Wise Sales (%)



Manpower Function Wise (%)

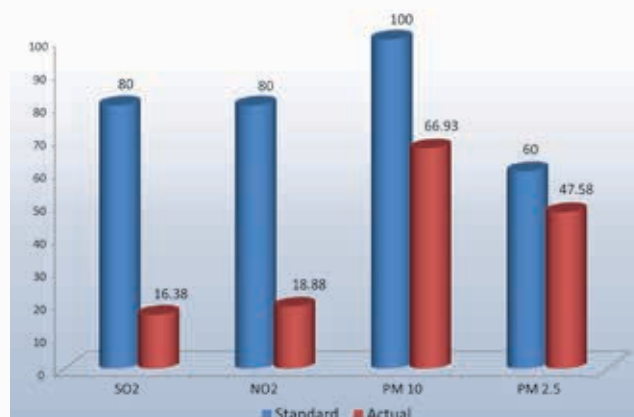


Ambient Air Quality at Numaligarh Township vis-a-vis National Standards



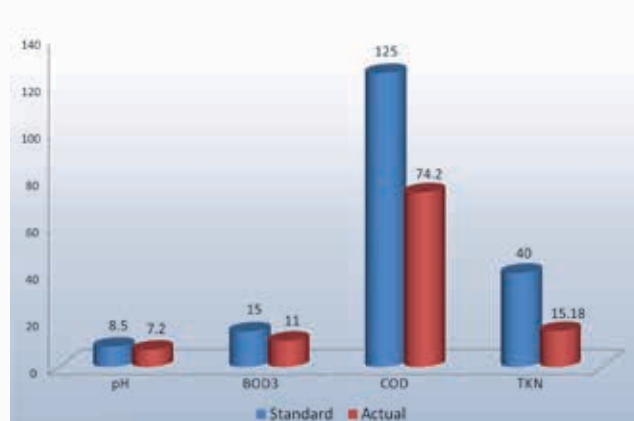
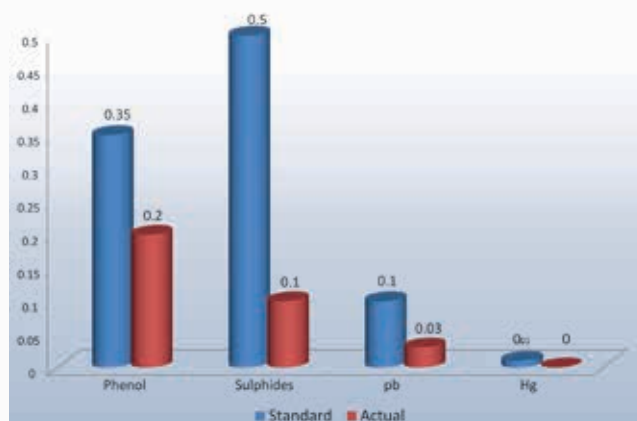
ALL VALUES ARE µg/m³

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



ALL VALUES ARE µg/m³

Liquid Effluent Pollutant Levels at Numaligarh Refinery vis-a-vis National Standards



All values are in mg/lit except for pH

A vibrant, multi-colored sailboat with a rainbow sail is shown in flight against a clear blue sky. A bright sun is visible in the upper right, creating a lens flare effect. The sailboat is angled upwards and to the right, leaving a faint trail behind it.

DIRECTORS' REPORT

Directors' Report to Shareholders

Your Directors have pleasure in presenting the 26th Annual Report of the Company together with audited financial statement for the financial year ended 31st March, 2019.

1. Financial Performance

1.1 Consolidated Results

The Consolidated financial results of the Company and its Joint Venture Companies- viz M/s DNP Limited, M/s Assam Bio Refinery Private Ltd., M/s Indradhanush Gas Grid Ltd. and associate company M/s Brahmaputra Cracker and Polymer Ltd. for the year 2018-19 compared to that of the previous year are summarized below.

₹ in Crore

	2018-19	2017-18
Revenue from operations	18,511.15	15,923.19
Profit from continuing operation before share of profit of equity accounted investee and income tax	3,051.91	3,142.34
Share of profit of equity accounted investee (net of income tax)	12.18	(2.70)
Profit from continuing operations before income tax	3,064.09	3,139.64

Tax Expense	1,083.81	1,097.69
Profit for the period	1,980.28	2,041.95
Other comprehensive income, net of tax	1.52	(2.88)
Total comprehensive income for the period (comprising Profit and Other Comprehensive Income for the period)	1,981.80	2,039.07
Earnings per share (₹ per share)	26.92	27.76
Net Worth	5,486.17	4,967.66

The highlights of the Company's performance are as under:

- Revenue from Operations increased to ₹18,511.15 crore registering a growth of 16.25% as compared to ₹15,923.19 crore in the previous year.
- Profit for the period after tax was lower by 3.02% at ₹1,980.28 crore as compared to ₹2,041.95 crore in the previous year and correspondingly Earnings per share for the year decreased to ₹26.92 per share from ₹27.76 per share in the previous year.
- Net worth of the Company has increased by 10.44% from ₹4,967.66 crore as on 31.03.2018 to ₹5,486.17 crore at the close of the year.



1.2 Standalone Results

Financial Results

The Company's refining business has continued to deliver stellar performances. During 2018-19, the Company posted revenue from operations at ₹18,511.15 crore registering a growth of 16.25% as compared to ₹15,923.19 crore in the previous year due to higher sales volume and better price realization. Net profit for the year was marginally lower at ₹1,968.10 crore as against ₹2,044.65

crore in the previous year Total comprehensive income for the period (comprising Profit and Other Comprehensive Income) stood at ₹1,969.62 crore as against ₹2,041.77 crore in 2017-18. The Compound Annual Growth Rate (CAGR) for PAT stood at 28.36% since commencement of commercial production.

The financial results of the Company for the year 2018-19 as compared to those of the previous year are summarized below:

	₹ in Crore	
	2018-19	2017-18
Physical Performance		
Crude Throughput (TMT)	2,900.39	2,809.43
Sales (TMT)	2,977.73	2,911.58
Financial Performance		
Gross Revenue from Operations	18,511.15	15,923.19
Profit before Depreciation & Amortization, Interest and Tax	3,261.50	3,341.74
Interest	12.62	15.80
Depreciation & Amortization expense	194.45	183.60
Profit before exceptional items and tax	3,054.43	3,142.34
Exceptional Items	2.52	-
Profit before tax	3,051.91	3,142.34
Tax Expense		
(1) Current Tax	1,018.81	1,054.28
(2) Deferred Tax	65.00	43.41
Profit for the period	1,968.10	2,044.65
Other comprehensive income, net of tax	1.52	(2.88)
Total comprehensive income for the period (comprising Profit and Other Comprehensive Income for the period)	1,969.62	2,041.77
Earnings per Equity Share		
Basic (₹ per share)	26.76	27.79
Diluted (₹ per share)	26.76	27.79
Net worth	5,550.68	5,044.35
The Directors propose to appropriate profits for dividend and dividend tax payment as under :		
Interim Dividend paid	1,029.88	1,177.01
Final (proposed) Dividend	220.69	183.91
Corporate Dividend tax	257.06	277.41
Summarized Cash Flow Statement :		
Cash Flows :		
Inflow/(Outflow) from operations	2,020.93	2,042.26
Inflow/(Outflow) from investing activities	(384.55)	65.27
Inflow/(Outflow) from financing activities	(1,727.38)	(2,269.02)
Net Increase/(decrease) in cash & cash equivalent	(91.00)	(161.49)

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

During 2018-19, the refinery processed 2,900.39 TMT of crude oil with sales volume of 2,977.73 TMT. The Earning per Share (EPS) for the year 2018-19 stood at ₹26.76 compared to ₹27.79 in 2017-18.

1.3 Dividend

Your Directors after taking into account the financial results of the Company during the year and keeping in view the need to maintain funds for investments in near future are pleased to recommend for your approval, a Final Dividend of 30% (₹3.00 per fully paid equity share of ₹10.00 each) for the year on the paid-up share capital of ₹735.63 crore which is in addition to the Interim Dividend of 140% (₹14.00 per fully paid equity share of ₹10.00 each) paid during the year. The Interim Dividend paid and Final Dividend proposed would absorb a sum of ₹1,250.57 crore and Corporate Dividend Tax would further absorb ₹257.06 crore out of the Company's PAT. The final dividend payout is subject to approval of members at the ensuing Annual General Meeting.



2nd Interim Dividend cheque for the FY 2018-19 presented to Government of Assam

The Net Worth of the Company has increased from ₹5,044.35 crore as on 31st March 2018 to ₹5,550.68 crore as on 31st March 2019.

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 ₹98.61 crore during the year (Previous Year ₹110.37 crore) at an average rate of return of 7.01% (previous year 6.05%)

on surplus fund. Surplus funds generated during the year were invested in line with DPE and NRL Board's guidelines.

Debt equity ratio at the close of the financial year stood at 0.01.

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.

During the year, the Company has achieved 99.94% in e-payment and 99.96% in e-collection mechanisms respectively.

1.5 Deposits from Public

The Company has not accepted any deposit from the public during the financial year 2018-19.

1.6 Capital Expenditure

The total amount of Capital Expenditure incurred during the year 2018-19 was ₹418.31 crore as compared to ₹419.01 crore in the previous year.

1.7 Contribution to Exchequer

Your Company has contributed a total of ₹3,754.55 crore to the Central Exchequer and ₹404.62 crore to the State Exchequers in the form of taxes, duties and dividends as compared to ₹4,212.44 crore and ₹459.45 crore

respectively in the previous year. The reduction is primarily on account of reduction in Excise Duty rates.

1.8 Cost Control Initiatives

Your Company follows a system of online budgetary control through SAP ECC 6.0 ERP system whereby expenditures are monitored and controlled on a day-to-day basis vis-à-vis approved budget. Besides taking adequate measures towards austerity and rationalization of expenditures, your Company

continuously monitors for reduction in fuel and loss, conservation of energy, improvement in distillate yield, optimization of product mix

1.9 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 standalone as well as consolidated accounts) for the year ended 31st March 2019 is attached along with Independent Auditors Report as Annexure.

1.10 Consolidated Financial Statement

In accordance with the Companies Act, 2013 ("the Act") and Ind AS-110 "Consolidated Financial Statements", 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).

1.11 Risk Management

The Company has also 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 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.

1.12 Particulars of investments made, loans/guarantees given by the Company

Particulars of investments made, loans /guarantees given by the Company are provided in the standalone financial statement (Please refer to Note 5, 6, 7, 10, 14 and 50 to the standalone financial statement).

1.13 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 and on an arm's length basis. 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. Relevant information on related party transactions in Form AOC -2 is provided as Annexure C to the Directors' Report.

Your Directors draw attention of the members to Note 47 to the standalone financial statement which sets out related party disclosures.

1.14 Post Balance Sheet Events

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

2. Physical Performance

The refinery processed 2,900 TMT of crude oil during FY 2018-19 which was highest so far and was more than MoU excellent target of 2,850 TMT. Previous highest crude oil processing was recorded in the year 2011-12 at 2,825 TMT. The Refinery showed impressive performance with respect to Distillate Yield, Specific Energy Consumption (SEC) and Energy Efficiency Index (EII).

Distillate Yield during the year 2018-19 was 87.1% marking an improvement over previous years performance of 86.7% . Specific Energy Consumption (SEC) at 66.62 was better than the PAT (Perform Achieve and Trade) target of 67.03 during FY 2018-19 for NRL. Energy Intensity Index (EII) was 87.9, which has improved from 88.2 of previous year.

On the production front, NRL registered highest ever Diesel production of 2010 TMT and highest ever supply of packed LPG of 51 TMT. Out of total production of 2,881 TMT, products other than HSD mentioned above were LPG 56 TMT, MS 527 TMT, ATF 67 TMT, SKO 62 TMT, Naphtha 8 TMT, MTO 7 TMT, Paraffin Wax 34 TMT, RPC 44 TMT, CPC 61 TMT and

Sulphur 5 TMT. Total product upliftment from the refinery was 2,866 TMT out of which 1,778 TMT was through Numaligarh-Siliguri Product Pipeline (NSPL). Rail dispatch ex-refinery was 199 TMT and road dispatch was 889 TMT. Road dispatch was higher by 40 TMT compared to previous year due to increase in local sales.

3. Safety

NRL continues to focus and channelize its resources for improvement in the areas of Health, Safety and Environment. Your Company continues to be certified under Integrated Management System comprising of ISO 9001, 14001 and OHSAS 18001 standards for quality, environment and occupational health and safety management system respectively. NRL has a well-defined Health, Safety and Environment (HS&E) Policy that provides a definitive direction for its occupational health, safety, and environment protection initiatives and activities. Efforts and commitment towards enhancement of health & safety of our employees and contractors is a continuous process. NRL continues to influence workplace Health and Safety as an integral part of its business policy. This has resulted in the Refinery achieving 249 days of Loss Time Accident (LTA) free operations and 1.3 Million LTA free man-hours on 31st March' 2019.

In order to be in preparedness for emergency situations, NRL regularly carries out mock drills for minor fire, major fire, on-site disaster and off-site disaster in a planned manner. Offsite disaster mock drills are organized with active involvement from

District Administration, local public and Civil Defense authorities.

NRL recognizes that training is an integral part of raising safety awareness. Around 4,303 contract workmen, 252 CISF & Security Staff, 455 POL drivers, 312 NRL employees were trained in Fire & Safety awareness during 2018-19 and regular awareness programs were conducted in nearby public places during the year. The Company observed Road Safety Week during February, 2019 with large scale involvement of its employees as well as general public.

During the year 2018-19, comprehensive Quantitative Risk Assessment (QRA) and Hazop Study covering entire units of Refining process and Marketing Terminal were conducted to identify and quantify all the potential failures that may lead to hazardous consequences and to recommend suitable reduction measures to mitigate risks and hazards, NRL has also introduced Process Safety Management (PSM) for further enhancing and institutionalizing the safety process for design and operation stage. PSM is a set of interrelated approaches to manage hazards associated with the process units and is intended to reduce the frequency and severity of incidents resulting from release of chemicals and other energy sources. A 27 month roadmap has been prepared for implementation of PSM.

4. Health

Refinery utilizes its Occupational Health Centre (OHC) to monitor health of its employees, contract workers



Safety Mock drill



Free Health Check-up camp

at frequent intervals based on of their areas of engagement and age. Over a period of time, facilities in the Occupational Health Centre have been augmented and the same is manned 24/7 with a critical care ambulance in tow. Regular periodic health check-up of employees and contract workers are carried out for safeguarding from occupational health hazards as per OISD guideline 166.

In addition to the Medical Centre inside refinery, NRL has a full-fledged 100 bedded general hospital, run by Vivekananda Kendra, Kanyakumari having a Burn Ward and Blood bank in addition to other specialty services like surgery, radiology, pathology etc. The hospital is ISO 9001 certified and is 24 hours functional.

5. Environment Management

Environment Management continues to be high priority area for the Company and all round effort is put in to improve environment management systems with respect to emission, water consumption, solid waste management, noise and reducing carbon footprint. Due to sustained effort and implementation



Cleanliness Drive

of control measures, GHG foot print for the year 2018-19 was 0.216 MTCO₂E compared to previous year's 0.24 MTCO₂E. During the year NRL incorporated pollution measuring instruments like CO Analyzer and PM Analyzer in all its stacks with a provision to transmit on line data to CPCB servers. NRL also created a new Bio-remediation site.

During the year oily sludge generation was approximately 96 MT. Equivalent quantity of oily sludge has been sold to CPCB approved re-cycler.

Implementation of PAT (Perform Achieve Trade) cycle II in Refineries:

PAT (Perform Achieve and Trade) is a regulatory and market based mechanism for reducing Energy Consumption in energy intensive industries under National Mission on Enhanced Energy Efficiency (NMEEE), one of the 8 missions identified under Govt. of India's National Action Plan for Climate Change (NAPCC). PAT cycle II commenced from April'16 to Mar'19 for refineries and MBN target imposed to refineries to reduce by 5.94% over the performance of base year 2014-15. NRL achieved MBN 66.62 against a target of 67.03. Target reduction is equivalent to 1300 EsCerts (1 EsCert = 1 Tonne of Oil Equivalent) which shall be accorded after monitoring and verification through BEE empanelled accredited Energy Auditor. The accumulated EsCerts shall be traded as per energy exchange market rate notified by BEE.

6. Marketing Performance

Overall sales volume during 2018-19 at 2,978 TMT was the highest-ever, recording 2% increase over the previous highest of 2,912 TMT in 2017-18. HSD sales also reached an all-time high of 1,949 TMT against 1,841 TMT in the previous year, registering a growth of 6%. Total MS sales during the year was 545 TMT. Category-wise sales in 2018-19 comprised 81% to BPCL, 3% to HPCL, 1% to IOCL, 2% each to Reliance Industries and Nayara Energy and 10% constituting direct sale and export.

Under Direct Marketing initiative, your company sold 61 TMT of Calcined Petroleum Coke (CPC), 5 TMT of Sulphur, 5 TKL of Wash Oil through long term contract. Sale of Diesel and Mineral Turpentine Oil during the year was 5 TKL and 9 TKL respectively. Total Paraffin Wax sold during the year amounted to 36 TMT including 1 TMT of liquid Wax.

The year 2018-19 marked the highest ever capacity utilization of the LPG bottling plant with 51 TMT packed LPG production overriding the previous highest of 39 TMT in the previous year.

Despatch from Numaligarh Terminal comprised 889 TMT by road and 199 TMT by rail against corresponding figures of 848 TMT and 176 TMT in the previous year. Despatch from Siliguri terminal was 1,786 TMT comprising 241 TMT by road and 1,547



Launch of **Pristene** - NRL's food grade wax



Import of Crude Oil at Haldia Port

TMT by rail. Total 589 railway rakes were dispatched from the terminal during the year. The Numaligarh Siliguri product pipeline (NSPL) throughput was 1,779 TMT.

6.1 Export of Product

The Company made significant progress in increasing export of product. On a year-on-year basis, product export by the Company increased by around 212% to reach 88 TMT in 2018-19 compared to 28 TMT in the previous year. Besides, new geographical regions were also added to NRL's market portfolio. In terms of revenue generation, product export contributed to around USD 61 million during the year. Products exported were Gas oil, High Speed Diesel and Paraffin Wax.

Among the export initiatives, Gas oil export to Bangladesh was the major contributor with 80 TMT through railway rakes from NRL's Siliguri Marketing Terminal. Exploring new market opportunities and in line with Govt. of India's Act East Policy, trial export supply of two tank lorries of HSD was made to Myanmar by road via the Numaligarh-Imphal-Moreh highway route. Continuing its effort to increase paraffin wax export, the Company sold 8 TMT of wax to customers outside the country and by the year-end, 35 countries were included in the list of NRL's paraffin wax market portfolio.

7. Projects

7.1 Projects completed and commissioned.

a. Mounded Bullet Project

NRL has recently implemented a project for installing four mounded bullets for storage of LPG replacing the existing LPG spheres within the refinery premises at Numaligarh. The project was completed within the approved cost of ₹122.10 crore. Mechanical completion of the project was achieved in October 2018.

7.2 Ongoing Projects

a. Refinery expansion from 3 to 9 MMTPA

NRL's refinery expansion project has been approved for implementation by the Cabinet Committee on Economic Affairs (CCEA) on 16.01.2019. The project has three components – a) 6 MMTPA refinery at Numaligarh, b) 1,398 km long and 9 MMTPA capacity crude pipeline from Paradip to Numaligarh and c) 654 km long and 6 MMTPA capacity product pipeline from Numaligarh to Siliguri. The approved cost of the project is ₹22,594 crore and project duration is 48 months from obtaining all statutory clearance. Terms of Reference (TOR) for Environment Clearance have been received and Environment Impact Assessment (EIA) studies are in progress.

b. India Bangladesh Friendship Product Pipeline (IBFPL)

NRL is constructing the 131 km long Indo-Bangla Friendship Product pipeline (IBFPL) from NRL's Siliguri Marketing Terminal in India to Parbatipur in Bangladesh. The 10 inch diameter pipeline will facilitate export of 1 MMT HSD annually. The estimated cost involved in laying the pipeline is ₹346 crore. The project is being implemented with Grant-in-aid support of ₹285 crore from the Govt. of India for the Bangladesh portion of the pipeline. NRL's investment in the project will be ₹61 crore. The G2G agreement between India and Bangladesh has been signed. Ground breaking ceremony for construction of the friendship pipeline project was held on 18th September 2018 which was done jointly by Hon'ble Prime Ministers of India and Hon'ble Prime Ministers of Bangladesh through video conferencing. The project is targeted to be completed by 2020. As on 31st March 2019, overall progress of the project has reached 4.1%.

8. Joint Venture and Associate Companies

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 crore. As on 31st March 2019, the paid up share capital of DNP Limited is ₹167.25 crore. The present shareholding of the Company as on 31st March 2017 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. NRL had contributed ₹43.49 crore towards equity in this joint venture. The company started transportation of natural gas from Oil India Limited's installation in Duliajan to Numaligarh Refinery from March 2011 onwards.

The main object of DNP Limited is transportation of natural gas through pipeline having a design capacity of 1.2 MMSCUM of natural gas per day from Madhuban at Duliajan, Assam to NRL Refinery. During the FY 2018-19, the company transported 281.01MMSCUM of Natural Gas as against 267.92 MMSCUM in 2017-18.

DNP Limited's revenue for the year 2018-19 stood at ₹92.58 crore as against ₹81.49 crore in the previous year. The company's profit after tax for the period stood at ₹46.77 crore vis-à-vis ₹32.31 crore in the previous year. Earnings per Share (EPS) for the year 2018-19 stood at ₹2.80 compared to ₹1.93 in 2017-18. The Board of DNP Limited has recommended a dividend of ₹5.00 per share of ₹10.00 each for the year 2018-19 as compared to ₹0.97 per share of ₹10.00 each in 2017-18.

Assam Bio Refinery Private Limited (ABRPL):

ABRPL is a joint venture company amongst Numaligarh Refinery Limited, M/s Fortum 3BV Netherland and M/s Chempolis Oy, Finland and was incorporated on 04th June 2018 with an authorized share capital



Foundation stone laying of Assam Bio Refinery Private Limited by Hon'ble PM

of ₹100.00 crore which was subsequently enhanced to ₹150 crore. As on 31st March 2019, the paid up share capital of ARRPL is ₹43.00 crore. NRL holds 50% share in the company and the balance is held by M/s Fortum 3BV Netherland and M/s Chempolis Oy, Finland. The registered office of the company is at Guwahati, Assam with its operational headquarters at Numaligarh. NRL had contributed ₹21.50 crore towards equity in this joint venture. The object of ABRPL is to build, own and operate an integrated bio-refinery complex to produce fuel grade Ethanol and other platform chemicals viz., acetic acid and furfural alcohol.

Indradhanush Gas Grid Limited (IGGL):

IGGL is a joint venture company among Numaligarh Refinery Limited (NRL), M/s Oil India Limited (OIL), M/s Oil and Natural Gas Corporation Limited (ONGC), M/s Indian Oil Corporation Limited (IOCL) and M/s GAIL(India) Limited (GAIL) with equity participation of 20% each and was incorporated on 10th August 2018 to implement the North East Gas Grid project envisaged in the Hydrocarbon Vision 2030 for North East of Govt. of India.

As on 31st March 2019, the paid up share capital of IGGL is ₹25.00 crore. The registered office of the company is at Guwahati, Assam. NRL had contributed ₹5.00 crore towards equity in this joint venture.

Brahmaputra Cracker and Polymer Limited (BCPL):

BCPL is an associate company incorporated on 8th January, 2007 as a Central Public Sector Enterprise under the Department of Chemicals & Petrochemicals, Govt. of India with an authorized share capital of ₹2,000 crore. The company has implemented the Assam Gas Cracker Project in Dibrugarh district of

Assam. The plant was successfully commissioned on 2nd January 2016 and dedicated to the nation by the Hon'ble Prime Minister, on 5th Feb' 2016.

GAIL (India) Limited is the main promoter having 70% of equity participation with Numaligarh Refinery Limited (NRL), Oil India Ltd (OIL) and Government of Assam having 10% share each as on 31st March 2019. NRL has contributed ₹141.77 crore towards equity in this joint venture.

The principal end products of the company are High Density Polyethylene (HDPE) and Linear Low Density Polyethylene (LLDPE) totaling 2,20,000 Tons per Annum (TPA) and 60,000 TPA of Poly-Propylene (PP). The other products include Hydrogenated Pyrolysis Gasoline and Pyrolysis Fuel Oil.

BCPL's Revenue from operations for the year 2018-19 stood at ₹2677.93 crore as against ₹1704.90 crore in the previous year. For the year 2018-19, BCPL has registered a profit after tax of ₹69.37 crore as against loss of ₹80.39 crore incurred during the year 2017-18. Earnings per Share (EPS) for the year 2018-19 stood at ₹0.49 as against ₹(0.57) in 2017-18.

9. Procurement From Micro & Small Enterprises

In line with "Public Procurement Policy for MSEs, Order 2012", NRL has been complying the annual procurement target of 25% for purchase of Goods and Services through MSEs. NRL has also been fully abiding by the other mandates of the Policy.

All tenders at NRL are floated through CPP portal as open tender route, with purchase preference clause for MSEs as applicable. As per existing Purchase Preference Policy of Government of India, in any tender, participating MSEs who are within the price band of L1+15% will get a portion of order, provided they match L1 price. This allocation to MSEs is atleast 20%. Additionally, a sub target of 4% out of total procurement is kept for MSE SC/ST entrepreneurs.

The allocation to MSEs have been subsequently revised upward to 25% by the Government in Nov.2018. As per revised target, a sub-target of 4% per cent out of 25% per cent, shall be earmarked for procurement from Micro and Small Enterprises



US Ambassador visit

owned by the Scheduled Caste or the Scheduled Tribe entrepreneurs. Out of 25% reservation as stated above, provision should also be made for a minimum reservation of 3% for women owned MSEs. In the MSME Order, 2012, it is also stated that, in the event of failure of SC/ST MSEs to participate in the tender process or meet the tender requirements and the L1 price, the 4% sub-target for procurement earmarked for MSEs owned by SC/ST entrepreneurs will be met from other MSEs.

During the year, your Company has organized 03 (three) vendor meets to promote the Public Procurement Policy for MSEs and participated in 01(one) Workshop on MSME Competitiveness Building conducted by Confederation of Indian Industry (CII), Assam State Council at Guwahati.

MSE procurement plan for 2018-19 was put up in the NRL website which can be viewed at <http://www.nrl.co.in/upload/Annual-Procurement-Plan-MSEs-2018-19.pdf>. As per the mandate of MSE Purchase Preference Policy, NRL has been appointing its nodal officer since the year 2012 and regularly updates the name and contact details of the nodal officers to the Ministry.

During the year 2018-19, annual procurement target for Goods and Services was kept at ₹240.00 crore against which procurement was done for ₹431.27 crore. Actual procurement value from MSEs during the year was ₹146.18 crore, i.e. an achievement of 33.90% as against the target of 25% and procurement of Goods and Services from MSE-SC/ST vendors was ₹5.33 crore. i.e. an achievement of 1.24% as against a target of 4% and procurement from Women owned MSE entrepreneur was ₹1.59 crore. i.e. an achievement of 0.37% as against a target of 3%.

Target for total annual procurement of Goods and Services for the Financial 2019-20 is estimated to be ₹406.00 crore.

‘MSME Sambandh’: Public Procurement Portal launched by “The Ministry of Micro, Small and Medium Enterprises (MSME)”

In the beginning of the year the total procurement target was uploaded in the ‘MSME Sambandh, a

Public Procurement Portal launched by “The Ministry of Micro, Small and Medium Enterprises (MSME)” for MSMEs. The website address/link for Annual Procurement Plan for purchases from MSEs and items procured was also uploaded in the portal in the beginning of the year. At the end of every month, data related to procurement from MSE, SC/ST MSEs, MSEs owned by women, vendor development programme, No. of MSEs benefited, MSEs owned by Women Entrepreneurs benefited and vendor development programme for SC/ST are also uploaded progressively.

MSME SAMADHAAN

NRL is on board in the MSME “Samadhaan” portal, a Payment Monitoring System against Delayed Payments to Micro and Small Enterprises under Micro, Small and Medium Enterprise Development (MSMED) Act, 2006.

During the financial year, no complaint was lodged against the Company for delay in releasing payment by any of the MSE entrepreneurs.

TReDS platform

NRL is on board in the ‘Trade receivable e-Discounting System’ for facilitating the financing of trade receivables of MSEs.

Government e-Marketplace (GeM)

The purchases through GeM have been authorized and made mandatory by Ministry of Finance by adding a new Rule No. 149 in the General Financial Rules, 2017.

GeM facilitates online procurement of common use Goods & Services. GeM aims to enhance transparency, efficiency and speed in public procurement.

Your Company has successfully registered as a Buyer in the GeM portal and included GeM platform as a mode of regular purchase. Total value of goods procured through GeM platform during the year was ₹33.99 lakh.

10. Implementation of Official Language

NRL continued its focused attention towards promoting and implementing ‘Hindi’ as official language as per the directives of Official Language Deptt., Govt. of India, Ministry of Home Affairs. To achieve the annual target set by Official Language Deptt, New Delhi, Hindi Workshop, OLIC meetings are



Rajbhasha Puraskar to NRL

being organized periodically. Hindi learning through “Aaj ka Shabd” & “Aaj ka Suvichar” for employees are being displayed on Display Boards daily. Incentive schemes for encouraging employees to use Hindi in official correspondences are being continued. A sum of ₹3,64,250.00 was paid to 199 employees as cash incentives during the year 2018-19. “Hindi Divas” and “Hindi Week” were celebrated w.e.f 14th September to 20th September’18 with various competitions involving employees, their family members, School Children & CISF personnel.

NRL was awarded the “Commendable Certificate” for significant implementation of Official Language for the year 2018-19 from Town Official Language Implementation Committee(PSUs). Besides, NRL annual Hindi Magazine “Prayas” (8th edition) published during the year 2017-18 was awarded the First Prize among Hindi Magazines published by Town Official Language Implementation Committee Members for the third consecutive years. A booklet in Hindi titled “नुमालीगढ़ रिफाइनरी का उद्भव और विकास – उत्तर-पूर्व भारत का गौरव” has been published during the year.

11. Right to Information Act

A seamless and robust system is in place to ensure timely, judicious and factual replies to petitions received by the Company from citizens of India in accordance with the Right to Information

Act 2005. Applications are received both online and offline and information flow from respective functions is collated through internal systems in place. Your Company has nominated Nodal Officer/ CPIO/Appellate Authority for dealing with the provisions of RTI Act. As a proactive measure in order to ensure transparency and accountability, all relevant information about the Company is regularly updated in RTI link of the company’s official website www.nrl.co.in along with mandatory disclosures ; thus ensuring information availability in public domain. RTI replies

are uploaded in the official website on a monthly basis, thereby maintaining a repository of all such replies. In addition, Monthly Progress Reports are submitted to the Ministry of Petroleum and Natural Gas while online quarterly returns are uploaded in RTI Annual Return Information System.

12. Vigilance

Vigilance Department of NRL is headed by the Chief Vigilance Officer of Bharat Petroleum Corporation Ltd. The Vigilance department augments the process of correct decision making by the management, primarily by putting appropriate preventive vigilance mechanisms in place, leading to better efficacy and efficiency and to achieve the objectives of good governance through transparency and public accountability. Orientation Programmes are organised from time to time so that employees remain abreast of the latest guidelines and unintended mistakes are avoided.



During the year, the Vigilance Department conducted Routine, Surprise and CTE type inspections, scrutiny of procurement and contract files, scrutiny of property returns of employees, system improvement studies, Witnessing tests at Construction Sites to ensure that the organization had adequate checks and balances to minimize any possibility of corrupt practices. Further, the department undertook investigations of complaints received from various quarters and recommended suitable actions to the management. Vigilance Awareness Week 2018 was observed at all locations of the Company in a befitting manner with active participation of employees and other stake holders from 29th October, 2018 to 3rd November, 2018 in line with directives from Central Vigilance Commission with the theme “Eradicate Corruption – Build a New India”. Moreover, the 2017-18 edition of the Vigilance Journal of NRL – ‘Chaitanya’ was also released.

13. Integrated Information System (IIS)

With the rapid transformation of digital systems in business and operational processes, the focus of Information Technology has been shifted to integration of the OT and IT systems. This year, the emphasis has been to chalk out a digital roadmap for NRL. Many areas have been identified for digital transformation.

One specific area where implementation was initiated was hydrocarbon production accounting and reconciliation. Earlier activity such as routine material and utility balance, product reconciliation, tracking of crude oil and inter tank movements were carried out manually by processing data from varied sources such as Process Data Historian, Enterprise Resource Planning, Laboratory Information Management System, Tank Farm Management System and other offline sources. A solution based on the AspenTech platform was implemented which automated the end to end hydrocarbon accounting and reconciliation activities.

Another area where digital initiative has been implemented is the customer experience. Emphasis was given to develop multiple channels for placing indents with flexibility of selecting transporter by

direct as well as OMC customers through upgraded customer portal and through B2B channel. Statutory licenses documentation for onboarding of transporter vehicles has also been incorporated in the customer portal. New development for generation of SAP documents through human-less transactions based on events triggered from DCS based Terminal Automation System, which is under upgradation, for achieving higher efficiency in terminal operations.

Another customer facing service with mobility has been developed for billing and payment collection for customers of Piped Natural Gas (PNG) being supplied to residence of NRL Township.

Authorization software has been implemented to keep track of interlock bypass, which will ensure safety in plant operations, Another safety monitoring initiatives has been implemented to keep track of the permits issued for hot jobs inside the refinery premises.

14. e-Governance

Separated employees can connect with the Company through the retirement portal (SANGJUAN) which facilitates claim of medical bills as well as other related services.

Information Security Management System (ISMS-ISO 27001) which is a mandatory requirement is being reviewed to incorporate new controls so as to address the growing need to secure information assets and to ensure internationally accepted best practices in information security.

Cyber Security being the top most area of concern for any business, new technologies like advance threat protection, breach detection system has been introduced in the IT landscape.

The business activities of newly formed JV Company, ABRPL has been made fully Digital starting with the implementation of SAP ERP, Cloud hosting of IT services like email, website, recruitment, on boarding of local level bamboo entrepreneurs, on boarding of supplier of bamboo, formic acid etc. All these initiatives are being carried out under the guidance and support from IIS Department of NRL.

Online admissions for various courses of VKNRL Nursing School, set up under CSR initiatives of NRL, are being supported through digital initiatives.

15. Social Media Presence

Your Company has been increasingly leveraging on the power of social media to connect with its widespread digital audience. The Company's official Facebook page, Twitter handle and YouTube account cater to a dedicated and loyal set of organic followers who follow developments in the Company and share their feedback and concerns, which in turn are promptly addressed to. Apart from posts related to the various happenings, initiatives & events, informative campaigns on relevant subjects and causes that the company espouses have also been launched this year along with live coverage of important events utilising special tools and available features. This real-time connect with the Company's audience by positively engaging with them has reaped rich dividends. Social media has also definitively helped in enhancing visibility and boosting the Company's brand image beyond its usual reach, transcending geographical boundaries.

16. Management Discussion and Analysis

The Management Discussion and Analysis Report for the year under review is presented in a separate section forming part of the Annual Report.

The forward looking statements made in the

management Discussion and Analysis Report are based on certain assumptions and expectations of future events. The Directors cannot guarantee that these assumptions are accurate or these expectations will materialize.

17. Conservation of Energy, Technology Absorption

The details regarding energy conservation and technology absorption as required to be furnished pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and amendment thereon are placed at **Annexure-A** as part of this report.

18. Foreign Exchange Earnings and Outgo

The company earned foreign exchange of ₹347.52 crore on export of Diesel to Bangladesh and Paraffin Wax to various countries during 2018-19. Foreign exchange outgo during the year was ₹679.62 crore mainly on account of purchase of materials, know-how, professional consultancy fees, travelling, etc.

19. Memorandum of Understanding

Your Company has been achieving 'Excellent' performance rating consistently since signing of the



Team NRL

first Memorandum of Understanding (MoU). Based on self-evaluation of our performance against MoU parameters of 2018-19, the Company is expected to qualify in 'Excellent' category.

20. Particulars of Employees and Related Disclosures

As per MCA Notification No. GSR 463(E) dated 5th June, 2015, provisions of Section 134(3)(e) are not applicable to a Government Company and hence, details on Company's policy on Directors' appointment and other matters are not provided under Section 178(3).

Further, Govt. companies are also exempted from the applicability of the provisions of section 197 of the Companies Act, 2013. Therefore, the requirement of disclosure of the ratio of the remuneration of each Director to the median employee's remuneration and other such details as may be prescribed, including the statement showing the name of every employee of the Company, who if employed throughout/part of the financial year, was in receipt of remuneration not less than ₹60 lakh/₹5 lakh per month etc. are not provided in the Directors' report in terms of section 197(12) read with Rule 5(1)/(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

During the year, no remuneration/commission has been received by the Managing Director and other Whole-time Directors of the Company from any of its Associate/ JV Company.

NRL being a Government Company, its Directors are appointed/ nominated by the Government of India as per the Government/DPE Guidelines which specify fixation of pay, criteria for determining qualifications and other matters as the case may be.

21. Board Evaluation

As per MCA Notification 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, the above provision is not applicable.

22. Corporate Governance

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

The Report on Corporate Governance, together with the Auditors' Certificate on compliance of Corporate Governance is annexed as **Annexure-B** to the Directors' Report as required under the Guidelines of the Department of Public Enterprises (DPE) for Central Public Sector Enterprises.

23 Audit Committee

The details of the composition of the Audit Committee are provided in the Corporate Governance Report which forms part of this Report.

24. Number of Board Meetings Held During the Year

Ten nos. of meetings of the Board of Directors were held during the year 2018-19, the details of which are given in the Corporate Governance Report that forms part of this Report.

25 Extract of Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92(3) read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in the prescribed Form MGT -9 is annexed as **Annexure-F** to this Report.

26 Statutory Auditors

M/s. M. C. Bhandari & Co., Chartered Accountants, 4, Synagogue Street, Kolkata-700001 was appointed as Statutory Auditors of the Company for the year 2018-19 by the Comptroller & Auditor General of India under the provisions of Section 139 of the Companies Act, 2013. They will hold office till the conclusion of the ensuing Annual General Meeting. The Auditors' Report does not contain any qualification, reservation or adverse remark.

27 Cost Auditors

M/s. Subhadra Dutta & Associates, Cost Accountants, Guwahati was appointed as the Cost Auditor of the

Company for the financial year 2017-18 in accordance with the provisions of Section 148(3) of the Companies Act, 2013. Cost Audit Report for the year 2017-18 was filed with the Ministry of Corporate Affairs on 12th September, 2018 in XBRL Format as specified by MCA as per requirements of the Companies (Cost Records and Audit) Rules, 2014.

For the financial year 2018-19, M/s. A.C. Dutta & Co, Cost Accountants, Kolkata was appointed as Cost Auditor to conduct the Cost Audit of the Company. The Cost Auditor, shall within a period of 180 days from the closure of the financial year, forward the Cost Audit Report and the Company is required to file the Cost Audit Report within 30 days of receipt of the same. Necessary action will be initiated to file the Cost Audit Report 2018-19 within stipulated time.

28 Secretarial Auditor

In accordance with the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, M/s Amit Pareek & Associates, Practicing Company Secretaries, Guwahati were appointed by the Board as Secretarial Auditor to conduct the Secretarial Audit of the Company for the year 2018-19.

The Secretarial Audit Report for the financial year ended 31st March, 2019 is annexed herewith as part of **Annexure-B** i.e. Corporate Governance Report. The said report does not contain any qualification, reservation or adverse remark.

29 Declaration by Independent Directors

The Independent Director 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, the Independent Director was not disqualified to be appointed as Independent Director of the Company as on 31st March, 2019.

30. Directors' Responsibility Statement

In accordance with the provisions of Section 134(3) (c)/(5) of the Companies Act, 2013, the Directors of the Company confirm that :

- (a) In the preparation of the Annual Accounts for the year ended 31st March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (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, 2019 and the profit and loss of the company for the year ended on that date;
- (c) The Directors had taken proper and sufficient care for the 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 fraud and other irregularities;
- (d) The Directors had prepared the annual accounts 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 have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

31. Directors and Key Managerial Personnel

Managing Director, other whole-time Directors and Company Secretary are the Key Managerial Personnel for the purpose of the Companies Act, 2013 ('the Act') and the Board had designated Director (Finance) as CFO for the purpose of the Act.

32. Directors Resigned and Appointed after the Last Annual General Meeting

Shri Indranil Mitra was appointed as Additional Director and Director (Finance) w.e.f. 12th October, 2018 as per intention of the Government of India.

Being appointed as Additional Director, he will hold office till the ensuing Annual General Meeting. Notice under Section 160 of the Companies Act, 2013 has been received proposing his name for appointment as Director at the ensuing Annual General Meeting.

Shri Rajendra Kumar Kureel, Director (Exploration-II), MOP&NG was appointed as Additional Director representing Govt. on the Board of the Company w.e.f. 26th March, 2019. Being appointed as Additional Director, he will hold office till the ensuing Annual General Meeting. Notice under Section 160 of the Companies Act, 2013 has been received proposing his name for appointment as Director at the ensuing Annual General Meeting.

Dr. Sylvanus Lamare, Principal, St. Edmund's College, Shillong, who has been appointed by the Government as Independent Director on the Board of the Company for a period of three years, was appointed by the Board as Additional Director w.e.f. 16th July, 2019. Being appointed as Additional Director, he will hold office till the date of ensuing Annual General Meeting. Notice under Section 160 of the Companies Act, 2013 has been received proposing his name for appointment as Director at the ensuing Annual General Meeting.

Dr. Praphullachandra Sharma, Dy. Secretary(IC), MOP&NG ceased to be Director on the Board of NRL with effect from 13th February, 2019, consequent to his release from the Ministry of Petroleum and Natural Gas on completion of his Central Deputation tenure. The Board placed on record their sincere appreciation of the valuable contributions, guidance and support provided by Dr. Praphullachandra Sharma for the development and progress of the Company's business during his tenure as Director.

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.

33. Acknowledgment

Your Directors wish to place on record their appreciation to all - employees for achieving outstanding performance in their areas of operations and look forward to their best contribution in future.

