

Reaching newer shores.
Capturing newer markets.



ANNUAL REPORT 2016-17

NUMALIGARH
REFINERY
LIMITED

A GOVERNMENT OF INDIA ENTERPRISE





ANNUAL REPORT 2016-17

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 2016-17

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CHAIRMAN'S MESSAGE



Dear Stakeholder,

It is my pleasure to present the Annual Report and Financial Statement of your Company for the year ended 31st March, 2017. The Company's performance during the year 2016-17 surpassed all previous records on financial front. With the commitment and relentless efforts of all the Stakeholders, I am sure NRL will continue its best performance in the years ahead.

During 2016-17, NRL made record Profit after Tax of ₹2100.57 crores, registering 73% growth over previous year's net profit of ₹1209.82 crores. Earnings per share during the year was ₹28.55 and for the first time your Company paid an interim dividend of 100% to the shareholders. During the year, the Refinery processed 2,683 TMT (Thousand Metric Ton) of crude oil compared to 2,520 TMT in the previous year with capacity utilization of 89%. NRL's distillate yield continued to be highest in the industry at 90.5 and Energy Intensity Index (EII) at 95.2 was also among the best.

I am pleased to inform that your company continues to break new barriers. MS production reached 69 TMT in January 2017, which was the highest ever on a monthly basis and contributed to highest ever MS production of 540 TMT in 2016-17. Going global, NRL exported paraffin wax to 17 countries during the year. Besides, three new products, MTO (Mineral Turpentine Oil), SBPS (Special Boiling Point Spirit) and Liquid Sulphur were added to the product portfolio. As a result of such excellence in performance, the company made the highest ever contribution to the Central and State Exchequer in 2016-17. Going forward, NRL continues to explore new opportunities and overcome challenges to increase value for its shareholders.

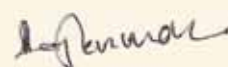
NRL's flagship proposal for refinery expansion, which is also part of the 'Hydrocarbon Vision 2030 for the North East', is under active consideration of the Government. The Bio-Refinery and Indo-Bangla Product Pipeline proposals are also moving in the right direction. The Diesel Hydrotreater Unit (DHDT) for production of BS-IV HSD is expected to be completed in January 2018 which will ensure 100% capacity utilization of the Refinery. In compliance to the Auto Fuel norms of the country, NRL had already commenced dispatch of Euro-IV grade HSD and MS from March, 2017.

During the year, NRL has won the CHT Best Performance in Carbon Di Oxide Emission among all the Indian Refineries (with Natural Gas) for the year 2015-16. Other significant awards includes Suraksha Puraskar instituted by National Safety Council in manufacturing sector, CSIR recognition for successful commercialization of Wax De-oiling Technology, Bureaucracy Today CSR Excellence Award 2016 for eradicating poverty, Rashtra Vibhushan Award 2016-17 in Platinum Category in Petroleum Refinery Sector for excellence in Environment Protection.

On Corporate Social Responsibility front, NRL continued to drive CSR programs to bring a positive change in the lives of people from weaker section of the society. NRL's CSR expenditure during the year increased to ₹20.70 Crores against previous years ₹13.24 Crores. Under Skill India mission of the Govt. of India, 160 local youth were imparted training in the field of Nursing, Paramedics, Ayurvedic Nursing, Hospitality Management, Cutting and Tailoring, TIG Welding and the like. A notable CSR achievement during the year was the development of Gandhigaon, a backward village in the neighborhood of the refinery, to a model village. Setting up of the VKNRL School of Nursing is also progressing as planned and will open for student enrolment shortly. During the year, your Company had set up a skill development centre in Guwahati in association with Santhigiri Ashram for skill development of local boys and girls in Ayurvedic Panchakarma therapy.

I would like to conclude by acknowledging the committed support of all the employees, shareholders, other stakeholders and the Ministry of Petroleum and Natural Gas, Government of India towards the growth of the organization. I am confident that with your support, NRL will be able to fulfill the aspirations of the society and all the stakeholders in the years to come.

Warm regards,



D. Rajkumar
Chairman



BOARD OF DIRECTORS



D. Rajkumar
Chairman
[w.e.f. 07-10-2016]



S. Varadarajan
Chairman
[up to 30-09-2016]

Bankers

State Bank of India
UCO Bank
Canara Bank
Allahabad Bank

Union Bank
Indian Bank
United Bank
ICICI Bank

Axis Bank
IndusInd Bank
HDFC Bank
Yes Bank

Auditors

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

Refinery Unit

Pankagrang
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



P. Padmanabhan
Managing Director



S. K. Barua
Director (Finance)



B. J. Phukan
Director (Technical)
[w.e.f. 01-02-2017]



S. R. Medhi
Director (Technical)
[up to 31-01-2017]



Rajkumar Sharma
Director
[w.e.f. 31-01-2017]



Ravi Capoor
Director
[w.e.f. 14-09-2016]



R T Jindal
Director
[up to 07-09-2016]



Utpal Bora
Director
[w.e.f. 19-08-2016]



Alok Tripathi
Director
[w.e.f. 27-02-2017]



Nalin Kumar Srivastava
Director
[up to 12-01-2017]