Your Directors acknowledge the support and guidance received from - various Ministries of the Government of India, particularly from Prime Minister's Office, Ministry of Petroleum & Natural Gas, Ministry of External Affairs, Ministry of Heavy Industries and Public Enterprises, NITI Aayog, Petroleum Planning and Analysis Cell, Railways, Income Tax, Customs and Central Excise as well as from the Government of Assam and other Government Departments.

Your Directors place on record their gratitude to NRL's valued customers, dealers, contractors and suppliers for their continued support and patronage. Your Directors 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 for reposing their confidence and continued support to the management.

For and on behalf of Board of Directors

Sd/-

D. Rajkumar
Chairman

Mumbai

Dated: 19th July 2019



Management Discussion and Analysis

Industry Structure and Developments

After a strong growth in 2017 and first half of 2018, global economic activities slowed down notably in the second half of last year. As per economic outlook published by various agencies, global growth is set to moderate in the near term amid escalation of US-China trade tensions, macroeconomic stress in Argentina and Turkey, disruptions to the auto sector in Germany with introduction of new emission standards and tighter credit policies in China. As a result, global growth is projected to slow down to around 3 percent in 2019. Advanced economies are projected to grow at around 2 percent while emerging markets like China and India are projected to grow at around 6 to 7 percent.

Energy trends

Global energy consumption in 2018 increased at nearly twice the average rate of growth since 2010, driven by a robust global economy and higher heating and cooling needs in some parts of the world. Demand for all fuels increased, led by natural gas, even as solar and wind posted double digit growth. Higher electricity demand was responsible for over half of the growth in energy needs.

Global gas demand expanded with year-on-year growth of 4.6% whereas, oil demand grew 1.3% and coal consumption rose 0.7%. Renewables grew by over 4%, largely due to expansion in electricity generation. Nuclear also grew by 3.3% in 2018, mainly as a result of new capacity in China and the restart of four reactors in Japan. Worldwide, nuclear generation met 7% of the increase in energy demand.

Electricity demand continued to grow and assert itself as the "fuel" of the future. The rapid growth is pushing electricity towards a 20% share in total final consumption of energy.

As per industry estimates, world oil demand growth recorded in 2018 was around 1.2

million barrels per day (Mb/d) with average annual demand for 2018 reaching around 99 Mb/d. For 2019, global oil demand growth forecast is around 1.3 Mb/d and demand to average around 100 Mb/d for the year.

In Indian oil and gas scenario, domestic crude oil production during 2018-19 was around 34 million metric tons (MMT) against total crude oil processing of around 257 MMT, reflecting an increase in dependency of imported crude oil. Import dependency of crude on consumption basis was recorded at around 83.7% from 82.9% in the previous year. Crude oil import during the year was around 227 MMT amounting to around USD 112 billion.

Natural gas consumption was recorded at around 60,747 MMSCM, out of which, LNG imports was around 28,692 MMSCM (USD 10.3 billion).

Consumption of petroleum products during 2018-19 was around 212 MMT registering a year-on-year growth of 2.6%. Consumption of Motor Spirit grew by 8.1% whereas LPG and HSD consumption growth was 6.8% and 3.0% respectively. De-growth was observed in consumption of SKO, pet-coke, lubes and FO.

The average FOB price for Indian crude basket increased to around \$70 per barrel in 2018-19 from \$57 per bbl in the previous year.



MoU Signing with BPCL for the year 2019-20

Average FOB price of major products like petrol and diesel were around \$75 per bbl and \$84 per bbl respectively.

In terms of oil and gas pipeline infrastructure in the country, available crude pipeline is 10,419 km, product pipeline 17,430 km and natural gas pipeline of 16,226 km.

Strengths

NRL has strong regional presence in North East India which is a key strength of the organisation.

The Company enjoys unstinted support from stakeholders particularly from its promoters, namely, BPCL, Oil India Limited and Govt. of Assam and the administrative Ministry, MoP&NG, thus providing the needed inspiration to march ahead towards achieving challenging objectives.

Weaknesses

The major weakness of NRL is its sub-economic refinery size at 3.0 MMTPA. Coupled with this, the logistical bottlenecks for importing limited quantity of



The Company has a healthy balance sheet. The net worth has progressively risen to the level of ₹5,551 crore as on 31st March, 2019. The Company's financial position and favorable credit ratings augur well for the upcoming expansion project.

In terms of production efficiency, NRL continues to be one of the best performing refineries in the country with highest distillate yield, lowest specific energy consumption and high gross refining margins.

NRL has the largest wax producing unit in the country since commencing commercial production of Paraffin Wax in 2015-16. Paraffin wax, being a high value product, adds value to refining margin. Further, NRL is capable of producing high quality food grade wax, which has high demand in domestic as well as export markets.

crude oil to saturate existing refining capacity results in relatively higher operating cost per unit of crude processed. Demand of petroleum product in North East is not adequate to absorb entire production of four North East refineries, which has forced NRL to send its products outside the NE region at additional freight cost. However, North East demand is slowly picking up with MS demand growing at around 13% and HSD demand growing near 6%. In view of this, cost to evacuate product outside the region is likely to come down in near future.

Opportunities

Being a major supplier of POL product for BPCL in eastern part of the country and demand projected to grow further, there is opportunity to expand NRL's refinery capacity by sourcing incremental crude through imports. In this regard, NRL's expansion

project has been approved by the Govt. of India. Post expansion, surplus products available in the refinery can be exported to Bangladesh, Myanmar and Nepal. NRL has been able to maintain its highest market share in the country for paraffin wax. There is an opportunity to penetrate wax markets in the neighbouring ASEAN countries. As on date, NRL has exported to 35 different countries worldwide.

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. On the other hand, due to increase in demand for natural gas in the region, there have been concerns for uninterrupted availability of natural gas. It is, therefore, extremely essential to connect the North East refineries with a source of imported crude and natural gas so that its sustenance in the long term is ensured. In the long term scenario and in a broad industry perspective, several disruptive technologies like electric vehicles, renewable energy, driver-less cars; and social trends like shared mobility and more stringent environment norms pose a threat to traditional Internal Combustion (IC) engine vehicles and thereby to demand of automotive fuels. However, in the near term, such external factors are not expected to impact the oil and gas industry significantly. MoPNG's report indicates a robust demand of petroleum products till 2035 even with the growth of these technologies.

Product-wise Performance

NRL's total production during 2018-19 was 2,881 TMT compared to previous year's 2,823 TMT registering a 2% growth. Production included 2,010 TMT of Diesel (HSD BS IV grade and Gas Oil for export), which was also the highest ever by NRL. Production also comprised 527 TMT of MS (BS IV grade), 56 TMT of LPG, 67 TMT of ATF, 61 TMT of SKO, 7 TMT of MTO, 8 TMT of Naphtha, 35 TMT of Paraffin Wax, 44 TMT of RPC, 61 TMT of CPC and 5 TMT of Sulphur.

Outlook

The outlook for 2019-20 continues to be positive with growing demand of petroleum products in NRL's supply zone, particularly North East, where growth is

much higher than the average growth for the country. There is a special push from the Govt. of India towards implementation of the "Hydrocarbon Vision 2030 for the North East" and development of North Eastern region and therefore, such high growth in POL demand is likely to continue in near future. During 2018-19, HSD demand in North East grew by 6% compared to 3% growth recorded for the country. Similarly, MS demand grew at 13.2% in North East vis-à-vis 8.1% for the country. On an overall basis, total consumption of petroleum products in the region has reached 4.37 million tons in 2018-19 registering a growth of 11% over previous year's 3.95 million ton. This double digit growth has taken place for the second year in a row, and, if this growth continues, the region which has a refining capacity of 7 MMTPA, will be deficit of product by as early as year 2024. Hence, completion of NRL's refinery expansion from 3 to 9 MMTPA in a speedy manner will be key in capturing this growing market.

Demand of petrochemicals in Eastern India is also growing and demand forecast suggests that in the near future, there will be deficit of few petrochemical products, particularly Poly Propylene in these markets. NRL can leverage this opportunity and can venture into petrochemical production. In this regard, the configuration of the upcoming expanded refinery has been designed as petro chemical ready.

Demand of petroleum product in neighboring countries of Bangladesh and Myanmar are also growing and hence, gives an opportunity to NRL to increase export to these countries. In 2018-19, NRL exported 80 TMT of Gas oil to Bangladesh by rail from Siliguri and could register entry into Myanmar market with few tank lorries of HSD going via Moreh-Tamu border. During the year, NRL also exported 8 TMT of paraffin wax. In terms of value, total export was around USD 60 million.

The challenge for the company continues to be achieving 100% capacity utilisation within the constraints of limited availability of domestic crude. Achieving higher capacity utilization would not only enable NRL to meet product requirement in its supply zone, but will also enable to optimize operating cost of the refinery. Towards this, a plan has been mooted to bring imported crude oil by railway rake from Haldia to Numaligarh.

The year 2019-20 will be challenging in terms of executing multiple projects at hand which are larger in scale as well as spread across a wider geographical area. Also, NRL will venture into new areas like pipeline construction for the first time. There are three major projects, namely, refinery expansion, Indo-Bangla pipeline and the bio-refinery which will be in active implementation stage.

The refinery expansion project has been approved by the Cabinet Committee of Economic Affairs (CCEA) in January 2019 for implementation at a cost of ₹22,594 crore within a period of 48 months from obtaining all statutory approvals. Considering the size of the project, implementing it within the stipulated timeline will be big challenge in view of logistic challenges associated with North East region. With the upcoming crude oil and product pipelines, NRL will expand its business operation in West Bengal and Odisha and therefore needs to be ready to overcome new challenges.

Implementation of India Bangladesh Friendship Pipeline from Siliguri to Parbatipur (Bangladesh) has already commenced and project activities are likely to peak by end of this financial year.

Construction of the 2G bio-refinery has also started. Although the project is being implemented by the JV 'Assam Bio-Refinery Private Limited', NRL being the leading promoter, has to use its resources for successful completion the project.

A 30 day Refinery Turn Around (RTA) is scheduled in the second half of the financial year for periodic maintenance of the refinery process units and storage

facilities. Successful completion of RTA activities within the schedule of 30 days will be a major thrust area.

Risks and Concerns

Risks and concerns for 2019-20 continue to be primarily associated with supplies of crude oil and natural gas and achieving a higher capacity utilisation of the refinery. Since three projects are expected to be in active implementation stage, progressing and completing the projects without time and cost overrun will be of concern and major thrust area for the company.

Financial Performance with respect to operational performance

During 2018-19, the refinery processed 2,900 TMT of crude oil, which corresponds to highest ever capacity utilisation of 97%. Crude throughput in 2018-19 was higher compared to previous year's 2,809 TMT mainly due to higher crude availability. Distillate yield was 87.1% compared to 86.7% of previous year. Distillate yield is calculated as per new methodology of CHT, which is worked out excluding blend components and considering NG fuel and feed as input. Energy Intensity Index (EII) during 2018-19 improved to 87.9 from previous years 88.3. However, Specific Energy Consumption (SEC) during 2018-19 was recorded at 66.6 MBN compared to 64.9 MBN in the previous year. SEC in previous year was better due to operating the Hydrocracker Unit at 123% prior to commissioning of DHDT unit to meet BS-IV HSD





MoU with IIT Guwahati for Startups to be funded under NRL ideation

production requirements. HCU has a higher energy factor in the SEC calculation and therefore resulted in a lower SEC. Highest ever Diesel production of 2010 TMT was achieved during the year 2018-19.

Highest ever sales volume of 2,978 TMT was recorded during the year compared to 2,912 TMT in 2017-18. Gross Refinery Margin (GRM) during the year was recorded at \$11.80 per bbl compared \$11.43 per bbl in 2017-18. Consequent to such higher margins and excellent physical performance, the Company posted a profit before tax of ₹3,052 crore during the year. The Earning per Share (EPS) for the year 2018-19 stood at ₹26.76 compared to ₹27.79 in 2017-18.

The Company posted highest ever revenue from operations of ₹18,511 crore registering a growth of 16% as compared to ₹15,923 crore in the previous year. Profit before tax (PBT) marginally decreased to ₹3,052 crore from ₹3,142 crore in the previous year. Consequently, Profit after tax (PAT) also decreased and recorded at ₹1,968 crore during 2018-19 compared to ₹2,045 crore in the previous year.

Internal Control Systems and their adequacy

The Company has put in place adequate internal financial controls for ensuring the efficient conduct of its business in adherence with laid-down policies, complying with applicable laws and regulations, facilitating efficiency, reliability and completeness of accounting records and timely preparation of reliable financial and management information as well as ensuring safeguarding of its assets, prevention and detection of frauds and errors, which is commensurate with the size of the Company and the nature of its business to protect the interest of the Company and its investor's.

The Company has a clearly defined organizational structure, decision rights, manuals and operating procedures for its business units and service entities to ensure orderly and efficient conduct of its business. The state-of-the-art ERP solutions (SAP) in the Company has inbuilt controls including the authorization controls. This further enhances controls and seamless exchange of information with access controls. The SAP systems also provide an audit trail of the transactions. The Company also has a whistle blower policy and fraud prevention policy to address fraud risk.

The Company's independent Audit function, consisting of professionally qualified persons from accounting, engineering and IT domains, review the business processes and controls to assess the adequacy of internal control system through risk focused audits. The Internal Audit Department plans the annual audit plan to cover each and every aspect of the business. The audit reports published by the Internal Audit Department are shared with the Independent Auditors who review the efficacy of internal financial controls. The Audit Committee of the Board regularly reviews significant findings of the Internal Audit Department covering operational, financial and other areas and provides guidance on internal controls.

The report of the statutory auditor on Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act") is placed as an Annexure to the Statutory Auditors Report in the printed Annual Accounts of the Company.

Certification and Awards



Governance Now PSU Award for Strategic Performance



Refinery Performance Improvement Award

During 2018-19, your Company was conferred with the following awards:

- i. **Dalal Street Investor Journal** "Fastest Growing Miniratna of the Year" award in manufacturing category for 2018.
- ii. **Governance Now 6th PSU Awards** for Best Miniratna PSU in Strategic Performance for the year 2017-18 instituted by Governance Now. (Presented on 17-Jan 2019).
- iii. **Refinery Performance Improvement Award (2nd Prize)** for the year 2017-18 instituted by Ministry of Petroleum & Natural Gas. (Presented on 12-Jan 2019).
- iv. **Dun & Bradstreet PSU Awards 2018** for 'Best Miniratna in Manufacturing' and 'Overall Best Miniratna' categories instituted by Dun & Bradstreet. (Presented on 24-Jul 2018).
- v. **Highest Tax Payer in North-Eastern Region** for the year 2016-17 in the Corporate (PSU) category instituted by the Principal Chief Commissioner of Income Tax, NER (Presented on 24-Jul 2018)

Human Resources

Human Resource department of NRL constantly deals with matters related to compensation, performance management, organisation development, safety, wellness, benefits, employee motivation, training and

others. HR plays a strategic role in managing people and the workplace culture and environment. Your Company has always considered that its core strength lies in quality of its human assets. Keeping in mind the emerging needs of the competitive environment, there have been constant endeavours to harmoniously work with and develop human capital. The Manpower strength of NRL as on 31st March, 2019 was as detailed below :

Group	Total	SC	ST	OBC	Female	Minority	PwD
A	454	50	33	102	32	21	5
B	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C	421	39	61	138	9	27	16
D	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total	875	89	94	240	41	48	21

Training and Development

The Training and Development department at NRL plays a vital role in providing opportunities to upgrade knowledge of the employees both in functional and developmental areas through in house and external training programs. Officers are nominated for various seminars, workshops and conferences to upgrade themselves on recent developments within India



and abroad. The premier institutes in India where officers were sent for such trainings are IIMs/XLRI/IIT/IIP (Dehradun). During the year, 2152 mandays of training were imparted to employees comprising both Management and Non-Management staff. Total 28 numbers of internal programs were conducted at NRL learning Centre. Number of employees nominated for external programs within India as per the recommendation of various departments during the year was 483. Selected Officers were also sponsored for contact courses on Post Graduate Executive Management Program and M.Tech. 40 Nos. GETs joined in FY 2018-19 & newly joined Graduate Engineer Trainees were provided learning exposure to various functional and developmental areas through a well-structured module. During the year, contract workers were also sent for external training at various manufacturing units of suppliers of refinery equipment's. Total 86 apprentice trainees joined during the year and are undertaking the training during the period.

SC/ST Employees

The Information of SC/ST employees of the Company is furnished in the prescribed format as **Annexure- D**

Reservation and other welfare measures for SC/ST

Your Company follows the Presidential Directives & guidelines issued from time to time in respect of

providing reservation, concessions, relaxations to the candidates belonging to Scheduled Castes(SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs) and Persons with Disabilities (PwD) in the matter of recruitments. The reservation percentages are ensured through maintenance of Post Based Roster system as prescribed by the Govt. of India. The Rosters are being followed/ consulted in every recruitment before issue of advertisement/ notification.

Candidates belonging to SC/ST category 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 existing guidelines.

Your Company has a SC/ST Cell under direct control of Head of HR who is appointed as Liaison Officer. The current SC/ST cell comprises of representatives from SC & ST community and officials of HR Deptt. to ensure compliance of various guidelines pertaining to the SC/ST employees. The SC/ST Cell takes care of grievances, if any with the Management.

During the year 2018-19, 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

Your Company is providing reservations and concessions to the Persons with Disabilities since

inception for appointments in all categories of identified posts, based on Government guidelines. Accordingly 4% of the identified vacancies in Group A posts and 4% 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	5
C & D	16	16

The Company also ensures to achieve the desired percentage for PwDs in identified posts and is also conducting special recruitment drives for them in direct recruitment. Besides, as a corporate body, various initiatives have been undertaken as a part of community development programme to give benefits to PwDs.

Gender Friendly work place

Your Company has provided a gender friendly work place with equal opportunity for men and women. A committee is in place to look into representations from both men and women employees. The Committee, among other tasks, look into complaints on sexual harassment, if any, and recommends appropriate course of action. During the year, no complaint of sexual harassment was received by the committee.

Communication to Employees

An effective internal communications system is in place in your Company that utilises various tools and platforms for timely information sharing amongst employees. Internal communication strategy is aligned with the Company's priorities and focuses on prompt, clear and direct communication amongst

employees while encouraging their active engagement in informed decision making. More and more channels of communications are continuously being explored as the organisation evolves and spreads its wings.

Significant and noteworthy developments related to the Company are shared with all employees across locations through emails from Corporate Communications. Managing Director through his messages reaches out to employees, extending his greetings on special occasions and apprising them about landmark developments while sharing his vision on future plans and the way forward. The Intranet portal 'EUREKA' is utilised as a gateway to a repository of information, data and applications and serves as an important internal communication tool. Your Company's website www.nrl.co.in is prudently structured to share detailed information related to various facets of the Company. Uploaded with information, news and developments, mandatory disclosures and links to important Government websites serves, it serves to communicate with internal and external audience alike. Functional Coordination Meeting (FCM) held every month facilitates cross functional communication where major developments are apprised, regular progress reviewed and bottlenecks and concerns discussed and deliberated for informed decision making. Weekly Communication Meeting (WCM) held in Numaligarh ensures communication on day to day operational issues of various departments and endeavours to resolve them with collective wisdom of Department heads. Apart from the above, Departmental Review Meetings, meetings with collectives etc. are held regularly for smooth functioning of teams, knowledge sharing, timely planning of activities and participative management. Various periodicals like the Safety newsletter, *Chaitanya* - the Vigilance newsletter,



'Be the Change' Employee Suggestion Scheme 2018 award function

Prayas - the Hindi magazine etc. are published by respective Departments to showcase developments in their areas of work.

Industrial Relations

Industrial relations were cordial and harmonious throughout 2018-19. Issues with various groups and agencies were amicably resolved facilitating smooth conduct of business during the year. Wage Settlement for Contract Worker wages was signed between Contract Worker Unions and Contractors Association witnessed by NRL negotiating team in the Office of Regional Labour Commissioner, Dibrugarh on 1st March 2019. The settlement is effective from 01-01-2017 to 31-12-2023 i.e. for a period of 6 years as against the previous settlement whose duration was 3 years only.

Corporate Social Responsibility and Sustainability

NRL's Corporate Social Responsibility and Sustainability programs are based on need analysis and are aimed at improving the socio-economic status of weaker section of the society. Focus of CSR lies in the surrounding areas of the refinery at Numaligarh, Assam and at Siliguri in West Bengal, where marketing terminal is located. NITI Aayog has categorised 112 districts of India as Aspirational Districts for rapid transformation of these underdeveloped districts. Out of the seven Aspirational districts of Assam, NRL has been allotted Darrang district where a project on health has already started. Over the years, NRL has been trying to bring positive change in the lives of more and more people through its CSR activities. Every year, new CSR programs are being identified to

reach out to a wider section of the society and make a visible impact to their lives. NRL is striving hard to achieve the set level and match the expectation of the community as felt by the organization as a whole.

In the year 2018-19, efforts were made to focus on areas of Skill Development & Livelihood, Education, Rural Development, Healthcare, Sanitation, Safe Drinking Water and Swachh Bharat Mission and Promotion of Sports.

Company's CSR Budget is derived by taking 2% of its average net profit for the immediate preceding three financial years. The average net profit is computed in accordance with the provision of section 198 of the Companies Act, 2013 and accordingly the same stands at ₹54.36 crore for the FY 2018-19.

Key CSR and Sustainability initiatives undertaken during 2018-19:

Skill Development & Livelihood

- **Project "Uttoran":** Moving along with the Nation's Skill India Initiative, NRL has been skilling the students and un-employed youths of Golaghat district of Assam through its Skill Development project, "Uttoran". Initiative has been taken up to develop the skills in areas like Hospitality Training, GNM Nursing, Geriatric home health Caregiver training, Ayurvedic Panchakarma Therapist Training, Dialysis Assistant and General Duty assistant, Bar Bending, Mason, Welding & Fitter & Carpentry training etc. During the year 2018-19, skill training was provided to 389 youths at a project cost of ₹1.98 crore. These training were provided through various reputed training institutes like Food Craft Institute Samaguri, M/s Life Circle Hyderabad; M/s Apollo Med Skill Centre;





Donation of delivery vans to The Akshaya Patra Foundation

Assam Down Town university, Guwahati, Assam; Santhigiri Ashram, Kerala etc.

- **VKNRL School of Nursing:** One of the flagship CSR initiatives taken up during 2017-18 has started functioning in a brilliant way showing good academic results in first year. Second batch of the school was enrolled in the month of Oct, 2018 with 40 girl students. The total number of students in two batches has now come to 80. The total expenditure incurred against Nursing School Project for the year 2018-19 is ₹6.15 crore.
- **Golaghat ITI:** NRL has adopted Golaghat ITI to develop it as a centre of excellence and operate under PPP mode utilizing ready to use ITI building at Padumoni, Golaghat, Assam. The MoA with Directorate of Employment and Craftsmen Training (DECT), Government of Assam and NRL was signed on 29th August, 2018 and classes have started from 4th Sept, 2018 for two SCVT courses of Fitter and Welder. 17 nos. of students for Fitter and 12 nos. for Welder trade have been presently enrolled in the first batch. The total expenditure incurred against Golaghat ITI for the year 2018-19 is ₹37.08 lakh.
- A Skill Development Centre cum Children Home for women and underprivileged children is under construction in Dongkamukam district of West Karbi Anglong, Assam. The total expenditure incurred against this Project for the year 2018-19 is ₹13.00 lakh.
- Under Livelihood & Income generation scheme, three farm machinery Custom Hiring Centres are established among villages of nearby area with technical assistance from Krishi Vigyan Kendra Khumtai, the research wing of Assam Agriculture



MoU signed for developing Darrang District as Aspirational District

University, Jorhat. This is done in addition to the existing three Custom Hiring Centres already established in the year 2017-18. New Agri Farm Machineries distributed to all the Six Custom Hiring Centres at a total project cost of ₹76.60 lakh.

Education

- Education remains one of the major areas of intervention through CSR of NRL. We understand the vital role of a corporation can play as a driving force in transforming lives through education. To boost the outreach of education among the lesser privileged, NRL has contributed for development of School infrastructures in the neighbourhood of its operational areas. During 2018-19, Company has facilitated infrastructure development in 20 - schools and also provided amenities to educational institutes such as furniture, books, playground development etc. for better educational environment. Out of 45 numbers of ongoing school construction during the financial year, 13 numbers of school has been completed during the year.
- Project "Gyandeep" was introduced since long to energise the academic talent among meritorious students of X & XII within 10 KM radius of Refinery and Siliguri Marketing Terminal. During the year 2018-19, 442 nos. students of Class X and XII were awarded onetime scholarship under Scheme "Gyandeep". Under scheme 'Prerona' scholarship were provided to 351 girls students of Class VIII to X standard. Teachers from 38 schools from surrounding areas were rewarded under Scheme "Dronacharyya". 23 numbers of meritorious children of Contract workers, were provided scholarship on successfully passing

the Xth examination. A total scholarship worth of ₹97.61 lakh was disbursed during the year 2018-19.

- NRL is also operating a coaching centre to train 100 students of Class IX to XII from nearby schools through M/s Centre for Social Responsibility & Leadership, New Delhi and prepare the students for IIT/JEE examination. Total Cost of the project was ₹32.92 lakh.

Rural Development

- **Road Construction along with Solar Electrification:** NRL has taken up projects for construction of village roads with paver block in and around Refinery during the year. Paver Block road has constructed and Solar Street Light being provided in approach roads to 4 Villages. Approximately 22 km road developed with paver block and hard shouldering done in another stretch of 8 km. Another 6 km village road upgraded with sand gravel.
- **Model Village:** NRL has developed one additional Model Village “Lakhipur” near Kaziranga, Assam. The village roads were made with paver block, individual household toilets were provided to make the village ODF, Drinking Water facility is provided both for the villagers and school children through Eureka Forbes Institute of Environment, School building & toilet has been renovated, Solar Home Light and installation of solar street light has started. Awareness camps on health, hygiene and education and mobile health camps are held in regular interval among the villagers. Total Expenditure of ₹1.74 crore was incurred during the year 2018-19 for development of these villages as Model Village.

Healthcare

- Recognizing the lack of quality primary healthcare infrastructure in rural areas, access to basic medicine and healthcare facility, NRL is making proactive efforts to address the issue of health and sanitation in the neighbourhood. The Project “Niramoy” aims to provide primary healthcare facilities accessible and affordable to rural and marginalized communities. Mobile medical Camp (MMC) also carries our awareness activities on health and hygiene in order to achieve health seeking behaviour among villagers and community where they live. MMC service includes free doctors’ consultation, free distribution of medicine, basic diagnostic test and

referral to VKNRL hospital for further treatment. Under project ‘Niramoy’, 507 mobile medical camps were conducted in villages through VK NRL Hospital covering 39,381 patients. This project initially provided accessible Health care facility in nearby villages within 10 km radius of the Refinery. However, from October 2018, the healthcare support becomes accessible in villages beyond 10 km of the Refinery. Total Expenditure incurred within the year against Project “Niramoy” is ₹1.6 crore.

NRL also provides subsidized treatment to people belonging to weaker section of the society through VK NRL hospital both in the outpatient and inpatient section of the hospital located in the NRL Township. The subsidy amount stands at ₹2.25 crore approximately.

- Cataract is the leading cause of avoidable blindness and can be cured only through surgery. Rural marginalized people cannot afford to undergo cataract operation in private hospital. Under project “Drishti”, 16 free eye screening cum cataract operation camps were conducted in Golaghat district through Lions Eye Hospital, Jorhat. A total of 4177 patients were screened during the period. 385 cataract patients were operated out of a total 516 nos detected patients. Also, free eye screening camps were conducted in 36 schools where 5435 students were screened and 138 students were provided with spectacles. The expenditure incurred within the year against this project is ₹18.07 lakh.
- NRL has also helped in development of the Government Swahid kamala Miri Civil hospital in Bokakhat which cater to treatment of a hundreds of poor and needy patients. The hospital was renovated at a project cost of ₹15.12 lakh. Infrastructure and logistic improvement in MCH wing of Mangaldai Civil Hospital under Aspirational District project has been taken up and an amount of ₹19.43 lakh has been disbursed in the 1st phase.

Sanitation, Safe Drinking Water and Swachh Bharat Mission

- As a part of cleaner India and 100% open defecation free campaign, NRL, under its flagship project ‘Parichannatta’ has taken up construction of low cost toilets in household of nearby villagers, a total of 1193 nos. of toilets were constructed till the end of FY 2018-19.

Moreover, 18 nos. new school toilet blocks as well as 08 nos. community toilet blocks in public places were constructed. An Expenditure of ₹3.2 crore has been incurred within the year against the project.

- Under Project 'Jeevandhara', a project for providing safe and clean drinking water facility, installation of 16 nos. of Safe & Clean drinking water purification plants done in different Schools/educational institutes and 04 nos. plants in community places of Golaghat District. All these plants were installed through Eureka Forbes Institute of Environment including 3 years AMC provision. An expenditure of ₹1.35 crore has been incurred against providing safe and clean drinking water facility to the society. 03 nos. of Truck Mounted Water Tankers were handed over to Assam Urban Water supply & Sewerage Board, Jorhat to facilitate smooth water supply among the households of Jorhat as well as Golaghat Districts, Assam.
- Numaligarh Refinery Limited (NRL) echoed along with the National level Campaign "Swachha Bharat Mission" of Government of India to promote cleaner and hygienic environment and launched various projects and awareness programs on cleanliness with zeal and enthusiasm which gradually spread from the Refinery to the villages in the neighbourhood and Municipalities /Town committees of Assam. Under Project Parichannata- Nirmal Chahar, NRL has extended its support to 9 numbers of Municipalities & Town Committees of Assam by providing waste handling equipment/ vehicles such as Garbage Tipper, Mini Skid Loader, Drain Cleaning Vehicle, Truck Mounted Cesspool and a number of Community bins to 9 numbers of municipalities and town committees. The project expense stands at ₹8.27 crore during the

year. A facility for tourist christened Park & Ride was developed in Western Range of Kaziranga National Park at Bagori to ensure better environment and infrastructure including pure drinking water facility.

- Development and protection work of Kaliyani River Bank has been completed along the approach road to Numaligarh Block Gaon, a Schedule Caste village near Refinery. The river protection job was executed through Water Resource Department, Govt. of Assam as deposit work at an expense of ₹1.25 crore.

Promotion of Sports

- **NRL Football Academy:** NRL is operating a non-residential football academy since 2012 -13 to build a high performance football centre within North East. One of the key objectives of this initiative is to promote football in the community and create opportunities for football talents of the region. Academy has also developed 7 nos. of feeders Centre's to promote football in rural areas of Golaghat District. Further, the Academy has been made residential football academy with hostel facility at Rajabari in August, 2018. NRL Football Academy got 3 star rating by AIFF in 2018. The total expenditure during the year on operation and maintenance of the football academy including training during the year was ₹1.06 crore.

Details of CSR activities are continuously updated in NRL's website www.nrl.co.in. A detailed Report on NRL's CSR and Sustainability activities is enclosed as **Annexure - G**.



A vibrant, stylized image of a sailboat with a multi-colored sail (red, orange, yellow, green, blue, purple) flying through a clear blue sky. A bright sun is visible in the upper right, casting a strong light and creating a lens flare effect. The sailboat is angled upwards, suggesting upward movement or progress.

ANNEXURES TO DIRECTORS' REPORT

Annexure –A

Efforts made by NRL with respect to conservation of energy, technology absorption 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

NRL is committed towards sustainable development and constantly taking steps to reduce energy consumption and greenhouse gas emission. Key Performance Indicators for energy consumption viz. Specific Energy Consumption (SEC) and Energy Intensity Index (EII) at 66.5 and 87.9% respectively for FY 2018-19 is one of the best among the PSU refineries.

I. Following ENCON measures/schemes taken up/ implemented during the year 2018-19:

1. CDU Pre-heat improvement by 15 degC with introduction of new HGO CR loop. Net saving is 2500 MTOE (Metric Tonne Oil Equivalent).
2. FGRS commissioned in Flare area to recover refinery flared gas. Net saving is 1800 MTOE.
3. 1 MW rooftop Solar panel installed within the Refinery premise. Net saving is 220 MTOE.
4. Electric heat tracing in WHFU. Net saving is 500 MTOE.
5. Auto water decantation valve installed in all Crude and slop tanks to reduce oil carryover in ETP.
6. Sun-domes installed in Warehouse and Electrical Lab to reduce artificial lighting.
7. Trial online Antifouling chemical injection programme in preheat train of CDU/VDU has been found to be successful leading to energy conservation.
8. Application of new e-glass fibre insulation in DCU transfers line has resulted in reduction of heat loss.
9. Implementation of APC (Advanced Process Control) in MSP and Wax Unit and continued operation in CDU, DCU, H2U and HCU has helped in reduction in energy consumption.

II. Schemes planned for 2019-20:

1. Replacement of 216 burners in the Reformer of Hydrogen Unit.
2. Plate Type Heat Exchanger in Sulphur Recovery Block.
3. Plate type Heat exchanger in CDU/VDU in the Air Preheat Section.
4. Replacement of crude booster pump of higher capacity.
5. MSP revamp with capacity enhancement by 150% and energy efficient modifications.
6. Internal slop processing facility in DCU.
7. Reuse of Stripped water as Desalter wash water make-up
8. Application of Electrical tracing in Wax offsite piping and tank farm replacing steam tracing
9. Recovery of Condensate and flash steam from process units.
10. Recovery of Boiler Blow-down ex-HCU and HGU and reuse as CT make up thereby reducing treated raw water.

III. Energy conservation measures planned beyond 2019:

In continual efforts for energy conservation, NRL has identified following new schemes for implementation in the near future:

1. Condensate recovery scheme in CDUVDU and OMS
2. Replacement/trimming with energy efficient Motor and pump per PCRA recommendations
3. Replacement of existing cooling towers with new fan less cooling tower technology
4. Organic Rankin cycle for low heat recovery

B. Technology Absorption

i) *Efforts, in brief, made towards technology absorption, adaptation & Innovation*

- a. NRL successfully commissioned and stabilized Diesel Hydrotreater (DHDt) Unit licensed by M/s. HaldorTopsoe during the year 2018-19.
- b. Flare Gas Recovery System (FGRS) supplied by M/s Garo SPA, Italy was successfully commissioned in the year 2018-19
- c. NRL is implementing "Tail Gas Treating Unit" (TGTU), along with the 2nd train of Sulfur Recovery Unit(SRU). The technology for TGTU is indigenously developed and provided by M/s Engineers India Ltd (EIL). New SRU along with TGTU will be commissioned in Aug, 2019.
- d. In order to increase production of MS, NRL is revamping its Motor Spirit Plant (MSP) technology of which was provided by M/s Axens, France. Project will be implemented during Refinery Turn Around Maintenance during Nov-Dec'19.
- e. NRL is setting up a 50 TMTPA Bio Refinery project in joint venture with M/S Chempolis and M/S Fortum, Finland to produce 2G Ethanol from bamboo. The process for production of bio-ethanol from bamboo biomass is based on the Formicobio™ Technology from M/S Chempolis.

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

- a. With the commissioning & stabilization DHDt, NRL is now capable of producing entire HSD as BS-VI grade at 100% capacity utilization of the refinery, and thus will also be able to meet Govt. of India's guidelines of Auto Fuel policy w.e.f. from 1.4.2020.
- b. Implementation of the Flare Gas Recovery System will not only reduce specific energy consumption of the refinery but will also reduce Greenhouse gas emission. Implementation of "Tail Gas Treating Unit" (TGTU) will enhance overall sulphur recovery of refinery from present level of 96% to 99.9 wt%. This will also reduce SO₂ emission from the incinerator of SRU.
- c. Completion of MSP revamp project will increase the MS production from 187 TMTPA (present design capacity) to 325 TMTPA, which will improve refinery profit.
- d. Ethanol produced from the Bio-Refinery shall be used mainly as blend component of gasoline by North East refineries. Bio Refinery project will help in meeting the blending target of ethanol (10%) in gasoline set by GOI to make energy road map sustainable.

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

Technology imported	Year
Flare Gas Recovery System	2014-15
Diesel Hydrotreater Unit	2015-16
Motor Spirit Plant (MSP) capacity revamps	2017-18
Bio Refinery	2017-18

Technology absorbed	Year
Wax Hydro-finishing Unit:	2014-15
Diesel Hydrotreater Unit:	2017-18
Flare Gas Recovery System (FGRS):	2017-18

Motor Spirit Plant capacity revamps and Bio Refinery project is under progress.

C. Research and Development:

During the year, NRL has taken up following R&D project:

1. Projects taken up in collaboration with CRDC:

- Production of MCW (Microcrystalline Wax) from Paraffin Wax: Lab scale trial production of microcrystalline wax from feed mix consisting UCO(from HCU) and MVGO (from CDU/VDU), using chemical additives was carried out. Product is under evaluation by customers before large scale production.
- Production of Furfural Alcohol (FA) and Tetra Hydro Furan (THF) from Furfural: Furfural will be one of the by-products from bio-refinery. CRDC is currently developing technology for production of Furfural Alcohol and Tetra Hydro Furan from Furfural.

2. Dosing of antifouling additive in CDU preheats train to reduce drop in crude preheat:

Trial run with injection of antifouling additive in preheat train of CDU /VDU unit is being carrying out since Dec. 18 . The objective of the trial is to have a control on the drop in crude preheat due fouling of exchangers in crude preheat train. Till now the results of the plant trial have been found to be satisfactory.

3. Value added products from Foots: In order to improve value chain NRL is exploring feasibility of production of industrial solvents from foots oil with the help of Indian Institute of Petroleum (IIP).

Benefits derived/expected as a result of above R&D activities

- 1. Production of Microcrystalline Wax:** This technology will help in meeting part of Indian market requirement of Microcrystalline Wax thereby saving foreign exchange. Currently none of the Indian refineries are producing MCW and hence entire quantity will be an import substitute.
- 2. Use of antifouling additive to sustain CDU preheat train temperature:** This will reduce fuel consumption in CDU furnace and hence improve energy efficiency.
- 3. Study on technology development for Production of Furfural Alcohol (FA) and Tetra hydro furan (THF) from Furfural with Corporate R&D Centre (CRDC), BPCL:** This will help in developing indigenous technology to produce Furfural Alcohol (FA) and Tetrahydrofuran (THF) from Furfural. As FA and THF will have more market demand than Furfural, it will be more beneficial for Bio refinery to produce FA and THF.

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. At Numaligarh Refinery Limited (NRL), our endeavor is to adopt best governance practices, which is in our view 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 stakeholders from time to time through Press release, Annual Report, NRL Web site and through Social media etc. Being a non-listed entity, disclosures required to be made under SEBI (Listing Obligations and Disclosure Requirements) Regulations 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 and amendment thereon, 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 2018-19 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 a subsidiary of Bharat Petroleum Corporation Limited (BPCL), a Government Company. In terms of Articles of Association of the Company, the number of Directors shall not be less than three and more than fifteen.

As on 31st March, 2019, the Board of NRL comprised of three Whole Time Directors including the Managing Director; two Independent Directors which includes one women director; one part-time (Ex-Officio) Director from Govt. of India, one part-time (Ex-Officio) Director from Oil India Limited and two Part-time (Ex-Officio) Directors from Promoters, namely, BPCL (one) and Govt. of Assam (one).

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 are neither members of more than 10 Board Committees nor hold Chairmanship of more than 5 Committees across all the companies in which they were Directors (as specified in the Guidelines on Corporate Governance for CPSEs issued by DPE). 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 which are reviewed by the Board. 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 :

Ten nos. of Board Meetings were held during the financial year 2018-19 on the following dates:

10 th April, 2018	25 th May, 2018	26 th June, 2018	6 th August, 2018
24 th August, 2018	11 th October, 2018	26 th October, 2018	11 th December, 2018
28 th January, 2019	3 rd March, 2019		

Particulars of Directors including their attendance at Board/ Shareholders' Meeting during the financial year 2018-19:

Sl. No.	Name of the Directors	Academic Qualifications	Date of joining as Director of the Company	Attendance out of 10 Board Meetings held during the year and percentage thereof		Attendance at the last Annual General Meeting	Details of Directorship held in other Companies (as on 31.03.2019)
				No. of Meetings Attended	%		
(a)	Whole Time Directors :						
1.	Shri S. K. Barua Managing Director (w.e.f.31.1.2018)	ACMA and LLB from Dibrugarh University	01.05.2013	10	100	Attended	Director: 1. BCPL
2.	Shri B. J. Phukan Director (Technical)	BE (Mechanical Engineering) from Assam Engineering College	01.02.2017	10	100	Attended	Director: 1. DNP Ltd. 2. ABRPL
3.	Shri Indranil Mittra Director (Finance)	CA & ACMA and PG Diploma from S P Jain Institute of Mgt. & Research, Mumbai	12.10.2018	4	100	NA	Director: 1. ABRPL
(b)	Part-time (Ex-Officio)						
1.	Shri D. Rajkumar Chairman & Managing Director Bharat Petroleum Corporation Ltd., Mumbai-400001	B. Tech (Elect) from IIT, Madras and PGDM from IIM, Bangalore	07.10.2016	10	100	Attended	C&MD: 1. BPCL Chairman: 1. BORL Director: 1. BPRL 2. PLL 3. BGRL
2.	Shri Ravi Capoor, IAS Additional Chief Secretary to the Government of Assam, Industries & Commerce Department	B.Com and Post Graduate in Business Administration	14.09.2016	5	50	Attended	Director: 1. AIDC 2. BCPL
3.	Dr. Praphullachandra Sharma Dy. Secretary MOP&NG, Govt. of India New Delhi -110001 (up to 13.02.2019)	Bachelor of Ayurvedic Medicine and Surgery from University of Kuvempu, Karnataka	24.11.2017	7	78	Attended	-
4.	Shri Rajendra Kumar Kureel Director (Exploration-II) MOP&NG, Government of India New Delhi -110001	Graduate in Science	26.03.2019	-	-	-	-
5.	Shri Utpal Bora Chairman & Managing Director Oil India Limited NOIDA, Uttar Pradesh	B.Tech (Petroleum Engineering) from ISM, Dhanbad and Advanced Mgt. Certificate from IIM, Lucknow	19.08.2016	2	20	Absent	C& MD: 1. OIL Director: 1. OIIL 2. Oil India (USA) Inc
C.	Part-Time (Non-Official)/ Independent Directors						
1.	Shri Rajkumar Sharma Company Secretary in Practice Guwahati	Fellow Member of ICSI and LLB	31.01.2017	8	80	Attended	Director: 1. LPPPL. 2. MBPL 3. HDPL

Sl. No.	Name of the Directors	Academic Qualifications	Date of joining as Director of the Company	Attendance out of 10 Board Meetings held during the year and percentage thereof	Attendance at the last Annual General Meeting	Details of Directorship held in other Companies (as on 31.03.2019)
				No. of Meetings Attended	%	
2.	Smt. Sneh Lata Kumar, IAS (Retd) Former Secretary to the Government of India, Department of Border Management, Ministry of Home Affairs, New Delhi	B.A. in English (Hons) from Chandigarh College for Women and M.A. (Economics) from Punjab University	08.09.2017	8	80	Attended
						Nil

ABRPL: Assam Bio Refinery Pvt. Limited; **AIDC:** Assam Industrial Development Corporation Limited; **BCPL:** Brahmaputra Cracker and Polymer Limited; **BGRL:** Bharat Gas Resources Ltd ; **BORL:** Bharat Oman Refineries Ltd; **BPCL:** Bharat Petroleum Corporation Ltd; **BPRL:** Bharat PetroResources Limited; **HDPL:** Himalayan Distillery Pvt. Limited; **LPPPL:** Lumding Plywood & Pastings (P) Ltd; **MBPL:** Meghalaya Boards (P) Ltd; **OIL:** Oil India Limited; **OIL:** Oil India International Limited; **PLL:** Petronet LNG Ltd;

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

3. Board Committees:

A) Audit Committee

The Audit Committee of the Board is constituted in accordance with the provisions of section 177 of the Companies Act, 2013 read with the guidelines on Corporate Governance for CPSEs issued by DPE. The Committee assists the Board in its responsibility for overseeing the quality and integrity of accounting, remuneration of Statutory Auditors, appointment and remuneration of Cost Auditors, performance of Internal Auditor and its compliance with 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, 2019, the Audit Committee was represented by Shri Rajkumar Sharma, Independent Director as Chairman, Smt. Sneh Lata Kumar, Independent Director and Shri B. J. Phukan, Director (Technical) as Members. All the members possess requisite knowledge of Finance and Accounting for effective functioning of the Audit Committee. The Company Secretary acts as 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 Invitees. The Head of Internal Audit, Statutory Auditors and Cost Auditor also attend and participate in the meetings, on invitation.

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

- 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.
- Recommending to the Board, appointment, re-appointment and if, required, 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.
- 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 is 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 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, 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 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 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 follow-up action on audit observations of the C&AG audit.
 15. Reviewing the company's financial and risk management policies.
 16. To look into reasons for substantial defaults in payment to the depositors, debenture holders, shareholder (in case of non- payment of declared dividends) and creditors.
 17. Defining the significant related party transactions.
 18. Any other matter as may be referred by Board from time to time

During the financial year 2018-19, Six nos. of meeting of the Audit Committee were held on the following dates:

25 th May, 2018	26 th June, 2018	3 rd August, 2018	26 th October, 2018	25 th January, 2019
12 th March, 2019				

Attendance at the Audit Committee Meetings during the financial year 2018-19:

Name of the members	No of Meetings attended	% age thereof [out of 6 nos. meeting held]	Attendance at the last Annual General Meeting
Shri Rajkumar Sharma	6	100	Attended
Smt. Sneha Lata Kumar	6	100	Attended
Shri B. J. Phukan	6	100	Attended

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

B) Nomination and Remuneration Committee

NRL has a 'Nomination and 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.

As on 31st March, 2019, the Nomination and Remuneration Committee was represented by Shri Rajkumar Sharma, Independent Director as Chairman, Shri Ravi Capoor and Shri Utpal Bora, Directors as Member.

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

During the financial year 2018-19, one meeting of the 'Nomination and Remuneration Committee' was held on 25th January, 2019. Except Shri Utpal Bora, Director & Member and one Permanent Invitee i.e. Shri K Padmakar, Director (HR), BPCL, other Members and Permanent Invitees attended the meeting.

C) Stakeholders' Relationship Committee:

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

D) CSR and Sustainability Committee:

In order to comply the provisions of DPE guidelines on CSR & Sustainability read with provisions of Section 135 of the Companies Act, 2013, the Company have a CSR & Sustainability Committee of the Board. The Committee was last reconstituted on 26th October, 2018 by inducting Shri Indranil Mittra, Director (Finance) as Member along with Shri Rajkumar Sharma, Independent Director as Chairman, Shri B. J. Phukan, Director (Technical) as Member.

Managing Director attends the meeting as Special Invitee and Head of HR attends the meeting as Nodal Officer for CSR Steering Committee. The quorum for the CSR & Sustainability Committee meeting is 1/3rd or 2 members whichever is higher. Company Secretary shall act as the Secretary to the CSR & Sustainability Committee.

During the financial year 2018-19, three nos. of meeting of the CSR & Sustainability Committee were held on the following dates:

22 nd June, 2018	10 th December, 2018	26 th March, 2019
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Attendance at the CSR & Sustainability Committee Meetings during the financial year 2018-19:

Name of the members	No of Meetings attended	% age thereof [out of 3 nos. meeting held]	Attendance at the last Annual General Meeting
Shri Rajkumar Sharma	3	100	Attended
Shri S. K. Barua (Up to 26.10.2018)	1	100	Attended
Shri B. J. Phukan	2	67%	Attended
Shri Indranil Mittra (W.e.f. 26.10.2018)	2	100	NA

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

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 Directors received sitting fees of ₹40,000 for attending each meeting of the Board/Audit Committee and ₹20,000 each for other Board sub-Committee meetings attended by them during the FY 2018-19.

Details of remuneration paid/payable to the Whole-time Directors during the financial year 2018-19 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 S. K. Barua Managing Director	68,41,081.10	Fixed Com : 35,34,097.79 PRP : 24,16,605.00	8,90,378.31	Appointed till date of his superannuation i.e. 31.01.2022 or until further orders whichever is earlier.
Shri B. J. Phukan Director (Technical)	66,61,546.01	Fixed Com : 35,22,530.72 PRP : 24,34,590.00	7,04,425.29	Appointed for a period of five years w.e.f. 01-02-2017 or till the date his superannuation or until further orders whichever is earlier.
Shri Indranil Mittra Director (Finance)	17,17,921.33	Fixed Com : 16,80,132.54 PRP : Nil	37,788.79	Appointed for a period of five years w.e.f. the date of his assumption of charge of the post (w.e.f. 12-10-2018) or till the date his superannuation or until further orders whichever is earlier.

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 Rajkumar Sharma	6,80,000/-
Smt. Sneha Lata Kumar	6,00,000/-

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
23 rd Annual General Meeting	9 th September, 2016 at 3.00 P.M.	Hotel Brahmaputra Ashok, M.G.Road, Guwahati-781001
24 th Annual General Meeting	8 th September, 2017 at 3.00 P.M.	Numaligarh Refinery Limited, 122A, G. S. Road, Christianbasti, Guwahati - 781005

	Date and Time of the Meetings	Venue
Extra- Ordinary General Meeting	25 th May,2018 at 11.30 A.M.	Board Room of Bharat Petroleum Corporation Limited, Bharat Bhavan, Ballard Estate, Mumbai-400001
25 th Annual General Meeting	24 th August,2018 at 3.00 P.M.	Numaligarh Refinery Limited, 122A, G. S. Road, Christianbasti, Guwahati - 781005

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

	Date and Time of the Meetings	Venue
Extra- Ordinary General Meeting	25 th May,2018 at 11.30 A.M. at the Board Room of Bharat Petroleum Corporation Limited, Bharat Bhavan, Ballard Estate, Mumbai-400001	Amendment of Articles of Association of the Company.

c) Postal Ballot

Being the number of Member 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 appointment of Directors are as under:

i) Shri D. Rajkumar

Shri D. Rajkumar, Chairman and Managing Director of Bharat Petroleum Corporation Limited (BPCL) did his B.Tech from IIT, Madras and PGDM from IIM, Bangalore. He has more than 34 years of experience in BPCL out of which close to 17 years of Board experience as CMD/Managing Director of BPCL and its Joint Venture/Subsidiary Companies. He has global exposure of working closely with international majors and multinational companies. He also has extensive exposure to fiscal, legal, contractual and political regimes in foreign countries.

Shri D. Rajkumar was last appointed as Director by the shareholders in the 24th Annual General Meeting held on 8.9.2017. He is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

ii) Shri B. J. Phukan

Shri B.J.Phukan is a Mechanical Engineer from Assam Engineering College, Guwahati with more than 28 years of experience in the Oil Industry including Logistics, Marketing, Technical Services and Operations. Shri Phukan started his career in Indian Oil Corporation Limited (Assam Oil Division) in the year 1990 and thereafter joined NRL in the year 1999. Prior to his assuming the office of post of Director(Technical), NRL w.e.f. 1.2.2017, he was working as General Manager(Operation) in NRL.

Shri B.J.Phukan was last appointed as Director by the shareholders in the 24th Annual General Meeting held on 8.9.2017. He is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

iii) Shri Indranil Mittra

Shri Indranil Mittra (DIN: 06883068) was appointed by the Board as Additional Director pursuant to the provisions of Article 84 of the Articles of Association of the Company read with section 161 of the Companies Act, 2013 and as Director(Finance) of the Company pursuant to Article 87(i) of the Articles of Association of the Company vide Board Resolution dated 11th October, 2018 as per approval of the Govt. of India. Accordingly, Shri Mittra had assumed the charge of the office of Director(Finance) w.e.f. 12th October,2018.

Shri Mittra is a Chartered Accountant and a CMA with PG Diploma from S P Jain Institute of Management & Research, Mumbai. He is a hard core finance man with rich and varied experience spanning around 31 years in the oil industry in diverse areas of Finance such as Corporate Finance, Indirect Tax, Business Finance, including exposure in upstream, etc. Besides, he has garnered rich experience in handling Commercial and ERP (Enterprise Resource Planning) roles. Mr. Mittra started his professional journey in Price Waterhouse, where he spent a little more than a year before joining Bharat Petroleum Corporation Limited (BPCL) Corporate Finance in December 1989. Thereafter, he has been associated with BPCL and its subsidiaries and has held various key positions. Prior to joining as Director (Finance), he was CGM(Finance) in NRL on deputation from BPCL.

Being an Additional Director, he will hold office upto the date of the ensuing Annual General Meeting. The Company has received a Notice along with deposit of requisite amount under Section 160 of the Companies Act, 2013 from a Member proposing his name as a Director of the Company.

(iv) Shri Rajendra Kumar Kureel

Shri Rajendra Kumar Kureel (DIN:05149486), Director (Exploration –II), MOP & NG was appointed as Additional Director on the Board of the Company w.e.f. 26th March, 2019 pursuant to Article 84 of the Articles of the Association of the Company read with Section 149, 152 and 161 of the Companies Act, 2013 in accordance with the direction of the Govt. of India. Shri Kureel is a Graduate in Science. He belongs to Central Secretariat Service (CSS) cadre and joined the Govt. of India in 1987. During his tenure, he served in various responsible positions under the Govt. of India. Prior to joining the Ministry of Petroleum & Natural Gas as Director, he was Deputy Secretary, Department of Expenditure under Ministry of Finance looking after staffing studies, Public Accounts Committee matters, RTI as Nodal Officer etc.

Being an Additional Director, he will hold office upto the date of the ensuing Annual General Meeting. The Company has received a Notice along with deposit of requisite amount under Section 160 of the Companies Act, 2013 from a Member proposing his name as a Director of the Company.

(v) Dr. Sylvanus Lamare

Dr Sylvanus Lamare (DIN:08511474), Principal, St. Edmunds College, Shillong, Meghalaya, who has been appointed by the Government as Non-Official Independent Director on the Board of the Company for a period of three years as conveyed vide MOP&NG letter No.C-31033/2/2018-CA/PNG(25758) dated 12th July 2019, was appointed by the Board as an Additional Director w.e.f. 16th July, 2019 pursuant to Article 84 of the Articles of the Association of the Company read with Section 149, 150, 152 and 161 of the Companies Act, 2013.

Dr Sylvanus Lamare is a Post Graduate in Khasi language (Gold Medalist) and did his Ph.D in Socio-linguistics ('Linguistics Awareness among the Khasis') from North Eastern Hill University, Shillong. He is an academician, resource person and Advisory Member of various Socio-cultural and Educational institutions. He was a Member of the Sahitya Akademi, Member of the Language Development Board Sahitya Akademi, Member of Expert Working Committee to look for the recognition of Khasi in the English Schedule and Member of Advisory Committee on Legislation & Legal Issues of the Khasi Hill Autonomous District Council. He has several publications in English on Khasi literature and contributed significantly for the growth and development of the Khasi language.

Being an Additional Director, he will hold office upto the date of the ensuing Annual General Meeting. The Company has received a Notice under Section 160 of the Companies Act, 2013 from a Member proposing his name as a Director of the Company.

9. Disclosures and compliance

- a. Except where the Company has incurred expenses on behalf of JV Company as co-promoter which are recoverable from the respective JV Company, there were no transaction of material nature that may have potential conflict with the interest of the Company at large.
- b. 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.
- c. An expenditure amounting to ₹54.85 Crore was spent on CSR & Sustainability activities during the year.
- d. During the year, no expenses was incurred which are personal in nature and incurred for the Board of Directors and Top Management.
- e. Administrative and office expenses as a percentage of total expenses was 5.11% during the year.
- f. 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.
- g. A mechanism for Risk Management is in place to identify and mitigate construction phase, financial, operational and other risks.
- h. There are no qualifications in the Auditors' Report on the financial statements to the shareholders of the Company.
- i. During the year under review, there was no cases of 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 Business Conduct and Ethics 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, 2019.

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 releases, 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	26 th Annual General Meeting
Date and Time	16 th August, 2019 at 3.00 P.M.
Venue	Numaligarh Refinery Limited, 122A, G. S. Road, Christianbasti, Guwahati - 781005
Dividend payment	The Board has recommended final Dividend @ ₹3.00 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. 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: dsr cmd@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 transferors. 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 31-03-2019.

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

CORPORATE GOVERNANCE CERTIFICATE

To,

The Members,

NUMALIGARH REFINERY LTD

(CIN: U11202AS1993GOI003893)

122A, G. S. Road, Christianbasti,

Guwahati-781005, Assam

We have examined the Compliance of Conditions of Corporate Governance by **M/s. NUMALIGARH REFINERY LIMITED (A Non-Listed PSU)** for the year ended on 31st March 2019 as stipulated in the guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE) of Ministry of Heavy Industries and Public Enterprises, Government of India in May, 2010 and amendment thereon.

The Compliance of Conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the Conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the Conditions of Corporate Governance as stipulated in the above mentioned guidelines which is within the control of the Company except non-compliance of clause 3.1.4 related to at least one-third of Board Members should be Independent Directors. As per the explanation submitted by the Management, the Company being Central PSU, the Independent Directors are appointed by the Govt. of India. Hence, the Company does not have any authority for the appointment of such Board Members.

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.

For **Amit Pareek & Associates**
Company Secretaries

Sd/-

Amit Pareek

Proprietor

FCS: 5714

COP: 4289

Date: 28/05/2019

Place: GUWAHATI

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies

(Appointment and Remuneration Personnel) Rules, 2014]

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

We 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** (A Non-Listed PSU). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that:

- Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
- We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of the financial statement of the Company.
- The compliance of the provisions of the Corporate and other applicable Laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verifications of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the 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, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st day of March, 2019 ("audit period")**, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. NUMALIGARH REFINERY LIMITED ("The Company")** for the financial year ended on **31st March, 2019** according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made there under;
- Other Laws specifically applicable to the Company such as – (a) The Petroleum Act, 1934 and Petroleum Rules, 2002; (b) Factories Acts and Rules; (c) The Energy Conservation Act, 2001; (d) The Petroleum & Natural Gas Rules; (e) Gas Cylinder Rules; (f) India Boiler Regulations; (g) The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989; (h) The Environment (Protection) Act, 1986; (i) Explosives Act, 1884; (j) Air (Prevention and Control of Pollution) Act, 1981 and (K) The Electricity Act, 2003; etc.

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises of Ministry of Heavy Industries and Public Enterprises, Government of India in May, 2010 and amendment thereon by the Govt.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above which is within the control of the Company.

We 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 were given to all the Directors to schedule the Board Meetings, agenda and relevant Agenda Folder 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. Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We 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.

We further report that during the audit period the company had no specific events / actions which is having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.).

We further report that during the audit period there were no instances of:

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities.
- (iii) Merger/ amalgamation / reconstruction, etc.

For **Amit Pareek & Associates**
Company Secretaries

Sd/-
Amit Pareek
Proprietor
FCS: 5714
COP: 4289

Date: 28.05.2019
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 - ₹15,829.10 crore 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 - ₹7,410.59 crore	Not applicable	Nil
OIL INDIA LIMITED (Substantial Holding)	Natural Gas Purchase	Ongoing transaction	Purchase of natural gas by NRL from OIL at market price - ₹262.07 crore	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 - ₹185.08 crore.	Not applicable	Nil
BHARAT OMAN REFINERIES LIMITED (Joint Venture of Holding Company, BPCL)	Purchase of Reformate	Ongoing transaction	Purchase of Reformate by NRL from BORL at market price - ₹49.66 crore	Not applicable	Nil
BHARAT OMAN REFINERIES LIMITED (Joint Venture of Holding Company BPCL)	Purchase SKO	Ongoing transaction	Purchase of SKO by NRL from BORL at market price - ₹25.45 crore	Not applicable	Nil
DNP Limited (Joint Venture)	Natural Gas Transportation	Ongoing transaction	Pipeline Transportation charges paid by NRL to DNP Limited for natural gas transportation - ₹98.83 crore	Not applicable	Nil
BRAHMAPUTRA CRACKER AND POLYMER KIMITED (Associate Company)	Rendering of Services	Ongoing transaction	Salary and Allowances of employees on deputation - ₹1.75 crore during the year	Not applicable	Nil
	Sale of product	Ongoing transaction	Sale of naphtha by NRL to BCPL at lower of crude equivalent price and Net Realisable price - ₹503.32 crore during the year	Not applicable	Nil
BHARAT PETROLEUM CORPORATION LIMITED (Holding Company)	Availing of services	Ongoing transaction	Charges for various services provided by BPCL to NRL - ₹11.11 crore during the year	Not applicable	Nil

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)	Availing of services	Ongoing transaction	Salary and Allowances of employees on deputation - ₹0.96 crore during the year	Not applicable	Nil
BHARAT PETROLEUM CORPORATION LIMITED (Holding Company)	Rendering of Services	Ongoing transaction	Charges for various services rendered by NRL to BPCL - ₹0.05 crore during the year	Not applicable	Nil
BHARAT PETROLEUM CORPORATION LIMITED (Holding Company)	Rendering of Services	Ongoing transaction	Salary and Allowances of employees on deputation - ₹0.67 crore during the year	Not applicable	Nil
BHARAT PETROLEUM CORPORATION LIMITED (Holding Company)	Lube Oil Purchase	Ongoing transaction	Purchase of Lube oil by NRL from BPCL at market rate - ₹1.15 crore 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 - ₹5.50 crore	Not applicable	Nil
OIL INDIA LIMITED (Substantial Holding)	Sale of product	Ongoing transaction	Sale of HSD by NRL to OIL at market price - ₹0.48 crore during the year	Not applicable	Nil
Assam Bio Refinery (P) Limited (Joint Venture)	Rendering of Services	Ongoing transaction	Charges for various services rendered by NRL to ABRPL - ₹2.06 crore during the year	Not applicable	Nil
Assam Bio Refinery (P) Limited (Joint Venture)	Rendering of Services	Ongoing transaction	Salary and Allowances of employees on deputation - ₹1.67 crore during the year	Not applicable	Nil
Indradhanush Gas Grid Limited (Joint Venture)	Rendering of Services	Ongoing transaction	Salary and Allowances of employees on deputation - ₹0.69 crore during the year	Not applicable	Nil

Annexure-D

Statement showing the total number of employees and the number of Scheduled Castes & Scheduled Tribes amongst them as on 01.01.2019

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	382	46	12.04	27	7.07	-
Lowest rung of Group-A (02)	Permanent	76	4	5.26	6	7.89	-
Total		458	50	10.92	31	6.77	-
Group - B	Permanent	-	-	-	-	-	-
Group - C	Permanent	421	39	9.26	61	14.49	-
Group - D (Excluding Sweepers)	Permanent	-	-	-	-	-	-
Group - D (Sweepers)	Nil	-	-	-	-	-	-
Total		879	89	10.13	94	10.69	

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

(a) Position as on **1.1.2019**

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	0	0	0	0	0
II	₹ 9700-16800	C	7	7	2	2	3
III	₹ 10350-31200	C	11	11	5	2	4
IV	₹ 10900-31500	C	10	10	8	0	2
V	₹ 11400-32500	C	11	11	11	0	0
VI	₹ 12200-33500	C	84	84	70	6	8
VII	₹ 12450-35500	C	52	52	33	10	9
VIII	₹ 13150-45000	C	95	95	70	6	19
IX	₹ 20000-48000	C	151	151	122	13	16
SUPERVISORY EMPLOYEES							
02	₹ 50000 - 160000	A	25	25	21	2	2
A	₹ 60000 - 180000	A	68	68	60	6	2
B	₹ 70000 - 200000	A	59	59	50	6	3
C	₹ 80000 - 220000	A	113	113	88	14	11
D	₹ 90000 - 240000	A	60	60	43	11	6
E	₹ 100000 - 260000	A	73	73	63	7	3
F	₹ 120000 - 280000	A	36	36	30	3	3
G	₹ 120000 - 280000	A	15	15	13	1	1
H	₹ 120000 - 280000	A	9	9	9	0	0

Statement showing the Number of Reserved vacancies filled by Members of Scheduled Castes & Scheduled Tribes (During the year 2018-19)

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 SCs 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	15	16
Posts filled by Direct Recruitment															
Group A	40	40	3	7	7	NIL	NIL	NIL	1	1	1	NIL	NIL	NIL	
Other than lowest rung of Group-A	NIL	NIL	NIL	NIL	NIL	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	NRL do not have Group B posts.												
Group C	1	1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	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 is not applicable for promotion in Group 'A', 'C' & 'D' posts.

FORM AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/Associate Companies/ Joint ventures for the financial year ended 31st March 2019

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	Brahmaputra Cracker and Polymer Limited	Assam Bio Refinery (P) Ltd.	Indradhanush Gas Grid Ltd.
1. Latest audited Balance Sheet Date	31 st March 2018	31 st March 2018	-	-
2. Shares of Associate/Joint Ventures held by the company on the year end				
• No. of Equity Shares	43490000	141767000	21500000	5000000
• Amount of Investment in Associates/ Joint Venture	₹ 43.49 crore	₹ 141.77 crore	₹ 21.50 crore	₹ 5.00 crore
• Extend of Holding %	26.00	10.00	50	20
3. Description of how there is significant influence	By virtue of shareholding / Joint Venture Agreement.	By representation in the Board of Directors	By virtue of shareholding / Joint Venture Agreement.	By virtue of shareholding / Joint Venture Agreement.
4. Reason why the associate/joint venture is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet	₹ 66.79 Crore	₹ 56.85 Crore	₹ 21.03 Crore	₹ 2.58 Crore
6. Profit/Loss for the year				
i. Considered in Consolidation	₹ 12.16 Crore	₹ 7.06 Crore	₹ (0.47) Crore	₹ (2.42) Crore
ii. Not Considered in Consolidation	₹ 5.09 crore	Not Applicable	Not Applicable	Not Applicable

- Names of associates or joint ventures which are yet to commence operations – Nil
- Names of associates or joint ventures which have been liquidated or sold during the year – Nil

As per our report of even date

For M C Bhandari & Co
Chartered Accountants
ICAI FRN: 303002E

Sd/-
CA. Neeraj Jain
Partner
Membership No. 064393

Place: Mumbai
Date : 9th May, 2019

For and on behalf of the Board of Directors

Sd/-
S.K. Barua
Managing Director
DIN: 06503943

Sd/-
H. K. Sarmah
Company Secretary

Place: Mumbai
Date : 9th May, 2019

Sd/-
Indranil Mitra
Director (Finance)
DIN: 06883068

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, 2019

I REGISTRATION & OTHER DETAILS:

i	CIN	U11202AS1993GOI003893
ii	Registration Date	22/04/1993
iii	Name of the Company	NUMALIGARH REFINERY LTD
iv	Category / Sub-Category of the Company	Public Company Limited by Shares
v	Address of the Registered office & contact details	122A, G. S. Road, Christianbasti, Guwahati – 781005, Assam, India Telephone: 0361- 2203147 Fax: 0361- 2203152 Email ID: z_compsec@nrl.co.in Web Site: www.nrl.co.in
vi	Whether listed company	No
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Data Software Research Co. Pvt. Limited 19, Pycrofts Garden Road Off. Haddows Road, Nungambakkam, Chennai-600 006, India Phone: 044-28213738/28214487 Fax:044-28214636 Email ID: dsrcomd@vsnl.com Web site: www.dsrc.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	Motor Spirit (MS)	Group 192; sub-class: 19201	21.14%
2	High Speed Diesel (HSD)	Group 192; sub-class: 19201	69.49%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	Bharat Petroleum Corporation Limited, Bharat Bhavan, Currimbhoy Road, Ballard Estate, Mumbai-400001	L23220MH1952GOI008931	Holding	61.65%	2(46)
2	DNP Limited, Flat No.4, H.No.2, Dinesh Mansion, 2 nd Floor, Dr. R.P. Road, Dispur, Guwahati-781006	U51410AS2007SGC008410	Associate	26%	2(6)
3	Brahmaputra Cracker and Polymer Ltd., H.No. 6, 1 st Floor, Bhuban Road, Uzan Bazar, Guwahati-781001	U11101AS2007GOI008290	JV	10%	2(6)
4	Assam Bio Refinery Private Limited, 122A, G. S. Road, Christianbasti, Guwahati-781005	U74999AS2018PTC018547	Associate	50%	2(6)
5	Indradhanush Gas Grid Limited, 122A, G. S. Road, Christianbasti, Guwahati-781005	U40300AS2018GOI018660	Associate	20%	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 (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% 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.-Govt. of Assam	-	90821337	90821337	12.35	-	90821337	90821337	12.35	Nil
d) Bodies Corp.-BPCL	-	453545964	453545964	61.65	-	453545964	453545964	61.65	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other: Nominee of Promoters									
1. BPCL jointly with R. Rajamani	-	1	1	-	-	Nil	Nil	-	-
2. BPCL jointly with R. P. Natekar	-	8	8	-	-	Nil	Nil	-	-
3. BPCL jointly with K. Sivakumar	-	8	8	-	-	Nil	Nil	-	-
4. S. K. Agrawal jointly with BPCL	-	8	8	-	-	8	8	-	-
5. K. Sivakumar jointly with BPCL	-	8	8	-	-	Nil	Nil	-	-
6. M. Venugopal jointly with BPCL	-	1	1	-	-	Nil	Nil	-	-
7. Ravi Capoor (Nominee of GOA)	-	7	7	-	-	7	7	-	-
8. Sukhmal Jain jointly with BPCL	-	-	-	-	-	8	8	-	-
9. Sanjay Khanna jointly with BPCL	-	-	-	-	-	8	8	-	-
10. N. P. Vijayagopal jointly with BPCL	-	-	-	-	-	8	8	-	-
11. Pankaj Das jointly with BPCL	-	-	-	-	-	1	1	-	-
12. Sunil Kumar Agrawal jointly with BPCL	-	-	-	-	-	1	1	-	-
Sub-total(A)(1):		54,43,67,342	54,43,67,342			54,43,67,342	54,43,67,342	74%	No change
(2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other - Individual/	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Others	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-		-	-			-	-		
B. Public Shareholding									
1. Institutions									
a) Mutual Funds		-	-	-	-	-	-	-	-
b) Banks / FI		-	-	-	-	-	-	-	-
c) Central Govt		-	-	-	-	-	-	-	-
d) State Govt(s)		-	-	-	-	-	-	-	-
e) Venture Capital Funds		-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies		-	-	-	-	-	-	-	-
g) FIs		-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds		-	-	-	-	-	-	-	-
i) Others - Oil India Limited	19,12,64,202	-	19,12,64,202	26%	19,12,64,202	-	19,12,64,202	26%	No change
Sub-total (B)(1):	19,12,64,202	-	19,12,64,202	26%	19,12,64,202	-	19,12,64,202	26%	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	19,12,64,202	-	19,12,64,202	26%	19,12,64,202		19,12,64,202	26%	
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%	

NB: BPCL means Bharat Petroleum Corporation Limited

ii Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year 2018-19			Shareholding at the end of the year 2018-19			% 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	-	9,08,21,337	12.35	-	No change
4	Nominees of Promoters i.e. BPCL & Govt. of Assam	41	-	-	41	-	-	
	TOTAL	54,43,67,342	74%	-	54,43,67,342	74%	-	

iii Change in Promoters' Shareholding (please specify, if there is no change- No changes during the Financial year 2018-19)

V INDEBTEDNESS

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

(In ₹)

Indebtedness at the beginning of the financial year 2018-19	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	335,22,05,000.00	2,44,874.04	Nil	335,24,49,874.04
ii) Interest due but not paid	-	-	Nil	-
iii) Interest accrued but not due	44,23,867.53	-	Nil	44,23,867.53
Total (i+ii+iii)	335,66,28,867.53	2,44,874.04	-	335,68,73,741.57
Change in Indebtedness during the financial year 2018-19				
- Addition	17,44,30,266.71	9,21,772.58	Nil	17,53,52,039.29
- Reduction	(315,19,05,117.53)	(2,44,874.04)	Nil	(315,21,49,991.57)
Net Change	(297,74,74,850.82)	6,76,898.54	Nil	(297,67,97,952.28)
Indebtedness at the end of the financial year 2018-19				
i) Principal Amount	37,77,53,282.51	9,21,772.58	Nil	37,86,75,055.09
ii) Interest due but not paid	-	-	Nil	-
iii) Interest accrued but not due	14,00,734.20	-	Nil	14,00,734.20
Total (i+ii+iii)	37,91,54,016.71	9,21,772.58	Nil	38,00,75,789.29

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD			Total Amount (₹)
		S. K. Barua, Managing Director	B J Phukan, Director (Technical)	Indranil Mittra, Director (Finance) & CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	59,50,702.79	59,57,120.72	16,80,132.54	135,87,956.05
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	8,90,378.31	704,425.29	37,788.79	16,32,592.39
	(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)	68,41,081.10	66,61,546.01	17,17,921.33	152,20,548.44
	Ceiling as per the Act	Managerial Remuneration amounting to ₹1.52 Crore (approx) of the Net Profit is within 11% of the Net Profit as per Section 197 & 198 of the Companies Act, 2013			

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount (₹)
1	Independent Directors	Rajkumar Sharma	Ms. Sneh Lata Kumar	
	Fee for attending board committee meetings	6,80,000	6,00,000	12,80,000
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	6,80,000	6,00,000	12,80,000
2	Other Non-Executive Directors	NIL		
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	6,80,000	6,00,000	12,80,000
	Total Managerial Remuneration	NA	NA	NA
	Overall Ceiling as per the Act	NA	NA	NA

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	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	55,09,126.36	55,09,126.36
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2,49,853.61	2,49,853.61
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify	-	-
	Total	57,58,979.97	57,58,979.97

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES DURING THE FY 2018-19: NONE

Corporate Social Responsibility (CSR) and Sustainability

1) A brief outline of the Company's CSR policy, including overview of projects or programs undertaken and a reference to the web-link to CSR policy and projects or programs:

With the concern, commitment and contribution towards socio-economic upliftment of the region, NRL has been pursuing definite measures through various CSR initiatives for improving the quality of lives of under privileged people in and around refinery. The community, particularly around the refinery at Numaligarh has witnessed perceptible improvement on socio-economic front on account of initiatives taken by NRL. Such developments have been instrumental in promoting goodwill and ensuring sustainable growth of the organisation. The CSR and Sustainability Policy of NRL has been aligned with stipulations under the Companies Act, 2013, the CSR Rules of the Ministry of Corporate Affairs and the guidelines on CSR and Sustainability issued by the Department of Public Enterprises (DPE) with effect from 1st April, 2014.

Vision and Mission of NRL CSR & Sustainability Policy are given 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."

Recognising its equal responsibility towards the community, NRL has been contributing for the up-liftment of the society since its inception through its persistent developmental efforts. The focus of NRL's CSR lies within 10 Km radius of the refinery and at Siliguri in West Bengal, where Marketing Terminal is located. As per Companies Act, 2013, NRL has its CSR policy and guidelines in place, the highlights of the same being:

- In every financial year, at least 2% of average net profits of the Company made during the three immediately preceding financial years will be earmarked for undertaking CSR activities.
- NRL has a CSR Committee of the Board headed by an Independent Director, which regularly reviews and monitors all CSR projects.
- A robust governance structure with a dedicated team of CSR professionals strives towards identifying and implementing impactful social projects which are in alignment with the areas specified under schedule VII of the Companies Act, 2013 of which the Company takes up CSR projects broadly in the following thrust areas:
 - i. Skill Development & Livelihood
 - ii. Education
 - iii. Rural Development
 - iv. Healthcare

- v. Sanitation, Safe Drinking Water and Swachh Bharat Mission
- vi. Promotion of Sports

The details of the CSR policy, projects and programmes are available on the website of the Company www.nrl.co.in.

2) The Composition of CSR & Sustainability Committee: The CSR & Sustainability Committee of the Board of NRL comprises the following Directors from FY 2018-19 till date:-

- a) Shri Rajkumar Sharma, Independent Director & Chairman of the Committee
- b) Shri S K Barua, Managing Director, (Member upto 26.10.2018)
- c) Shri Bhaskar Jyoti Phukan, Director (Technical)
- d) Shri Indranil Mittra, Director (Finance) (Member w.e.f 26.10.2018)

3) Average net profit of the company for the last three financial years: ₹2,717.81 Crore

4) Prescribed CSR Expenditure for 2018-19: ₹54.36 Crore

5) Details of CSR Spend during the Financial year 2018-19

- a. Total Amount to be spent : ₹54.36 Crore (There was no carry forward from previous year)
- b. Amount Spent : ₹54.85 Crore
- c. Details of the manner in which the Amount was spent : Enclosed in Attachment

6) Responsibility Statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the CSR projects and activities in compliance with the CSR objectives.

Sd/-
(R K Sharma)
Independent Director and
Chairman of the CSR &
Sustainability Committee

Sd/-
(B. J. Phukan)
Director (Technical) &
Member

Sd/-
(Indranil Mittra)
Director (Finance) &
Member

Appendix to Annexure-G

Details of CSR & Sustainability activities executed during the year 2018-19 (as per provision of Section 135 of the Companies Act, 2013)

(Amount In Lakh)

Sl. No.	CSR Project/ Activity identified	Sectoer in which project covered	"Project or Program 1. Local area or others 2. State/Dist where project or program was undertaken "	Amount outley Project or Program wise	Amount Spent on Project or Program (Sub head:1. Direct expenditure on Project or Program 2. Overhead	Cummulative Exp. Upto reporting period	Amount spent Direct or through implementing Agency
1	Project on Up gradation of local non descript cows by way of Artificial insemination (AI) in association with regional AI officer, Bokakhat	Animal welfare (Item No. (iv) of Schedule -VII)	Within Golaghat District	1.00	1.00	1.00	State Govt
2	Preservation and promotion of Art, Literature and culture of Assam by providing financial assistance for organizing various socio cultural events, Repairing & renovation of Community hall, Club etc. in the neighborhood of Refinery	Art and Culture, public libraries (Item No. (v) of Schedule-VII)	Within Assam, Delhi	115.89	93.00	93.00	Directly by CPSE
3	Providing assistance to various Women entrepreneur, SHG, weaving units towards empowerment of women.	Contribution to SC/ST/OBC/ Minorities/ Women funds (Item No. (viii) of Schedule-VII)	Within Assam	48.26	29.17	29.17	Directly by CPSE
4	Installation of safe & clean drinking water facility in various educational institutes, Public places, installation of hand pump, Ring well, water purifier system, reviving of existing defunct piped water sypply scheme in nearby villages and providing water tankers for supply of water in urban areas.	Drinking Water Supply (Item No. (i) of Schedule-VII)	Within Assam	171.94	135.13	135.13	Directly by CPSE
5	Conducting Remedial & Mentoring coaching program for the students of Class IX to Class XII of nearby School & Colleges	Education (Item No. (ii) of Schedule-VII)	Within Golaghat District	37.31	32.92	32.92	Society
6	Construction / Renovation of School Building, Class Room, Laboratory, boundary wall, auditorium, playground, information centre etc. and providing various amenities for better educational environment.	Education (Item No. (ii) of Schedule-VII)	Within Assam, Meghalaya & West Bengal	393.58	258.47	258.47	Directly by CPSE

Sl. No.	CSR Project/ Activity identified	Sectoer in which project covered	"Project or Program 1. Local area or others 2. State/Dist where project or program was undertaken "	Amount outley Project or Program wise	Amount Spent on Project or Program (Sub head:1. Direct expenditure on Project or Program 2. Overhead	Cummulative Exp. Upto reporting period	Amount spent Direct or through implementing Agency
7	Distribution of test papers among the HSLC appearing students of nearby schools	Education (Item No. (ii) of Schedule-VII)	Within 10 KM radius of Refinery	6.63	6.63	6.63	Directly by CPSE
8	Financial Assistance to Vivekananda Kendra Rock Memorial , Kanyakumari for setting up of new school & hostel facility at Khatkati, Tumpreng, Dibrugarh, Sissiborgaon	Education (Item No. (ii) of Schedule-VII)	Within Assam	195.00	89.00	89.00	Vivekananda Kendra Rock Memorial & Vivekananda Kendra
9	Operation of Digital Literacy centre at Lattekujan Tea Estate in association with IRDIS, Guwahati to promote computer education among school childrens	Education (Item No. (ii) of Schedule-VII)	Within 10 KM radius of Refinery	7.26	5.83	5.83	Society
10	Promotion of Education by providing Scholarship under various schemes to meritorious students from economically weaker section of society to pursue higher education in various educational institute including Sainik School and DPS Numaligarh.	Education (Item No. (ii) of Schedule-VII)	Within Golaghat District	197.85	144.02	144.02	Directly by CPSE
11	Providing 2 Nos. mid day meal delivery vans to Akshaya Patra's Foundation for carrying cooked meal for the school students of Guwahati.	Education (Item No. (ii) of Schedule-VII)	Within Assam	23.27	23.27	23.27	NGO
12	Providing financial assistance to various organisation to conduct seminar, workshop, Training, competition, awareness program etc. to educate citizen & promote education.	Education (Item No. (ii) of Schedule-VII)	Within Assam	23.65	20.45	20.45	Society/NGO
13	Setting up school & public Libraries under project Library for All	Education (Item No. (ii) of Schedule-VII)	Within Golaghat District	25.44	20.86	20.86	Directly by CPSE
14	Development & Maintenance of Round about on NH 37 at Khanapara, Guwahati and Nagaon Bypass by developing Landscape Garden as a project under National Green Highway Mission	Environment sustainability (Item No. (iv) of Schedule-VII)	Within Assam	42.18	31.58	31.58	Directly by CPSE
15	Development and Protection of water body towards conservation of environment	Environment sustainability (Item No. (iv) of Schedule-VII)	Within 10 KM radius of Refinery	124.65	124.65	124.65	State Govt

Sl. No.	CSR Project/ Activity identified	Sectoer in which project covered	"Project or Program 1. Local area or others 2. State/Dist where project or program was undertaken "	Amount outley Project or Program wise	Amount Spent on Project or Program (Sub head:1. Direct expenditure on Project or Program 2. Overhead	Cummulative Exp. Upto reporting period	Amount spent Direct or through implementing Agency
16	Installation of SWATCH® Waste Destruction System for mixed solid waste decomposition in the neighborhood of the Refinery	Environment sustainability (Item No. (iv) of Schedule-VII)	Within 10 KM radius of Refinery	15.67	14.78	14.78	Directly by CPSE
17	Nirmal Chahhar - A project to provide waste handling equipments to various Municipalities, Town Committes , Market committes to promote Swacchh Bharat Mission	Environment sustainability (Item No. (iv) of Schedule-VII)	Within Assam	835.00	826.84	826.84	Directly by CPSE
18	Plantation of various saplings including maintenance, Conduct Base line Survey for developing bamboo cluster for sustainability livelihood generation and training on bamboo plantation	Environment sustainability (Item No. (iv) of Schedule-VII)	Within Golaghat District	4.34	4.34	4.34	Directly by CPSE
19	Setting up of Waste handling (Plastic) Unit as a part of Swacch Bharat Mission.	Environment sustainability (Item No. (iv) of Schedule-VII)	Within 10 KM radius of Refinery	10.15	1.71	1.71	Society
20	Construction of Tongi Ghar (Watch tower) in different villages adjacent to Refinery for protection of cultivation from wild elephant	Forest and Environment, Animal Welfare etc. (Item No. (iv) of Schedule-VII)	Within 10 KM radius of Refinery	87.00	12.17	12.17	Directly by CPSE
21	Distribution of free LPG connection to BPL household to promote smokeless village	Forest and Environment, Animal Welfare etc. (Item No. (iv) of Schedule-VII)	Within 10 KM radius of Refinery	0.52	0.52	0.52	Directly by CPSE
22	Distribution of search light in villages in and around refinery for protection against elephant infringement	Forest and Environment, Animal Welfare etc. (Item No. (iv) of Schedule-VII)	Within 10 KM radius of Refinery	4.75	3.95	3.95	Directly by CPSE
23	Providing various support to Dist Forest Department by way of providing vehicle, assistance for repairing of beat office vehicle , conducting awareness program, tree plantation, Insurance of Forest Staff of Kaziranga National Park etc. towards protection of environment.	Forest and Environment, Animal Welfare etc. (Item No. (iv) of Schedule-VII)	Within Golaghat District	12.92	11.19	11.19	State Govt
24	Assistance for treatment of critical ailment & Diseases to the patients who are from economically weaker section of the society.	Health Care (Item No. (i) of Schedule-VII)	Within Golaghat District	100.97	88.57	88.57	Directly by CPSE