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

Management Team

Mr. U. Krishnamurty	Chief Vigilance Officer
Mr. A. K. Bhattacharya	Sr. CGM (HR)
Mr. B. Ekka	Sr. CGM (Marketing & BD)
Mr. P. K. Barua	CGM (Coordination & Finance)
Mr. D. Choudhury	CGM (Commercial & Legal)
Mr. N. Borthakur	CGM (Technical)
Mr. A. Chakravortty	CGM (Project)
Mr. A. K. Patra	CGM (Finance)
Mr. Gopal Sarma	CGM (Operations)
Mr. G. N. Sarma	GM (Internal Audit)
Mr. P. K. Baruah	GM (CSR)
Mr. H. K. Nath	GM (Mechanical Maintenance)

Mr. H. K. Sarmah	Company Secretary
Mr. M. K. Pegu	GM (NRMT)
Mr. G. K. Bora	GM (Project)
Mr. Sanjay Khanna	GM (Technical)
Mr. N. K. Buragohain	GM (Commercial)
Mr. A. K. Choudhury	GM (T&E)
Mr. P. K. Talukder	GM (HR)
Mr. Pallav Kumar Das	GM (Operation)
Mr. Subrata Das	GM (Marketing)
Mr. B. K. Gupta	GM (Technical Service)
Mr. Dibyajyoti Saikia	GM (Health, Safety & Inspection)

Notice to the Members

Notice is hereby given that the 24th Annual General Meeting of the Members of Numaligarh Refinery Limited will be held at Registered Office of the Company, 122A, G. S. Road, Christianbasti, Guwahati-781005 on Friday, the 8th September, 2017 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 on 31st March, 2017 (b) the Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2017; 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 declare dividend.
3. To appoint a Director in place of Shri S. K. Barua, Director (DIN:06503943) who retires by rotation and being eligible, offers himself for re-appointment.

B. Special Business:

4. Appointment of Shri Ravi Capoor 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 Ravi Capoor (DIN:00744987), who was appointed by the Board as Additional Director w.e.f. 14th September, 2016 and who holds office up to 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 a Director of the Company, liable to retire by rotation.”

5. Appointment of Shri D. Rajkumar 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 D. Rajkumar (DIN:00872597), who was appointed by the Board as Additional Director w.e.f. 7th October, 2016 and who holds office up to 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 a Director of the Company, liable to retire by rotation.”

6. Appointment of Shri Rajkumar Sharma 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, Shri Rajkumar Sharma (DIN:01681944), who was appointed as Additional Director and Independent Director on the Board w.e.f. 31st January, 2017 and who holds office up to 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 an Independent Director of the Company, not liable to retire by rotation.”



7. Appointment of Shri Bhaskar Jyoti Phukan as Director (Technical)

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 Bhaskar Jyoti Phukan (DIN:07721895), who was appointed by the Board as Additional Director and Director (Technical) of the Company w.e.f. 1st February, 2017 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 (Technical) of the Company, liable to retire by rotation.”

8. Appointment of Shri Alok Tripathi 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 Alok Tripathi (DIN:06668832), who was appointed by the Board as Additional Director w.e.f. 27th February, 2017 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 a Director, liable to retire by rotation.”

9. Approval of Remuneration of the Cost Auditor for the financial year 2017-18

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 including any statutory modifications or re-enactment thereof, for the time being in force, the appointment of M/s. Subhadra Dutta & Associates, Cost Accountants, by the Board as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year 2017-18 at a remuneration of ₹75,000/- plus out of pocket expenses, reimbursement of travel and boarding expenses and payment of service tax at applicable rates etc., be and is hereby ratified and approved.”

By Order of the Board of Directors

Registered Office:

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

Date: 8th August, 2017

Sd/-

H. K. Sarmah
Company Secretary

Note:

1. Explanatory statements under Section 102 of the Companies Act, 2013, in respect of the items of Special business under item No.4 to 9 are set out above are annexed hereto.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The Proxy form duly completed should be deposited at the registered office of the Company not less than forty eight hours before commencement of the Meeting.
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. 4 to 9 of the Special Business indicated in the Notice dated 8th August, 2017.

Item No. 4: Appointment of Ravi Capoor as Director

Shri Ravi Capoor, IAS, Additional Chief Secretary to the Govt. of Assam, Industries & Commerce Department was appointed as Additional Director on the Board of the Company w.e.f. 14th September, 2016 pursuant to Section 161 of the Companies Act, 2013 read with Article 85 of the Articles of the Association of the Company.

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. A brief resume of Shri Ravi Capoor is provided separately in the Corporate Governance Report. The Board recommends appointment of Shri Ravi Capoor as Director of the Company.

Shri Ravi Capoor 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. 5: Appointment of Shri D. Rajkumar as Director

Shri D. Rajkumar, Chairman and Managing Director of Bharat Petroleum Corporation Limited (BPCL) was appointed as Additional Director and Chairman on the Board of the Company w.e.f. 7th October, 2016 pursuant to Section 161 of the Companies Act, 2013 read with Article 85 of the Articles of the Association of the Company.

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. A brief resume of Shri D. Rajkumar is provided separately in the Corporate Governance Report. The Board recommends appointment of Shri D. Rajkumar as Director of the Company.