Sl. No.	CSR Project/ Activity identified	Sectoer in which project covered	"Project or Program 1. Local area or others 2. State/Dist where project or program was undertaken "	Amount outley Project or Program wise	Amount Spent on Project or Program (Sub head:1. Direct expenditure on Project or Program 2. Overhead	Cummulative Exp. Upto reporting period	Amount spent Direct or through implementing Agency
25	Dishtri -A free Eye Screening cum Cataract detection and operation for under privilege section of society and Eye screening of school children in and around Golaghat District	Health Care (Item No. (i) of Schedule-VII)	Within Golaghat District	22.14	18.07	18.07	Trust
26	Distribution of uniform/ winter clothes among children, poor & needy people from underprivileged background	Health Care (Item No. (i) of Schedule-VII)	Assam & West Bengal	1.19	1.19	1.19	Trust
27	Infrastructure and logistic improvement in MCH wing of Mangaldai Civil Hospital under aspirational district project	Health Care (Item No. (i) of Schedule-VII)	Within Assam	48.57	19.43	19.43	State Govt
28	Infrastructure development of Public Health centre including supply of furniture in nearby areas	Health Care (Item No. (i) of Schedule-VII)	Within Golaghat District	27.83	22.85	22.85	Directly by CPSE
29	Niramoy - a Project to conduct routine free mobile medical camps in nearby villages of Refinery / Slum areas, Conduct health camp for elderly people.	Health Care (Item No. (i) of Schedule-VII)	Within Golaghat District	190.20	159.50	159.50	Directly by CPSE
30	Organizing Cancer Awareness camps, Anti tobacco campaign programme at schools, nearby villages and Setting up a Drugs Rehabilitation Centre at Nagaon	Health Care (Item No. (i) of Schedule-VII)	Within 10 KM radius of Refinery	9.15	8.71	8.71	Trust/NGO
31	Providing Road safety equipment to district administratino for better management of Road Traffic	Health Care (Item No. (i) of Schedule-VII)	Within Golaghat District	0.94	0.94	0.94	Directly by CPSE
32	Providing subsidy to the needy patients of neighbouring areas for treatment through VKNRL Hospital in the FY 2018-19	Health Care (Item No. (i) of Schedule-VII)	Within Golaghat District	234.55	225.80	225.80	Directly by CPSE
33	Relief & Rehabilitation of flood affected people of Assam	Health Care (Item No. (i) of Schedule-VII)	Within Golaghat District	26.00	22.75	22.75	Directly by CPSE

Sl. No.	CSR Project/ Activity identified	Sectoer in which project covered	"Project or Program 1. Local area or others 2. State/Dist where project or program was undertaken "	Amount outley Project or Program wise	Amount Spent on Project or Program (Sub head:1. Direct expenditure on Project or Program 2. Overhead	Cummulative Exp. Upto reporting period	Amount spent Direct or through implementing Agency
34	Development of Custom Hiring Centre in nearby villages to promote farm mechanization. Also providing assistance to farmer of nearby localities for traditional and alternate farming by way of providing improve seed, fertilizer, Solar pump etc.	Poverty Alleviation (Item No. (i) of Schedule-VII)	Within 10 KM radius of Refinery	151.21	86.92	86.92	Directly by CPSE
35	Setting up old age homes, day care centres for elderly people, construction of Pensioners' Bhawan at Golaghat	Promoting gender equality (Item No. (viii) of Schedule-VII)	Within Assam	17.68	13.68	13.68	Trust/Society
36	Development of Infrastructure facility at various Iconic Place, historical tourist place and world heritage sites under Swachha Bharat Mission.	Protection of national heritage (Item No. (v) of Schedule-VII)	Within Assam	185.67	130.52	130.52	Directly by CPSE
37	Construction of low cost house for Project Affected families including toilet clubbed with bath room, electrification	Rural Development (Item No. (x) of Schedule-VII)	Within 10 KM radius of Refinery	44.08	32.30	32.30	Directly by CPSE
38	Construction/ Development of village road, RCC bridge, Culvert in nearby villages of Refinery	Rural Development (Item No. (x) of Schedule-VII)	Within 10 KM radius of Refinery	1,088.78	702.21	702.21	Directly by CPSE
39	Developing Mazdoor gaon, Napathar Natun Gaon, Lakhipur, Gandhigaon and Chawrabasti as Model Village giving emphasis on development of road infrastructure, sanitation, water supply, electrification, health & hyegine	Rural Development (Item No. (x) of Schedule-VII)	Within Golaghat District	210.90	173.94	173.94	Directly by CPSE
40	Devleopment of rural infrastructures like construction of crematorium, providing boat, waiting shed etc.	Rural Development (Item No. (x) of Schedule-VII)	Within Golaghat District	28.66	21.52	21.52	Directly by CPSE
41	Devleopment of rural infrastructures like construction of crematorium, waiting shed, providing boat, etc.	Rural Development (Item No. (x) of Schedule-VII)	Within Golaghat District	5.00	5.00	5.00	State Govt
42	Providing Grid Electrification in nearby villages through APDCL	Rural Development (Item No. (x) of Schedule-VII)	Within Golaghat District	4.17	4.17	4.17	State Govt

Sl. No.	CSR Project/ Activity identified	Sectoer in which project covered	"Project or Program 1. Local area or others 2. State/Dist where project or program was undertaken "	Amount outley Project or Program wise	Amount Spent on Project or Program (Sub head:1. Direct expenditure on Project or Program 2. Overhead	Cummulative Exp. Upto reporting period	Amount spent Direct or through implementing Agency
43	Providing Solar Home lighting system in unelectrified villages in and around Golaghat & Karbi Along district.	Rural Development (Item No. (x) of Schedule-VII)	Within Assam	77.50	64.00	64.00	Directly by CPSE
44	Providing Solar Street lighting along approach road to four nos of villages nearer to Refinery	Rural Development (Item No. (x) of Schedule-VII)	Within Golaghat District	194.83	120.00	120.00	Directly by CPSE
45	Construction & renovation of Toilets facility in public places for maintaining clean and hygiene environment	Sanitation (Item No. (i) of Schedule-VII of the Companies Act, 2013)	Within Assam	53.37	40.84	40.84	Directly by CPSE
46	Development of Landscape garden at Jorhat Airport(Raraiyah) under 'Swachh Bharat Mission' activities.	Sanitation (Item No. (i) of Schedule-VII of the Companies Act, 2013)	Within Assam	3.24	3.24	3.24	Directly by CPSE
47	Organize various activities such as awareness campaigns, cleanliness drive, Drawing- Art -Debating competition, street play etc. plantation drive, distribution of Sanitary napkin, Installation of Road side waste bin, whitewashing of market places to promote Swachh Bharat Mission	Sanitation (Item No. (i) of Schedule-VII of the Companies Act, 2013)	Within Assam	74.66	45.43	45.43	Directly by CPSE
48	Paricchannata - a scheme to provide Low Cost Sanitary toilet to BPL household through DBT mode to ensure better health and Hygine including elimination of open defecation.	Sanitation (Item No. (i) of Schedule-VII of the Companies Act, 2013)	Within Golaghat District	277.35	164.51	164.51	Directly by CPSE
49	Swacchh Vidyalaya Abhiyan - A project to construct School toilet facility including maintenance within Assam.	Sanitation (Item No. (i) of Schedule-VII of the Companies Act, 2013)	Within Assam	196.81	114.80	114.80	Directly by CPSE
50	Adoption of ITI Golaghat by NRL as ITI Golaghat- NRL Centre of Excellance under Project 'Uttoron'	Skill Development and Livelihood (Item No. (ii) of Schedule-VII)	Within Golaghat District	249.35	37.08	37.08	Directly by CPSE
51	Construction of Skill Development Centre at Dongkamukam, West Karbianglong for development of various skills of women & children from underprevelaged society.	Skill Development and Livelihood (Item No. (ii) of Schedule-VII)	Within Assam	21.31	13.00	13.00	Trust

Sl. No.	CSR Project/ Activity identified	Sectoer in which project covered	"Project or Program 1. Local area or others 2. State/Dist where project or program was undertaken "	Amount outley Project or Program wise	Amount Spent on Project or Program (Sub head:1. Direct expenditure on Project or Program 2. Overhead	Cummulative Exp. Upto reporting period	Amount spent Direct or through implementing Agency
52	Operation & Maintenance of VK NRL School of Nursing at Numaligarh	Skill Development and Livelihood (Item No. (ii) of Schedule-VII)	Within Golaghat District	848.70	614.92	614.92	Directly by CPSE
53	Project -"Swa Nirbhar" Promoting local entrepreneur, SHG & JLG for setting up various livelihood evidence	Skill Development and Livelihood (Item No. (ii) of Schedule-VII)	Within Golaghat District	45.73	35.59	35.59	Directly by CPSE
54	Project -Uttoron: Providing external skill upgradation Training on various trades i.e. Ayurvedic Nursing, Geriatric Home Health Aids, Technical training on automatic domine, hospitality management, nursing, welding, fitter, CNC operator, paramedical science etc.	Skill Development and Livelihood (Item No. (ii) of Schedule-VII)	Within Golaghat District	287.07	197.69	197.69	Directly by CPSE
55	Providing one TATA Sumo vehicle to Prerona Pratibandhi Sishu Bikash Kendra to facilitate transport to rural areas for carrying out activities for specially challenged children	Skill Development and Livelihood (Item No. (ii) of Schedule-VII)	Within Assam	8.97	6.56	6.56	NGO
56	Operation and maintenance of NRL Football Academy and its feeder centre under project "Khel Prashikhan"	Sports (Item No. (vii) of Schedule-VII)	Within Assam	184.36	105.70	105.70	Directly by CPSE
57	Operation of Badminton & Boxing coaching centres at Golaghat under project "Khel Prashikshan"	Sports (Item No. (vii) of Schedule-VII)	Within Golaghat District	6.83	3.94	3.94	Directly by CPSE
58	Promotion of sports including rural sports by developing sports infrastructure facilities & providing sports equipment, providing sports gear to renowned sports persons, promoting sports events etc.	Sports (Item No. (vii) of Schedule-VII)	Within Assam	48.38	40.56	40.56	Directly by CPSE

Sl. No.	CSR Project/ Activity identified	Sectoer in which project covered	"Project or Program 1. Local area or others 2. State/Dist where project or program was undertaken "	Amount outley Project or Program wise	Amount Spent on Project or Program (Sub head:1. Direct expenditure on Project or Program 2. Overhead	Cummulative Exp. Upto reporting period	Amount spent Direct or through implementing Agency
59	NRL Helping Hand "A Scheme that support differently abled people by way of providing aids and appliances; assistance for rehabilitation, to provide free fooding, Community based rehabilitation program etc.	Supporting Differently abled & their livelihood Item No.(ii) of Schedule-VII)	Within Golaghat District	25.58	8.70	8.70	Directly by CPSE
60	Overhead			242.51	238.86	238.86	
Grand Total				7,628.51	5,484.98	5,484.98	

A vibrant sailboat with a multi-colored sail (red, orange, yellow, green, blue, purple) is shown from a low angle, sailing on a blue sea. The sun is shining brightly in the upper right corner, creating a lens flare effect. The background is a clear blue sky.

INDEPENDENT AUDITORS' REPORT

(STANDALONE)

Independent Auditors' Report

To
The Members of
Numaligarh Refinery Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone Ind AS financial statements of NUMALIGARH REFINERY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss, (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements along with the notes thereon, give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rule 2015 (as amended) under section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2019, and its profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone 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 of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under

section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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, 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

- i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- ii) As required by the Section 143(5) of the Act, we give in "**Annexure B**", a statement on the matters specified by the Comptroller and Auditor-General of India for the Company.
- iii) 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 purposes of our audit.
 - b) In our opinion, proper books of account 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 and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) In view of the exemption given vide notification no. G.S.R. 463(E) dated 5th June, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of directors is not applicable to the Company.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure C**".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and the information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note 50 to the standalone Ind AS financial statements;
 - ii) The Company has made provision, as required under the applicable law or indian accounting standards, for material foreseeable losses, if any, on long- term contracts including derivative contracts – Refer Note 56 to the standalone Ind AS financial statements;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **M. C. Bhandari & Co.**
Chartered Accountants
Firm registration No. 303002E

CA. Neeraj Jain
(Partner)
(Membership No. 064393)

Place: Mumbai
Date: 9th May, 2019

ANNEXURES TO
INDEPENDENT
AUDITORS' REPORT
(STANDALONE)

Annexure - A to Independent Auditors' Report

The Annexure referred to in paragraph (i) under the heading "Report on Other Legal and Regulatory requirements" of our Independent Auditors' Report of even date to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March, 2019, we report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) As per information and explanations given to us, 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 program of verification, certain fixed assets i.e. Building, Plant & Machinery, Tanks & Pipelines, Railway Sidings, Dispensing Tanks & Pumps and 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.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable property are held in the name of the Company except Freehold Land of 17.89 Acres whose mutation is still pending and 0.25 Acres of land whose title is under dispute. Gross block & net block of the above land as per Fixed Asset Register as on 31st March 2019 is not ascertainable.
- ii. As explained to us physical verification of inventories of Finished Goods, Raw Materials and Stores and Spares except those lying with contractors / third parties and goods in transit, if any, has been conducted at reasonable intervals by the management. 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 dealt with in the books of accounts. In respect of the inventories lying with contractors / third parties, these have substantially confirmed by them. In respect of Inventories directly charged to consumption on receipt of material, balance outstanding as at year end date has been confirmed by respective Issuer department and accounted for at the year end.
- iii. As informed to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable
- iv. In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public within the provisions of Sections 73 to 76 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 and other relevant provisions of the Act.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of the products where the maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 and the rules framed thereunder and we are of the opinion that, prima facie, the prescribed books of accounts and cost records have been made and maintained. We have not, however, made a detailed examination of the same with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including

Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues as on the last day of the financial year, for a period of more than six months from the date they became payable;

- (b) According to the records of the Company and the information and explanations given to us, following are the details of disputed dues of Income Tax or Sales Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax as on 31st March, 2019:

Name of the Statute	Nature of Dues	Period to which the amount relates	Amount (₹ in Crore)	Forum where Dispute is Pending
The Central Excise Act, 1944	Adoption of lower Transaction Value for Oil Marketing Companies other than BPCL.	2002-2004	116.74	CESTAT, Kolkata
	Disallowing Cenvat Credit of Refinery Project.	2002-2003	35.00	CESTAT Kolkata
	Interest on Erroneous Additional Excise Duty Refund on High Speed Diesel	2000-2001	73.16	CESTAT Kolkata
	Non reversal of Cenvat Credit	2015-2016	0.46	CESTAT Kolkata
The Service Tax Act	Levy of Service Tax on License Fee Recovery	2006-2010	0.38	CESTAT Kolkata
	Levy of Service tax on Minimum Guaranteed quantity	2012-2018	4.08	Commissioner, Excise, Dibrugarh
West Bengal Value Added Tax Act 2003	Demand against suppressed sale	2010-2011	23.12	West Bengal Taxation Tribunal
	Penalty Imposed for non-submission of Waybills	2011-2012	17.47	West Bengal Taxation Tribunal
Bihar VAT Act 2005	Demand on account of non-consideration VAT deposited	2010-2011	0.25	Appellate Authority Bihar Commercial Taxes
West Bengal Entry Tax Act 2012	Demand on account of levy of entry tax on Naptha	2013-2014	19.55	West Bengal Appellate Authority
Assam Entry Tax Act 2008	Entry Tax on VAT Component of Crude	2011-2012	24.76	Hon'ble High Court, Guwahati
Assam Entry Tax Act 2008	Entry Tax on VAT Component of Crude	2012-2013	11.23	Hon'ble High Court, Guwahati

- viii. Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans to any financial institution, bank, Government or dues to debenture holders.
- ix. The company did not raise moneys by way of initial public offer or further public offer (including debt instrument) during the year. According to the information and explanations given to us, money raised by way of term loans were applied for the purpose for which those were raised.

- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practises in India and according to the information and explanations given to us and representation obtained from the management, no instances of fraud by the Company or any fraud on the company by its officers or employees have been noticed or reported during the year.
- xi. In view of the exemption given vide notification no. G.S.R. 463 (E) dated 5th June,2015, issued by the Ministry of Corporate Affairs, the Company being a Government Company is exempted from the applicability of the provisions of Section 197 read with Schedule V of the Companies Act, 2013 regarding managerial remuneration.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.
- xiii. According to the information & explanation given to us and based on our examination of the records, all transactions entered into by the Company with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 wherever applicable and details have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information & explanation given to us and based on our examination of the records, the Company has not made any preferential allotment for private placement of shares or fully or partly convertible debentures during the year under review.
- xv. According to the information and explanations given to us and based on our examination, the Company has not entered during the year into any non-cash transactions with directors or persons connected with them.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **M. C. Bhandari & Co.**
Chartered Accountants
Firm registration No. 303002E

CA. Neeraj Jain
(Partner)
(Membership No. 064393)

Place: Mumbai
Date: 9th May, 2019

Annexure- B to Independent Auditors' Report

[Referred to in paragraph (ii) under 'Report on Other Legal and Regulatory Requirements in the Independent Auditors' Report of even date on the standalone Ind AS financial statements of Numaligarh Refinery Limited]

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

1.	Area Examined	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.
	Observation/ Findings	Financial reporting process at the company is being managed under integrated ERP (SAP) system covering the life cycle of transaction, starting from its initiation to its consequent reflection for financial reporting. During the course of our audit and on the basis of information and explanation provided to us, we have not come across any cases, where financial transactions are being processed outside of company's ERP system, thereby raising concerns on the integrity of the financial reporting process interfaced with Company's ERP system.
2	Area Examined	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.
	Observation/ Findings	During the period under audit, no restructuring of existing loan or waiver/ write off of loans or interest by the lenders has been done for the company. Company has been regular in servicing its debt obligations.
3.	Area Examined	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.
	Observation/ Findings	During the period under audit, company has been nominated as the Implementing Agency for execution of "Indo Bangladesh Friendship Pipeline" by Government of India (GoI). Outlays for executing the Bangladesh portion of the pipeline are being funded by the GoI and the same is being managed, accounted and expended in terms of the Agreement between the Company and GoI. During the course of our audit and as per information & explanation provided and records available to us, we have not come across any instance of deviation in utilization of funds as provided by Government of India or accounting thereof done by the Company.

For **M. C. Bhandari & Co.**
Chartered Accountants
Firm registration No. 303002E

CA. Neeraj Jain
(Partner)
(Membership No. 064393)

Place: Mumbai
Date: 9th May, 2019

Annexure - C to the Auditors' Report

[Referred to in paragraph (iii)(f) under 'Report on other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date on the Standalone Ind AS financial statements of Numaligarh Refinery Limited.]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of NUMALIGARH REFINERY LIMITED ("the Company") as of 31st March 2019, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M. C. Bhandari & Co.**

Chartered Accountants

Firm registration No. 303002E

CA. Neeraj Jain

(Partner)

(Membership No. 064393)

Place: Mumbai

Date: 9th May 2019

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 31 MARCH 2019

The preparation of financial statements of Numaligarh Refinery Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) 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 these financial statements under section 143 of the Act based, on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 09 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Numaligarh Refinery Limited for the year ended 31 March 2019 under section 143(6)(a) of the Act. 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

Sd/-
Suparna Deb
Director General of Commercial Audit
& Ex-officio Member, Audit Board - I,
Kolkata

Place : Kolkata
Dated: 27th June 2019

Balance Sheet as at 31st March 2019

₹ in Crore

	Note No.	31-Mar-19	31-Mar-18
I. ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2	2,710.22	2,448.48
(b) Capital work in progress	3	395.22	442.72
(c) Other Intangible assets	4	6.76	1.64
(d) Investment in Joint venture and Associate	5	214.45	187.35
(e) Financial Assets			
(i) Other Financial Assets	6	428.95	-
(ii) Loans	7	49.35	38.31
(f) Other non-current assets	8	24.68	22.04
Non-current assets		3,829.63	3,140.54
2 Current assets			
(a) Inventories	9	1,516.56	1,807.52
(b) Financial Assets			
(i) Investments	10	723.21	454.10
(ii) Trade receivables	11	1,220.53	1,016.11
(iii) Cash and cash equivalents	12	4.09	91.83
(iv) Bank Balances other than (iii) above	13	100.00	729.00
(v) Loans	14	12.52	13.14
(vi) Other financial assets	15	31.62	30.75
(c) Current Tax Assets (Net)	16	32.52	30.11
(d) Other current assets	17	28.36	41.28
Assets Held for Sale	18	1.17	1.17
TOTAL ASSETS		3,670.58	4,215.01
		7,500.21	7,355.55
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	19	735.63	735.63
(b) Other Equity	20	4,815.05	4,308.72
Total Equity		5,550.68	5,044.35
Liabilities			
1 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	-	162.61
(ii) Other financial liabilities	22	0.19	0.66
(b) Provisions	23	8.06	7.51
(c) Deferred tax liabilities (Net)	24	337.13	271.31
		345.38	442.09
2 Current liabilities			
(a) Financial Liability			
(i) Borrowings	25	3.28	0.02
(ii) Trade payables	26	1,021.02	1,137.52
(iii) Other financial liability	27	240.29	322.18
(b) Other current liabilities	28	88.59	153.87
(c) Provisions	29	175.25	255.52
(d) Current Tax Liabilities (Net)	30	75.72	(0.00)
TOTAL LIABILITIES		1,604.15	1,869.11
TOTAL EQUITY AND LIABILITIES		7,500.21	7,355.55
Significant Accounting Policies	1		
Notes forming part of Financial Statements	44-58		

As per our attached report of even date

For M C Bhandari & Co

Chartered Accountants

ICAI FRN : 303002E

Sd/-

CA. Neeraj Jain

Partner

Membership No. 064393

Place: Mumbai

Date : 9th May 2019

For and on behalf of the Board of Directors

Sd/-

S. K. Barua

Managing Director

DIN: 06503943

Sd/-

H. K. Sarmah

Company Secretary

Sd/-

Indranil Mitra

Director (Finance)

DIN: 06883068

Place: Mumbai

Date : 9th May 2019

Statement of Profit and Loss for the period ended 31st March 2019

₹ in Crore

	Note No.	2018-19	2017-18
REVENUE			
I Revenue from operations	31	18,511.15	15,923.19
II Other Income	32	123.49	129.53
III Total revenue (I+II)		18,634.64	16,052.72
IV EXPENSES			
Cost of materials consumed	33	11,274.07	8,643.32
Purchases of Stock-in-Trade		462.76	176.72
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	41.40	(36.99)
Excise Duty	35	2,306.08	2,693.75
Employee Benefits expense	36	300.18	308.08
Finance Costs	37	12.62	15.80
Depreciation and Amortisation Expense	38	194.45	183.60
Other Expenses	39	988.65	926.10
Total Expenses (IV)		15,580.21	12,910.38
V Profit/(loss) before exceptional items and tax (III-IV)		3,054.43	3,142.34
VI Exceptional Items	40	(2.52)	-
VII Profit/(loss) before tax (V+VI)		3,051.91	3,142.34
VIII Tax Expense	41	1,083.81	1,097.69
(1) Current Tax		1,018.81	1,054.28
(2) Deferred Tax		65.00	43.41
IX Profit / (Loss) for the period (VII - VIII)		1,968.10	2,044.65
X Other comprehensive income			
(i) Items that will not be reclassified to profit or loss Re-measurements of defined benefit plan	42	2.34	(4.43)
(ii) Income tax related to items that will not be reclassified to profit or loss	42	(0.82)	1.55
Other comprehensive income, net of tax (i+ii)		1.52	(2.88)
XI Total comprehensive income for the period (IX + X)		1,969.62	2,041.77
XII Basic and Diluted Earnings per share (₹)	43	26.76	27.79
(Face Value ₹10)		26.76	27.79
Significant Accounting Policies	1		
Notes forming part of Financial Statements	44-58		

As per our attached report of even date

For M C Bhandari & Co

Chartered Accountants

ICAI FRN : 303002E

Sd/-

CA. Neeraj Jain

Partner

Membership No. 064393

Place: Mumbai

Date : 9th May 2019

For and on behalf of the Board of Directors

Sd/-

S. K. Barua

Managing Director

DIN: 06503943

Sd/-

H. K. Sarmah

Company Secretary

Sd/-

Indranil Mitra

Director (Finance)

DIN: 06883068

Place: Mumbai

Date : 9th May 2019

Statement of Cash Flows

₹ in Crore

	For the year ended	31-Mar-19	31-Mar-18
A Cash Flow from Operating Activities			
Profit (Loss) for the period		1,968.10	2,044.65
Adjustments to reconcile net profit to net cash provided by operating activities			
Adjustments for :			
Depreciation & Amortisation expenses		194.45	183.60
Income Tax Expenses		1,083.81	1,097.69
Interest		12.62	15.80
(Profit) / Loss on Sale/Write Off of Property, Plant and Equipment		1.40	0.85
Foreign Exchange Fluctuation		2.62	(2.52)
Income from Investment in Join Venture /Associate Companies		(4.22)	(1.09)
Dividend Received from Current Investment		(14.04)	(26.11)
Interest Income		(84.57)	(85.13)
Other Non-Cash Items (Refer explanatory note 4)		5.64	56.48
Operating Profit before Working Capital Changes		3,165.81	3,284.22
<i>(Invested in) / Generated from:</i>			
Trade receivables		(204.41)	(212.61)
Other receivables		(3.75)	(19.94)
Inventories		290.96	(178.97)
Current Liabilities & Provisions		(282.18)	270.93
Cash generated from Operations		2,966.43	3,143.63
Direct Taxes Paid		(945.50)	(1,101.37)
Net Cash from/(used in) Operating Activities		2,020.93	2,042.26
B Net Cash Flow from Investing Activities			
Purchase of Property, Plant & Equipment /CWIP		(385.64)	(405.53)
Purchase of intangible assets		(6.12)	(2.03)
Sale of Property, Plant and Equipment		0.20	0.21
Investment in Joint Venture/ Associate Companies		(47.10)	(0.69)
Purchase of / Accretion to Investments		(678.05)	(135.51)
Purchase/ Maturity of Fixed Deposit		629.00	495.00
Income from Investment in Join Venture /Associate Companies		4.22	1.09
Dividend Received from Investment		14.04	26.10
Long Term Loans and Advances		(13.68)	2.09
Income from Investment		98.58	84.54
Net Cash from/(used in) Investing Activities		(384.55)	65.27
C Net Cash Flow from Financing Activities			
Repayment of Loan		(314.76)	(169.33)
Other Long Term Liabilities		65.35	41.46
Other Long Term Provisions		0.54	54.86
Interest paid		(13.38)	(16.40)
Dividend Paid		(1,213.79)	(1,809.65)
Corporate Dividend Tax		(249.50)	(368.40)

₹ in Crore

For the year ended	31-Mar-19	31-Mar-18
Realised (loss)/gain of Foreign Exchange Difference	(1.84)	(1.56)
Net Cash from/(used in) Financing Activities	(1,727.38)	(2,269.02)
D Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	(91.00)	(161.49)
E Cash & Cash Equivalents at beginning of Period	91.81	253.30
F Cash & Cash Equivalents at end of Period (D+E)	0.81	91.81

1. Cash and Cash equivalents	31-Mar-19	31-Mar-18
Cash & Cash Equivalents at beginning of Period		
Cash/cheques in Hand	0.01	0.01
Cash at Bank	11.82	6.29
Working capital loans / Bank Overdraft	(0.02)	-
Fixed Deposits with Banks with original maturity of less than 3 months	80.00	247.00
	91.81	253.30
Cash & Cash Equivalents at end of Period		
Cash/cheques in Hand	0.01	0.01
Cash at Bank	4.08	11.82
Working capital loans / Bank Overdraft	(3.28)	(0.02)
Fixed Deposits with Banks with original maturity of less than 3 months	-	80.00
	0.81	91.81
Net change in Cash and Cash equivalents	(91.00)	(161.49)

2. Disclosure to Changes in liabilities arising from financing activities

₹ in Crore

Particulars	Short Term Borrowings	Long Term Borrowings	Total Liabilities from financing activities
Balance as on 31.03.2018	162.61	162.61	325.22
Cash Flow			
Inflow	-	-	-
Outflow	(162.61)	(152.14)	(314.75)
Non Cash Changes			
Foreign Exchange Movement	-	24.11	24.11
Current Maturity of Long Term Borrowing	34.59	(34.59)	-
Fair Value Changes	-	-	-
Balance as on 31.03.2019	34.59	0.00	34.59

Explanatory notes to Statement of Cash Flows

1. The Statement of Cash Flow is prepared as per Ind AS 7 as notified by Ministry of Corporate Affairs
2. In Part-A of the 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, receivables / payables in foreign currency is furnished under the head "Foreign Exchange Fluctuations".

4. "Other Non-Cash items" comprise of provisions for Stores and Consumable, provision for Claims and provision for Investments / receivables and write back of Provisions.
5. Current Liabilities and Payables may include Payables in respect of Purchase of Property, Plant and Equipment, if any.

As per our attached report of even date

For M C Bhandari & Co

Chartered Accountants

ICAI FRN : 303002E

Sd/-

CA. Neeraj Jain

Partner

Membership No. 064393

Place: Mumbai

Date : 9th May 2019

For and on behalf of the Board of Directors

Sd/-

S. K. Barua

Managing Director

DIN: 06503943

Sd/-

H. K. Sarmah

Company Secretary

Sd/-

Indranil Mittra

Director (Finance)

DIN: 06883068

Place: Mumbai

Date : 9th May 2019

Statement of Changes in Equity for the year ended 31st March 2019

₹ in Crore

(a) Equity Share Capital	As at 31/03/2019		As at 31/03/2018	
	No of Shares	Amount	No of Shares	Amount
Balance at the beginning of the reporting period	735,631,544	735.63	735,631,544	735.63
Changes in Equity Share Capital during the period	-	-	-	-
Balance at the end of the reporting period	735,631,544	735.63	735,631,544	735.63

₹ in Crore

(b) Other Equity	Reserve & Surplus			Total
	Capital Reserve [Note 20]	General Reserve [Note 20]	Retained Earnings [Note 20]	
Balance at 31st March 2018	100.00	3,443.55	765.17	4,308.72
Profit for the year			1,968.10	
Other Comprehensive Income for the year			1.52	
Dividends			(1,213.79)	
Corporate Dividend Tax on Dividends			(249.50)	
Transfer to General Reserve			-	
Balance as at 31st March 2019	100.00	3,443.55	1,271.50	4,815.05
Balance as at 31st March 2017	100.00	3,443.55	901.46	4,445.01
Profit for the year			2,044.65	
Other Comprehensive Income for the year			(2.88)	
Dividends			(1,809.66)	
Corporate Dividend Tax on Dividends			(368.40)	
Transfer to General Reserve			-	
Balance as at 31st March 2018	100.00	3,443.55	765.17	4,308.72

As per our attached report of even date

For and on behalf of the Board of Directors

For M C Bhandari & Co

Chartered Accountants

ICAI FRN : 303002E

Sd/-

CA. Neeraj Jain

Partner

Membership No. 064393

Place: Mumbai

Date : 9th May 2019

Sd/-

S. K. Barua

Managing Director

DIN: 06503943

Sd/-

H. K. Sarmah

Company Secretary

Sd/-

Indranil Mitra

Director (Finance)

DIN: 06883068

Place: Mumbai

Date : 9th May 2019

Notes to Financial Statements for the year ended 31st March, 2019

Company Overview

Numaligarh Refinery Limited referred to as “NRL” or “the company” was incorporated on 22nd April 1993. NRL is a Government Company, and is a subsidiary of Bharat Petroleum Corporation Limited. The company is engaged in the business of refining of crude oil having its refinery in Golaghat District of Assam.

1. STATEMENT of SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis for Preparation

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (“the Act”) read with Companies (Indian Accounting Standards) Rules, 2015 ; and the other relevant provisions of the Act and Rules thereunder.

The Financial Statements have been prepared under the historical cost convention on accrual basis except for certain assets and liabilities measured at fair value.

The Company has adopted all the Ind AS and the adoption was carried out during Financial Year 2016-17 in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the “Previous GAAP”.

The companies presentation and functional currency is Indian Rupees (₹). All figures appearing in the financial statements are rounded to the nearest crore (₹ crore), except where otherwise indicated.

Authorisation of Financial Statements: The Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 09th May 2019.

1.2 Use of Judgment and Estimates

The preparation of financial statements requires management of the company to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures alongwith contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The company continually evaluates these estimates and assumptions based on the most recently available information.

In particular, information about significant areas of estimate and judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are as below:

- Assessment of functional currency;
- Financial Instruments;
- Estimates of useful lives and residual value of Property, Plant and Equipment and Intangible Assets;
- Valuation of Inventories;
- Measurement of recoverable amounts of cash-generating units;
- Measurement of Defined Benefit Obligations and actuarial assumptions;
- Provisions;
- Evaluation of recoverability of deferred tax assets; and
- Contingencies.

Revisions to accounting estimates are recognized prospectively in the statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

1.3 Property, plant and equipment

1.3.1 Tangible Assets

1.3.1.1 Property, plant and equipment are stated at cost of acquisition (including incidental expenses) net of accumulated depreciation.

Notes to Financial Statements for the year ended 31st March 2019

- 1.3.1.2** Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- 1.3.1.3** Property, plant and equipment used in the Refinery operations are capitalized attaching the components identified. Other assets are identified for componentization in case the unit value of the component is above the threshold limit.
- 1.3.1.4** Fixed BedCatalyst used in the process of Refinery operations has been identified as a separate asset and is being capitalized and depreciated over its useful life from the date it is put to use.
- 1.3.1.5** Expenditure on assets, other than plant and machinery, not exceeding the threshold limit are charged to revenue.
- 1.3.1.6** Spare parts which meet the definition of property, plant and equipment are capitalised as property, plant and equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare part is inventorised on procurement and charged to the Statement of Profit and Loss on consumption.
- 1.3.1.7** An item of Property, Plant and Equipment and any significant part initially recognised separately as part of Property, Plant and Equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.
- 1.3.1.8** Land acquired on outright purchase treated as freehold land.
- 1.3.1.9** **Expenditure during construction period:** Direct expenses incurred during construction period on capital projects are capitalized. Other expenses of the project group which are allocated to project costing above a threshold limit are also capitalised. Expenditure incurred on enabling assets are capitalised.
- 1.3.1.10** Goods and Service Tax (GST) on common capital goods: In respect of the capital goods common for both GST and non-GST products, the GST input tax credit is taken on the eligible portion based on GST and non-GST product ratio in the month of procurement and the ineligible portion is capitalised. Subsequently, this ratio is reviewed every month as per the GST provisions and the differential GST amount arising due to change in ratio is capitalised when beyond the materiality threshold.
- 1.3.1.11** The company has opted to use the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (01st April 2015).

1.3.2 Intangible Assets

- 13.2.1** Intangible assets are carried at cost less accumulated amortization.
- 1.3.2.2** Expenditure incurred for creating/acquiring intangible assets above threshold limit, 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.
- 1.3.2.3** In other cases, the expenditure is reflected in the statement of Profit and Loss in the year in which the expenditure is incurred.
- 1.3.2.4** The company has opted to use the exemption available under Ind AS 101 to continue the carrying value for all of its intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (01st April 2015).

1.4 Impairment of Non-financial Assets

- 1.4.1** Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. The recoverable amount is the higher of the asset's or Cash Generating Units (CGU) fair value less costs of disposal and its value in use. Recoverable amount

Notes to Financial Statements for the year ended 31st March 2019

is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

- 1.4.2** When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

1.5 Borrowing Costs

- 1.5.1** Borrowing costs consists of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange difference to the extent regarded as an adjustment to the borrowing costs.

- 1.5.2** Borrowing cost that are attributable to the acquisition or construction of qualifying assets (i.e. as asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

- 1.5.3** Investment income earned on the temporary investment of funds of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

1.6 Non-current assets held for sale

- 1.6.1** Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

- 1.6.2** Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

- 1.6.3** Property, Plant and Equipment and intangible assets are not depreciated or amortized once classified as held for sale.

1.7 Depreciation

- 1.7.1** Depreciation on property, plant and equipment is provided over the useful life of the assets prescribed under Schedule II of the Companies Act, 2013 (after retaining the estimated residual value of upto 5%). Identified 'Components' are depreciated over their technically assessed useful lives. The carrying amount of the existing assets for which the useful life is NIL has been charged off to Profit and Loss (after retaining the estimated residual value of upto 5%).

- 1.7.2** Computer equipment (under Furniture-on-hire scheme given to employees) are depreciated over a period of 4 years and Mobile phones are depreciated over a period of 2 years based on internal assessments. Furniture provided at the residence of management staff are depreciated over a period of 6 years (previously 7 years) as per internal assessments.

- 1.7.3** Premium paid for acquiring leasehold land is amortized over the period of lease.

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

- 1.7.5** Items of property, plant and equipment costing not more than the threshold limit are depreciated at 100% in the year of acquisition.

- 1.7.6** 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.
- assets costing upto threshold limit are depreciated fully in the year of its purchase/capitalisation.

- 1.7.7** Depreciation on spare parts specific to an item of property, plant and equipment is based on the life of the related property, plant and equipment. In other cases, the spare parts are depreciated over the estimated useful life based on the technical assessment.

Notes to Financial Statements for the year ended 31st March 2019

1.8 Leases

1.8.1 Finance Lease

Lease Agreements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased assets is transferred to the lessee.

Lease Agreements in respect of land for lease period above threshold limit are classified as a finance lease.

1.8.2 Operating Lease

Lease Agreements which are not classified as finance lease are considered as operating lease. Payments made under operating leases are recognised in Statement of Profit and Loss with reference to lease terms and other relevant considerations. Lease incentive received /lease premium paid (if any) are recognised as an integral part of the total lease expense, over the term of the lease. Payments made under Operating Leases are generally recognised in Statement of Profit and Loss on a straight-line basis over the term of the lease, unless such payments are structured to increase in line with expected general inflation.

1.8.3 At the inception of an arrangement, the company determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. In case of a finance lease, if the company concludes that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying assets; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the company's incremental borrowing rate.

1.9 Inventories

1.9.1 Inventories are stated at cost or net realizable value, whichever is lower. Cost of inventories 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 and are determined on the following basis:

Crude oil and Finished products are determined on First in First out basis.

a) The cost of Stock-in-process is determined at raw material cost plus cost of conversion.

1.9.2 The net realizable value of finished goods are based on the inter-company transfer prices (applicable at the location of stock) for sale to oil marketing companies and the final selling prices for sale to other customers.

1.9.3 Stores and spares are measured 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.

1.9.4 Excise duty on finished stocks lying at manufacturing locations is provided for at the assessable value applicable at each of the locations based on end use.

1.9.5 Raw Materials held for use in the production of finished goods are not written down below cost except in cases where raw material prices have declined and it is estimated that the cost of the finished goods will exceed their net realizable value.

1.10 Revenue Recognition

1.10.1 Revenue from the sale of goods is recognized when the performance obligation is satisfied by transferring the related goods to the customer. The performance obligation is considered to be satisfied when the customer obtains control of the goods.

1.10.2 Sales represent invoiced value of goods supplied net of trade discounts, and includes applicable excise duty benefit (as per CBEC Tariff Notification No : 29/2002 - Central Excise dated 13th May 2002), excise duty, surcharge and other elements as are allowed to be recovered as part of the price but excludes VAT/GST.

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

Notes to Financial Statements for the year ended 31st March 2019

1.10.4 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.

1.10.5 Interest income is recognized using effective interest rate (EIR) method.

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

1.11 Classification of Income / Expenses

1.11.1 Expenditure on Research, other than capital expenditure, is charged to revenue in the year in which the expenditure is incurred.

1.11.2 Income/expenditure (net) in aggregate pertaining to prior year (s) above the threshold limit are corrected retrospectively in the first set of financial statements approved for issue after their discovery by restating the comparative amounts and/or restating the opening Balance Sheet for the earliest prior period presented.

1.11.3 Prepaid expenses up to threshold limit in each case are charged to revenue as and when incurred.

1.11.4 Deposits placed with Government agencies/local authorities which are perennial in nature are charged to revenue in the year of payment.

1.12 Employee Benefits

1.12.1 Short-term employee benefit

Short term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

1.12.2 Post-employment benefits

Defined Contribution Plans:

Obligations for contributions to defined contribution plan such as pension are recognized as an expense in the Statement of Profit and Loss as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a refund in future payment is available.

Defined Benefit Plans:

The company's net obligation in respect of defined benefit plan such as gratuity, other post-employment benefits etc. is calculated separately for each plan by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed at each reporting period end by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognized asset is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan.

The current service cost of the defined benefit plan, recognized in the Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit and Loss. The net interest is calculated by applying the discount rate to the net balance of the defined obligation and the fair value of plan assets. This net interest is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement which comprise of actuarial gains and losses, the return on plan assets (excluding amounts included in the net interest on the net defined benefit liability (asset) and the effect of the asset ceiling (if any, excluding amounts included in the net interest on the net defined benefit liability (asset)), are recognized in other comprehensive income.

1.12.3 Other long-term employee benefits

Liability towards other long term employee benefits – leave encashment and long service awards etc. are determined on actuarial valuation by qualified actuary by using Projected Unit Credit method.

Notes to Financial Statements for the year ended 31st March 2019

The current service cost of other long term employee benefits, recognized in the Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit and Loss. The interest cost is calculated by applying the discount rate to the balance of the obligation. This cost is included in the employee benefit expense in the Statement of Profit and Loss. Re-measurements are recognized in the Statement of Profit and Loss.

1.13 Foreign Currency Transactions & Derivative Transactions

- 1.13.1 Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.
- 1.13.2 Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.
- 1.13.3 Exchange differences arising on settlement or translation of monetary items (except for long term foreign currency monetary items outstanding as of 31st March 2016) are recognized in the Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustments to borrowing costs .
- 1.13.4 The company has opted to continue the policy adopted under previous GAAP for accounting the foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items outstanding as of 31st March 2016 i.e. foreign exchange difference arising on settlement or translation of 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.
- 1.13.5 Derivatives Instruments are measured at fair value with changes in fair value recognized in Statement of Profit and Loss on the reporting date.
- 1.13.6 Non –monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

1.14 Government Grants

- 1.14.1 Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.
- 1.14.2 When the grant relates to an expense item, it is recognized in the Statement of profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.
- 1.14.3 Government grants relating to Property, Plant and Equipment are presented as deferred income and are credited to the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

1.15 Provisions, Contingent Liabilities and Capital Commitments

- 1.15.1 Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- 1.15.2 The expense relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any
- 1.15.3 Contingent liabilities are possible obligation whose existence will only be confirmed by future events not wholly within the control of the company, or present obligation where it is not probable that an outflow of resources will be required or the amount of obligation cannot be measured with sufficient reliability.
- 1.15.4 Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.
- 1.15.5 Contingent liabilities and Capital commitments disclosed are in respect of items which in each case are above the threshold limit.