Shri D. Rajkumar 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 Rajkumar Sharma as Independent Director

Shri Rajkumar Sharma was appointed as Additional Director and Independent Director on the Board of the Company w.e.f. 31st January, 2017 pursuant to Section 161 of the Companies Act, 2013 read with Article 85 of the Articles of the Association of the Company as conveyed vide Ministry of Petroleum & Natural Gas letter No.C-31034/1/2016-CA/FTS:46118 for a period of three years or until further orders from Ministry of Petroleum & Natural Gas, whichever is earlier.

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. A brief resume of Shri Rajkumar Sharma is provided separately in the Corporate Governance Report.

Shri Rajkumar Sharma have given declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act. In the opinion of the Board, Shri Sharma fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as Independent Director and he is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Companies Act, 2013. In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the appointment Shri Rajkumar Sharma as Independent Director is placed before the Members at the AGM for approval.



The Board recommends appointment of Shri Rajkumar Sharma as Independent Director of the Company. Shri Rajkumar Sharma 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 Shri Bhaskar Jyoti Phukan as Director (Technical)

Shri Bhaskar Jyoti Phukan was appointed as Additional Director and Director (Technical) of the Company with effect from 1st February, 2017 pursuant to the provisions of Article 85 & Article 88(i) of the Articles of Association of the Company read with section 161 of the Companies Act, 2013 in accordance with the MOP & NG letter No. C-31020/1/2016-CA/FTS:42239 dated 31st January, 2017.

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. A brief resume of Shri Bhaskar Jyoti Phukan is provided separately in the Corporate Governance Report. The Board recommends appointment of Shri Bhaskar Jyoti Phukan as Director of the Company.

Shri Bhaskar Jyoti Phukan 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: Appointment of Shri Alok Tripathi as Government Director

Shri Alok Tripathi, Director (D&MC), MOP & NG was appointed as Additional Director on the Board of the Company w.e.f. 27th February, 2017 pursuant to Article 85 of the Articles of the Association of the Company read with Section 161 of the Companies Act, 2013 in accordance with the direction of the Govt. of India.

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. A brief resume of Shri Alok Tripathi is provided separately in the Corporate Governance Report. The Board recommends appointment of Shri Alok Tripathi as Director of the Company by passing Ordinary Resolution as contained in the Notice by Members of the Company.

Shri Alok Tripathi 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.9: Approval of Remuneration of Cost Auditor for the Financial year 2017-18

M/s. Subhadra Dutta & Associates, Cost Accountants was appointed by the Board as the Cost Auditor of the Company for the year 2017-18 on recommendation of the Audit Committee to conduct the audit of Cost Records at a remuneration of ₹75,000/-plus out of pocket expenses, reimbursement of travel and boarding expenses and payment of service tax at applicable rates.

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.

By Order of the Board of Directors

Registered Office:

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

Date: 8th August 2017

Sd/-

H. K. Sarmah
Company Secretary



Performance Profile



Performance Profile

	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
1 Crude Oil Processed (TMT) :	2683	2520	2777	2613	2478	2825	2250	2619	2251	2568
2 Capacity Utilisation (%) : [Installed capacity 3000 TMT]	89%	84%	93%	87%	83%	94%	75%	87%	75%	86%
3 Production Quantity (TMT) :	2652	2521	2754	2558	2379	2755	2012	2366	2016	2302
Light Distillates %	23.0%	21.7%	20.3%	20.5%	19.1%	19.0%	13.8%	15.6%	15.5%	15.2%
Middle Distillates %	74.0%	74.5%	76.2%	76.7%	78.0%	77.3%	82.2%	80.0%	80.3%	80.4%
Heavy Ends %	3.0%	3.9%	3.5%	2.8%	2.9%	3.7%	4.0%	4.4%	4.2%	4.4%
4 Refinery Fuel and Loss as % of Crude Processed :	10.81%	9.64%	9.74%	10.26%	9.33%	9.72%	10.98%	9.85%	10.72%	10.24%
5 Market Sales (TMT) :	2,679	2,619	2,695	2,550	2,410	2,728	2,137	2,355	2,023	2,391
6 Manpower (Nos.):	871	880	878	864	861	851	820	820	789	788
7 Sales and Earnings (₹ in Crore) :										
i) Gross Revenue from Operations	13,946.91	11,925.44	10,827.05	9,876.76	8,757.01	14,075.58	8,972.19	7,874.09	8,853.35	8,764.16
ii) Profit Before Depreciation/ Amortisation, Interest & Tax	3,333.62	2,109.06	1,342.37	783.42	520.90	518.15	618.30	512.27	484.02	586.00
iii) Depreciation and amortisation expense	163.63	220.03	172.90	179.01	180.13	173.97	170.17	153.64	147.96	157.62
iv) Interest	22.42	23.32	36.34	41.91	59.40	38.58	29.16	5.14	21.43	23.24
v) Profit/ (Loss) before exceptional items and tax	3,147.57	1,865.71	1,133.13	562.50	281.37	305.60	418.97	353.49	314.63	405.14
vi) Exceptional Items	-	1.86	(1.12)	(0.15)	18.51	18.14	4.84	(8.22)	(4.96)	(7.96)
vii) Profit/(Loss) before tax	3,147.57	1,863.85	1,134.25	562.65	262.86	287.46	414.13	361.71	319.59	413.10
viii) Tax Expense #	1,047.00	654.03	415.94	191.56	118.60	103.76	134.87	129.63	83.95	40.29
ix) Profit/(Loss) for the period	2,100.57	1,209.82	718.31	371.09	144.26	183.70	279.26	232.08	235.64	372.81
x) Other Comprehensive Income net of tax	(3.85)	0.96	-	-	-	-	-	-	-	-
xi) Total Comprehensive Income for the period (comprising profit / (loss) and Other Comprehensive income for the period.) **	2,096.72	1,210.78	718.31	371.09	144.26	183.70	279.26	232.08	235.64	372.81
# Includes Deferred Tax provision - ₹ 120.79 crores (Current year) & - ₹ (44.01) crores (Previous year)										
** From FY 2015-16, financials have been recast in line with Ind AS.										
8 What the Company Owned (₹ in Crore):										
i) Gross Property Plant and Equipment (including Capital Work-in-Progress)	3,043.42	2,603.05	4,590.33	4,302.37	3,855.66	3,757.24	3,681.56	3,582.39	3,347.22	3,219.57
ii) Net Property Plant and Equipment (including Capital Work-in-Progress)	2,664.60	2,386.24	2,347.12	2,224.79	1,952.22	2,010.45	2,111.92	2,155.43	2,071.31	2,086.28
iii) Non current assets	62.44	54.30	51.48	70.04	75.98	67.62	74.69	-	-	-
iv) Net Current Assets (including investments)	3,162.08	2,928.17	2,048.22	1,815.52	1,502.60	1,270.61	870.24	739.87	571.78	520.15
v) Intangible Assets to the extent not written off	0.60	1.48	2.85	5.71	5.66	8.94	7.86	1.76	3.94	4.92
Total Assets Net (ii+iii+iv+v)	5,889.72	5,370.19	4,449.67	4,116.06	3,536.46	3,357.62	3,064.71	2,897.06	2,647.03	2,611.35
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	4,445.01	3,543.56	2,619.35	2,255.20	2,021.81	1,963.62	1,865.42	1,714.41	1,615.02	1,508.47
iii) Miscellaneous Expenditure to the extent not written off	-	-	-	-	-	-	-	-	-	-
iv) Net worth (i)+(ii)-(iii)	5,180.64	4,279.19	3,354.98	2,990.83	2,757.44	2,699.25	2,601.05	2,450.04	2,350.65	2,244.10
v) Borrowings	353.10	497.94	668.64	768.30	392.97	283.39	211.92	207.65	50.39	77.62
vi) Deferred Tax Liability	229.44	110.69	144.23	191.91	213.56	203.86	238.47	239.37	245.99	289.63
vii) Long term liabilities & provisions	126.54	482.37	281.82	165.02	172.49	171.12	13.27	-	-	-
Total Funds Employed (iv+v+vi+vii)	5,889.72	5,370.19	4,449.67	4,116.06	3,536.46	3,357.62	3,064.71	2,897.06	2,647.03	2,611.35