Notes to Financial Statements for the year ended 31st March 2019

1.16 Fair value measurement

- 1.16.1** The company measures certain financial instruments at fair value at each reporting date.
- 1.16.2** Certain accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial assets and liabilities.
- 1.16.3** Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risks.
- 1.16.4** While measuring the fair value of an asset or liability, the company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:
- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
 - Level 2 : inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
 - Level 3 : inputs for the assets or liability that are not based on observable market data (unobservable inputs)
- 1.16.5** If an asset or a liability measured at fair value has a bid price and an ask price, then the company measures assets and long positions at a bid price and liabilities and short positions at an ask price.
- 1.16.6** The Company regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, then the company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuation should be classified.

1.17 Financial Assets

1.17.1 Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

1.17.2 Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is:

- to hold assets for collecting contractual cash flows, and
- contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or

Notes to Financial Statements for the year ended 31st March 2019

premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instruments at Fair Value through Other Comprehensive Income (FVOCI)

A 'debt instrument' is measured at the fair value through Other Comprehensive Income if both the following conditions are met:

The asset is held within a business model whose objective is achieved by both:

- collecting contractual cash flows and selling financial assets and
- contractual terms of the asset given rise on specified dates to cash flows that are SPPI on the principal amount outstanding

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognised in the Statement of Profit and Loss. Other net gains and losses are recognised in other comprehensive Income.

Debt instruments at Fair Value through Profit or Loss (FVTPL)

Fair value through Profit or Loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation at amortised cost or as FVOCI, is classified as FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognised in the Statement of Profit and Loss.

Equity Investment

All equity investments within the scope of Ind AS 109 are measured at fair value. Such equity instruments which are held for trading are classified at Fair Value through Profit or Loss (FVTPL). For all other such equity instrument, the company decides to classify the same either as FVTPL or Fair Value through Other Comprehensive Income (FVOCI). The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends are recognised in Other Comprehensive Income. Dividends on such equity instruments are recognised in the Statement of Profit or Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and loss.

1.17.3 De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when-

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- The Company has transferred substantially all the risks and rewards of the asset, or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Gain and Losses in respect of debt instrument measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gain or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on de-recognition.

1.18 Financial Liabilities

1.18.1 Initial recognition and measurement

All financial liabilities are recognised initially at fair value net of transaction costs that are attributable to the respective liabilities.

1.18.2 Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

Financial Liabilities at fair value through profit or loss (FVTPL)

A financial liability is classified as at FVTPL, if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit & Loss.

Financial Liabilities measured at amortised cost

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortised cost using the effective interest rate method ("EIR").

Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortisation done using the EIR method is included as finance costs in the Statement of Profit and Loss.

1.18.3 De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

1.19 Financial guarantees

Financial guarantee contracts issued by the Corporation are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the fair value initially recognised less cumulative amortisation.

1.20 Derivative Financial Instruments

The Company uses derivative financial instruments to manage the exposures on account of fluctuation in interest rate and foreign exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value with the changes being recognised in the Statement of Profit & Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

1.21 Taxes on Income

- 1.21.1** Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Current Tax items are recognized in correlation to the underlying transaction either in the Statement of Profit and Loss, Other Comprehensive Income or directly in Equity.
- 1.21.2** Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
- 1.21.3** Deferred tax liabilities are recognized for all taxable temporary differences.
- 1.21.4** Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- 1.21.5** Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.
- 1.21.6** The carrying amount of deferred tax assets and unrecognized deferred tax assets are reviewed at each balance sheet date.
- 1.21.7** Deferred Tax items are recognized in correlation to the underlying transaction either in the Statement of Profit and Loss, Other Comprehensive Income or directly in Equity.
- 1.21.8** Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.22 Earnings per share

- 1.22.1** 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 shareholders by the weighted average number of equity shares outstanding during the period.
- 1.22.2** 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.

1.23 Classification of Assets and Liabilities as Current and Non-Current

All assets and liabilities are classified as current or non-current as per the company's normal operating cycle (considered at 12 months) and other criteria set out in Schedule III of the Companies Act.

1.24 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, Cash and cash equivalent include cash at bank, cash, cheque and draft on hand. The company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.25 Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

1.26 Investment in Subsidiaries, Joint Ventures and Associates

Investments in equity shares of Subsidiaries, Joint Ventures and Associates are recorded at cost and reviewed for impairment at each reporting date.

1.27 The Company has adopted the following materiality threshold in the preparation and presentation of financial statements as given below

Threshold item	Accounting Policy Reference	Unit	Threshold Limit Value
Componentization of Property, Plant and Equipment	1.3.1.3	₹ Crore	5
Expenditure on certain items of Property, Plant and Equipment charged to revenue in each case	1.3.1.5	₹	1,000
Capitalisation of spare parts meeting the definition of Property, Plant and Equipment in each case	1.3.1.6	₹ Lakhs	10
Allocation of other expenses to projects costing in each case	1.3.1.8	₹ Crore	5
GST on common capital goods per item per month	1.3.1.10	₹ Lakhs	5
Expenditure incurred for creating/acquiring other intangible assets in each case	1.3.2.2	₹ Lakhs	50
Depreciation at 100 percent in the year of acquisition	1.7.5	₹	5,000
Depreciation on Assets in the year of purchase/capitalisation	1.7.6	₹	5,000
Lease agreements in respect of land	1.8.1	Period (years)	99
Income/expenditure (net) in aggregate pertaining to prior year (s)	1.11.2	₹ Crore	10
Prepaid expenses in each case	1.11.3	₹ Lakhs	5
Disclosure of Contingent liabilities and Capital Commitments in each case	1.15.5	₹ Lakhs	5

Notes to Financial Statements for the year ended 31st March 2019

2 Property, plant and equipment

2 Property, plant and equipment

	Gross Block/Cost			Depreciation			Net Block		
	As at 01-04-18 (1)	Addition (2)	Deductions on ac- count of Retirement/ Reclassifications (3)	As at 31-03-19 (4)=(1+2-3) (5)	As at 01-04-18 (6)	Addition (7)	As at 31-03-19 (8)=(5+6+7) (9)	As at 31-03-19 (9)=(4-8) (10)	As at 31-03-18 (10)=(1-5) (11)
LAND									
i) Land Freehold	30.87	21.74	-	52.62	-	-	-	52.62	30.87
ii) Land Leasehold	0.07	-	-	0.07	0.01	0.00	0.01	0.06	0.06
BUILDINGS									
i) RCC Frame Structure (other than factory)	117.48	12.06	-	129.54	7.63	2.51	10.14	119.40	109.85
ii) Non RCC Frame Structure (other than factory)	72.89	29.53	-	102.42	1.09	2.93	4.02	98.40	71.80
iii) FACTORY	259.50	49.87	(0.00)	309.36	33.33	11.84	45.17	264.19	226.17
iv) Fences, Wells and Tube Wells	2.02	1.44	-	3.46	0.71	0.58	1.28	2.18	1.31
v) Others (Temporary Structures)	2.06	0.23	(0.00)	2.28	1.32	0.36	1.68	0.61	0.74
BRIDGE, CULVERTS, BUNKERS Etc.	22.21	-	-	22.21	3.89	1.30	5.19	17.02	18.32
ROADS									
i) Carpeted Roads-RCC	7.42	0.32	-	7.74	2.82	0.96	3.78	3.97	4.60
ii) Carpeted Roads-Other than RCC	3.20	0.49	-	3.69	1.41	0.11	1.52	2.17	1.79
iii) Non Carpeted Road	0.59	0.03	-	0.61	0.01	0.09	0.11	0.51	0.57
PLANT & MACHINERY									
i) CONTINUOUS PROCESS PLANT/Refineries	1,876.16	194.66	(12.33)	2,058.48	384.17	135.05	510.50	1,547.99	1,491.99
ii) Plant and Machinery-Other than Continuous Process Plant	149.44	17.19	(0.02)	166.62	42.31	11.40	53.71	112.91	107.13
iii) Storage Tanks & Related Equipment	146.95	75.40	(0.01)	222.34	10.97	5.87	16.84	205.50	135.98
iv) Plant & Machinery (Captive Power Plants)	154.86	27.52	(0.11)	182.28	10.78	4.73	15.52	166.76	144.08
v) Plant & Machinery Used in Medical and Surgical	3.39	1.14	-	4.53	0.96	0.36	1.33	3.21	2.43
vi) Heavy Lift Equipment	11.61	2.72	-	14.33	0.45	0.60	1.05	13.28	11.16
RAILWAY SIDING	23.26	-	-	23.26	12.00	1.31	13.31	9.95	11.25
FURNITURE									
i) FURNITURE - GENERAL	5.96	1.06	-	7.03	2.05	0.77	2.82	4.20	3.91
ii) FURNITURE - Others	3.28	0.31	-	3.60	1.18	0.44	1.62	1.98	2.11
iii) FOH-to Employees	6.74	0.86	-	7.60	2.34	1.07	3.36	4.24	4.40
OFFICE EQUIPMENT									
i) Office Equipment - General	10.88	1.26	(0.01)	12.13	6.45	0.74	7.19	4.94	4.42
ii) Mobile on Hire-to Employees	0.67	0.00	(0.08)	0.59	0.49	(0.00)	0.21	0.38	0.16

2 Property, plant and equipment (contd.)

₹ in Crore

	Gross Block/Cost			Depreciation			Net Block	
	As at 01-04-18	Addition	Deductions on ac- count of Retirement/ Reclassifications	As at 31-03-19	As at 01-04-18	Addition	As at 31-03-19	As at 31-03-18
COMPUTERS AND DATA PROCESSING UNITS								
i) Servers and Network	17.50	8.46	(0.02)	25.95	5.87	3.04	8.91	11.64
ii) End User Devices-Desktop, Laptops, Printers etc.	5.11	1.82	-	6.93	3.45	0.69	4.14	1.66
iii) PC on Hire-To Employees	1.07	0.36	-	1.42	0.51	0.00	0.49	0.56
ELECTRICAL EQUIPMENT	47.26	6.08	(0.02)	53.31	15.25	6.12	21.35	32.01
LABORATORY EQUIPMENT	15.98	0.56	(0.00)	16.54	3.66	0.67	4.31	12.32
VEHICLES								
i) Motor cycles, scooters & other mopeds	0.13	-	-	0.13	0.08	0.01	0.09	0.05
ii) Motor buses, motor lorries, motor cars and motor taxis	1.37	2.11	-	3.47	0.41	0.08	0.50	2.97
iii) Trucks / heavy vehicles, harvesting combines	4.99	2.46	(0.01)	7.43	1.55	0.70	2.25	5.18
iv) Electrically operated vehicles	1.15	-	-	1.15	0.40	0.14	0.53	0.76
Total	3,006.07	459.69	(12.62)	3,453.15	557.58	194.49	742.92	2,710.22
Previous Year Figures	2,497.77	521.95	(13.66)	3,006.07	378.80	182.98	557.58	2,448.48

Additional information in respect of Note No. 2

- Total freehold land held by NRL is 1454.67 acres (1438.49 acres) which includes 17.89 acres (0.99 acres) of land for which the process of registration is on. Out of the total freehold land 0.25 acres (0.25 acres) is disputed i.e under litigation. Total Leasehold Land held by NRL is 1.43 acres (1.43 acres). Lease hold land represents land taken on lease for thirty years.
- Charge has been created first ranking pari passu and hypothecation of plant and equipment (both present and future) in regard to borrowings [Refer Note No 21]
- Deduction from Gross Block (Column 3) includes :
 - ₹1.65 crore (₹0.64 crore) on account of Write off of Physical Verification discrepancies.
 - ₹10.97 crore (₹13.02 crore) on account of sale, retirement, deletions and reclassifications.
- Depreciation for the year (column 6) includes :
 - Charged to Profit & Loss Account ₹193.45 crore (₹182.61 crore)
 - Charged to project expenses ₹1.04 crore (₹0.37 crore)
 - 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 ₹0.66 crore (₹0.97 crore) 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 ₹0.13 crore (₹0.10 crore) for the year.
- Deduction from Depreciation (Column 7) includes :
 - Withdrawal of depreciation of ₹7.55 crore (₹3.79 crore) on account of sale, deletions, retirement & reclassification.
 - ₹1.59 crore (₹0.41 Crore) on account of Write off of Physical Verification discrepancies.
- The company has elected to use exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment, Capital WIP and Intangible Assets as recognised in the financial statement as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (01st April 2015)

Notes to Financial Statements for the year ended 31st March 2019

3 Capital work in progress

	₹ in Crore	
	31-Mar-19	31-Mar-18
Capital work in progress		
Opening Work-in-progress	443.90	549.50
Addition during the year	419.34	416.35
Less : Allocated to Assets during the year	459.69	521.95
	403.55	443.90
Less : Provision for Capital WIP Losses	(24.88)	(23.94)
	378.67	419.96
Capital Stores	10.43	5.21
Capital goods in transit	0.95	0.74
	390.05	425.91
Construction period expenses pending allocation		
Opening balance	16.81	11.63
Add: Expenditure during the period		
Travel, Establishment etc.	8.32	4.05
Depreciation	1.04	0.37
Finance Cost	24.58	8.78
	50.75	24.83
Less : Allocated to assets during the year	45.58	8.02
Closing balance	5.17	16.81
	395.22	442.72

4 Intangible Assets

	₹ in Crore									
	Gross Block/Cost				Amortisation				Net Block	
	As at	Addition		As at	As at	Addition		As at	As at	As at
	01-Apr-18		Disposal/ adjustments	31-Mar-19	01-Apr-18		Disposal/ adjustments	31-Mar-19	31-Mar-19	31-Mar-18
Computer Software	2.32	6.00	-	8.32	1.39	0.85	-	2.24	6.08	0.93
Licenses	2.65	0.12	-	2.77	1.94	0.15	-	2.09	0.68	0.71
Total	4.97	6.12	-	11.09	3.33	1.00		4.33	6.76	1.64

Amortisation for the year includes:

(i) Charged to the Statement of Profit & Loss ₹ 1.00 Crore

Notes to Financial Statements for the year ended 31st March 2019

5 Investment in Joint venture and Associates

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Investment in Joint Ventures (Unquoted)		
DNP Limited #	43.49	43.49
Assam BIO Refinery (P) Ltd. **	21.50	-
Indradhanush Gas Grid Ltd. %	5.00	-
Investment in Associates (Unquoted)		
Brahmaputra Cracker and Polymer Ltd. ##	141.77	141.77
Fair valuation of Financial Guarantee Commission	2.69	2.09
	214.45	187.35

	31-Mar-19		31-Mar-2018	
	Number of Shares	Face Value (₹)	Number of Shares	Face Value (₹)
DNP Limited	43,490,000	10	43,490,000	10
Assam BIO Refinery (P) Ltd.	21,500,000	10	-	-
Indradhanush Gas Grid Ltd. (IGGL)	5,000,000	10	-	-
Brahmaputra Cracker and Polymer Ltd.	141,767,000	10	141,767,000	10

DNP Limited is a joint venture between Assam Gas Company Ltd. (AGCL), Numaligarh Refinery Ltd (NRL) and Oil India Ltd. (OIL). NRL holds 26% shares in DNP Limited.

** Assam Bio Refinery (P) Limited is a joint venture between Numaligarh Refinery Limited. (NRL), M/s Fortum 3V ,Netherland and M/s Chempolis Oy, Finland. NRL holds 50% shares in Assam Bio Refinery (P) Limited.

% IGGL is a joint venture among IOCL, GAIL, ONGC, OIL & NRL. NRL holds 20% shares in IGGL.

NRL holds 10.00% share in Brahmaputra Cracker and Polymer Limited (BCPL)

6 Other Financial Assets

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
In Government Securities	408.95	-
Advance against Equity to Joint Ventures #	20.00	-
	428.95	-

Represents advance given to JV Entity Assam Bio Refinery (P) Ltd.

7 Loans (Considered good unless otherwise stated)

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Loans to employees including accrued interest (Secured) [Refer Note No 47 (b) and 48]	42.57	31.88
Security and other deposits	6.78	6.43
	49.35	38.31

Notes to Financial Statements for the year ended 31st March 2019

8 Other non-current assets (Unsecured, considered good unless otherwise stated)

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Capital advances	5.32	1.52
Prepaid Employee cost	19.06	19.97
Prepaid Transportation cost	0.30	0.55
	24.68	22.04

9 Inventories

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Raw Materials	252.93	507.88
Work-in-progress	98.34	129.42
Finished goods	1,047.26	1,057.58
Stock in transit	0.59	0.45
Consumables, Stores & Spares and others	211.58	203.13
Less: Provision for Losses	(94.14)	(90.94)
	1,516.56	1,807.52

10 Investments

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Investment in Mutual Fund at Fair Value Through Profit or Loss	97.97	1.01
Investment in Government Security/ Treasury Bill at Amortised cost	625.24	453.09
	723.21	454.10

11 Trade receivables

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Unsecured (unless otherwise stated)		
- Considered Good	1,220.53	1,016.11
- Significant increase in Credit Risk	-	-
-Credit Impaired	-	0.08
	1,220.53	1,016.19
Less : Provision for credit impaired	-	0.08
	1,220.53	1,016.11

12 Cash and cash equivalents

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Cash on hand	0.01	0.01
Balances with Banks		
On Current Accounts	0.20	11.22
On Deposit Accounts with original maturity of less than 3 months	-	80.00
Other earmarked balances with bank #	3.88	0.60
Cash and cash equivalents	4.09	91.83

#includes an amount of ₹2.64 crore received from Ministry of External Affairs for construction of Bangladesh Portion of Indo Bangla Friendship Pipeline. NRL is the implementor of the project [Refer Note No 26].

Notes to Financial Statements for the year ended 31st March 2019

13 Bank Balances Other than Cash and Cash Equivalent

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Term deposits with banks with original maturity of 3-12 months	100.00	729.00
	100.00	729.00

14 Loans & Advances (Considered good unless otherwise stated)

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Loans to employees including accrued interest [Refer note no 47 (b) and 48]	4.71	3.73
Other Advances		
Considered good	4.44	6.08
Considered doubtful	1.04	1.08
Less: Provision for doubtful advances	(1.04)	(1.08)
	4.44	6.08
Security and other deposits	3.37	3.33
	12.52	13.14

15 Other financial assets

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Interest accrued on Bank Deposits etc.	22.14	14.80
Other Receivables	9.48	15.95
	31.62	30.75

16 Current tax Assets (Net)

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Advance payment of Income Tax (net of provision)	32.52	30.11
	32.52	30.11

17 Other current assets

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Recoverable from Customs, Excise, etc.	22.87	33.12
Claims :		
Considered Good	2.36	1.81
Considered doubtful	2.15	3.27
Less: Provision for doubtful claims	(2.15)	(3.27)
Prepaid expenses - current	1.35	1.15
Prepaid employee cost - current	1.53	1.71

Notes to Financial Statements for the year ended 31st March 2019

Gold coins *	0.25	0.25
Others	-	3.24
	28.36	41.28

* The company has 133 nos of gold coins which consists of 100 nos. of 5 gm coins, 32 nos. of 10 gm coins and 1 no. of 20 gm coins.

18 Assets held for sale

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Asset Held for sale *	1.44	1.44
Less: Provision against assets held for sale	(0.27)	(0.27)
	1.17	1.17

*Asset held for sale consists of items like land, boundary walls etc which have been identified for disposal due to discontinuance of retail marketing activities. The aforesaid assets were held for disposal since last three years, however due to certain procedural reasons beyond the control of management, the actual sale could not be crystalised.

19 Equity share capital

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
a. Authorised		
100,00,00,000 equity shares of ₹10 each	1,000.00	1,000.00
(Previous Year : 100,00,00,000 equity shares)		
b. Issued, subscribed and paid-up		
73,56,31,544 fully paid Equity Shares of ₹10 each	735.63	735.63
(Previous Year : 73,56,31,544 equity shares)	735.63	735.63

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

	31-Mar-19		31-Mar-18	
	Number	₹ Crore	Number	₹ Crore
Equity Shares				
Shares outstanding at the beginning of the year	735,631,544	735.63	735,631,544	735.63
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	735,631,544	735.63	735,631,544	735.63

d. Terms/rights attached to equity shares

The company has only one class of equity shares having a 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 final dividend if any proposed by the board of directors is subject to the approval of the shareholders in the ensuing general meeting.

Notes to Financial Statements for the year ended 31st March 2019

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.

e. Shares held by holding company

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

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
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

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

₹ in Crore

Name of Shareholder	31-Mar-19		31-Mar-18	
	Number	% of Holding	Number	% of Holding
Bharat Petroleum Corporation Limited	453,545,998	61.65%	453,545,998	61.65%
Oil India Limited	191,264,202	26.00%	191,264,202	26.00%
Governor of Assam	90,821,344	12.35%	90,821,344	12.35%

20 Other Equity

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Reserve and Surplus		
Capital Reserve		
As per last account	100.00	100.00
General reserve		
As per last account	3,443.55	3,443.55
	3,443.55	3,443.55
Surplus/ (deficit) in the statement of profit and loss		
As per last Account	765.17	901.46
Add: profit/(loss) for the year	1,969.62	2,041.77
Less: Interim Dividend paid	(1,029.88)	(1,177.01)
Less: Final Dividend paid	(183.91)	(632.65)
Less: Corporate Dividend Tax	(249.50)	(368.40)
	1,271.50	765.17
	4,815.05	4,308.72

Capital reserve

Capital Reserve comprises of profits/gains of capital nature earned by the Company and credited directly to such reserve. Capital Reserve represents grant of ₹100.00 crore received in the year 1999-2000 from the Government of India.

General reserve

General Reserve represents appropriation of retained earnings and are available for distribution to shareholders.

Notes to Financial Statements for the year ended 31st March 2019

Proposed Dividend on Equity Shares not recognised	2018-19	2017-18
Final Dividend for the year ended ₹3.00 per share (Previous year : ₹2.50 per share)	220.69	183.91
Dividend Distribution Tax on Proposed Dividend	45.36	37.44
Total	266.05	221.35

21 Borrowings

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Secured (External Commercial Borrowings)	-	162.61
	-	162.61

External Commercial Borrowing carries interest at 3 months LIBOR plus 1.85% Margin. The loan is repayable in 3 equal yearly installments 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 first ranking pari-passu charge and hypothecation of Plant & Equipments both present and future.

22 Other financial liabilities

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Security / Earnest Money Deposits	0.19	0.66
	0.19	0.66

23 Provisions

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Long Service Award	4.41	4.28
Resettlement Allowance [Refer Note No 45]	3.65	3.23
	8.06	7.51

24 Movement in deferred tax balances

₹ in Crore

	Net balance 1 st April 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Acquired in business combinations	Other	Net	Deferred tax asset	Deferred tax liability 31 st Mar 2019
Deferred tax asset									
Employee Benefits	6.07	0.19	(0.82)				5.44	5.44	
43B items	102.17	(28.07)					74.10	74.10	
PPE WDV	(381.21)	(37.28)					(418.49)		(418.49)
Other items DTA	1.66	0.16					1.82	1.82	
Tax assets (Liabilities)	(271.31)	(65.00)	(0.82)	-	-	-	(337.13)	81.36	(418.49)

Notes to Financial Statements for the year ended 31st March 2019

Movement in deferred tax balances

	Net balance 1 st April 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Acquired in business combinations	Other	Net	Deferred tax asset	"Deferred tax liability 31st Mar 2018"
Deferred tax asset									
Employee Benefits	6.08	(1.56)	1.55				6.07	6.07	
Sec 43B of Income Tax Act	91.25	10.92					102.17	102.17	
PPE WDV	(328.11)	(53.10)					(381.21)		(381.21)
Other items DTA	1.34	0.32					1.66	1.66	
Tax assets (Liabilities)	(229.44)	(43.41)	1.55	-	-	-	(271.31)	109.90	(381.21)

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

In assessing whether the deferred income tax assets will be realized, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of the deferred income tax assets and tax loss carry forwards is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategy in making this assessment. Based on the level of historical taxable income and projections of future taxable income over the periods in which the deferred tax assets are deductible, management believes that the Company will realize the benefits of those recognized deductible differences and tax loss carry forwards. Recoverability of deferred tax assets is based on estimates of future taxable income. Any changes in such future taxable income would impact the recoverability of deferred tax assets.

25 Borrowings

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Secured Working capital loans from banks - Cash credit	3.19	0.02
Un-Secured (Overdraft)	0.09	-
	3.28	0.02

Cash Credit from State Bank of India carries interest @ 8.55% p.a. The loan is repayable on demand. The loan is secured by hypothecation of current assets i.e. stocks of raw material, finished goods, semi-finished goods, book debts and other current assets of the company and second charge on Plant & Machinery and other Fixed Assets of the company excluding land and building.

26 Trade payables

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Dues to Micro, Small and Medium Enterprises	4.71	2.38
Due to others *	1,016.31	1,135.14
	1,021.02	1,137.52

*others include liability of ₹2.61 crore received from Ministry of External Affairs for construction of Bangladesh Portion of Indo Bangla Friendship Pipeline. NRL is the implementor of the project [Refer Note No. 12]

Notes to Financial Statements for the year ended 31st March 2019

The disclosure in respect of the amounts payable to Micro, Small and Medium Enterprises as at 31st March 2019 has been made in the financial statements based on information received and available with the company. Accordingly disclosure has been made below:

	31-Mar-19	31-Mar-18
Principal and interest amount remaining unpaid		
- Principal	4.71	2.38
- Interest	-	-
The amount of interest paid by the company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed date during the year	-	-
The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

27 Other financial liabilities

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Current maturities of long-term debt [ECB, Refer Note No 21]	34.59	162.61
Interest accrued but not due on borrowings	0.14	0.44
Derivative Liability	0.81	0.03
Security / Earnest Money Deposits	107.56	99.65
Deposit From Customers	12.38	4.76
Employee Related Liability	45.89	49.04
Other Liabilities (including creditors for capital expenditure and other)	38.92	5.65
	240.29	322.18

28 Other current liabilities

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Advances from Customers	21.20	17.27
Statutory Liabilities	67.25	136.46
Others	0.14	0.14
	88.59	153.87

Notes to Financial Statements for the year ended 31st March 2019

29 Provisions

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Provisions for employee benefits		
Gratuity [Refer Note No 45]	1.85	-
Leave Encashment [Refer Note No 45]	15.62	-
Pension [Refer Note No 45]	4.91	-
Long Service Award	0.55	0.49
Resettlement Allowance [Refer Note No 45]	0.15	0.14
Post Retirement Medical Benefit [Refer Note No 45]	0.09	10.15
Others [Refer Note No 51]	152.08	244.74
	175.25	255.52

30 Current tax liabilities (Net)

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Current Tax liabilities (net of Tax paid)	75.72	-
	75.72	-

31 Revenue from Operations

₹ in Crore

Particulars	2018-19	2017-18
A. Sales		
Petroleum Products #	18,509.08	15,921.96
B. Other operating revenue	2.07	1.23
Total	18,511.15	15,923.19

Sales of Petroleum Products includes applicable excise duty benefit. Financial impact for the current year is ₹2,424.98 crore (Previous Year : ₹2,719.56 Crore)

32 Other Income

₹ in Crore

Particulars	2018-19	2017-18
Interest Income		
On Bank Deposits	39.02	78.12
On Instruments measured at amortised cost	45.55	6.14
Others	7.49	0.87
Dividend Income		
Dividend Income from Current Investment measured at FVTPL	14.04	26.11
Dividend Income - Joint Ventures and Associates	4.22	1.09
Write back of liabilities/provisions no longer required	4.39	3.42
Other Non operating income	8.18	9.01
Foreign Exchange Fluctuations (net)	-	4.08
Guarantee commission	0.60	0.69
Total	123.49	129.53

Notes to Financial Statements for the year ended 31st March 2019

33 Cost of materials consumed

₹ in Crore

Particulars	2018-19	2017-18
Raw Material Stocks at the Commencement of the Year	507.88	379.31
Add : Purchases	11,019.12	8,771.89
	11,527.00	9,151.20
Less: Raw Material Stocks at the Close of the Year	252.93	507.88
Total Cost of Raw Material Consumed	11,274.07	8,643.32
Details of raw material consumed		
Crude Oil	10,472.47	7,757.72
MTBE, Reformate, Py. Gas, Naphtha & Octane Booster	662.40	780.65
Natural Gas	139.20	104.95
	11,274.07	8,643.32

34 Changes in inventories of finished goods, stock in trade and work in progress

₹ in Crore

Particulars	2018-19	2017-18
Opening Stock :		
Finished Goods	1,057.58	1,016.88
Work In Progress	129.42	133.13
	1,187.00	1,150.01
Closing Stock :		
Finished Goods	1,047.26	1,057.58
Work In Progress	98.34	129.42
	1,145.60	1,187.00
Changes in inventories of finished goods and work in progress	41.40	(36.99)

35 Excise Duty

₹ in Crore

Particulars	2018-19	2017-18
Excise Duty	2,356.05	2,691.18
Excise duty (inventory differential)	(49.97)	2.57
Excise Duty	2,306.08	2,693.75

36 Employee benefit expense

₹ in Crore

Particulars	2018-19	2017-18
Salaries and wages [Refer note no 49]	218.80	210.64
Contribution to provident fund and other funds	33.55	54.58
Staff Welfare expenses	47.83	42.86
Employee benefit expense	300.18	308.08

Notes to Financial Statements for the year ended 31st March 2019

37 Finance Costs

₹ in Crore

Particulars	2018-19	2017-18
Interest expense on loans	12.01	13.44
Interest expense others	0.48	2.16
Other borrowing costs	0.13	0.20
Finance Costs	12.62	15.80

38 Depreciation and Amortisation Expense

₹ in Crore

Particulars	2018-19	2017-18
Depreciation	193.45	182.61
Amortization	1.00	0.99
Depreciation and Amortisation Expense	194.45	183.60

39 Other Expenses

₹ in Crore

Particulars	2018-19	2017-18
Transportation	201.00	209.41
Other Duties and taxes	193.99	163.07
Repairs and maintenance		
Machinery	22.77	20.12
Building & Others	114.51	84.45
Sub Total	137.28	104.57
Power and Fuel	219.29	179.45
Less: Consumption of fuel out of own production	(1.54)	(0.12)
Power and Fuel consumed (net)	217.75	179.33
Stores, spares and materials	32.91	12.33
Office Administration, Selling and Other expenses		
Rent / Lease	4.40	4.63
Insurance	11.89	8.78
Rates and taxes	1.63	1.09
Utilities	9.45	5.41
Facility hire charges	-	0.17
Communication expenses	1.18	1.19
Travelling and conveyance	22.01	20.98
Remuneration to auditors		
Audit Fees	0.10	0.07
Fees for other services - Certification	0.01	0.01
Reimbursement of out of pocket expenses	0.01	0.01
Sub-Total	0.12	0.09
Loss on sale/write off of Property Plant and Equipment (net)	1.40	0.85
Provision for Stores	3.20	0.21
Expenses on CSR activities	54.85	46.25
Foreign Exchange Fluctuations (net)	2.62	1.56

Notes to Financial Statements for the year ended 31st March 2019

Particulars	2018-19	2017-18
Provision Against Capital Work in Progress	0.94	4.04
Provision for Doubtful Debts, Advances and Claims	0.41	0.66
Bad debts and claims written off	0.00	0.01
Provision for Litigation cases	-	54.45
Charity and donation	0.71	1.00
Others	90.91	106.05
	988.65	926.10

40 Exceptional Items

₹ in Crore

Particulars	2018-19	2017-18
Exceptional Items	2.52	-
	2.52	-
The expense is on account of loss due to fire in MS Plant		

41 Tax Expense

(a) Amounts recognised in profit and loss

₹ in Crore

	2018-19	2017-18
Current tax expense	1,018.81	1,054.28
Current year	1,030.12	1,093.74
Changes in estimates relating to prior years	(11.31)	(39.46)
Deferred tax expense	65.00	43.41
Origination and reversal of temporary differences	65.00	43.41
Tax expense recognised in the income statement	1,083.81	1,097.69

(b) Amounts recognised in other comprehensive income

₹ in Crore

	2018-19			2017-18		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	2.34	(0.82)	1.52	(4.43)	1.55	(2.88)
	2.34	(0.82)	1.52	(4.43)	1.55	(2.88)

Notes to Financial Statements for the year ended 31st March 2019

(c) Reconciliation of effective tax rate

₹ in Crore

	2018-19		2017-18	
	%	₹ in Crore	%	₹ in Crore
Profit before tax		3,051.91		3,142.34
Tax using the Company's domestic tax rate	34.94%	1,066.46	34.61%	1,087.50
Reduction in tax rate				
Tax effect of:				
Provision for CSR expenditure	0.63%	19.16	0.51%	16.00
Provision for CWIP & Stores	0.05%	1.44	0.05%	1.47
Tax-exempt income	-0.21%	(6.38)	-0.30%	(9.41)
Income Tax interest provision	0.09%	2.75	0.05%	1.68
Changes in tax estimates relating to prior years	-0.37%	(11.31)	-1.26%	(39.46)
Others	0.38%	11.69	1.27%	39.91
Income Tax Expense	35.51%	1,083.81	34.93%	1,097.69

42 Other comprehensive income

₹ in Crore

Particulars	2018-19	2017-18
(i) Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit liability (asset)	2.34	(4.43)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.82)	1.55
	1.52	(2.88)

43 Earning Per Share (EPS)

i. Profit attributable to Equity holders of NRL

	2018-19	2017-18
Profit attributable to equity holders of the company for basic and diluted earnings per share	1,968.10	2,044.65

ii. Weighted average number of ordinary shares

₹ in Crore

	2018-19	2017-18
Issued ordinary shares at April 1 (In Crore)	73.56	73.56
Weighted average number of shares at March 31 for basic and diluted earnings per shares	73.56	73.56
Basic and Diluted earnings per share (₹)	26.76	27.79

Notes to Financial Statements for the year ended 31st March 2019

44 Leases

Operating leases

A. Leases as lessee

The Company enters into cancellable/non-cancellable operating lease arrangements for tanks, warehouses, office premises, staff quarters and others. The lease rentals paid/ received for the same are charged to the Statement of Profit and Loss.

i. Future minimum lease payments

The future minimum lease payments under non-cancellable leases at the year ending are as follows.

₹ in Crore

	2018-19	2017-18
Less than one year	4.06	13.32
Between one and five years	2.27	4.29
More than five years	-	-
	6.33	17.61

ii. Amounts recognised in profit or loss

₹ in Crore

	2018-19	2017-18
Lease expense	4.40	4.63
	4.40	4.63

Finance Lease

Leases as lessee

The Company has finance lease arrangement for a Land . The carrying amount is shown below :

₹ in Crore

	2018-19	2017-18
Gross Carrying amount	0.07	0.07
Accumulated Depreciation	0.01	0.01

45 Employee Benefits

[A] Post Employment Benefit Plans:

Defined Contribution Scheme- Pension:

Company has New Pension Scheme effective from 1st January 2007. Company contributes at a defined percentage of the employee salary out of the total entitlements on account of superannuation benefits under this scheme. This fund is maintained under a trust.

Particulars	FY 2018-19 (₹/crs)	FY 2017-18 (₹/crs)
Amount recognised in the Statement of Profit and Loss : Defined Contribution Scheme - Pension	19.17	19.37

Notes to Financial Statements for the year ended 31st March 2019

Defined Benefits Plan

The Company has the following Defined Benefit Plans

Gratuity:

The Company has a defined benefit gratuity plan managed by a trust. The Trustees administer contributions made to the trust, investments thereof, etc. Based on actuarial valuation, the contribution is paid to the trust which is invested with LIC. Gratuity is paid to employee who has put in a minimum qualifying period of 5 years of continuous service, on superannuation, resignation, termination or to his nominee on death.

Other Defined Benefits:

These are :

- 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.
- These Defined Benefit Plans expose the company to actuarial risks, such as longitivity risks, interest rate risk and market (investment) risk.

a. Disclosure as per requirements of IND AS 19 - "Employee Benefits"

₹ in Crore

Reconciliation of balances of Defined Benefit Obligations	Gratuity : Funded		Post Retirement Medical Benefit : Funded		Resettlement Allowance : Non Funded	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Defined Obligations at the beginning of the year	56.58	32.47	41.43	29.76	3.37	2.99
Interest Cost	4.37	2.40	3.20	2.20	0.26	0.22
Current Service Cost	1.22	0.38	3.18	1.78	0.46	0.38
Past Service cost	-	23.17	-	-	-	-
(Gain)/Loss on curtailment						
Benefits paid	(2.90)	(0.21)	(0.31)	(0.37)	(0.23)	(0.13)
Actuarial (Gains)/ Losses on Financial Assumption	(0.21)	(1.83)	(0.38)	(0.74)	(0.01)	(0.12)
Actuarial (Gains)/ Losses on obligations	1.43	0.21	(3.80)	8.79	(0.05)	0.03
Defined Obligations at the end of the year	60.50	56.58	43.32	41.43	3.80	3.37

b) Reconciliation of balances of Fair Value of Plan Assets in respect of Gratuity/Post Retirement Medical Benefit Fund

Particulars	Gratuity : Funded		Post Retirement Medical Benefit : Funded		Resettlement Allowance : Non Funded	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Fair Value at the beginning of the Year	57.50	31.33	31.27	23.93	-	-
Expected Return	4.44	2.32	2.42	1.77	-	-
Actual return on Plan assets excluding Interest Income	(0.40)	0.37	(0.30)	1.54	-	-
Contribution by employer	-	23.69	10.16	4.41	-	-
Benefits paid	(2.90)	(0.21)	(0.31)	(0.37)	-	-
Fair Value of Plan Assets at the end of the year	58.65	57.50	43.23	31.27	-	-
Amount recognised in Balance Sheet (a-b)	1.85	(0.92)	0.09	10.15	3.80	3.37

Notes to Financial Statements for the year ended 31st March 2019

Amount recognised in P&L						
Current Service Cost	1.22	0.38	3.18	1.78	0.46	0.38
Past Service cost	-	23.16				
Interest Cost	(0.07)	0.08	0.78	0.43	0.26	0.22
Expenses for the period	1.15	23.62	3.97	2.21	0.72	0.60
Amount recognised in Other Comprehensive Income						
Actuarial (Gains)/ Losses on obligations for the period	1.21	(1.62)	(4.18)	8.05	(0.07)	(0.09)
Actual return on Plan assets excluding Interest Income	0.40	(0.37)	0.30	(1.54)		
Net (Income)/ Expenses recognised in OCI	1.61	(2.00)	(3.88)	6.52	(0.07)	(0.09)
Major Actuarial Assumptions	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Discount Rate	7.77%	7.73%	7.77%	7.73%	7.77%	7.73%
Salary Escalation	8.00%	8.00%			8.00%	8.00%
Future Benefit cost inflation			7.00%	7.00%		
Attrition Rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Expected Return on Plan Assets	7.77%	7.73%	7.77%	7.73%	N.A	N.A
Investment pattern for Fund as on 31.03.2018	Funded		Funded		Not Funded	

The estimates of future salary increases, considered in actuarial valuation, taken into account inflation, seniority, promotion and other element factors.

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

Investment Pattern for Fund	Gratuity - Funded		Post Retirement Medical - Funded	
	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019
Category of Asset	%	%	%	%
Insurer Managed Funds	100	100		
Others - Fixed Deposit in nationalised banks			100	100

For the funded plans, the trust maintains appropriate fund balancing considering the analysis of maturities. Projected Unit credit method is adopted for Asset-Liability Matching

Sensitivity analysis

Sensitivity analysis for each significant actuarial assumption as stated above, showing how the defined benefit obligation would be affected, considering increase/decrease of 1% as at 31.03.2019 is as below:

₹ in Crore

Sensitivity analysis	Gratuity : Funded			
	31-Mar-19		31-Mar-18	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(5.01)	5.75	(4.91)	5.66
Future salary growth (1% movement)	1.21	(1.42)	1.35	(1.59)
Future Employee Turnover (1% movement)	1.89	(2.12)	1.66	(1.88)

Notes to Financial Statements for the year ended 31st March 2019

₹ in Crore

Sensitivity analysis	PRMB : Funded			
	31-Mar-19		31-Mar-18	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(8.34)	10.68	(8.15)	10.95
Future salary growth (1% movement)				
Future Benefit Cost inflation (1% Movement)	10.71	(8.42)	10.97	(8.23)
Future Employee Turnover (1% movement)	(4.76)	5.18	(4.62)	5.45

₹ in Crore

Sensitivity analysis	Resettlement Allowance : Non Funded			
	31-Mar-19		31-Mar-18	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.34)	0.40	(0.32)	0.37
Future salary growth (1% movement)				
Future Benefit Cost inflation (1% Movement)				
Future Employee Turnover (1% movement)	(0.38)	0.44	(0.36)	0.41

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation keeping all other actuarial assumptions constant.