	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
10 Internal Generation (₹ in Crore)	2,439.03	1,594.93	979.81	542.50	396.72	334.79	467.26	393.27	340.02	476.67
11 Ratios:										
i) Profit before Depreciation/Amortisation, Interest & Tax as % age of Net Revenue from operations & Other income	28.70%	20.73%	13.51%	8.42%	6.30%	3.85%	7.80%	7.70%	6.25%	7.90%
ii) Profit after Tax as % age of Average Net Worth.	44.41%	31.69%	22.64%	12.91%	5.29%	6.93%	11.06%	9.67%	10.26%	17.38%
iii) Profit after Tax as % age of Share Capital	285.55%	164.46%	97.65%	50.45%	19.61%	24.97%	37.96%	31.55%	32.03%	50.68%
iv) Average Net worth as % age of Share Capital	643%	519%	431%	391%	371%	360%	343%	326%	312%	292%
v) Gross Profit before Depreciation/Amortisation, Interest & Tax as % age of Average Capital Employed.	70.29%	51.01%	39.50%	25.07%	17.38%	17.96%	23.93%	21.50%	21.11%	24.61%
vi) Profit Before Tax as % age of Average Capital Employed	66.37%	45.08%	33.38%	18.01%	8.77%	9.96%	16.03%	15.18%	13.94%	17.35%
vii) Profit After Tax as % age of Average Capital Employed (ROCE)	44.29%	29.26%	21.14%	11.88%	4.81%	6.37%	10.81%	9.74%	10.28%	15.66%
viii) Long Term Debt Equity Ratio	0.06	0.12	0.16	0.18	0.02	0.03	0.04	0.02	0.02	0.03
12 Earning Per Share (₹)	28.55	16.45	9.76	5.04	1.96	2.50	3.80	3.15	3.20	5.07
13 Book Value Per Share (₹)	70.43	58.17	45.61	40.66	37.48	36.69	35.36	33.31	31.96	30.51
14 SOURCES AND APPLICATION OF FUNDS (₹ In Crore)										
SOURCES OF FUNDS										
OWN :										
Profit after Tax	2,096.73	1,210.78	718.31	371.09	144.26	183.70	279.26	232.08	235.64	372.81
Depreciation/Amortisation	163.63	220.03	172.90	177.24	159.97	179.57	144.76	153.23	144.61	157.26
Deferred Tax provision	120.79	(44.01)	(47.68)	(21.64)	9.69	(34.59)	(0.92)	(6.60)	(43.64)	(53.82)
Investments		89.79		-	10.73	-	-	-	0.46	-
BORROWINGS :										
Loans (Net)				375.33	109.58	71.47	12.25	157.26	-	-
Decrease in Working Capital				-	-	-	-	-	-	33.88
Changes in long term liabilities & provisions		200.55	116.80		1.37	157.85	-	-	-	-
Changes in Long Term Loans & Advances and Non-Current assets			18.56	5.94	-	7.07	-	-	-	-
Adjustment on account of retirement / reclassification of assets	19.46	5.37	5.57	3.93	99.27	65.43	45.31	1.30	-	22.95
	2,400.61	1,682.51	984.46	911.89	534.87	630.50	480.66	537.27	337.07	533.08
APPLICATION OF FUNDS :										
Capital Expenditure	462.62	259.00	297.80	450.64	197.69	141.11	148.39	236.49	127.65	159.16
Adjustment for Misc.Expenditure / Intangible Assets	-	0.09	0.12	3.14	0.04	3.53	8.18	-	1.03	-
Dividend	993.10	551.72	294.25	117.70	73.56	73.56	110.34	110.34	110.34	147.13
Tax on distributed profits	202.16	112.33	59.91	20.00	12.50	11.93	17.90	18.75	18.75	25.00
Repayment of Loans (Net)	144.84	171.19	99.66	-	-	-	-	-	27.23	137.24
Investments(Net)	181.70		197.36	35.48	-	61.22	29.92	-	-	63.00
Changes in long term liabilities & provisions	355.83			7.47						
Increase in Working Capital	52.22	586.78	35.36	277.46	242.72	339.15	165.93	168.09	52.07	-
Changes in Non-Current assets & Provisions	8.14	1.40	-	-	8.36	-	-	-	-	-
Transitional Provision for Employee Benefit	-	-	-	-	-	-	-	3.60	-	1.55
	2,400.61	1,682.51	984.46	911.89	534.87	630.50	480.66	537.27	337.07	533.08

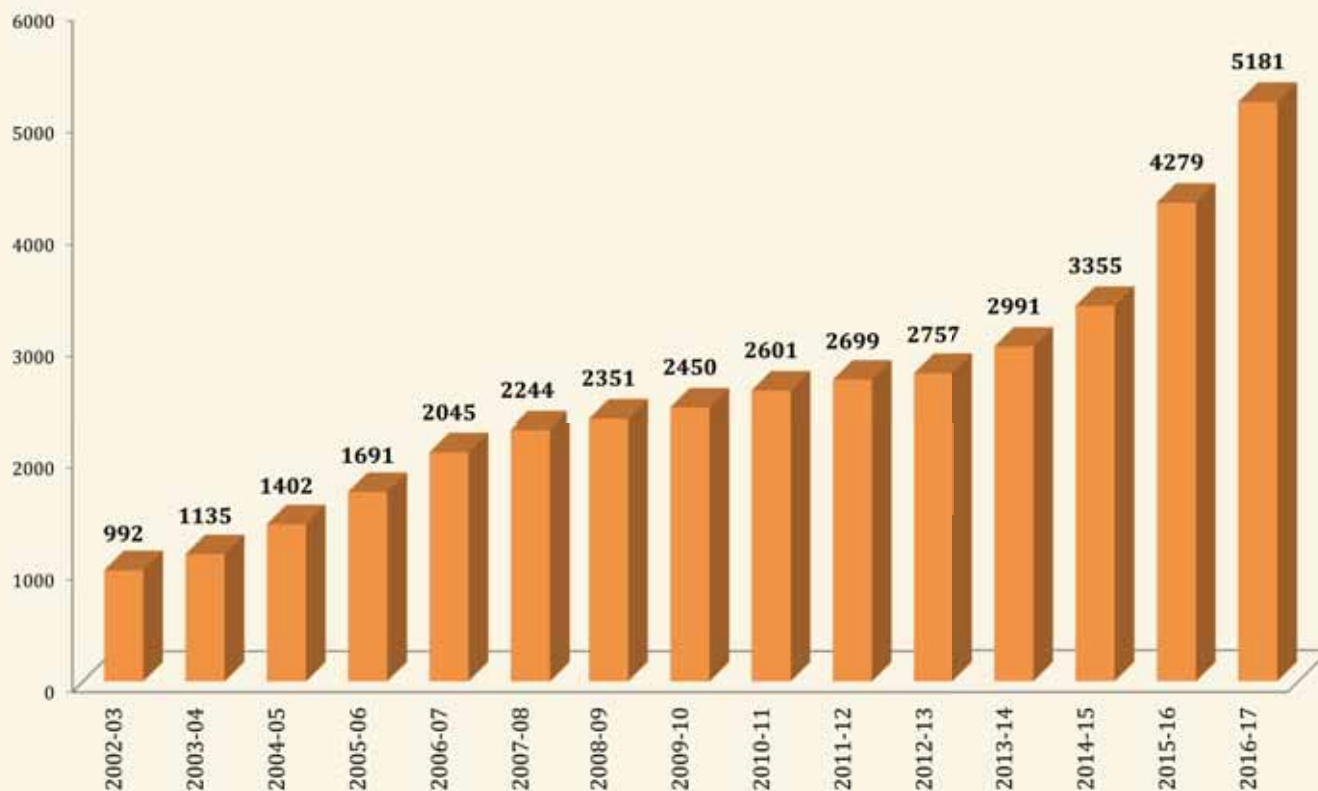


	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
15 Changes in Working Capital (₹ in Crore) :										
A) Current Assets :										
Inventories	572.99	(542.95)	248.68	142.28	(807.97)	383.33	82.03	571.63	57.15	100.34
Trade Receivables	(15.80)	(417.57)	958.52	(428.34)	(93.72)	44.82	643.19	(24.58)	(337.68)	269.18
Cash & Bank Balances	(259.64)	683.20	88.59	962.52	2.51	(201.55)	79.00	(169.35)	(220.01)	121.72
Loans & Advances, Others	(14.73)	(89.39)	0.76	(108.60)	210.48	9.27	(4.63)	41.36	(18.45)	(7.64)
	282.82	(366.71)	1,296.55	567.86	(688.70)	235.87	799.59	419.06	(518.99)	483.60
Less:										
B) Current Liabilities & Provisions										
Current Liabilities	215.23	(865.20)	888.33	279.31	(915.64)	(16.93)	579.74	197.87	(558.03)	557.53
Provisions	15.37	(88.29)	372.86	11.09	(15.78)	(86.35)	53.92	53.10	(13.03)	(40.05)
	230.60	(953.49)	1,261.19	290.40	(931.42)	(103.28)	633.66	250.97	(571.06)	517.48
C) Working Capital (A - B)	52.22	586.78	35.36	277.46	242.72	339.15	165.93	168.09	52.07	(33.88)

Value Added

	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
HOW VALUE IS GENERATED (₹ in Crore) :										
Value of Production :	11,416.58	9,632.41	10,074.11	9,268.47	7,601.63	13,659.35	7,847.50	7,218.61	7,708.80	7,496.73
Less : Direct Materials Consumed :	7,680.06	6,764.52	7,935.63	7,933.91	6,622.87	12,503.09	7,011.66	6,532.67	7,073.07	6,832.68
Value Added	3,736.52	2,867.89	2,138.48	1,334.56	978.76	1,156.26	835.84	685.94	635.73	664.05
Add : Other Incomes (including P.Y.A)	366.44	140.09	74.90	48.87	64.83	16.55	61.00	55.33	54.58	64.52
Total Value Generated	4,102.96	3,007.98	2,213.38	1,383.43	1,043.59	1,172.81	896.84	741.27	690.31	728.57
HOW VALUE IS DISTRIBUTED (₹ in Crore) :										
A) Operation :										
Employees' Benefits	212.99	187.81	178.60	144.53	129.92	143.28	138.01	104.89	87.42	54.08
Other Costs	560.20	712.00	691.29	455.33	411.28	529.53	144.89	115.89	117.77	79.18
	773.19	899.81	869.89	599.86	541.20	672.81	282.90	220.78	205.19	133.26
B) Providers of Capital										
Interest on Borrowings	22.42	23.32	36.34	41.91	59.40	38.58	29.16	5.14	21.43	23.24
Dividend	993.10	551.72	294.25	117.70	73.56	73.56	110.34	110.34	110.34	147.13
	1,015.52	575.04	330.59	159.61	132.96	112.14	139.50	115.48	131.77	170.37
C) Taxation:										
Corporate Tax	926.21	698.05	463.62	213.20	108.91	138.35	135.79	136.23	127.59	94.11
Tax on distributed profits	202.16	112.33	59.91	20.00	12.50	11.93	17.90	18.75	18.75	25.00
	1,128.37	810.38	523.53	233.20	121.41	150.28	153.69	154.98	146.34	119.11
D) Re-investment in Business										
Depreciation/ Amortisation	163.63	220.03	172.90	179.01	180.13	173.97	170.17	153.64	147.96	157.62
Provision on Investment	-	-	-	-	-	(0.01)	0.48	-	(3.86)	1.35
Deferred Tax	120.79	(44.01)	(47.68)	(21.64)	9.69	(34.59)	(0.92)	(6.60)	(43.64)	(53.82)
Retained Profit	901.46	546.73	364.15	233.39	58.20	98.21	151.02	102.99	106.55	200.68
	1,185.88	722.75	489.37	390.76	248.02	237.58	320.75	250.03	207.01	305.83
Total Value Distributed	4,102.96	3,007.98	2,213.38	1,383.43	1,043.59	1,172.81	896.84	741.27	690.31	728.57

Net Worth in ₹ Crore (CAGR 12.04%)