Maturity analysis

The expected future cash flows as at 31st March 2019 were as follows:

₹ in Crore

Expected contribution	Gratuity - Funded	PRMB : Funded	Resettlement Allowance: Non Funded
Projected benefits payable in future years from the date of reporting			
1 st following year	3.19	0.46	0.15
2 nd following year	2.43	0.50	0.04
3 rd following year	4.23	0.55	0.23
4 th following year	4.42	0.52	0.28
5 th following year	3.13	0.56	0.12
Years 6 to 10	28.84	4.62	1.77

Other details as at 31.03.2019

Particulars	Gratuity - Funded	PRMB : Funded	Resettlement Allowance: Non Funded
Weighted average duration of the Projected Benefit Obligation (in years)	11	25	11
Prescribed contribution for next year (₹ in Crore)	2.88	0.00	0.00

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date

Notes to Financial Statements for the year ended 31st March 2019

₹ in Crore

	31-Mar-19	31-Mar-18
Total employee benefit liabilities		
Non-current	3.65	3.22
Current	2.10	9.37

B. Provident Fund:

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

46. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ in Crore

As at 31 st March 2019	Note Ref.	Carrying amount				Fair value			
		Mandatorily at FVTPL	FVTOCI-designated as such	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investment in Debt Instruments- Mutual Funds	10	97.97			97.97	97.97			97.97
Investment in Government of India Securities/ Treasury Bills	6 & 10			1,054.19	1,054.19				-
Cash and cash equivalents	12	-		4.09	4.09				-
Bank Balances other than cash and cash equivalents	13	-		100.00	100.00				-
Loans - Non current	7	-	-	49.35	49.35		45.23		45.23
Loans - Current	14	-		12.52	12.52		4.71		4.71
Trade receivables	11	-		1,220.53	1,220.53				-
Others- Current	15	-		31.62	31.62				-
		97.97	-	2,472.30	2,570.26	-	-	-	-
Financial liabilities									
Borrowings - Current	25			3.28	3.28				-
Borrowings - Non current	21			-	-				
Trade and other payables	26			1,021.03	1,021.03				
Other current liabilities	27			239.47	239.47				
Derivative Liability on forwards	27	0.81			0.81		0.81		
Other Non-Current financial liabilities	22			0.19	0.19				
		0.81	-	1,263.98	1,264.78	-	-	-	-

As at 31 st March 2018	Note Ref.	Carrying amount				Fair value			
		Mandatorily at FVTPL	FVTOCI-designated as such	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investment in Debt Instruments- Mutual Funds	10	1.01			1.01	1.01			1.01

Notes to Financial Statements for the year ended 31st March 2019

As at 31 st March 2018	Note Ref.	Carrying amount				Fair value			
		Mandatorily at FVTPL	FVTOCI-designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Investment in Government of India Treasury Bills	6 & 10			453.09	453.09				-
Cash and cash equivalents	12			91.83	91.83				-
Bank Balances other than cash and cash equivalents	13			729.00	729.00				-
Loans - Non current	7			38.31	38.31		34.30		34.30
Loans - Current	14			13.14	13.14		3.73		3.73
Trade receivables	11			1,016.11	1,016.11				-
Others - Current	15			30.76	30.76				-
		1.01	-	2,372.24	2,373.25				
Financial liabilities									
Borrowings - Current	25			0.02	0.02				-
Borrowings - Non current	21			162.61	162.61				-
Trade and other payables	26			1,137.52	1,137.52				-
Other current liabilities	27			322.15	322.15				-
Derivative Liability on forwards	27	0.03			0.03		0.03		-
Other Non-Current financial liabilities	22			0.66	0.66				-
		0.03	-	1,622.97	1,622.99	-	-	-	-

B. Measurement of fair values

Valuation techniques

The following tables show the valuation techniques used in measuring Level 2 fair values, for financial instruments measured at fair value in the Balance Sheet.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative instruments - forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date.	Not applicable	Not applicable
Non current financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	Not applicable	Not applicable

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Steering Committee (the Committee), which is responsible for developing and monitoring the Company's risk management policies. The Committee reports annually to the Board of Directors on its activities.

Notes to Financial Statements for the year ended 31st March 2019

₹ in Crore

Financial instruments – Fair values and risk management (continued)

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its procedures, aims to maintain a disciplined and constructive control environment in which all the role holders listed in the Risk Management Charter understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit reviews the controls and procedures in place, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. However the company has very limited exposure to credit risk as the major customers are OMCs. Sale to direct customers are generally against advance payment or LCs.

The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

As at March 31, 2019, the Company's most significant customer accounted for ₹1,094.15 crore of the trade and other receivables carrying amount (March 31, 2018 : ₹955.68 crore).

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

₹ in Crore

As at 31 st March 2019	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Neither past due nor impaired	1,219.79		-
Less than 90 days	0.22	-	-
More than 90 days	0.52	0.00%	-
	1,220.53	0.00%	-

₹ in Crore

As at 31 st March 2018	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Neither past due nor impaired	1,014.14		-
Less Than 90 days	0.22		-
More than 90 days	1.75	4.63%	0.08
	1,016.11	0.01%	0.08

The company does not provide for any loss allowance on trade receivables where risk of default is negligible such as receivables from other oil marketing companies, if any. Loss rates are based on actual credit loss experience over the past three years.

Notes to Financial Statements for the year ended 31st March 2019

Financial instruments – Fair values and risk management (continued)

Cash and cash equivalents

The Company held cash and cash equivalents of ₹4.09 crore at 31st March 2019 (31st March 2018 : ₹91.83 crore). The cash and cash equivalents are held with bank with good credit ratings and financial institution counterparties with good market standing.

Derivatives

The derivatives are entered into with bank and financial institution counterparties with good credit ratings. Further exposure to counter-parties are closely monitored and kept within the approved limits.

Investment in debt securities

The Company limits its exposure to credit risk by generally investing in liquid securities that have a good credit rating.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

As on 31st March 2019, the Company had working capital of ₹2,066.41 crore, including cash and cash equivalents of ₹4.09 crore, investments in term deposits (having original maturities of more than 3 months) of ₹100 crore, and investments in mutual funds ₹97.97 crore and investments in Government of India Treasury Bills of ₹625.24 crore.

As on 31st March 2018, the Company had working capital of ₹2,345.91 crore, including cash and cash equivalents of ₹91.83 crore, investments in term deposits (having original maturities of more than 3 months) of ₹729 crore, and investments in mutual funds ₹1.01 crore and investments in Government of India Treasury Bills of ₹453.09 crore.

Exposure to liquidity risk

₹ in Crore

2018-19	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
INR						
Non-derivative financial liabilities						
External Commercial Borrowings	34.59	34.59	34.59	-	-	-
Short Term Borrowings	3.28	3.28	3.28	-	-	-
Trade payables	1,021.03	1,021.03	1,021.03	-	-	-
Other Non-Current financial liabilities	0.19	0.19	0.19	-	-	-
Other financial liabilities	205.69	205.69	205.69	-	-	-
Financial guarantee contracts*	52.55	52.55	52.55	-	-	-
Derivative financial liabilities						
Forward exchange contracts	-	-	-	-	-	-
Inflows	-	-	-	-	-	-
Outflows	-	-	-	-	-	-

Notes to Financial Statements for the year ended 31st March 2019

Financial instruments – Fair values and risk management (continued)

₹ in Crore

2017-18	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
INR						
Non-derivative financial liabilities						
External Commercial Borrowings	325.22	325.22	162.61	162.61	-	-
Short Term Borrowings	0.02	0.02	0.02	-	-	-
Trade Payables	1,137.52	1,137.52	1,137.52	-	-	-
Other Non-Current financial liabilities	0.66	0.66	0.66	-	-	-
Other financial liabilities	159.57	159.57	159.57	-	-	-
Financial guarantee contracts*	64.70	64.70	64.70	-	-	-
Derivative financial liabilities						
Forward exchange contracts	-	-	-	-	-	-
Inflows	-	-	-	-	-	-
Outflows	-	-	-	-	-	-

* Guarantees issued by the Company on behalf of BCPL (associate) is with respect to borrowings raised by the respective entity from OADB. This amount will be payable on default by the concerned entity. As on the reporting date, the associate has not defaulted and hence, the Company does not have any present obligation for BCPL in relation to this guarantee.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk.

Currency risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian Rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company uses derivative instruments, i.e, foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates.

Company do not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31st March 2019 and 31st March 2018 are as below:

₹ in Crore

	Total	2018-19	2018-19	2018-19
		INR	USD	EURO
Financial assets				
Investment in Mutual Fund	97.97	97.97		
Investment in Government of India Treasury Bills	625.24	625.24		
Derivative instruments - Forwards				
Cash and cash equivalents	4.09	4.09		

Notes to Financial Statements for the year ended 31st March 2019

Financial instruments – Fair values and risk management (continued)

Bank Balances other than cash and cash equivalents	100.00	100.00		
Loans - Non current	49.35	49.35		
Loans - Current	12.52	12.52		
Trade receivables	1,220.53	1,191.50	29.03	
Others - Current	31.62	31.62		
Net exposure for assets	2,141.32	2,112.29	29.03	-
Financial liabilities				
Borrowings - Current	3.28	3.28		
Derivative instruments - Forwards	0.81		0.81	
Trade and other payables	1,021.03	1,020.92	-	0.11
Others - Current	239.47	204.88	34.59	
Others - Non-Current	0.19	0.19		
	1,264.78	1,229.27	35.39	0.11
Less: Foreign currency forward exchange contracts				
Net exposure for liabilities	1,264.78	1,229.27	35.39	0.11
Net exposure (Assets - Liabilities)	876.54	883.02	(6.37)	(0.11)

₹ in Crore

	Total	2017-18	2017-18	2017-18
		INR	USD	EURO
Financial assets				
Investment in Mutual Funds	1.01	1.01	-	-
Investment in Government of India Treasury Bills	453.09	453.09	-	-
Derivative instruments - Forwards			-	-
Cash and cash equivalents	91.82	91.82	-	-
Bank Balances other than cash and cash equivalents	729.00	729.00	-	-
Loans - Non	38.31	38.31	-	-
Loans - Current	13.14	13.14	-	-
Trade receivables	1,016.11	1,014.57	1.54	
Other Non-current financial asset		-	-	-
Others - Current	29.73	29.73	-	-
Net exposure for assets	2,372.21	2,370.67	1.54	-
Financial liabilities				
Borrowings - Current	0.02	0.02		
Borrowings - Non current	162.61		162.61	
Derivative instruments - Forwards	0.03		0.03	
Trade and other payables	1,142.13	1,141.93	0.09	0.11
Others - current	316.50	153.89	162.61	
Other - Non-Current	0.66	0.66		
	1,621.95	1,296.51	325.34	0.11
Less: Foreign currency forward exchange contracts	-	-	-	-
Net exposure for liabilities	1,621.95	1,296.51	325.34	0.11
Net exposure (Assets - Liabilities)	750.26	1,074.16	(323.80)	(0.11)

Notes to Financial Statements for the year ended 31st March 2019

Financial instruments – Fair values and risk management (continued)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognised directly in reserves, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

	Profit or loss	
Effect in INR (before tax)	Strengthening	Weakening
2018-19		
1% movement		
USD	(0.25)	0.25
EUR	-	-
	(0.25)	0.25

	Profit or loss	
Effect in INR (before tax)	Strengthening	Weakening
2017-18		
1% movement		
USD	(12.95)	12.95
EUR	-	-
	(12.95)	12.95

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises primarily from borrowings. The interest rate profile of the Company's interest-bearing financial instruments is as follows :

	₹ in Crore	
	2018-19	2017-18
Fixed-rate instruments		
Financial assets - measured at fair value through profit or loss		
Financial assets - measured at amortised cost	-	-
Financial liabilities - measured at amortised cost	-	-
	-	-
Variable-rate instruments		
Financial liabilities - measured at amortised cost (ECB)	34.59	325.22
Financial liabilities - measured at amortised cost (Working capital loans from banks - Cash credit)	3.19	0.02
Total	37.78	325.24

Notes to Financial Statements for the year ended 31st March 2019

Financial instruments – Fair values and risk management (continued)

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. In cases where the related interest rate risk is capitalised to fixed assets, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets.

₹ in Crore

Cash flow sensitivity (net)	Profit or loss	
	100 bp increase	100 bp decrease
2018-19		
Variable-rate instruments	(3.05)	3.05
Cash flow sensitivity (net)	(3.05)	3.05
2017-18		
Variable-rate instruments	(4.53)	4.53
Cash flow sensitivity (net)	(4.53)	4.53

47 Related party transactions

The disclosure of related party transactions is presented on an aggregate basis for shareholders and companies controlled by shareholders, joint ventures and associates. In addition, there may be additional disclosures of certain significant transactions (balances and turnover) with certain related parties.

a) Names of the Related parties

Joint Venture Company:

Assam Bio Refinery (P) Ltd.

Joint Venture of Holding Companies:

Bharat Oman Refineries Limited

Key Management Personnel :

Shri P. Padmanabhan, Managing Director (upto 31.10.2017)

Shri S.K. Barua, Managing Director (wef 31.01.2018) and holding additional charge of Managing Director from 01.11.2017 to 30.01.2018.

Shri B.J. Phukan, Director (Technical) Appointed (wef 01.02.2017)

Shri S.K. Barua, Director (Finance) (upto 30.01.2018) and holding additional charge of Director (Finance) wef 31.01.2018 to 11.10.2018

Shri Indranil Mittra, Director (Finance) Appointed (wef 12.10.2018)

Shri D. Rajkumar, Chairman Appointed (wef 07.10.2016)

Shri Ravi Capoor, Director (representing Govt. of Assam) (w.e.f. 14.09.2016)

Shri Alok Tripathi, Director (representing Govt. of India) upto 05.10.2017

Dr Praphullachandra Sharma (representing Govt. of India) upto 13.02.2019

Shri Rajendra Kumar Kureel (representing Govt. of India) (w.e.f. 26.03.2019)

Shri Utpal Bora, Director (representing Oil India Limited) w.e.f. 19.08.2016)

Shri Raj Kumar Sharma, Independent Director (w.e.f. 31.01.2017)

Smti Sneha Lata Kumar, Independent Director (w.e.f. 08.09.2017)

Notes to Financial Statements for the year ended 31st March 2019

Following are the related party transactions entered by the Corporation during the year:

₹ in Crore

	2018-19	2017-18
	Joint Venture/Joint Venture of Holding Companies:	Joint Venture/Joint Venture of Holding Companies:
Revenues and income		
Sale of goods		
Dividend income received		
Services given	3.73	-
Lease rental received		
Finance income		
Other income		
Costs and expenses		
Production and operating expenses		
Purchases of goods	75.12	278.27
Financial expenses		
Other expenses		
Other operations		
Investment in equity shares	21.50	
Advance for investment pending allotment of shares	20.00	
Loans given		
Loans repaid		

b) Outstanding balance with related parties

₹ in Crore

	2018-19		2017-18	
	KMPs	Others	KMPs	Others
Loans given	0.08	-	0.09	-
Loans taken	-	-	-	-
Receivable at the year end	-	0.46	-	-
Payable at the year end	-	-	-	-

c). In the course of its ordinary business, the Company enters into transactions with other Government controlled entities. The Company has transactions with other government-controlled entities, including but not limited to the followings:

- sales and purchases of goods and ancillary materials;
- rendering and receiving services;
- lease of assets;
- depositing and borrowing money; and
- uses of public utilities.

These transactions are conducted in the ordinary course of business on terms comparable to those with other entities that are not government controlled entities.

Notes to Financial Statements for the year ended 31st March 2019

d) Key management personnel compensation

₹ in Crore

	31-Mar-19	31-Mar-18
Short-term employee benefits	1.52	2.06
Post-employee benefits	0.18	0.37
Other long-term benefits	-	0.37
Total	1.70	2.80

48 Dues from officers is ₹1.38 crore (31st March 2018 : ₹1.22 crore)

49 During the FY 2018-19, provision has been made under employee benefit in respect of pay revision dues (including retiral dues) to employees (unionised staff) w.e.f. 01st January 2017 at an estimated amount of ₹14.76 crore (previous year ₹18.45 crore) based on the available information and judgement.

50 Contingent Liabilities and Capital Commitments

₹ in Crore

	31-Mar-19	31-Mar-18
(a) Contingent Liabilities :		
Claims against the Company not acknowledged as debts :		
Excise matters	225.36	221.62
Service Tax matters	3.67	0.37
Sales tax matters	23.37	21.95
Entry Tax Matters	19.55	0.92
Land Acquisition cases for higher compensation		
Claim by contractors Arbitration cases/other extra claims on capital account	21.79	63.78
Others	11.25	11.25
(b) Capital Commitments :		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	268.01	259.02
(c) Guarantees:		
i) Guarantees in favour of Oil Industry Development Board (OIDB) for long term loans for capital project extended to BCPL Ltd. by OIDB	52.55	64.70
ii) Bank Guarantee	28.01	14.67
iii) Letter of Credit	33.03	39.91

The Company currently does not have any Contingent Assets

Notes to Financial Statements for the year ended 31st March 2019

51 In compliance of Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under:

₹ in Crore

Nature	Opening balance	Additions during the year	Utilisation during the year	Reversals during the year	Closing balance
Excise	109.19		-	91.07	18.12
Service Tax	1.51	0.87	-	-	2.38
VAT/ Sales Tax/ Entry Tax	118.79	7.54	-	-	126.33
Legal cases	15.25	-	-	10.00	5.25
Total	244.74	8.41	-	101.07	152.08
Previous year	190.29	54.45	-	-	244.74

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

52 Disclosure in respect of Expenditure on Corporate Social Responsibility Activities

₹ in Crore

	2018-19	2017-18
a) Unspent CSR Expenditure carried forward from previous year (Opening Provision)	-	4.96
b) Amount required to be spent by the company during the year	54.36	40.98
c) Amount spent during the year (on purpose other than construction / acquisition of assets controlled by the company)	54.85	46.25
d) Provision created for balance amount (Closing Provision)	-	-

* Including payables of ₹5.99 crore (Previous Year ₹1.42 crore) as on 31.03.2019.

53 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The weighted-average interest rate computed as interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 13.75% (31st March 2018: 6.79%).

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings as reduced by cash and cash equivalents. Adjusted equity comprises all components of equity.

Notes to Financial Statements for the year ended 31st March 2019

The Company's policy is to keep the ratio below 2.00. The Company's adjusted net debt to equity ratio at 31st March 2019 was as follows.

₹ in Crore

	As at 31 st March 2019	As at 31 st March 2018
Total liabilities	1,949.52	2,311.19
Less : Cash and cash equivalent	4.09	91.83
Adjusted net debt	1,945.43	2,219.36
Total equity	5,550.67	5,044.35
Adjusted net debt to adjusted equity ratio	0.35	0.44

54 Segment Reporting

A. Basis for segmentation

NRL has one reportable segment. Details of the segments is as follows:

- Downstream Petroleum engaged in refining and marketing of petroleum products.

B. Geographic information

The geographic information analyses NRL's revenue and non-current assets by the country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographic selling location and segments assets were based on the geographic location of the respective non-current assets.

₹ in Crore

Geography	31-Mar-19	31-Mar-18
I Revenue		
India	18,511.15	15,923.19
Others Countries	-	-
Total Revenue	18,511.15	15,923.19
II Non-current Assets *		
India	3,565.83	2,914.88
Others Countries	-	-
Total Non-current Assets	3,565.83	2,914.88

*non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising from insurance contracts

C. Information about major customers

Revenues from one customer (BPCL) of the Downstream Petroleum segment represented approximately ₹15,829.10 Crore (previous year - ₹13,843.34 Crore)

- 55** The Company has numerous transactions with other oil companies. The outstanding balances [included under trade payables/trade receivables] from them including certain other outstanding credit and debit balances are subject to confirmation /reconciliation. Adjustments, if any, arising therefrom are not likely to be material on settlement and are accounted as and when ascertained.

56 Derivative Instruments and unhedged foreign currency exposure:

A. Derivatives outstanding as at the reporting date

Particulars	Purpose	31-Mar-19		31-Mar-18	
		USD million	₹ Crore	USD million	₹ Crore
Forward contracts to buy USD	ECB Loan (short term) Repayable within 12 months	5.00	34.59	1.25	8.23

B. Particulars of unhedged foreign currency exposures as at reporting date

Particulars	USD million	₹ Crore	USD million	₹ Crore
External Commercial Borrowing	-	-	48.75	317.09

C. Mark-to-Market losses

Particulars	USD million	₹ Crore	USD million	₹ Crore
Mark-to-Market losses provided for		0.81		0.03

57 The company is required to adopt Ind AS 116, Leases from 01st April 2019. Ind AS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. It replaces existing Ind AS 17, Leases. The company is in the process of evaluating the impact of the new lease standard on the present and future arrangements and shall determine the appropriate transition option once the said evaluation has been completed.

58 Previous year figures

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

Signature to Notes '1' to '58'

As per our attached report of even date

For M C Bhandari & Co

Chartered Accountants

ICAI FRN : 303002E

Sd/-

CA. Neeraj Jain

Partner

Membership No. 064393

Place: Mumbai

Date : 9th May 2019

For and on behalf of the Board of Directors

Sd/-

S. K. Barua

Managing Director

DIN: 06503943

Sd/-

H. K. Sarmah

Company Secretary

Sd/-

Indranil Mitra

Director (Finance)

DIN: 06883068

Place: Mumbai

Date : 9th May 2019

A vibrant, stylized illustration of a sailboat with a large, multi-colored sail in shades of red, orange, yellow, green, and blue. The sailboat is depicted in profile, sailing towards the right. The background is a deep blue sky with a bright, glowing sun or star in the upper right corner, creating a lens flare effect. The overall composition is dynamic and optimistic.

INDEPENDENT
AUDITORS' REPORT
(CONSOLIDATED)

Independent Auditors' Report

To
The Members of
Numaligarh Refinery Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of NUMALIGARH REFINERY LIMITED ("the Company") and its associate and its joint ventures (collectively referred to as "the Group", which comprise the Consolidated Balance Sheet as at 31st March, 2019, and the Consolidated Statement of Profit and Loss, (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (thereafter referred to as consolidated financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements along with the notes thereon, give the information required by the Companies Act, 2013 ("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 (financial position) of the Group, its associate and joint ventures as at 31st March, 2019, of consolidated profit (financial performance including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Directors' report of the respective companies, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these Consolidated financial statements in terms of the requirement in section 134(5) of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, changes in equity and cash flows of

the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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, 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 consolidated 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.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group and its associate and joint ventures are responsible for assessing the ability of the Group and its associate and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

That respective Board of Directors of the companies included in the Group and of its associate and joint ventures are also responsible for overseeing the Company's financial reporting process of the Group and of its associate and joint ventures.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing an opinion on whether the Company has an adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of its associate and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of joint venture i.e. DNP Limited (DNP), Assam Bio Refinery Private Ltd. (ABRPL) & Indradhanus Gas Grid Ltd. (IGGL) and an associate company Brahmaputra Crackers and Polymers Limited (BCPL), whose financial statements reflect total assets of ₹9211.88 Crore at 31st March, 2019, total revenues of ₹3051.38 Crore, and net cash flows amounting to ₹ Nil (Neither audited nor management certified Cash Flow Statement of BCPL & DNPL were available) for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹12.19 Crore for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of joint ventures and associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures and associate, and our report in terms of sub-section (3) of Section 143 of the Act, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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 the financial statements of the Group as certified by the respective management of the Company and its joint ventures and associate.

Report on Other Legal and Regulatory Requirements

- As required by the Section 143(5) of the Act, we give in "**Annexure A**", a statement on the matters specified by the Comptroller and Auditor-General of India for the Company. However the said report does not cover the Company's joint ventures and associate.
- As required by Section 143(3) of the Act, based on our audit and on the consideration of separate financial statement of joint ventures and associate as certified by the management, as noted in the other matter paragraph, 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 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 by the Company, so far as it appears from our examination of the books of the Company.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained by the Company including relevant records relating to the preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) In view of the exemption given vide notification no. G.S.R. 463(E) dated 5th June, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act are not applicable to the Company and in case of joint ventures and associate companies, relevant declaration from the respective directors of those companies are not available, hence we are unable to offer our comment on the same.
- f) Based on audited accounts of the Company, with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in “Annexure B”. However the said report does not cover the Company’s joint ventures and associate.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge & belief and the information and according to the explanations given to us by the management of the Company and on the basis of management certified unaudited accounts of its joint ventures & associate entities:
 1. The consolidated financial statement disclose the impact of pending litigations as at 31st March 2019 on its consolidated financial position of the Company and its joint ventures and associate.
 2. 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.
 3. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company and joint ventures and associate.

For **M. C. Bhandari & Co.**

Chartered Accountants

Firm registration No. 303002E

CA. Neeraj Jain

(Partner)

(Membership No. 064393)

Place: Mumbai

Date: 9th May, 2019

ANNEXURES TO
INDEPENDENT
AUDITORS' REPORT
(CONSOLIDATED)

Annexure - A to the Auditors' Report

[Referred to in paragraph (i) under 'Report on Other Legal and Regulatory Requirements in the Independent Auditors' Report of even date on the Consolidated Ind AS financial statements of Numaligarh Refinery Limited]

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

1.	Area Examined	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.
	Observation/ Findings-	Financial reporting process at the company is being managed under integrated ERP (SAP) system covering the life cycle of transaction, starting from its initiation to its consequent reflection for financial reporting. During the course of our audit and on the basis of information and explanation provided to us, we have not come across any cases, where financial transactions are being processed outside of company's ERP system, thereby raising concerns on the integrity of the financial reporting process interfaced with Company's ERP system. Joint Ventures (DNPL & IGGL): In the absence of Statutory Audit Reports we are unable to comment on the issue. Associate (BCPL): In the absence of Statutory Audit Report we are unable to comment on the issue.
2	Area Examined	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.
	Observation/ Findings	During the period under audit, no restructuring of existing loan or waiver/write off of loans or interest by the lenders has been done for the company. Company has been regular in servicing its debt obligations. Joint Ventures (DNPL & IGGL): In the absence of Statutory Audit Reports we are unable to comment on the issue. Associate (BCPL): In the absence of Statutory Audit Report we are unable to comment on the issue.
3.	Area Examined	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.

	Observation/ Findings	During the period under audit, company has been nominated as the Implementing Agency for execution of “Indo Bangladesh Friendship Pipeline” by Government of India (GoI). Outlays for executing the Bangladesh portion of the pipeline are being funded by the GoI and the same is being managed, accounted and expended in terms of the Agreement between the Company and GoI. During the course of our audit and as per information & explanation provided and records available to us, we have not come across any instance of deviation in utilization of funds as provided by Government of India or accounting thereof done by the Company. Joint Ventures (DNPL & IGGL): In the absence of Statutory Audit Reports we are unable to comment on the issue. Associate (BCPL): In the absence of Statutory Audit Report we are unable to comment on the issue.
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Note: One joint venture company, Assam Bio Refinery Private Ltd. (ABRPL) was not considered hereinabove as it is not being a Government Company and the direction under section 143(5) of the Companies Act, 2013 is not applicable to the said company.

For **M. C. Bhandari & Co.**

Chartered Accountants

Firm registration No. 303002E

CA. Neeraj Jain

(Partner)

(Membership No. 064393)

Place: Mumbai

Date: 9th May, 2019

Annexure- B to Independent Auditors' Report

[Referred to in paragraph (ii)(f) under 'Report on other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date on the Consolidated Ind AS financial statements of Numaligarh Refinery Limited.]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of NUMALIGARH REFINERY LIMITED ("the Company"), joint ventures and associates as at 31st March 2019, in conjunction with our audit of the Consolidated Ind AS financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company, Joint ventures and associate are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control over financial reporting criteria established by the Company considering essential components of the internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the "Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and for other joint venture and associate companies referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company, Joint ventures and associate have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters:

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting as it relates to the joint ventures DNP Limited (DNP), Assam Bio Refinery Private Ltd. (ABRPL) & Indradhanus Gas Grid Ltd. (IGGL) and an associate company Brahmaputra Crackers and Polymers Limited (BCPL), we are unable to comment on the same as we have not received the Auditors' Report on Internal Financial Control for the Joint ventures and also of associate companies.

For **M. C. Bhandari & Co.**

Chartered Accountants

Firm registration No. 303002E

CA. Neeraj Jain

(Partner)

(Membership No. 064393)

Place: Mumbai

Date: 9th May, 2019

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 31 MARCH 2019

The preparation of consolidated financial statements of Numaligarh Refinery Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(7) read with section 129(4) of the Act is responsible for expressing opinion on these financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 09 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Numaligarh Refinery Limited for the year ended 31 March 2019 under Section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Numaligarh Refinery Limited and its associate company Brahmaputra Cracker and Polymer Limited and joint venture company Indradhanush Gas Grid Limited, but did not conduct the supplementary audit of the financial statement of its joint venture company DNP Limited for the year ended on that date. Further, section 139(5) and 143(6)(a) of the Act are not applicable to Assam Bio Refinery (P) Ltd. being private entity, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of this company. 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

Sd/-

(Suparna Deb)

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

Place : Kolkata
Dated: 8th July 2019

Consolidated Balance Sheet as at 31st March 2019

		₹ in Crore	
	Note No.	31-Mar-19	31-Mar-18
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2	2,710.22	2,448.48
(b) Capital work in progress	3	395.22	442.72
(c) Other Intangible assets	4	6.76	1.64
(d) Investment in Joint venture and Associate	5	149.94	110.65
(e) Financial Assets			
(i) Other Financial Assets	6	428.95	-
(ii) Loans	7	49.35	38.31
(f) Other non-current assets	8	24.68	22.04
Non-current assets		3,765.12	3,063.84
2 Current assets			
(a) Inventories	9	1,516.56	1,807.52
(b) Financial Assets			
(i) Investments	10	723.21	454.10
(ii) Trade receivables	11	1,220.53	1,016.11
(iii) Cash and cash equivalents	12	4.09	91.83
(iv) Bank Balances other than (iii) above	13	100.00	729.00
(v) Loans	14	12.52	13.14
(vi) Other financial assets	15	31.62	30.75
(c) Current Tax Assets (Net)	16	32.52	30.11
(d) Other current assets	17	28.36	41.28
		3,669.41	4,213.84
Assets Held for Sale	18	1.17	1.17
Total Current assets		3,670.58	4,215.01
TOTAL ASSETS		7,435.70	7,278.85
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	19	735.63	735.63
(b) Other Equity	20	4,750.54	4,232.03
Total Equity		5,486.17	4,967.66
Liabilities			
1 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	-	162.61
(ii) Other financial liabilities	22	0.19	0.66
(b) Provisions	23	8.06	7.51
(c) Deferred tax liabilities (Net)	24	337.13	271.31
		345.38	442.09
2 Current liabilities			
(a) Financial Liability			
(i) Borrowings	25	3.28	0.02
(ii) Trade payables	26	1,021.02	1,137.52
(iii) Other financial liability	27	240.29	322.18
(b) Other current liabilities	28	88.59	153.87
(c) Provisions	29	175.25	255.51
(d) Current Tax Liabilities (Net)	30	75.72	(0.00)
TOTAL LIABILITIES		1,604.15	1,869.10
TOTAL EQUITY AND LIABILITIES		7,435.70	7,278.85
Significant Accounting Policies	1		
Notes forming part of Financial Statements	44-60		

As per our attached report of even date

For M C Bhandari & Co

Chartered Accountants

ICAI FRN: 303002E

Sd/-

CA. Neeraj Jain

Partner

Membership No. 064393

Place: Mumbai

Date : 9th May 2019

For and on behalf of the Board of Directors

Sd/-

S.K. Barua

Managing Director

DIN: 06503943

Sd/-

H. K. Sarmah

Company Secretary

Sd/-

Indranil Mittra

Director (Finance)

DIN: 06883068

Place: Mumbai

Date : 9th May 2019

Consolidated Statement of Profit and Loss for the year ended 31st March 2019

₹ in Crore

	Note No.	2018-19	2017-18
REVENUE			
I Revenue from operations	31	18,511.15	15,923.19
II Other Income	32	123.49	129.53
Total Revenue (I+II)		18,634.64	16,052.72
EXPENSES			
Cost of materials consumed	33	11,274.07	8,643.32
Purchases of Stock-in-Trade		462.76	176.72
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	41.40	(36.99)
Excise duty	35	2,306.08	2,693.75
Employee benefits expense	36	300.18	308.08
Finance Costs	37	12.62	15.80
Depreciation and amortisation expense	38	194.45	183.60
Other Expenses	39	988.65	926.10
Total Expenses (IV)		15,580.21	12,910.38
V Profit/(loss) before exceptional items and tax (III-IV)		3,054.43	3,142.34
VI Exceptional Items	40	(2.52)	-
VII Profit from continuing operation before share of profit of equity accounted investee and income tax (V+VI)		3,051.91	3,142.34
VIII Share of profit of equity accounted investee (net of income tax)		12.18	(2.70)
IX Profit from continuing operations before income tax (VII+VIII)		3,064.09	3,139.64
X Tax Expense	41	1,083.81	1,097.69
(1) Current Tax		1,018.81	1,054.28
(2) Deferred Tax		65.00	43.41
XI Profit / (Loss) for the period (IX - X)		1,980.28	2,041.95
XII Other comprehensive income			
(i) Items that will not be reclassified to profit or loss re-measurements of defined benefit plan	42	2.34	(4.43)
(ii) Income tax related to items that will not be reclassified to profit or loss	42	(0.82)	1.55
Other comprehensive income, net of tax (i+ii)		1.52	(2.88)
XIII Total comprehensive income for the period (XI + XII)		1,981.80	2,039.07
XIV Basic and Diluted Earnings per share (₹)	43	26.92	27.76
(Face Value ₹ 10)		26.92	27.76
Significant Accounting Policies	1		
Notes forming part of Financial Statements	44-60		

As per our attached report of even date

For M C Bhandari & Co

Chartered Accountants
ICAI FRN: 303002E

Sd/-

CA. Neeraj Jain

Partner

Membership No. 064393

Place: Mumbai

Date : 9th May 2019

For and on behalf of the Board of Directors

Sd/-

S.K. Barua

Managing Director

DIN: 06503943

Sd/-

H. K. Sarmah

Company Secretary

Sd/-

Indranil Mitra

Director (Finance)

DIN: 06883068

Place: Mumbai

Date : 9th May 2019

Consolidated Statement of Cash Flows

₹ in Crore

	For the year ended	31-Mar-19	31-Mar-18
A Cash Flow from Operating Activities			
Profit (Loss) for the period		1,980.28	2,041.95
Adjustments to reconcile net profit to net cash provided by operating activities			
<i>Adjustments for :</i>			
Depreciation & Amortisation expenses		194.45	183.60
Income Tax Expenses		1,083.81	1,097.69
Interest		12.62	15.80
(Profit) / Loss on Sale/ Write Off of Property, Plant and Equipment		1.40	0.85
Foreign Exchange Fluctuation		2.62	(2.52)
Income from Investment in Join Venture /Associate Companies		(4.22)	(1.09)
Dividend Received from Current Investment		(14.04)	(26.11)
Interest Income		(84.57)	(85.13)
Other Non-Cash Items (Refer explanatory note 4)		5.64	56.48
Operating Profit before Working Capital Changes		3,177.99	3,281.52
<i>(Invested in) / Generated from:</i>			
Trade receivables		(204.41)	(212.61)
Other receivables		(3.75)	(19.94)
Inventories		290.96	(178.97)
Current Liabilities & Provisions		(282.18)	270.93
Cash generated from Operations		2,978.61	3,140.93
Direct Taxes Paid		(945.50)	(1,101.37)
Net Cash from/(used in) Operating Activities		2,033.11	2,039.56
B Net Cash Flow from Investing Activities			
Purchase of Property, Plant & Equipment /CWIP		(385.64)	(405.54)
Purchase of intangible assets		(6.12)	(2.03)
Sale of Property, Plant and Equipment		0.20	0.21
Investment in Joint Venture/ Associate Companies		(39.29)	2.01
Purchase of / Accretion to Investments		(678.05)	(135.51)
Purchase/ Maturity of Fixed Deposit		629.00	495.00
Income from Investment in Join Venture /Associate Companies		4.22	1.09
Dividend Received from Investment		14.04	26.11
Long Term Loans and Advances		(33.68)	2.09
Income from Investment		98.58	84.54
Net Cash from/(used in) Investing Activities		(396.74)	67.97
C Net Cash Flow from Financing Activities			
Repayment of Loan		(314.75)	(169.33)
Other Long Term Liabilities		65.35	41.46
Other Long Term Provisions		0.54	54.86
Interest paid		(13.38)	(16.40)
Dividend Paid		(1,213.79)	(1,809.65)
Corporate Dividend Tax		(249.50)	(368.40)

₹ in Crore

	For the year ended	31-Mar-19	31-Mar-18
Realised (loss)/gain of Foreign Exchange Difference		(1.84)	(1.56)
Net Cash from/(used in) Financing Activities		(1,727.37)	(2,269.02)
D Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)		(91.00)	(161.49)
E Cash & Cash Equivalents at beginning of Period	Note 1	91.81	253.30
F Cash & Cash Equivalents at end of Period (D+E)	Note 1	0.81	91.81

1. Cash and Cash Equivalents

Cash and cash equivalents consist of cash, cheques on hand and balances with banks and investments

₹ in Crore

1. Cash and Cash equivalents	31-Mar-19	31-Mar-18
Cash & Cash Equivalents at beginning of Period		
Cash/cheques in Hand	0.01	0.01
Cash at Bank	11.82	6.29
Working capital loans / Bank Overdraft	(0.02)	-
Fixed Deposits with Banks with original maturity of less than 3 months	80.00	247.00
	91.81	253.30
Cash & Cash Equivalents at end of Period		
Cash/cheques in Hand	0.01	0.01
Cash at Bank	4.08	11.82
Working capital loans / Bank Overdraft	(3.28)	(0.02)
Fixed Deposits with Banks with original maturity of less than 3 months	-	80.00
	0.81	91.81
Net change in Cash and Cash equivalents	(91.00)	(161.49)

2. Disclosure to Changes in liabilities arising from financing activities

₹ in Crore

Particulars	Short Term Borrowings	Long Term Borrowings	Total liabilities from financing activities
Balance as on 31.03.2018	162.61	162.61	325.22
Cash Flow			
Inflow	-	-	-
Outflow	(162.61)	(152.14)	(314.75)
Non Cash Changes			
Foreign Exchange Movement	-	24.11	24.11
Current Maturity of Long Term Borrowing	34.59	(34.59)	-
Fair Value Changes	-	-	-
Balance as on 31.03.2019	34.59	0.00	34.59

Explanatory notes to Statement of Cash Flows

- The Statement of Cash Flow is prepared as per Ind AS 7 as notified by Ministry of Corporate Affairs
- 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, receivables / 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 Claims and provision for Investments / receivables and write back of Provisions.
5. Current Liabilities and Payables may include Payables in respect of Purchase of Property, Plant and Equipment, if any.

As per our attached report of even date

For M C Bhandari & Co

Chartered Accountants

ICAI FRN: 303002E

Sd/-

CA. Neeraj Jain

Partner

Membership No. 064393

Place: Mumbai

Date : 9th May 2019

For and on behalf of the Board of Directors

Sd/-

S.K. Barua

Managing Director

DIN: 06503943

Sd/-

H. K. Sarmah

Company Secretary

Sd/-

Indranil Mittra

Director (Finance)

DIN: 06883068

Place: Mumbai

Date : 9th May 2019

Consolidated Statement of Changes in Equity for the year ended 31st March 2019

₹ in Crore

(a) Equity Share Capital	As at 31/03/2019		As at 31/03/2018	
	No of Shares	Amount	No of Shares	Amount
Balance at the beginning of the reporting period	735,631,544	735.63	735,631,544	735.63
Changes in Equity Share Capital during the period	-	-	-	-
Balance at the end of the reporting period	735,631,544	735.63	735,631,544	735.63

₹ in Crore

(b) Other Equity	Reserve & Surplus			Total
	Capital Reserve [Note 20]	General Reserve [Note 20]	Retained Earnings [Note 20]	
Balance at 31st March 2018	100.00	3,420.28	711.75	4,232.03
Profit for the year			1,980.28	
Other Comprehensive Income for the year			1.52	
Dividends			(1,213.79)	
Corporate Dividend Tax on Dividends			(249.50)	
Transfer to General Reserve			-	-
Balance as at 31st March 2019	100.00	3,420.28	1,230.26	4,750.54
Balance as at 31st March 2017	100.00	3,420.28	850.73	4,371.01
Profit for the year			2,041.95	
Other Comprehensive Income for the year			(2.88)	
Dividends			(1,809.65)	
Corporate Dividend Tax on Dividends			(368.40)	
Transfer to General Reserve			-	-
Balance as at 31st March 2018	100.00	3,420.28	711.75	4,232.03

As per our attached report of even date

For M C Bhandari & Co

Chartered Accountants

ICAI FRN: 303002E

Sd/-

CA. Neeraj Jain

Partner

Membership No. 064393

Place: Mumbai

Date : 9th May 2019

For and on behalf of the Board of Directors

Sd/-

S.K. Barua

Managing Director

DIN: 06503943

Sd/-

H. K. Sarmah

Company Secretary

Sd/-

Indranil Mitra

Director (Finance)

DIN: 06883068

Place: Mumbai

Date : 9th May 2019

Notes to consolidated financial statements for the year ended 31st March 2019

1 Statement of Significant Accounting Policies

The consolidated financial statements relate to Numaligarh Refinery Limited (NRL) and interest in Joint Ventures and Associates. The company and its Joint Venture and Associates are together referred to as “Group”.

1.1 Basis for Preparation

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (“the Act”) read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

The Financial Statements of the Joint Venture Companies (JVCs) and the Associates used in the preparation of the Consolidated Financial Statements are drawn upto the same reporting date as that of NRL i.e. 31st March 2019.

The Consolidated Financial Statements have been prepared under the historical cost convention on accrual basis except for certain assets and liabilities measured at fair value.

The Group has adopted all the Ind AS and the adoption was carried out during Financial Year 2016-17 in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the “Previous GAAP”.

The functional currency of the company and its JVCs and Associates is Indian Rupees (₹). All figures appearing in the consolidated financial statements are rounded to the nearest Crore (₹ crore), except where otherwise indicated.

In case of Joint Venture and Associates, certain accounting policies are different from that of NRL, the impact of which is not expected to be material. The threshold limit for the group has been applied as per their respective financial statements. The threshold limit for the company has been specified in Note No 1.28 of significant accounting policies of Standalone Financial Statements.

Authorisation of Financial Statements: The Consolidated Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 09th May 2019.

The percentage of ownership interest of the company in the JVCs and Associates as on 31st March 2019 are as under:

Particulars	Country of Incorporation	Percentage (%) of actual ownership interest as on	
		31/03/2019	31/03/2018
Joint Venture Company			
DNP Limited	India	26.00	26.00
Assam Bio Refinery (P) Ltd.	India	50.00	-
Indradhanush Gas Grid Ltd.	India	10.00	-
Associate Company			
Brahmaputra Cracker and Polymer Limited	India	10.00	10.11

Notes:

- i) Assam Bio Refinery (P) Ltd. (ABRPL), a joint venture company incorporated on 4th June 2018 comprising stakeholders viz... Numaligarh Refinery Limited (50%), M/s Fortum 3V, Netherland (28%) and M/s Chempolis Oy, Finland (22%).
- ii) M/s Indradhanush Gas Grid Limited (IGGL), a Joint venture company incorporated on 10th August 2018 comprising stakeholders viz. IOCL, ONGC, GAIL, OIL and NRL.
- iii) The financial statements of DNP Limited, Brahmaputra Cracker and Polymer Limited (BCPL), Assam Bio Refinery (P) Limited (ABRPL) and Indradhanush Gas Grid Limited (IGGL) are yet to be audited and hence provisional financial statements provided by the respective management have been considered for the purpose of preparation of the Consolidated Financial Statements.

1.2 Basis of consolidation

1.2.1 Joint Venture and Associates

A joint venture is an arrangement in which the Company has joint control and has rights to the net assets of the arrangement, rather than the rights to its assets and obligation for its liabilities.