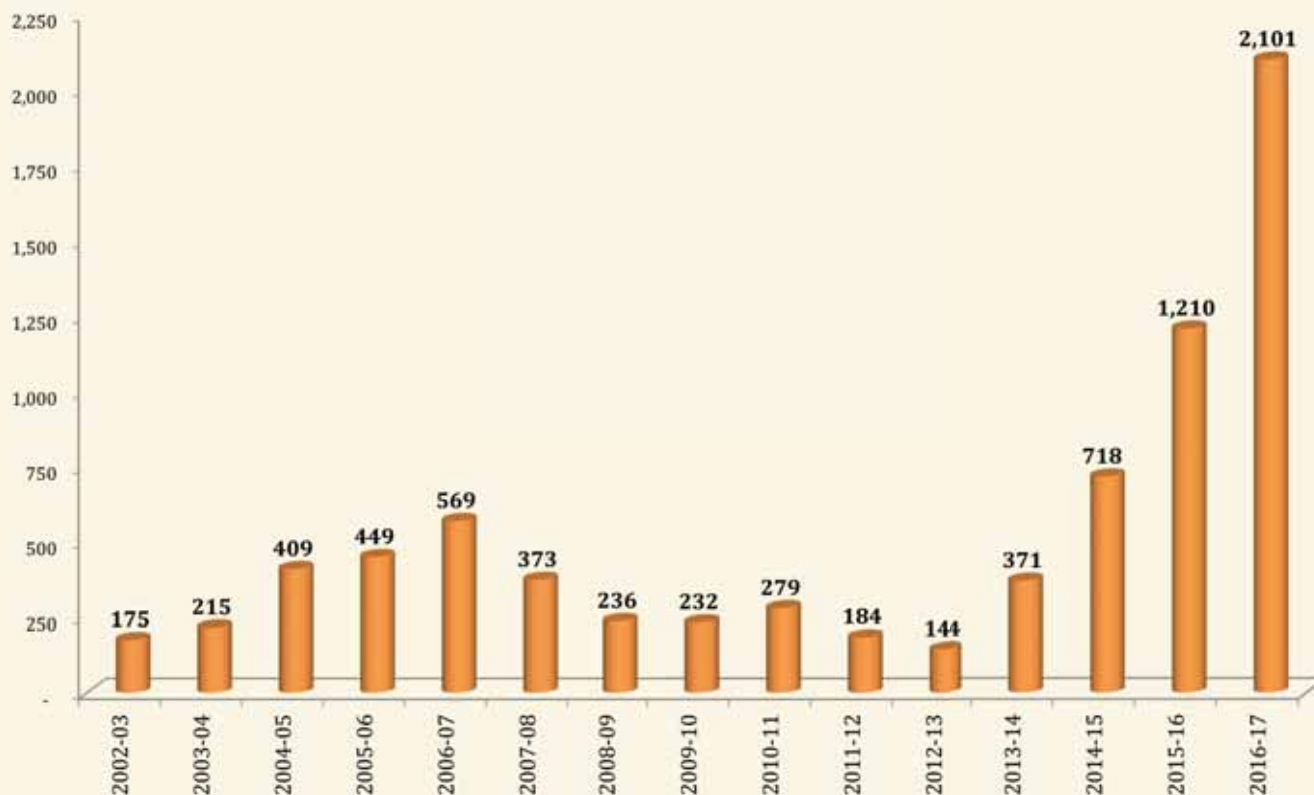


Turnover in ₹ Crore (CAGR 19.45%)