An associate is an entity in which the Company has significant influence, but no control or joint control over the financial and operating policies.

Interest in joint ventures and associates are accounted for using the equity method.

1.3 Use of Judgment and Estimates

The preparation of financial statements requires management of the company to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures alongwith contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Group continuously evaluates these estimates and assumptions based on the most recently available information.

In particular, information about significant areas of estimate and judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are as below:

- Assessment of functional currency;
- Financial Instruments;
- Estimates of useful lives and residual value of Property, Plant and Equipment and Intangible Assets;
- Valuation of Inventories;
- Measurement of recoverable amounts of cash-generating units;
- Measurement of Defined Benefit Obligations and actuarial assumptions;
- Provisions;
- Evaluation of recoverability of deferred tax assets; and
- Contingencies.

Revisions to accounting estimates are recognized prospectively in the Consolidated Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

1.4 Property, plant and equipment

1.4.1 Tangible Assets

- 1.4.1.1 Property, plant and equipment are stated at cost of acquisition (including incidental expenses) net of accumulated depreciation.

- 1.4.1.2** Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- 1.4.1.3** Property, plant and equipment used in the Refinery operations are capitalized attaching the components identified. Other assets are identified for componentization in case the unit value of the component is above the threshold limit.
- 1.4.1.4** Fixed Bed Catalyst used in the process of Refinery operations has been identified as a separate asset and is being capitalized and depreciated over its useful life from the date it is put to use.
- 1.4.1.5** Expenditure on assets, other than plant and machinery, not exceeding the threshold limit are charged to revenue.
- 1.4.1.6** Spare parts which meet the definition of property, plant and equipment are capitalised as property, plant and equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare part are inventoried on procurement and charged to the Statement of Profit and Loss on consumption.
- 1.4.1.7** An item of Property, Plant and Equipment and any significant part initially recognised separately as part of Property, Plant and Equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Consolidated Statement of Profit and Loss when the asset is derecognised.
- 1.4.1.8** Land acquired on outright purchase treated as freehold land.
- 1.4.1.9** **Expenditure during construction period:** Direct expenses incurred during construction period on capital projects are capitalized. Other expenses of the project group which are allocated to project costing above a threshold limit are also capitalised. Expenditure incurred on enabling assets are capitalised.
- 1.4.1.10** Goods and Service Tax (GST) on common capital goods: In respect of the capital goods common for both GST and non-GST products, the GST input tax credit is taken on the eligible portion based on GST and non-GST product ratio in the month of procurement and the ineligible portion is capitalised. Subsequently, this ratio is reviewed every month as per the GST provisions and the differential GST amount arising due to change in ratio is capitalised when beyond the materiality threshold.
- 1.4.1.11** The Group has opted to use the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (01st April 2015).

1.5.2 Intangible Assets

- 1.5.2.1** Intangible assets are carried at cost less accumulated amortization.
- 1.5.2.2** Expenditure incurred for creating/acquiring intangible assets above threshold limit, 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.
- 1.5.2.3** In other cases, the expenditure is reflected in the consolidated statement of Profit and Loss in the year in which the expenditure is incurred.
- 1.5.2.4** The Group has opted to use the exemption available under Ind AS 101 to continue the carrying value for all of its intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (01st April 2015).

1.6 Impairment of Non-financial Assets

- 1.6.1** Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment.

If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of the asset's or Cash Generating Units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

- 1.6.2** When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

1.7 Borrowing Costs

- 1.7.1** Borrowing costs consists of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange difference to the extent regarded as an adjustment to the borrowing costs.
- 1.7.2** Borrowing cost that are attributable to the acquisition or construction of qualifying assets (i.e. as asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Consolidated Statement of Profit and Loss.
- 1.7.3** Investment income earned on the temporary investment of funds of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

1.8 Non-current assets held for sale

- 1.8.1** Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. The condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.
- 1.8.2** Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.
- 1.8.3** Property, Plant and Equipment and intangible assets are not depreciated or amortized once classified as held for sale.

1.9 Depreciation

- 1.9.1** Depreciation on property, plant and Equipment is provided over the useful life of the assets prescribed under Schedule II of the Companies Act, 2013 (after retaining the estimated residual value of upto 5%). Identified 'Components' are depreciated over their technically assessed useful lives. The carrying amount of the existing assets for which the useful life is NIL has been charged off to Profit and Loss (after retaining the estimated residual value of upto 5%).
- 1.9.2** Computer equipment (under Furniture-on-hire scheme given to employees) are depreciated over a period of 4 years and Mobile phones are depreciated over a period of 2 years based on internal assessments. Furniture provided at the residence of management staff are depreciated over a period of 6 years (previously 7 years) as per internal assessments. No such policy exists for Joint Venture company DNPL Ltd. and Associate company BCPL.
- 1.9.3** Premium paid for acquiring leasehold land is amortized over the period of lease.
- 1.9.4** Depreciation is charged on addition / deletion on pro-rata monthly basis including the month of addition / deletion.
- 1.9.5** Items of property, plant and equipment costing not more than the threshold limit are depreciated at 100% in the year of acquisition.

1.9.6 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.
- assets costing upto threshold limit are depreciated fully in the year of its purchase/capitalisation.

1.9.7 Depreciation on spare parts specific to an item of property, plant and equipment is based on the life of the related property, plant and equipment. In other cases, the spare parts are depreciated over the estimated useful life based on the technical assessment.

1.10 Leases

1.10.1 Finance Lease

Lease Agreements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased assets is transferred to the lessee.

Lease Agreements in respect of land for lease period above threshold limit are classified as a finance lease.

1.10.2 Operating Lease

Lease Agreements which are not classified as finance lease are considered as operating lease. Payments made under operating leases are recognised in Consolidated Statement of Profit and Loss with reference to lease terms and other relevant considerations. Lease incentive received /lease premium paid (if any) are recognised as an integral part of the total lease expense, over the term of the lease. Payments made under Operating Leases are generally recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the term of the lease, unless such payments are structured to increase in line with expected general inflation.

1.10.3 At the inception of an arrangement, the Group determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, they separate payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. In case of a finance lease, if it is concluded that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying assets; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the entity's incremental borrowing rate.

1.11 Inventories

1.11.1 Inventories are stated at cost or net realizable value, whichever is lower. Cost of inventories 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 and are determined on the following basis:

- a) Crude oil and Finished products are determined on First in First out basis.
- b) The cost of Stock-in-process is determined at raw material cost plus cost of conversion.

However in the case of its Associate company BCPL and Joint Venture Company DNPL the inventories are determined at weighted average cost.

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

1.11.3 Stores and spares are measured 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. In case of joint venture company DNPL project surplus material are provided @ 95% of their value.

1.11.4 Excise duty on finished stocks lying at manufacturing locations is provided for at the assessable value applicable at each of the locations based on end use.

1.11.5 Raw Materials held for use in the production of finished goods are not written down below cost except in cases where raw material prices have declined and it is estimated that the cost of the finished goods will exceed their net realizable value.

1.12 Revenue Recognition

1.12.1 Revenue from the sale of goods is recognized when the performance obligation is satisfied by transferring the related goods to the customer. The performance obligation is considered to be satisfied when the customer obtains control of the goods.

1.12.2 Sales represent invoiced value of goods supplied net of trade discounts, and includes applicable excise duty benefit (as per CBEC Tariff Notification No : 29/2002 - Central Excise dated 13th May 2002), excise duty, surcharge and other elements as are allowed to be recovered as part of the price but excludes VAT/GST.

In case of its Joint Venture company 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/GST on performance of service based on agreements/arrangements with the concerned parties. In case of Associate company BCPL, revenue (net of tax) is recognised on transfer of significant risk of reward of ownership to the buyer and no significant uncertainty exists regarding the amount of consideration.

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

1.12.4 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.

1.12.5 Interest income is recognized using effective interest rate (EIR) method. In case of Joint venture company DNPL same is recognized on EIR basis, however in case of Associate company BCPL, interest income is recognized on time proportion basis.

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

1.12.7 Liquidated damages in case of its Joint Venture company 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 upto a threshold limit in each case are charged to revenue, otherwise adjusted against the cost of the relevant assets.

1.13 Classification of Income / Expenses

1.13.1 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 Joint Venture company DNPL but expenses are accounted for on accrual basis and provision is made for all known liabilities.

1.13.2 Income/expenditure (net) in aggregate pertaining to prior year (s) above the threshold limit are corrected retrospectively in the first set of financial statements approved for issue after their discovery by restating the comparative amounts and/or restating the opening Balance Sheet for the earliest prior period presented.

1.13.3 Prepaid expenses up to threshold limit in each case are charged to revenue as and when incurred.

1.13.4 Deposits placed with Government agencies/local authorities which are perennial in nature are charged to revenue in the year of payment.

1.14 Employee Benefits

1.14.1 Short-term employee benefit

Short term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

1.14.2 Post-employment benefits

Defined Contribution Plans:

Obligations for contributions to defined contribution plan such as pension are recognized as an expense in the Statement of Profit and Loss as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a refund in future payment is available.

Defined Benefit Plans:

The net obligation in respect of defined benefit plan such as gratuity, other post-employment benefits etc. is calculated separately for each plan by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed at each reporting period end by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the entity, the recognized asset is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan.

The current service cost of the defined benefit plan, recognized in the Consolidated Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Consolidated Statement of Profit and Loss. The net increase is calculated by applying the discounted rate to the net balance of the defined obligation and the fair value of plan assets. This net interest is included in employee benefit expense in the Consolidated Statement of Profit and Loss.

Re-measurement which comprise of actuarial gains and losses, the return on plan assets (excluding amounts included in the net interest on the net defined benefit liability (asset) and the effect of the asset ceiling (if any, excluding amounts included in the net interest on the net defined benefit liability (asset)), are recognized in other comprehensive income.

1.14.3 Other long-term employee benefits

Liability towards other long term employee benefits – leave encashment, long service awards etc. are determined on actuarial valuation by qualified actuary by using Projected Unit Credit method.

The current service cost of other long term employee benefits, recognized in the Consolidated Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Consolidated Statement of Profit and Loss. The interest cost is calculated by applying the discount rate to the balance of the obligation. This cost is included in the employee benefit expense in the Consolidated Statement of Profit and Loss. Re-measurements are recognized in the Consolidated Statement of Profit and Loss.

1.15 Foreign Currency Transactions & Derivative Transactions

1.15.1 Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

- 1.15.2** Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.
- 1.15.3** Exchange differences arising on settlement or translation of monetary items (except for long term foreign currency monetary items outstanding as of 31st March 2016) are recognized in the Consolidated Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustments to borrowing costs.
- 1.15.4** The Group has opted to continue the policy adopted under previous GAAP for accounting the foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items outstanding as of 31st March 2016 i.e. foreign exchange difference arising on settlement or translation of 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.
- 1.15.5** Derivatives Instruments are measured at fair value with changes in fair value recognized in Consolidated Statement of Profit and Loss on the reporting date.
- 1.15.6** Non –monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

1.16 Government Grants

- 1.16.1** Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.
- 1.16.2** When the grant relates to an expense item, it is recognized in the Consolidated Statement of profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.
- 1.16.3** Government grants relating to Property, Plant and Equipment are presented as deferred income and are credited to the Consolidated Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.
- 1.16.4** In the case of Associate company BCPL Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an asset, the cost of the asset is shown at gross value and grant thereon is treated as capital grant which is recognized as income in statement of profit and loss over the period and in proportion in which depreciation is charged.

1.17 Provisions, Contingent Liabilities and Capital Commitments

- 1.17.1** Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- 1.17.2** The expense relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any
- 1.17.3** Contingent liabilities are possible obligation whose existence will only be confirmed by future events not wholly within the control of the company, or present obligation where it is not probable that an outflow of resources will be required or the amount of obligation cannot be measured with sufficient reliability.
- 1.17.4** Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.
- 1.17.5** Contingent liabilities Capital commitments disclosed are in respect of items which in each case are above the threshold limit.

1.17.6 Contingent Assets are neither recognized nor disclosed in financial statements.

1.18 Fair value measurement

1.18.1 The Group measures certain financial instruments at fair value at each reporting date.

1.18.2 Certain accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial assets and liabilities.

1.18.3 Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risks.

1.18.4 While measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 : inputs for the assets or liability that are not based on observable market data (unobservable inputs)

1.18.5 If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

1.18.6 The Group regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, then they assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuation should be classified.

1.19 Financial Assets

1.19.1 Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

1.19.2 Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is:

- to hold assets for collecting contractual cash flows, and
- contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss.

Debt instruments at Fair Value through Other Comprehensive Income (FVOCI)

A 'debt instrument' is measured at the fair value through Other Comprehensive Income if both the following conditions are met:

The asset is held within a business model whose objective is achieved by both:

- collecting contractual cash flows and selling financial assets and
- contractual terms of the asset given rise on specified dates to cash flows that are SPPI on the principal amount outstanding

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognised in the Consolidated Statement of Profit and Loss. Other net gains and losses are recognised in other comprehensive Income.

Debt instruments at Fair Value through Profit or Loss (FVTPL)

Fair value through Profit or Loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation at amortised cost or as FVOCI, is classified as FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognised in the Consolidated Statement of Profit and Loss.

Equity Investment

All equity investments within the scope of Ind AS 109 are measured at fair value. Such equity instruments which are held for trading are classified at Fair Value through Profit or Loss (FVTPL). For all other such equity instrument, the Group decides to classify the same either as FVTPL or Fair Value through Other Comprehensive Income (FVOCI). The company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends are recognised in Other Comprehensive Income. Dividends on such equity instruments are recognised in the Consolidated Statement of Profit or Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and loss.

1.19.3 De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from entity's Company's Balance Sheet) when

The rights to receive cash flows from the asset have expired, or

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- The Group has transferred substantially all the risks and rewards of the asset, or

- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the Consolidated Statement of Profit and Loss. Gain and Losses in respect of debt instrument measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gain or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on de-recognition.

1.20 Financial Liabilities

1.20.1 Initial recognition and measurement

All financial liabilities are recognised initially at fair value net of transaction costs that are attributable to the respective liabilities.

1.20.2 Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

Financial Liabilities at fair value through profit or loss (FVTPL)

A financial liability is classified as at FVTPL, if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in the Consolidated Statement of Profit & Loss.

Financial Liabilities measured at amortised cost

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortised cost using the effective interest rate method ("EIR").

Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortisation done using the EIR method is included as finance costs in the Consolidated Statement of Profit and Loss.

1.20.3 De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

1.21 Financial guarantees

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the fair value initially recognised less cumulative amortisation.

1.22 Derivative Financial Instruments

The Group uses derivative financial instruments to manage the exposures on account of fluctuation in interest rate and foreign exchange rates. Such derivative financial instruments are initially recognised at

fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value with the changes being recognised in the Consolidated Statement of Profit & Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

1.23 Taxes on Income

- 1.23.1** Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Current Tax items are recognized in correlation to the underlying transaction either in the Consolidated Statement of Profit and Loss, Other Comprehensive Income or directly in Equity.
- 1.23.2** Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
- 1.23.3** Deferred tax liabilities are recognized for all taxable temporary differences.
- 1.23.4** Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- 1.23.5** Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.
- 1.23.6** The carrying amount of deferred tax assets and unrecognized deferred tax assets are reviewed at each balance sheet date.
- 1.23.7** Deferred Tax items are recognized in correlation to the underlying transaction either in the Consolidated Statement of Profit and Loss, Other Comprehensive Income or directly in Equity.
- 1.23.8** Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.24 Earnings per share

- 1.24.1** 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 shareholders by the weighted average number of equity shares outstanding during the period.
- 1.24.2** 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.

1.25 Classification of Assets and Liabilities as Current and Non-Current

All assets and liabilities are classified as current or non-current as per the normal operating cycle (considered at 12 months) and other criteria set out in Schedule III of the Companies Act.

1.26 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, Cash and cash equivalent include cash at bank, cash, cheque and draft on hand. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.27 Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

1.28 Investment in Subsidiaries, Joint Ventures and Associates

Investments in equity shares of Subsidiaries, Joint Ventures and Associates are recorded at cost and reviewed for impairment at each reporting date.

1.29 The Company has adopted the following materiality threshold in the preparation and presentation of financial statements as given below

Threshold item	Accounting Policy Reference	Unit	Threshold Limit Value
Componentization of Property, Plant and Equipment	1.4.1.3	₹ Crore	5
Expenditure on certain items of Property, Plant and Equipment charged to revenue in each case	1.4.1.5	₹	1,000
Capitalisation of spare parts meeting the definition of Property, Plant and Equipment in each case	1.4.1.6	₹ Lakhs	10
Allocation of other expenses to projects costing in each case	1.4.1.8	₹ Crore	5
GST on common capital goods per item per month	1.4.1.10	₹ Lakhs	5
Expenditure incurred for creating/acquiring other intangible assets in each case	1.4.2.2	₹ Lakhs	50
Depreciation at 100 percent in the year of acquisition	1.8.5	₹	5,000
Depreciation on Assets in the year of purchase/capitalization	1.8.6	₹	5,000
Lease agreements in respect of land	1.9.1	Period (years)	99
Income/expenditure (net) in aggregate pertaining to prior year (s)	1.12.2	₹ Crore	10
Prepaid expenses in each case	1.12.3	₹ Lakhs	5
Disclosure of Contingent liabilities and Capital Commitments in each case	1.16.5	₹ Lakhs	5

Notes to consolidated Financial Statements for the year ended 31st March 2019

2 Property, plant and equipment

₹ in Crore

	Gross Block/Cost			Depreciation			Net Block	
	As at 01-04-18	Addition	Deductions on ac- count of Retirement/ Reclassifications	As at 31-03-19	As at 01-04-18	Addition	As at 31-03-19	As at 31-03-18
	(1)	(2)	(3)	(4)=(1+2-3)	(5)	(6)	(8)=(5+6+7)	(10)=(1-5)
LAND								
i) Land Freehold	30.87	21.74	-	52.62	-	-	52.62	30.87
ii) Land Leasehold	0.07	-	-	0.07	0.01	0.00	0.01	0.06
BUILDINGS								
i) RCC Frame Structure (other than factory)	117.48	12.06	-	129.54	7.63	2.51	10.14	119.40
ii) Non RCC Frame Structure (other than factory)	72.89	29.53	-	102.42	1.09	2.93	4.02	98.40
iii) FACTORY	259.50	49.87	(0.00)	309.36	33.33	11.84	45.17	264.19
iv) Fences, Wells and Tube Wells	2.02	1.44	-	3.46	0.71	0.58	1.28	2.18
v) Others (Temporary Structures)	2.06	0.23	(0.00)	2.28	1.32	0.36	1.68	0.61
BRIDGE, CULVERTS, BUNKERS Etc.	22.21	-	-	22.21	3.89	1.30	5.19	17.02
ROADS								
i) Carpeted Roads - RCC	7.42	0.32	-	7.74	2.82	0.96	3.78	4.60
ii) Carpeted Roads-Other than RCC	3.20	0.49	-	3.69	1.41	0.11	1.52	1.79
iii) Non Carpeted Road	0.59	0.03	-	0.61	0.01	0.09	0.11	0.57
PLANT & MACHINERY								
i) CONTINUOUS PROCESS PLANT/Refineries	1,876.16	194.66	(12.33)	2,058.48	384.17	135.05	510.50	1,547.99
ii) Plant and Machinery-Other than Continuous Process Plant	149.44	17.19	(0.02)	166.62	42.31	11.40	53.71	107.13
iii) Storage Tanks & Related Equipment	146.95	75.40	(0.01)	222.34	10.97	5.87	16.84	205.50
iv) Plant & Machinery (Captive Power Plants)	154.86	27.52	(0.11)	182.28	10.78	4.73	15.52	166.76
v) Plant & Machinery Used in Medical and Surgical	3.39	1.14	-	4.53	0.96	0.36	1.33	3.21
vi) Heavy Lift Equipment	11.61	2.72	-	14.33	0.45	0.60	1.05	13.28
RAILWAY SIDING	23.26	-	-	23.26	12.00	1.31	13.31	9.95
FURNITURE								
i) FURNITURE - GENERAL	5.96	1.06	-	7.03	2.05	0.77	2.82	4.20
ii) FURNITURE - Others	3.28	0.31	-	3.60	1.18	0.44	1.62	1.98
iii) FOH-to Employees	6.74	0.86	-	7.60	2.34	1.07	3.36	4.24
OFFICE EQUIPMENT								
i) Office Equipment - General	10.88	1.26	(0.01)	12.13	6.45	0.74	7.19	4.94
ii) Mobile on Hire - to Employees	0.67	0.00	(0.08)	0.59	0.49	(0.00)	0.21	0.38

3 Property, plant and equipment (contd.)

₹ in Crore

	Gross Block/Cost		Depreciation		Net Block	
	As at 01-04-18	Addition As at 31-03-19	Deductions on account of Retirement / Reclassifications As at 01-04-18	Addition As at 31-03-19	As at 31-03-19	As at 31-03-18
COMPUTERS AND DATA PROCESSING UNITS						
i) Servers and Network	17.50	8.46	(0.02)	3.04	8.91	11.64
ii) End User Devices-Desktop, Laptops, Printers etc.	5.11	1.82	-	0.69	4.14	1.66
iii) PC on Hire-To Employees	1.07	0.36	-	0.00	0.49	0.56
ELECTRICAL EQUIPMENT	47.26	6.08	(0.02)	6.12	21.35	32.01
LABORATORY EQUIPMENT	15.98	0.56	(0.00)	0.67	4.31	12.32
VEHICLES						
i) Motor cycles, scooters & other mopeds	0.13	-	-	0.01	0.09	0.05
ii) Motor buses, motor lorries, motor cars and motor taxis	1.37	2.11	-	0.08	0.50	0.95
iii) Trucks / heavy vehicles, harvesting combines	4.99	2.46	(0.01)	0.70	2.25	3.43
iv) Electrically operated vehicles	1.15	-	-	0.14	0.53	0.76
Total	3,006.07	459.69	(12.62)	194.49	742.92	2,448.48
Previous Year Figures	2,497.77	521.95	(13.66)	182.98	557.58	2,118.95

Additional Information in respect of Note No. 2:

- Total freehold land held by NRL is 1454.67 acres (1438.49 acres) which includes 17.89 acres (0.99 acres) of land for which the process of registration is on. Out of the total freehold land 0.25 acres (0.25 acres) is disputed i.e under litigation. Total Leasehold Land held by NRL is 1.43 acres (1.43 acres). Lease hold land represents land taken on lease for thirty years.
- Charge has been created first ranking pari passu and hypothecation of plant and equipment (both present and future) in regard to borrowings [Refer Note No 21]
- Deduction from Gross Block (Column 3) includes :
 - ₹ 1.65 crore (₹ 0.64 crore) on account of Write off of Physical Verification discrepancies.
 - ₹ 10.97 crore (₹ 13.02 crore) on account of sale, retirement, deletions and reclassifications.
- Depreciation for the year (column 6) includes :
 - Charged to Profit & Loss Account ₹ 193.45 crore (₹ 182.61 crore)
 - Charged to project expenses ₹ 1.04 crore (₹ 0.37 crore)
 - 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 ₹ 0.66 crore (₹ 0.97 crore) 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 ₹ 0.13 crore (₹ 0.10 crore) for the year.
- Deduction from Depreciation (Column 7) includes :
 - Withdrawal of depreciation of ₹ 7.55 crore (₹ 3.79 crore) on account of sale, deletions, retirement & reclassification.
 - ₹ 1.59 crore (₹ 0.41 Crore) on account of Write off of Physical Verification discrepancies.
- The company has elected to use exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment, Capital WIP and Intangible Assets as recognised in the financial statement as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (01st April 2015)

Notes to consolidated Financial Statements for the year ended 31st March 2019

3 Capital work in progress

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Capital work in progress		
Opening Work-in-progress	443.90	549.50
Addition during the year	419.34	416.35
Less : Allocated to Assets during the year	459.69	521.95
	403.55	443.90
Less : Provision for Capital WIP Losses	(24.88)	(23.94)
	378.67	419.96
Capital Stores	10.43	5.21
Capital goods in transit	0.95	0.74
	390.05	425.91
Construction period expenses pending allocation		
Opening balance	16.81	11.63
Add: Expenditure during the period		
Travel, Establishment etc	8.32	4.05
Depreciation	1.04	0.37
Finance Cost	24.58	8.78
	50.75	24.83
Less : Allocated to assets during the year	45.58	8.02
Closing balance	5.17	16.81
	395.22	442.72

4 Intangible Assets

₹ in Crore

	Gross Block/Cost				Amortisation				Net Block	
	As at 01-04-18	Addition	Disposal/ adjustments	As at 31-03-19	As at 01-04-18	Addition	Disposal/ adjustments	As at 31-03-19	As at 31-03-19	As at 31-03-18
Computer Software	2.32	6.00	-	8.32	1.39	0.85	-	2.24	6.08	0.93
Licenses	2.65	0.12	-	2.77	1.94	0.15	-	2.09	0.68	0.71
Total	4.97	6.12	-	11.09	3.33	1.00	-	4.33	6.76	1.64

Amortisation for the year includes:

(i) Charged to the Statement of Profit & Loss ₹1.00 Crore

Notes to consolidated Financial Statements for the year ended 31st March 2019

5 Investment in Joint venture and Associates

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Investment in Joint Ventures (Unquoted)		
DNP Limited #	66.79	59.72
Assam BIO Refinery (P) Ltd. **	21.03	-
Indradhanush Gas Grid Ltd. %	2.58	-
Investment in Associates (unquoted)		
Brahmaputra Cracker and Polymer Ltd. ##	56.85	48.84
Fair valuation of Financial Guarantee Commission	2.69	2.09
	149.94	110.65

	31-Mar-19		31-Mar-18	
	Number of Shares	Face Value (₹)	Number of Shares	Face Value (₹)
DNP Limited	43,490,000	10	43,490,000	10
Assam BIO Refinery (P) Ltd.	21,500,000	10	-	-
Indradhanush Gas Grid Ltd. (IGGL)	5,000,000	10	-	-
Brahmaputra Cracker and Polymer Ltd.	141,767,000	10	141,767,000	10

DNP Limited is a joint venture between Assam Gas Company Ltd.(AGCL), Numaligarh Refinery Ltd (NRL) and Oil India Ltd. (OIL). NRL holds 26% shares in DNP Limited.

** Assam Bio Refinery (P) Limited is a joint venture between Numaligarh Refinery Limited. (NRL), M/s Fortum 3V ,Netherland and M/s Chempolis Oy, Finland. NRL holds 50% shares in Assam Bio Refinery (P) Limited.

% IGGL is a joint venture among IOCL, GAIL, ONGC, OIL & NRL. NRL holds 20% shares in IGGL.

NRL holds 10.00% share in Brahmaputra Cracker and Polymer Limited (BCPL)

6 Other Financial Assets

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
In Government Securities	408.95	-
Advance against Equity to Joint Ventures #	20.00	-
	428.95	-

Represents advance given to JV Entity Assam Bio Refinery (P) Ltd.

7 Loans (Considered good unless otherwise stated)

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Loans to employees including accrued interest (Secured) [Refer Note No 47 (b) and 48]	42.57	31.88
Security and other deposits	6.78	6.43
	49.35	38.31

Notes to consolidated Financial Statements for the year ended 31st March 2019

8 Other non-current assets (Unsecured, considered good unless otherwise stated)

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Capital advances	5.32	1.52
Prepaid Employee cost	19.06	19.97
Prepaid Transportation cost	0.30	0.55
	24.68	22.04

9 Inventories

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Raw Materials	252.93	507.88
Work-in-progress	98.34	129.42
Finished goods	1,047.26	1,057.58
Stock in transit	0.59	0.45
Consumables, Stores & Spares and others	211.58	203.13
Less: Provision for Losses	(94.14)	(90.94)
	1,516.56	1,807.52

10 Investments

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Investment in Mutual Fund at Fair Value Through Profit or Loss	97.97	1.01
Investment in Government Security/ Treasury Bill at Amortised cost	625.24	453.09
	723.21	454.10

11 Trade receivables

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Unsecured (unless otherwise stated)		
- Considered Good	1,220.53	1,016.11
- Significant increase in Credit Risk	-	-
-Credit Impaired	-	0.08
	1,220.53	1,016.19
Less : Provision for credit impaired	-	0.08
	1,220.53	1,016.11

Notes to consolidated Financial Statements for the year ended 31st March 2019

12 Cash and cash equivalents

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Cash on hand	0.01	0.01
Balances with Banks		
On Current Accounts	0.20	11.22
On Deposit Accounts with original maturity of less than 3 months	-	80.00
Other earmarked balances with bank #	3.88	0.60
Cash and cash equivalents	4.09	91.83

includes an amount of ₹2.64 crore received from Ministry of External Affairs for construction of Bangladesh Portion of Indo Bangla Friendship Pipeline. NRL is the implementor of the project [Refer Note No 26].

13 Bank Balances Other than Cash and Cash Equivalent

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Term deposits with banks with original maturity of 3-12 months	100.00	729.00
Deposit Accounts with original maturity of less than 3 months	-	-
	100.00	729.00

14 Loans & Advances (Considered good unless otherwise stated)

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Loans to employees including accrued interest [Refer note no 47 (b) and 48]	4.71	3.73
Other Advances		
Considered good	4.44	6.08
Considered doubtful	1.04	1.08
Less: Provision for doubtful advances	(1.04)	(1.08)
	4.44	6.08
Security and other deposits	3.37	3.33
	12.52	13.14

15 Other financial assets

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Interest accrued on Bank Deposits etc.	22.14	14.80
Other Receivables	9.48	15.95
	31.62	30.75

Notes to consolidated Financial Statements for the year ended 31st March 2019

16 Current Tax Assets (Net)

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Advance payment of Income Tax (net of provision)	32.52	30.11
	32.52	30.11

17 Other current assets

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Recoverable from Customs, Excise, etc.	22.87	33.12
Claims :		
Considered Good	2.36	1.81
Considered doubtful	2.15	3.27
Less: Provision for doubtful claims	(2.15)	(3.27)
Prepaid expenses - current	1.35	1.15
Prepaid employee cost - current	1.53	1.71
Gold coins *	0.25	0.25
Others	-	3.24
	28.36	41.28

* The company has 133 nos of gold coins which consists of 100 nos. of 5 gm coins, 32 nos. of 10 gm coins and 1 no. of 20 gm coins.

18 Assets held for sale

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Asset Held for sale *	1.44	1.44
Less: Provision against assets held for sale	(0.27)	(0.27)
	1.17	1.17

*Asset held for sale consists of items like land, boundary walls etc which have been identified for disposal due to discontinuance of retail marketing activities. The aforesaid assets were held for disposal since last three years, however due to certain procedural reasons beyond the control of management, the actual sale could not be crystalised.

19 Equity share capital

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
a. Authorised		
1000000000 equity shares of ₹10 each (Previous Year : 1000000000 equity shares)	1,000.00	1,000.00
b. Issued, subscribed and paid-up		
73,56,31,544 fully paid Equity Shares of ₹10 each	735.63	735.63
	735.63	735.63

Notes to consolidated Financial Statements for the year ended 31st March 2019

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

	31-Mar-19		31-Mar-18	
	Number	₹ Crore	Number	₹ Crore
Equity Shares				
Shares outstanding at the beginning of the year	735,631,544	735.63	735,631,544	735.63
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	735,631,544	735.63	735,631,544	735.63

d. 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 final dividend if any proposed by the board of directors is subject to the approval of the shareholders in the ensuing 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.

e. Terms/rights attached to equity shares

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

Particulars	31-Mar-19	31-Mar-18
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

₹ in Crore

	31-Mar-19		31-Mar-18	
	Number	% of Holding	Number	% of Holding
Name of Shareholder				
Bharat Petroleum Corporation Limited	453,545,998	61.65%	453,545,998	61.65%
Oil India Limited	191,264,202	26.00%	191,264,202	26.00%
Governor of Assam	90,821,344	12.35%	90,821,344	12.35%

20 Other Equity

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Reserve and Surplus		
Capital Reserve		
As per last account	100.00	100.00
General reserve		
As per last account	3,420.28	3,420.28
	3,420.28	3,420.28
Surplus/ (Deficit) in the Statement of Profit and Loss		
As per last Account	711.75	850.73

Notes to consolidated Financial Statements for the year ended 31st March 2019

Add: profit/(loss) for the year	1,981.80	2,039.07
Less: Interim Dividend paid	(1,029.88)	(1,177.01)
Less: Final Dividend paid	(183.91)	(632.64)
Less: Corporate Dividend Tax	(249.50)	(368.40)
Less: Transfer to General Reserve		
	1,230.26	711.75
	4,750.54	4,232.03

Capital reserve

Capital Reserve comprises of profits/gains of capital nature earned by the Company and credited directly to such reserve. Capital Reserve represents grant of ₹ 100.00 crore received in the year 1999-2000 from the Government of India.

General reserve

General Reserve represents appropriation of retained earnings and are available for distribution to shareholders.

Proposed Dividend on Equity Shares not recognised	2018-19	2017-18
Final Dividend for the year ended ₹3.00 per share (Previous year : ₹2.50 per share)	220.69	183.91
Dividend Distribution Tax on Proposed Dividend	45.36	37.44
Total	266.05	221.35

21 Borrowings

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Secured (External Commercial Borrowings)	-	162.61
	-	162.61

External Commercial Borrowing carries interest at 3 months LIBOR plus 1.85% Margin. The loan is repayable in 3 equal yearly installments 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 first ranking pari-passu charge and hypothecation of Plant & Equipments both present and future.

22 Other financial liabilities

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Security / Earnest Money Deposits	0.19	0.66
	0.19	0.66

23 Provisions

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Long Service Award	4.41	4.28
Resettlement Allowance [Refer Note No 45]	3.65	3.23
	8.06	7.51

Notes to consolidated Financial Statements for the year ended 31st March 2019

24 Movement in deferred tax balances

₹ in Crore

	Net balance 1 st April 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Acquired in business combinations	Other	Net	Deferred tax asset	Deferred tax liability 31 st Mar 2019
Deferred tax asset									
Employee Benefits	6.07	0.19	(0.82)				5.44	5.44	
43B items	102.18	(28.08)					74.10	74.10	
PPE WDV	(381.21)	(37.28)					(418.49)		(418.49)
Other items DTA	1.66	0.16					1.82	1.82	
Tax assets (Liabilities)	(271.31)	(65.00)	(0.82)	-	-	-	(337.13)	81.36	(418.49)

Movement in deferred tax balances

	Net balance 1 st April 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Acquired in business combinations	Other	Net	Deferred tax asset	Deferred tax liability 31 st Mar 2018
Deferred tax asset									
Employee Benefits	6.08	(1.56)	1.55				6.07	6.07	
Sec 43B of Income Tax Act	91.25	10.92					102.18	102.18	
PPE WDV	(328.11)	(53.10)					(381.21)		(381.21)
Other items DTA	1.34	0.32					1.66	1.66	
Tax assets (Liabilities)	(229.44)	(43.41)	1.55	-	-	-	(271.31)	109.90	(381.21)

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

In assessing whether the deferred income tax assets will be realized, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of the deferred income tax assets and tax loss carry forwards is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategy in making this assessment. Based on the level of historical taxable income and projections of future taxable income over the periods in which the deferred tax assets are deductible, management believes that the Company will realize the benefits of those recognized deductible differences and tax loss carry forwards. Recoverability of deferred tax assets is based on estimates of future taxable income. Any changes in such future taxable income would impact the recoverability of deferred tax assets.

25 Borrowings

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Secured Working capital loans from banks - Cash credit	3.19	0.02
Un-Secured (Overdraft)	0.09	-
	3.28	0.02

Cash Credit from State Bank of India carries interest @ 8.55% p.a. The loan is repayable on demand. The loan is secured by hypothecation of current assets i.e. stocks of raw material, finished goods, semi-finished goods, book debts and other current assets of the company and second charge on Plant & Machinery and other Fixed Assets of the company excluding land and building.

Notes to consolidated Financial Statements for the year ended 31st March 2019

26 Trade payables

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Dues to Micro, Small and Medium Enterprises	4.71	2.38
Due to others *	1,016.31	1,135.14
	1,021.02	1,137.52

*others include liability of ₹2.61 crore received from Ministry of External Affairs for construction of Bangladesh Portion of Indo Bangla Friendship Pipeline. NRL is the implementor of the project [Refer Note No 12]

The disclosure in respect of the amounts payable to Micro, Small and Medium Enterprises as at 31st March 2019 has been made in the financial statements based on information received and available with the company. Accordingly disclosure has been made below:

	31-Mar-19	31-Mar-18
Principal and interest amount remaining unpaid		
-Principal	4.71	2.38
- Interest	-	-
The amount of interest paid by the company in terms of Section 16 of the MSMED Act, 2006 alongwith the amount of the payment made to the supplier beyond the appointed date during the year	-	-
The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act. 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

27 Other financial liabilities

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Current maturities of long-term debt [ECB, Refer Note No 21]	34.59	162.61
Interest accrued but not due on borrowings	0.14	0.44
Derivative Liability	0.81	0.03
Security / Earnest Money Deposits	107.56	99.65
Deposit From Customers	12.38	4.76
Employee Related Liability	45.89	49.04
Other Liabilities (including creditors for capital expenditure and other)	38.92	5.65
	240.29	322.18

Notes to consolidated Financial Statements for the year ended 31st March 2019

28 Other current liabilities

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Advances from Customers	21.20	17.27
Statutory Liabilities	67.25	136.46
Others	0.14	0.14
	88.59	153.87

29 Provisions

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Provision for employee benefits		
Gratuity [Refer Note No 45]	1.85	-
Leave Encashment [Refer Note No 45]	15.62	-
Pension [Refer Note No 45]	4.91	-
Long Service Award	0.55	0.49
Resettlement Allowance [Refer Note No 45]	0.15	0.14
Post Retirement Medical Benefit (Refer Note No 45)	0.09	10.15
Others [Refer Note No 51]	152.08	244.73
	175.25	255.51

30 Current tax liabilities (Net)

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Current Tax liabilities (net of Tax paid)	75.72	(0.00)
	75.72	(0.00)

31 Revenue from Operations

₹ in Crore

Particulars	2018-19	2017-18
A. Sales		
Petroleum Products #	18,509.08	15,921.96
B. Other operating revenue	2.07	1.23
Total	18,511.15	15,923.19

Sales of Petroleum Products includes applicable excise duty benefit. Financial impact for the current year is ₹2,424.98 crore (Previous Year : ₹2,719.56 Crore)

Notes to consolidated Financial Statements for the year ended 31st March 2019

32 Other Income

₹ in Crore

Particulars	2018-19	2017-18
Interest Income		
On Bank Deposits	39.02	78.12
On Instruments measured at amortised cost	45.55	6.14
Others	7.49	0.87
Dividend Income		
Dividend Income from Current Investment measured at FVTPL	14.04	26.11
Dividend Income - Joint Ventures and Associates	4.22	1.09
Write back of liabilities/provisions no longer required	4.39	3.42
Other Non operating income	8.18	9.01
Foreign Exchange Fluctuations (net)	-	4.08
Guarantee commission	0.60	0.69
Total	123.49	129.53

33 Cost of materials consumed

₹ in Crore

Particulars	2018-19	2017-18
Raw Material Stocks at the Commencement of the Year	507.88	379.31
Add : Purchases	11,019.12	8,771.89
	11,527.00	9,151.20
Less: Raw Material Stocks at the Close of the Year	252.93	507.88
Total Cost of Raw Material Consumed	11,274.07	8,643.32
Details of raw material consumed		
Crude Oil	10,472.47	7,757.72
MTBE,Reformate,Py. Gas, Naphtha & Octane Booster	662.40	780.65
Natural Gas	139.20	104.95
	11,274.07	8,643.32

34 Changes in inventories of finished goods, stock in trade and work in progress

₹ in Crore

Particulars	2018-19	2017-18
Opening Stock :		
Finished Goods	1,057.58	1,016.88
Work In Progress	129.42	133.13
	1,187.00	1,150.01
Closing Stock :		
Finished Goods	1,047.26	1,057.58
Work In Progress	98.34	129.42
	1,145.60	1,187.00
Changes in inventories of finished goods and work in progress	41.40	(36.99)

Notes to consolidated Financial Statements for the year ended 31st March 2019

35 Excise Duty

₹ in Crore

Particulars	2018-19	2017-18
Excise Duty	2,356.05	2,691.18
Excise duty (inventory differential)	(49.97)	2.57
	2,306.08	2,693.75

36 Employee benefit expense

₹ in Crore

Particulars	2018-19	2017-18
Salaries and wages [Refer note no 49]	218.80	210.64
Contribution to provident fund and other funds	33.55	54.58
Staff Welfare expenses	47.83	42.86
Employee benefit expense	300.18	308.08

37 Finance Costs

₹ in Crore

Particulars	2018-19	2017-18
Interest expense on loans	12.01	13.44
Interest expense others	0.48	2.16
Other borrowing costs	0.13	0.20
Finance Costs	12.62	15.80

38 Depreciation and Amortisation Expense

₹ in Crore

Particulars	2018-19	2017-18
Depreciation	193.45	182.61
Amortization	1.00	0.99
Depreciation and Amortisation Expense	194.45	183.60

39 Other Expenses

₹ in Crore

Particulars	2018-19	2017-18
Transportation	201.00	209.41
Other Duties and taxes	193.99	163.07
Repairs and maintenance		
Machinery	22.77	20.12
Building & Others	114.51	84.45
Sub Total	137.28	104.57
Power and Fuel	219.29	179.45
Less: Consumption of fuel out of own production	(1.54)	(0.12)
Power and Fuel consumed (net)	217.75	179.33
Stores, spares and materials	32.91	12.33
Office Administration, Selling and Other expenses		
Rent /Lease	4.40	4.63
Insurance	11.89	8.78

Notes to consolidated Financial Statements for the year ended 31st March 2019

Particulars	2018-19	2017-18
Rates and taxes	1.63	1.09
Utilities	9.45	5.41
Facility hire charges	-	0.17
Communication expenses	1.18	1.19
Travelling and conveyance	22.01	20.98
Remuneration to auditors		
Audit Fees	0.10	0.07
Fees for other services - Certification	0.01	0.01
Reimbursement of out of pocket expenses	0.01	0.01
Sub-Total	0.12	0.09
Loss on sale/write off of Property Plant and Equipment (net)	1.40	0.85
Provision for Stores	3.20	0.21
Expenses on CSR activities	54.85	46.25
Foreign Exchange Fluctuations (net)	2.62	1.56
Provision Against Capital Work in Progress	0.94	4.04
Provision for Doubtful Debts, Advances and Claims	0.41	0.66
Bad debts and claims written off	0.00	0.01
Provision for Litigation cases	-	54.45
Charity and donation	0.71	1.00
Others	90.91	106.05
	988.65	926.10

40 Exceptional Items

₹ in Crore

Particulars	2018-19	2017-18
Exceptional Items	2.52	-
	2.52	-
The expense is on account of loss due to fire in MS Plant		

41 Tax Expense

(a) Amounts recognised in profit and loss

₹ in Crore

	2018-19	2017-18
Current tax expense	1,018.81	1,054.28
Current year	1,030.12	1,093.74
Changes in estimates relating to prior years	(11.31)	(39.46)
Deferred tax expense	65.00	43.41
Origination and reversal of temporary differences	65.00	43.41
Tax expense recognised in the income statement	1,083.81	1,097.69

Notes to consolidated Financial Statements for the year ended 31st March 2019

(b) Amounts recognised in other comprehensive income

₹ in Crore

	2018-19			2017-18		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Re-measurements of the defined benefit plans	2.34	(0.82)	1.52	(4.43)	1.55	(2.88)
	2.34	(0.82)	1.52	(4.43)	1.55	(2.88)

(c) Reconciliation of effective tax rate

₹ in Crore

	2018-19		2017-18	
	%	₹ in Crore	%	₹ in Crore
Profit before tax		3,051.91		3,142.34
Tax using the Company's domestic tax rate	34.94%	1,066.46	34.61%	1,087.50
Tax effect of:				
Provision for CSR expenditure	0.63%	19.16	0.51%	16.00
Provision for CWIP & Stores	0.05%	1.44	0.05%	1.47
Tax-exempt income	-0.21%	(6.38)	-0.30%	(9.41)
Income Tax interest provision	0.09%	2.75	0.05%	1.68
Changes in tax estimates relating to prior years	-0.37%	(11.31)	-1.26%	(39.46)
Others	0.38%	11.69	1.27%	39.91
Income Tax Expense	35.51%	1,083.81	34.93%	1,097.69

42 Other comprehensive income

₹ in Crore

Particulars	2018-19	2017-18
(i) Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit liability (asset)	2.34	(4.43)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.82)	1.55
	1.52	(2.88)

43 Earning Per Share (EPS)

i. Profit attributable to Equity holders of NRL

	2018-19	2017-18
Profit attributable to equity holders of the company for basic and diluted earnings per share	1,980.28	2,041.95

Notes to consolidated Financial Statements for the year ended 31st March 2019

ii. Weighted average number of ordinary shares

₹ in Crore

	2018-19	2017-18
Issued ordinary shares at April 1 (In Crore)	73.56	73.56
Weighted average number of shares at March 31 for basic and diluted earnings per shares	73.56	73.56
Basic and Diluted earnings per share (₹)	26.92	27.79

44 Leases

Operating leases

Leases as lessee

The Company enters into cancellable/non-cancellable operating lease arrangements for tanks, warehouses, office premises, staff quarters and others. The lease rentals paid/ received for the same are charged to the Statement of Profit and Loss.

i. Future minimum lease payments

The future minimum lease payments under non-cancellable leases at the year ending are as follows.

₹ in Crore

	2018-19	2017-18
Less than one year	4.06	13.32
Between one and five years	2.27	4.29
More than five years	-	-
	6.33	17.61

ii. Amounts recognised in profit or loss

₹ in Crore

	2018-19	2017-18
Lease expense	4.40	4.63
	4.40	4.63

Finance Lease

Leases as lessee

The Company has finance lease arrangement for a Land . The carrying amount is shown below :

₹ in Crore

	2018-19	2017-18
Gross Carrying amount	0.07	0.07
Accumulated Depreciation	0.01	0.01
Depreciation recognised in Statement of Profit and Loss	-	-

Notes to consolidated Financial Statements for the year ended 31st March 2019

45 Employee Benefits

[A] Post Employment Benefit Plans:

Defined Contribution Scheme- Pension:

Company has New Pension Scheme effective from 1st January 2007. Company contributes at a defined percentage of the employee salary out of the total entitlements on account of superannuation benefits under this scheme. This fund is maintained under a trust.

Particulars	FY 2018-19 (₹/crore)	FY 2017-18 (₹/crore)
Amount recognised in the Statement of Profit and Loss : Defined Contribution Scheme - Pension	19.17	19.37

Defined Benefits Plan

The Company has the following Defined Benefit Plans

Gratuity:

The Company has a defined benefit gratuity plan managed by a trust. The Trustees administer contributions made to the trust, investments thereof, etc. Based on actuarial valuation, the contribution is paid to the trust which is invested with LIC. Gratuity is paid to employee who has put in a minimum qualifying period of 5 years of continuous service, on superannuation, resignation, termination or to his nominee on death.

Other Defined Benefits:

These are :

- 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.
- These Defined Benefit Plans expose the company to actuarial risks, such as longevity risks, interest rate risk and market (investment) risk.

a. Disclosure as per requirements of IND AS 19 - "Employee Benefits"

₹ in Crore

Reconciliation of balances of Defined Benefit Obligations	Gratuity : Funded		Post Retirement Medical Benefit : Funded		Resettlement Allowance : Non Funded	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Defined Obligations at the beginning of the year	56.58	32.47	41.43	29.76	3.37	2.99
Interest Cost	4.37	2.40	3.20	2.20	0.26	0.22
Current Service Cost	1.22	0.38	3.18	1.78	0.46	0.38
Past Service cost	-	23.17	-	-	-	-
(Gain)/Loss on curtailment						
Benefits paid	(2.90)	(0.21)	(0.31)	(0.37)	(0.23)	(0.13)
Actuarial (Gains)/ Losses on Financial Assumption	(0.21)	(1.83)	(0.38)	(0.74)	(0.01)	(0.12)
Actuarial (Gains)/ Losses on obligations	1.43	0.21	(3.80)	8.79	(0.05)	0.03
Defined Obligations at the end of the year	60.50	56.58	43.32	41.43	3.80	3.37

Notes to consolidated Financial Statements for the year ended 31st March 2019

b) Reconciliation of balances of Fair Value of Plan Assets in respect of Gratuity/Post Retirement Medical Benefit Fund

Particulars	Gratuity : Funded		Post Retirement Medical Benefit : Funded		Resettlement Allowance : Non Funded	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Fair Value at the beginning of the Year	57.50	31.33	31.27	23.93	-	-
Expected Return	4.44	2.32	2.42	1.77	-	-
Actual return on Plan assets excluding Interest Income	(0.40)	0.37	(0.30)	1.54	-	-
Contribution by employer	-	23.69	10.15	4.41	-	-
Benefits paid	(2.90)	(0.21)	(0.31)	(0.37)	-	-
Fair Value of Plan Assets at the end of the year	58.65	57.50	43.22	31.27	-	-
Amount recognised in Balance Sheet (a-b)	1.85	(0.92)	0.09	10.15	3.80	3.37
Amount recognised in P&L						
Current Service Cost	1.22	0.38	3.18	1.78	0.46	0.38
Past Service cost	-	23.16				
Interest Cost	(0.07)	0.08	0.78	0.43	0.26	0.22
Expenses for the period	1.15	23.62	3.97	2.21	0.72	0.60
Amount recognised in Other Comprehensive Income						
Actuarial (Gains)/ Losses on obligations for the period	1.21	(1.62)	(4.18)	8.05	(0.07)	(0.09)
Actual return on Plan assets excluding Interest Income	0.40	(0.37)	0.30	(1.54)		
Net (Income)/ Expenses recognised in OCI	1.61	(2.00)	(3.88)	6.52	(0.07)	(0.09)
Major Actuarial Assumptions	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Discount Rate	7.77%	7.73%	7.77%	7.73%	7.77%	7.73%
Salary Escalation	8.00%	8.00%			8.00%	8.00%
Future Benefit cost inflation			7.00%	7.00%		
Attrition Rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Expected Return on Plan Assets	7.77%	7.73%	7.77%	7.73%	N.A	N.A
Investment pattern for Fund as on 31.03.2018	Insured Fund		Insured Fund		Not Funded	

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other element factors.

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

Investment Pattern for Fund	Gratuity - Funded		Post Retirement Medical - Funded	
	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019
Category of Asset	%	%	%	%
Insurer Managed Funds	100	100		
Others - Fixed Deposit in nationalised banks			100	100

For the funded plans, the trust maintains appropriate fund balancing considering the analysis of maturities. Projected Unit credit method is adopted for Asset-Liability Matching

Notes to consolidated Financial Statements for the year ended 31st March 2019

Sensitivity analysis

Sensitivity analysis for each significant actuarial assumption as stated above, showing how the defined benefit obligation would be affected, considering increase/decrease of 1% as at 31.03.2019 is as below:

₹ in Crore

Sensitivity analysis	Gratuity : Funded			
	31-Mar-19		31-Mar-18	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(5.01)	5.75	(4.91)	5.66
Future salary growth (1% movement)	1.21	(1.42)	1.35	(1.59)
Future Employee Turnover (1% movement)	1.89	(2.12)	1.66	(1.88)

₹ in Crore

Sensitivity analysis	PRMB : Funded			
	31-Mar-19		31-Mar-18	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(8.34)	10.68	(8.15)	10.95
Future salary growth (1% movement)				
Future Benefit Cost inflation (1% Movement)	10.71	(8.42)	10.97	(8.23)
Future Employee Turnover (1% movement)	(4.76)	5.18	(4.62)	5.45

₹ in Crore

Sensitivity analysis	Resettlement Allowance : Non Funded			
	31-Mar-19		31-Mar-18	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.34)	0.40	(0.32)	0.37
Future salary growth (1% movement)				
Future Benefit Cost inflation (1% Movement)				
Future Employee Turnover (1% movement)	(0.38)	0.44	(0.36)	0.41

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation keeping all other actuarial assumptions constant.

Maturity analysis

The expected future cash flows as at 31st March 2019 were as follows:

₹ in Crore

Expected contribution	Gratuity - Funded	PRMB : Funded	Resettlement Allowance: Non-Funded
Projected benefits payable in future years from the date of reporting			
1 st following year	3.19	0.46	0.15
2 nd following year	2.43	0.50	0.04
3 rd following year	4.23	0.55	0.23
4 th following year	4.42	0.52	0.28
5 th following year	3.13	0.56	0.12
Years 6 to 10	28.84	4.62	1.77

Notes to consolidated Financial Statements for the year ended 31st March 2019

Financial instruments – Fair values and risk management (contd.)

Other details as at 31.03.2019

Particulars	Gratuity - Funded	PRMB : Funded	Resettlement Allowance: Non-Funded
Weighted average duration of the Projected Benefit Obligation (in years)	11	25	11
Prescribed contribution for next year (₹ in Crore)	2.88	0.00	0.00

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date

₹ in Crore

	31-Mar-19	31-Mar-18
Total employee benefit liabilities		
Non-current	3.65	3.22
Current	2.10	9.37

B. Provident Fund:

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

46. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ in Crore

As at 31 st March 2019	Note Ref.	Carrying amount				Fair value			
		Mandatorily at FVTPL	FVTOCI-designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investment in Debt Instruments- Mutual Funds	10	97.97			97.97	97.97			97.97
Investment in Government of India Securities/ Treasury Bills	6 & 10			1,034.19	1,034.19				-
Cash and cash equivalents	12	-		4.09	4.09				-
Bank Balances other than cash and cash equivalents	13	-		100.00	100.00				-
Loans - Non current	7	-	-	49.35	49.35		45.23		45.23
Loans - Current	14	-		12.52	12.52		4.71		4.71
Trade receivables	11	-		1,220.53	1,220.53				-
Others- Current	15	-		31.62	31.62				-
		97.97	-	2,452.30	2,550.26	-	-	-	-

Notes to consolidated Financial Statements for the year ended 31st March 2019

Financial instruments – Fair values and risk management (contd.)

As at 31 st March 2019	Note Ref.	Carrying amount				Fair value			
		Mandatorily at FVTPL	FVTOCI-designated as such	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities									
Borrowings - Current	25			3.28	3.28				-
Borrowings - Non current	21			-	-				
Trade and other payables	26			1,021.03	1,021.03				
Other current liabilities	27			239.47	239.47				
Derivative Liability on forwards	27	0.81			0.81		0.81		
Other Non-Current financial liabilities	22			0.19	0.19				
		0.81	-	1,263.98	1,264.78	-	-	-	-

As at 31 st March 2018	Note Ref.	Carrying amount				Fair value			
		Mandatorily at FVTPL	FVTOCI-designated as such	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investment in Debt Instruments-Mutual Funds	10	1.01			1.01	1.01			1.01
Investment in Government of India Treasury Bills	6 & 10			453.09	453.09				-
Cash and cash equivalents	12			91.83	91.83				-
Bank Balances other than cash and cash equivalents	13			729.00	729.00				-
Loans - Non current	7			38.31	38.31		34.30		34.30
Loans - Current	14			13.14	13.14		3.73		3.73
Trade receivables	11			1,016.11	1,016.11				-
Others - Current	15			30.76	30.76				-
		1.01	-	2,372.24	2,373.25				
Financial liabilities									
Borrowings - Current	25			0.02	0.02				-
Borrowings - Non current	21			162.61	162.61				
Trade and other payables	26			1,137.52	1,137.52				-
Other current liabilities	27			322.15	322.15				
Derivative Liability on forwards	27	0.03			0.03		0.03		
Other Non-Current financial liabilities	22			0.66	0.66				-
		0.03	-	1,622.97	1,622.99	-	-	-	-

Notes to consolidated Financial Statements for the year ended 31st March 2019

Financial instruments – Fair values and risk management (contd.)

B. Measurement of fair values

Valuation techniques

The following tables show the valuation techniques used in measuring Level 2 fair values, for financial instruments measured at fair value in the Balance Sheet.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative instruments - forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date.	Not applicable	Not applicable
Non current financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	Not applicable	Not applicable

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Steering Committee (the Committee), which is responsible for developing and monitoring the Company's risk management policies. The Committee reports annually to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its procedures, aims to maintain a disciplined and constructive control environment in which all the roleholders listed in the Risk Management Charter understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit reviews the controls and procedures in place, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. However the company has very limited exposure to credit risk as the major customers are OMCs. Sale to direct customers are generally against advance payment or LCs.

The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

Notes to consolidated Financial Statements for the year ended 31st March 2019

Financial instruments – Fair values and risk management (contd.)

₹ in Crore

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

As at March 31, 2019, the Company's most significant customer accounted for ₹1,094.15 crore of the trade and other receivables carrying amount (March 31, 2018 : ₹955.68 crore).

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

₹ in Crore

As at 31 st March 2019	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Neither past due nor impaired	1,219.79		-
Less than 90 days	0.22	-	-
More than 90 days	0.52	0.00%	-
	1,220.53	0.00%	-

₹ in Crore

As at 31 st March 2018	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Neither past due nor impaired	1,014.14		-
Less Than 90 days	0.22		-
More than 90 days	1.75	4.63%	0.08
	1,016.11	0.01%	0.08

The company does not provide for any loss allowance on trade receivables where risk of default is negligible such as receivables from other oil marketing companies, if any. Loss rates are based on actual credit loss experience over the past three years.

Cash and cash equivalents

The Company held cash and cash equivalents of ₹4.09 crore at 31st March 2019 (31st March 2018 : ₹91.83 crore). The cash and cash equivalents are held with bank with good credit ratings and financial institution counterparties with good market standing.

Derivatives

The derivatives are entered into with bank and financial institution counterparties with good credit ratings. Further exposure to counter-parties are closely monitored and kept within the approved limits.

Investment in debt securities

The Company limits its exposure to credit risk by generally investing in liquid securities that have a good credit rating.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

As on 31st March 2019, the Company had working capital of ₹2,066.41 crore, including cash and cash equivalents

Notes to consolidated Financial Statements for the year ended 31st March 2019

Financial instruments – Fair values and risk management (continued)

of ₹4.09 crore, investments in term deposits (having original maturities of more than 3 months) of ₹100 crore, and investments in mutual funds ₹97.97 crore and investments in Government of India Treasury Bills of ₹625.24 crore.

As on 31st March 2018, the Company had working capital of ₹2,345.91 crore, including cash and cash equivalents of ₹91.83 crore, investments in term deposits (having original maturities of more than 3 months) of ₹729 crore, and investments in mutual funds ₹1.01 crore and investments in Government of India Treasury Bills of ₹453.09 crore.

Exposure to liquidity risk

₹ in Crore

2018-19	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
INR						
Non-derivative financial liabilities						
External Commercial Borrowings	34.59	34.59	34.59	-	-	-
Short Term Borrowings	3.28	3.28	3.28	-	-	-
Trade payables	1,021.03	1,021.03	1,021.03	-	-	-
Other Non-Current financial liabilities	0.19	0.19	0.19	-	-	-
Other financial liabilities	205.69	205.69	205.69	-	-	-
Financial guarantee contracts*	52.55	52.55	52.55	-	-	-
Derivative financial liabilities						
Forward exchange contracts	-	-	-	-	-	-
<i>Inflows</i>	-	-	-	-	-	-
<i>Outflows</i>	-	-	-	-	-	-

2017-18	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
INR						
Non-derivative financial liabilities						
External Commercial Borrowings	325.22	325.22	162.61	162.61	-	-
Short Term Borrowings	0.02	0.02	0.02	-	-	-
Trade Payables	1,137.52	1,137.52	1,137.52	-	-	-
Other Non-Current financial liabilities	0.66	0.66	0.66	-	-	-
Other financial liabilities	159.57	159.57	159.57	-	-	-
Financial guarantee contracts*	64.70	64.70	64.70	-	-	-
Derivative financial liabilities						
Forward exchange contracts	-	-	-	-	-	-
<i>Inflows</i>	-	-	-	-	-	-
<i>Outflows</i>	-	-	-	-	-	-

Notes to consolidated Financial Statements for the year ended 31st March 2019

Financial instruments – Fair values and risk management (continued)

*Guarantees issued by the Company on behalf of BCPL (associate) is with respect to borrowings raised by the respective entity from OADB. This amount will be payable on default by the concerned entity. As on the reporting date, the associate has not defaulted and hence, the Company does not have any present obligation for BCPL in relation to this guarantee.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk.

Currency risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian Rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The Company uses derivative instruments, i.e, foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates.

Company do not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31st March 2019 and 31st March 2018 are as below:

₹ in Crore				
	Total	2018-19	2018-19	2018-19
		INR	USD	EURO
Financial assets				
Investment in Mutual Fund	97.97	97.97		
Investment in Government of India Treasury Bills	625.24	625.24		
Derivative instruments - Forwards				
Cash and cash equivalents	4.09	4.09		
Bank Balances other than cash and cash equivalents	100.00	100.00		
Loans - Non current	49.35	49.35		
Loans - Current	12.52	12.52		
Trade receivables	1,220.53	1,191.50	29.03	
Others - Current	31.62	31.62		
Net exposure for assets	2,141.32	2,112.29	29.03	-
Financial liabilities				
Borrowings - Current	3.28	3.28		
Derivative instruments - Forwards	0.81		0.81	
Trade and other payables	1,021.03	1,020.92	-	0.11
Others - Current	239.47	204.88	34.59	
Others - Non-Current	0.19	0.19		
	1,264.78	1,229.27	35.40	0.11
Less: Foreign currency forward exchange contracts				
Net exposure for liabilities	1,264.78	1,229.27	35.40	0.11
Net exposure (Assets - Liabilities)	876.54	883.02	(6.37)	(0.11)

Notes to consolidated Financial Statements for the year ended 31st March 2019

Financial instruments – Fair values and risk management (continued)

₹ in Crore

	Total	2017-18 INR	2017-18 USD	2017-18 EURO
Financial assets				
Investment in Mutual Funds	1.01	1.01	-	-
Investment in Government of India Treasury Bills	453.09	453.09	-	-
Derivative instruments - Forwards			-	-
Cash and cash equivalents	91.82	91.82	-	-
Bank Balances other than cash and cash equivalents	729.00	729.00	-	-
Loans - Non	38.31	38.31	-	-
Loans - Current	13.14	13.14	-	-
Trade receivables	1,016.11	1,014.57	1.54	
Other Non-current financial asset		-	-	-
Others - Current	29.73	29.73	-	-
Net exposure for assets	2,372.21	2,370.67	1.54	-
Financial liabilities				
Borrowings - Current	0.02	0.02		
Borrowings - Non current	162.61		162.61	
Derivative instruments - Forwards	0.03		0.03	
Trade and other payables	1,142.13	1,141.93	0.09	0.11
Others - current	316.50	153.89	162.61	
Other - Non-Current	0.66	0.66		
	1,621.95	1,296.51	325.34	0.11
Less: Foreign currency forward exchange contracts	-	-	-	-
Net exposure for liabilities	1,621.95	1,296.51	325.34	0.11
Net exposure (Assets - Liabilities)	750.26	1,074.16	(323.80)	(0.11)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognised directly in reserves, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

	Profit or loss	
Effect in INR (before tax)	Strengthening	Weakening
2018-19		
1% movement		
USD	(0.25)	0.25
EUR	-	-
	(0.25)	0.25

Notes to consolidated Financial Statements for the year ended 31st March 2019

Effect in INR (before tax)	Profit or loss	
	Strengthening	Weakening
2017-18		
1% movement		
USD	(12.95)	12.95
EUR	-	-
	(12.95)	12.95

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises primarily from borrowings. The interest rate profile of the Company's interest-bearing financial instruments is as follows :

	₹ in Crore	
	2018-19	2017-18
Fixed-rate instruments		
Financial assets - measured at fair value through profit or loss		
Financial assets - measured at amortised cost	-	-
Financial liabilities - measured at amortised cost	-	-
	-	-
Variable-rate instruments		
Financial liabilities - measured at amortised cost (ECB)	34.59	325.22
Financial liabilities - measured at amortised cost (Working capital loans from banks - Cash credit)	3.19	0.02
Total	37.78	325.24

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. In cases where the related interest rate risk is capitalised to fixed assets, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets.

Cash flow sensitivity (net)	Profit or loss	
	100 bp increase	100 bp decrease
2018-19		
Variable-rate instruments	(3.05)	3.05
Cash flow sensitivity (net)	(3.05)	3.05
2017-18		
Variable-rate instruments	(4.53)	4.53
Cash flow sensitivity (net)	(4.53)	4.53

Notes to consolidated Financial Statements for the year ended 31st March 2019

47 Related party transactions

The disclosure of related party transactions is presented on an aggregate basis for shareholders and companies controlled by shareholders, joint ventures and associates. In addition, there may be additional disclosures of certain significant transactions (balances and turnover) with certain related parties.

a) Names of the Related parties

Joint Venture Company

Assam Bio Refinery (P) Ltd.

Joint Venture of Holding Companies:

Bharat Oman Refineries Limited

Key Management Personnel :

Shri P. Padmanabhan, Managing Director (upto 31.10.2017)

Shri S.K. Barua, Managing Director (wef 31.01.2018) and holding additional charge of Managing Director from 01.11.2017 to 30.01.2018.

Shri B.J. Phukan, Director (Technical) Appointed (wef 01.02.2017)

Shri S.K. Barua, Director (Finance) (upto 30.01.2018) and holding additional charge of Director (Finance) wef 31.01.2018 to 11.10.2018

Shri Indranil Mittra, Director (Finance) Appointed (wef 12.10.2018)

Shri D. Rajkumar, Chairman Appointed (wef 07.10.2016)

Shri Ravi Capoor, Director (representing Govt. of Assam) (w.e.f. 14.09.2016)

Shri Alok Tripathi, Director (representing Govt. of India) upto 05.10.2017

Dr Praphullachandra Sharma (representing Govt. of India) upto 13.02.2019

Shri Rajendra Kumar Kureel (representing Govt. of India) (w.e.f. 26.03.2019)

Shri Utpal Bora, Director (representing Oil India Limited) w.e.f. 19.08.2016)

Shri Raj Kumar Sharma, Independent Director (w.e.f. 31.01.2017)

Smti Sneha Lata Kumar, Independent Director (w.e.f. 08.09.2017)

Following are the related party transactions entered by the Corporation during the year:

₹ in Crore

	2018-19	2017-18
	Joint Venture/Joint Venture of Holding Companies:	Joint Venture/Joint Venture of Holding Companies:
Revenues and income		
Sale of goods		
Dividend income received		
Services given	3.73	-
Lease rental received		
Finance income		
Other income		
Costs and expenses		
Production and operating expenses		
Purchases of goods	75.12	278.27

Notes to consolidated Financial Statements for the year ended 31st March 2019

	2018-19	2017-18
	Joint Venture/Joint Venture of Holding Companies:	Joint Venture/Joint Venture of Holding Companies:
Financial expenses		
Other expenses		
Other operations		
Investment in equity shares	21.50	
Advance for investment pending allotment of shares	20.00	
Loans given		
Loans repaid		

b) Outstanding balance with related parties

	2018-19		2017-18	
	KMPs	Others	KMPs	Others
Loans given	0.08	-	0.09	-
Loans taken	-	-	-	-
Receivable at the year end	-	0.46	-	-
Payable at the year end	-	-	-	-

c) In the course of its ordinary business, the Company enters into transactions with other Government controlled entities. The Company has transactions with other government-controlled entities, including but not limited to the followings:

- sales and purchases of goods and ancillary materials;
- rendering and receiving services;
- lease of assets;
- depositing and borrowing money; and
- uses of public utilities.

These transactions are conducted in the ordinary course of business on terms comparable to those with other entities that are not government controlled entities.

d) Key management personnel compensation

	31-Mar-19	31-Mar-18
Short-term employee benefits	1.52	2.06
Post-employee benefits	0.18	0.37
Other long-term benefits	-	0.37
Total	1.70	2.80

48 Dues from officers is ₹1.38 crore (31st March 2018 : ₹1.22 crore)

49 During the FY 2018-19, provision has been made under employee benefit in respect of pay revision dues (including retiral dues) to employees (unionised staff) w.e.f. 01st January 2017 at an estimated amount of ₹14.76 crore (previous year ₹18.45 crore) based on the available information and judgement.

Notes to consolidated Financial Statements for the year ended 31st March 2019

50 Contingent Liabilities and Capital Commitments

₹ in Crore

	31-Mar-19	31-Mar-18
(a) Contingent Liabilities :		
Claims against the Company not acknowledged as debts :		
Excise matters	225.36	221.62
Service Tax matters	3.67	0.37
Sales tax matters	23.37	21.95
Entry Tax Matters	19.55	0.92
Land Acquisition cases for higher compensation		
Claim by contractors Arbitration cases/other extra claims on capital account	21.79	63.78
Others	11.25	11.25
(b) Capital Commitments :		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	268.01	259.02
(c) Guarantees:		
i) Guarantees in favour of Oil Industry Development Board (OIDB) for long term loans for capital project extended to BCPL Ltd. by OIDB	52.55	64.70
ii) Bank Guarantee	28.01	14.67
(d) Letter of Credit :	33.03	39.91

The Company currently does not have any Contingent Assets

51 In compliance of Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under:

₹ in Crore

Nature	Opening balance	Additions during the year	Utilisation during the year	Reversals during the year	Closing balance
Excise	109.19		-	91.07	18.12
Service Tax	1.51	0.87	-	-	2.38
VAT/ Sales Tax/ Entry Tax	118.79	7.54	-	-	126.33
Legal cases	15.25	-	-	10.00	5.25
Total	244.74	8.41	-	101.07	152.08
Previous year	190.29	54.45	-	-	244.74

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

52 Disclosure in respect of Expenditure on Corporate Social Responsibility Activities

₹ in Crore

	2018-19	2017-18
a) Unspent CSR Expenditure carried forward from previous year (Opening Provision)	-	4.96
b) Amount required to be spent by the company during the year	54.36	40.98
c) Amount spent during the year (on purpose other than construction / acquisition of assets controlled by the company)	54.85	46.25
d) Provision created for balance amount (Closing Provision)	-	-

* Including payables of ₹5.99 crore (Previous Year ₹1.42 crore) as on 31.03.2019.

Notes to consolidated Financial Statements for the year ended 31st March 2019

53 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The weighted-average interest rate computed as interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 13.75% (31st March 2018: 6.79%).

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings as reduced by cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's policy is to keep the ratio below 2.00. The Company's adjusted net debt to equity ratio at 31st March 2019 was as follows.

	₹ in Crore	
	As at 31 st March 2019	As at 31 st March 2018
Total liabilities	1,949.52	2,311.19
Less : Cash and cash equivalent	4.09	91.83
Adjusted net debt	1,945.43	2,219.36
Total equity	5,550.67	5,044.35
Adjusted net debt to adjusted equity ratio	0.35	0.44

54 Segment Reporting

A. Basis for segmentation

NRL has one reportable segment. Details of the segments is as follows:

- Downstream Petroleum engaged in refining and marketing of petroleum products.

B. Geographic information

The geographic information analyses NRL's revenue and non-current assets by the country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographic selling location and segments assets were based on the geographic location of the respective non-current assets.

	₹ in Crore	
Geography	31-Mar-19	31-Mar-18
I Revenue		
India	18,511.15	15,923.19
Others Countries	-	-
Total Revenue	18,511.15	15,923.19
II Non-current Assets *		
India	3,565.83	2,914.88
Others Countries	-	-
Total Non-current Assets	3,565.83	2,914.88

*non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising from insurance contracts

C. Information about major customers

Revenues from one customer (BPCL) of the Downstream Petroleum segment represented approximately ₹15,829.10 Crore (previous year - ₹13,843.34 Crore)

Notes to consolidated Financial Statements

₹ in Crore

- 55** The Company has numerous transactions with other oil companies. The outstanding balances [included under trade payables/trade receivables] from them including certain other outstanding credit and debit balances are subject to confirmation /reconciliation. Adjustments, if any, arising therefrom are not likely to be material on settlement and are accounted as and when ascertained.

56 Derivative Instruments and unhedged foreign currency exposure:

A. Derivatives outstanding as at the reporting date

Particulars	Purpose	31-Mar-19		31-Mar-18	
		USD million	₹ crore	USD million	₹ crore
Forward contracts to buy USD	ECB Loan (short term) Repayable within 12 months	5.00	34.59	1.25	8.23

B. Particulars of unhedged foreign currency exposures as at reporting date

Particulars	USD million	₹ crore	USD million	₹ crore
External Commercial Borrowing	-	-	48.75	317.09

c. Mark-to-Market losses

Particulars	USD million	₹ crore	USD million	₹ crore
Mark-to-Market losses provided for		0.81		0.03

- 57** The company is required to adopt Ind AS 116, Leases from 01st April 2019. Ind AS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. It replaces existing Ind AS 17, Leases. The company is in the process of evaluating the impact of the new lease standard on the present and future arrangements and shall determine the appropriate transition option once the said evaluation has been completed.

58 Equity accounted Investees

Information of interest of the Corporation in its equity accounted investees:

	Name of the Investes	31-Mar-19	31-Mar-18
Interest in Joint Venture	DNP Ltd.	26.00%	26.00%
Interest in Associate	Brahmaputra Cracker and Polymer Ltd. (BCPL)	10.00%	10.11%
Interest in Joint Venture	Assam Bio Refinery (P) Ltd. (ABRPL)	50.00%	
Interest in Joint Venture	Indradhanush Gas Grid Ltd. (IGGL)	20.00%	

The principal place of business of all the entities listed above is the same as their respective country of incorporation.

Note (i) DNP Limited, a Joint Venture Company with AGCL and OIL as the other co-promoters, was set up in 15th June, 2007 in India with an authorised capital of ₹170 crore for implementing the project for transportation of Natural Gas (NG) from Duliajan to Numaligarh. The paid up share capital of the Company is ₹167.25 crore. NRL invested ₹43.49 crore in DNP Limited for 26% stake in its equity. DNP Limited is not a listed Company.

Note (ii) BCPL was incorporated on 8th January 2007 in India, for producing petrochemical products using natural gas, naphtha or any petroleum products as feedstock and devising an effective distribution system for the same in North-east region of India. The company has an authorised capital of ₹2000 crore and paid up capital of ₹1174 crore. GAIL (India) Limited is the main promoter having 70% of equity participation and the rest 30% is equally shared by Oil India Ltd (OIL), Numaligarh Refinery Limited (NRL) and Government of Assam. NRL's equity investment in BCPL currently stands at ₹141.77 crore.

Notes to consolidated Financial Statements for the year ended 31st March 2019

Note (iii) ABRPL was incorporated on 04th June 2018 in India, to carry on the business of develop, build, own and operate integrated bio refinery complex to produce fuel grade Ethanol and other platform chemicals viz, acetic acid and furfural alcohol using ligno-cellulosic non-food grade biomasses as feedstock, together with Bio-coal for producing power and Stillages (dry basis) to be used as fertilizer. The company has an authorised capital of ₹100 crore and paid up capital of ₹43 crore. ABRPL is a joint venture company comprising stakeholders viz.. Numaligarh Refinery Ltd. (50%), M/s Fortum 3V, Netherland (28%) and M/s Chempolis Oy, Finland (22%). NRL's equity investment in ABRPL currently stands at ₹21.50 crore.

Note (iv) Indradhanush Gas Grid Ltd. (IGGL) was incorporated on 10th August 2018 in India, to create infrastructure of Gas pipelines in North East India, thereby creating a Gas Grid, for easy transmission of Gas from Gas Fields to the consumers. The company has an authorised capital of ₹500 crore and paid up capital of ₹25 crore. ABRPL is a joint venture company comprising stakeholders viz.. Numaligarh Refinery Ltd. (20%), Indian Oil Corporation Ltd. (20%), Oil India Ltd. (20%), Oil and Natural Gas Corporation Ltd. (20%) and Gas Authority of India Ltd. (20%). NRL's equity investment in IGGL currently stands at ₹5.00 crore. The following table comprises the financial information of the Company's material Joint Venture and Associate with their respective carrying amount.

	As at 31/03/2019			
	DNP Ltd.	Brahmaputra Cracker and Polymer Ltd. (BCPL)	Assam Bio Refinery (P) Ltd.	Indradhanush Gas Grid Ltd.
	Unaudited	Unaudited	Unaudited	Unaudited
Percentage ownership interest	26%	10.00%	50%	20%
Summarised financial information				
Non Current Assets	235.14	7,935.17	33.52	0.96
Current Assets (excluding cash and cash equivalent)	43.93	864.33	-	16.22
Cash and cash equivalent	24.37	1.40	52.69	4.16
Less:				
Non Current liabilities (non current liabilities other than trade payables, other non current liabilities and provisions)	39.24	7,004.94	40.37	-
Current liabilities (current liabilities other than trade payables, other current liabilities and provisions)	3.13	566.09	3.22	6.75
Trade Payables, other current liabilities, other non-current liabilities and provisions	4.18	661.33	0.55	1.71
Net Assets	256.89	568.54	42.06	12.88
Groups share of net assets	66.79	56.85	21.03	2.58
Carrying amount of interest in Investees	66.79	56.85	21.03	2.58
	For the year ended 31.03.2019			
	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	92.58	2,958.21	0.01	0.58
Less:				
Cost of materials consumed		1,748.08		
Excise Duty on sale of goods		-		
Purchases of Stock-in-Trade				
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress		100.48		
Employee Benefits Expense	3.38	98.52	0.05	2.45
Finance Costs	0.33	267.25		
Depreciation and Amortisation	12.86	386.65	0.01	0.00

Other Expenses	22.37	345.46	0.89	10.25
Amortization of Preliminary and Other Expenses		-		
Exceptional items				
Income tax expense	6.86	(59.19)		
Total Comprehensive Income	46.77	70.97	(0.94)	(12.12)
Groups share of profit	12.16	7.10	(0.47)	(2.42)
Groups share of OCI	-	(0.04)	-	-
Groups share of total comprehensive Income	12.16	7.06	(0.47)	(2.42)
Dividend received from the Investees	5.09	-		

	As at 31/03/2018	
	DNP Ltd.	Brahmaputra Cracker and Polymer Ltd.
Percentage ownership interest	26%	10.11%
Non Current Assets	244.91	8,234.48
Current Assets (excluding cash and cash equivalent)	23.64	1,067.07
Cash and cash equivalent	26.04	15.04
Less:		
Non Current liabilities (non current liabilities other than trade payables, other non current liabilities and provisions)	45.30	6,984.77
Current liabilities (current liabilities other than trade payables, other current liabilities and provisions)	17.24	467.30
Trade Payables, other current liabilities, other non-current liabilities and provisions	2.37	1,381.40
Net Assets	229.68	483.11
Company's share of net assets	59.72	48.84
Carrying amount of interest in Investees	59.72	48.84
Revenue	81.49	1,946.96
Less:		
Cost of materials consumed		1,099.87
Excise Duty on sale of goods		43.78
Purchases of Stock-in-Trade		
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress		4.95
Employee Benefits Expense	2.87	80.88
Finance Costs	2.82	274.19
Depreciation and Amortisation	12.87	387.83
Other Expenses	13.92	186.69
Amortization of Preliminary and Other Expenses		-
Exceptional items		
Income tax expense	16.70	(50.85)
Total Comprehensive Income	32.31	(80.38)
Groups share of profit	8.40	(8.13)
Groups share of OCI	-	-
Groups share of total comprehensive Income	8.40	(8.13)
Dividend received from the Investees	1.09	-

- 59** Consolidation of associate company BCPL and Joint venture Company DNP Ltd, Assam Bio Refinery (P) Ltd. and Indradhanush Gas Grid Ltd. has been done on the basis of their management certified un-audited accounts.

60 Previous year figures

Previous year figures have been reclassified / regrouped to conforms to current year's classification. M/s ABRPL & M/s IGGL has commenced their business operation in current year only. Hence figure for these two entities have been given for current year.

Signature to Notes '1' to '60'

As per our attached report of even date

For M C Bhandari & Co
Chartered Accountants
ICAI FRN: 303002E

Sd/-
CA. Neeraj Jain
Partner
Membership No. 064393

Place: Mumbai
Date : 9th May 2019

For and on behalf of the Board of Directors

Sd/-
S.K. Barua
Managing Director
DIN: 06503943

Sd/-
H. K. Sarmah
Company Secretary

Sd/-
Indranil Mitra
Director (Finance)
DIN: 06883068

Place: Mumbai
Date : 9th May 2019

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	28	122	137	51	338
Workmen	17	70	233	59	379
Sub Total	45	192	370	110	717
Others					
Executives	3	31	49	39	122
Workmen	3	14	9	15	41
Sub Total	6	45	58	54	163
Grand Total	51	237	428	164	880
Average age 44 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 risk free rate of return 7.77% (previous year 7.73%)

Value of Human Resources

in ₹ Crore

	2018-19	2017-18	2016-17	2015-16	2014-15
Executives	1,909.15	1,956.84	1,319.17	1,194.25	1,168.04
Workmen	752.09	839.60	832.34	967.77	655.71
	2,661.24	2,796.44	2,151.51	2,162.01	1,823.75
Human Assets vis-à-vis Total Assets					
Value of Human Assets	2,661.24	2,796.44	2,151.51	2,162.01	1,823.75
Net Property Plant and Equipment	3,105.44	2,891.20	2,664.60	2,386.24	2,352.38
Net Current Assets	2,066.42	2,364.02	2,662.98	2,610.77	2,024.00
	7,833.10	8,051.66	7,479.09	7,159.02	6,200.13
Profit before tax	3,051.91	3,142.34	3,147.57	1,863.85	1,134.25
Value Added	4,248.70	4,383.95	4,102.96	3,007.98	2,213.38
Ratio of :					
Profit (before tax) to Human Resources	115%	112%	146%	86%	62%
Value Added to Human Resources	160%	157%	191%	139%	121%
Human Resources to Total Resources	34%	35%	29%	30%	29%

Social Accounts

in ₹ Crore

	2018-19	2017-18	2016-17	2015-16	2014-15
I. SOCIAL BENEFITS AND COSTS TO EMPLOYEES					
a) Social Benefits to Employees					
1 Welfare facilities	58.63	50.61	24.44	14.63	10.17
2 Ex-gratia/Awards	35.81	51.53	17.84	13.82	14.04
3 Medical facilities	27.30	24.10	18.12	19.15	13.63
4 Retirement Benefits	23.78	44.62	14.96	11.29	16.10
5 Training and career development	3.55	3.64	2.71	1.34	1.08
6 Holiday Facilities	6.72	8.69	3.55	5.16	3.20
7 Transport Facilities	6.00	5.82	5.11	4.60	4.04
8 Insurance	1.90	1.81	0.92	1.20	1.01
9 Educational Facilities	4.33	1.00	1.50	1.00	0.89
10 Township Costs	4.63	3.43	5.24	5.79	3.82
11 Others	26.65	21.99	37.34	32.50	31.92
Total (a)	199.31	217.24	131.73	110.48	99.91
b) Social Cost to Employees :					
1 Out of pocket expenses surrendered	1.76	1.74	1.30	0.67	1.63
Total (b)	1.76	1.74	1.30	0.67	1.63
Net Social Income to Employees (a-b)	197.55	215.50	130.43	109.81	98.28
II SOCIAL BENEFITS TO COMMUNITY					
1 Local Taxes	1.64	1.09	1.93	0.53	0.94
2 Environment Improvements	0.19	0.32	0.09	0.42	0.59
3 Expenditure on Corporate Social Responsibility	54.85	46.25	20.70	11.51	7.79
4 Generation of job potential to local people	33.67	20.37	20.37	16.57	16.57
5 Generation of business	493.39	475.15	562.32	404.74	436.18
Total Social income to community	583.74	543.17	605.41	433.76	462.07
III SOCIAL COST AND BENEFIT TO THE GENERAL PUBLIC					
a) Benefits to the General Public					
1 Taxes paid to State Government	254.76	236.03	483.60	258.68	235.26
2 Dividend paid to State Government	149.86	223.42	122.61	68.12	14.53
3 Taxes and Duties paid to Central Government	3,754.55	4,212.43	3,747.26	2,757.75	1,175.46
Total (a)	4,159.17	4,671.88	4,353.47	3,084.55	1,425.25
b) Costs to the General Public :					
1 Purchase of Power	9.45	5.41	4.87	4.48	4.70
Total (b)	9.45	5.41	4.87	4.48	4.70
Net Social Income to the General Public (a-b)	4,149.72	4,666.47	4,348.60	3,080.07	1,420.55
Net Social Income to Employees, Community and General Public (I+II+III)	4,931.01	5,425.15	5,084.44	3,623.64	1,980.90



VKNRL SCHOOL OF NURSING