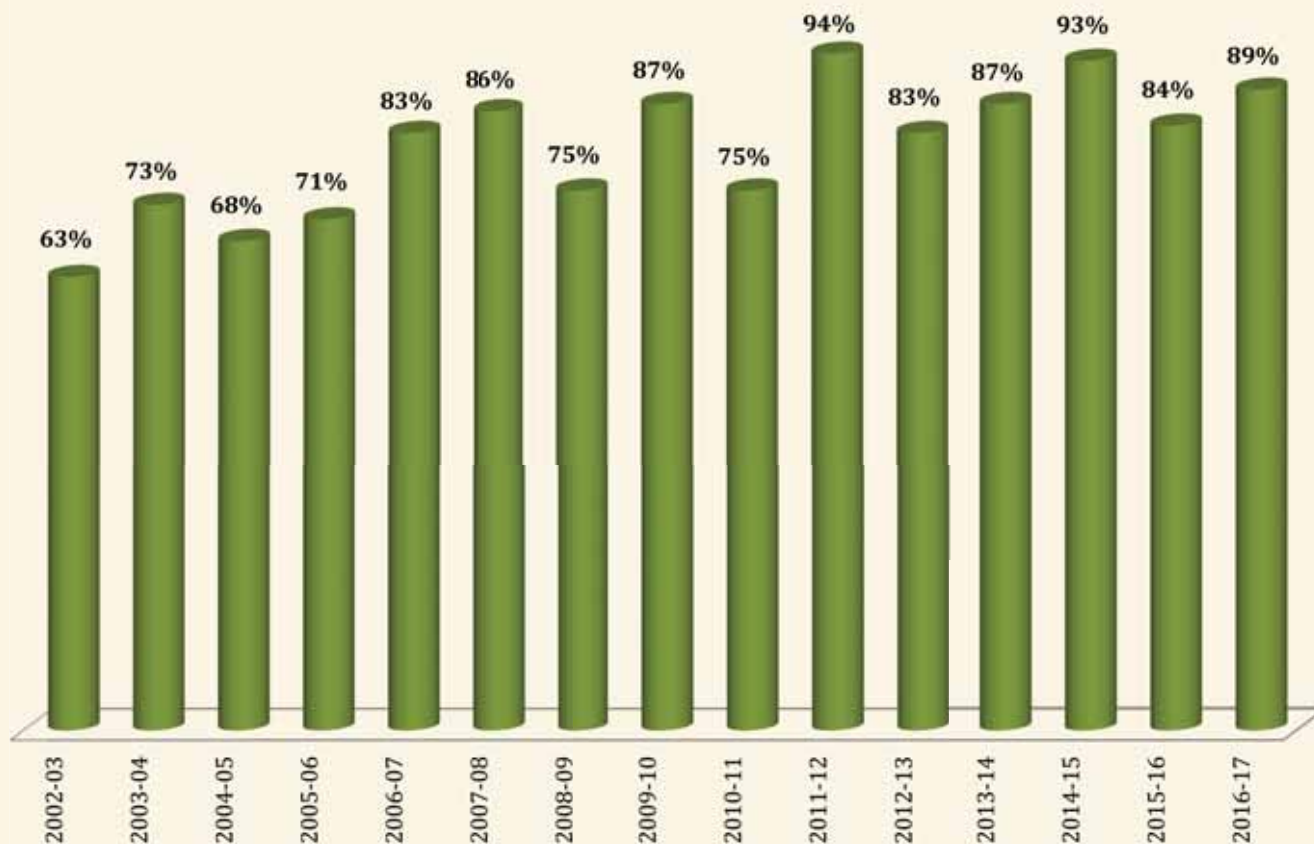




Profit After Tax in ₹ Crore (CAGR 32.97%)



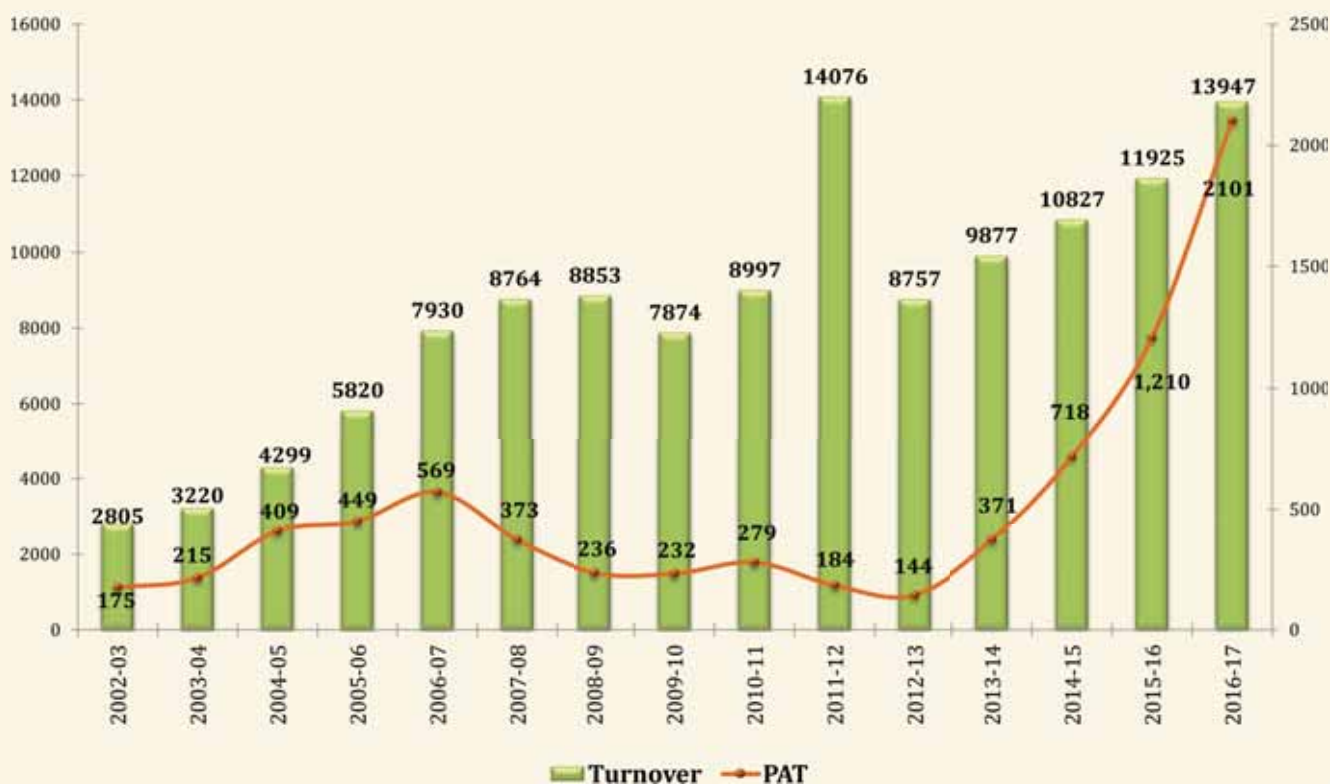
Capacity Utilisation



PBDIT as a % of Sales



Turnover & PAT (₹ Crore)

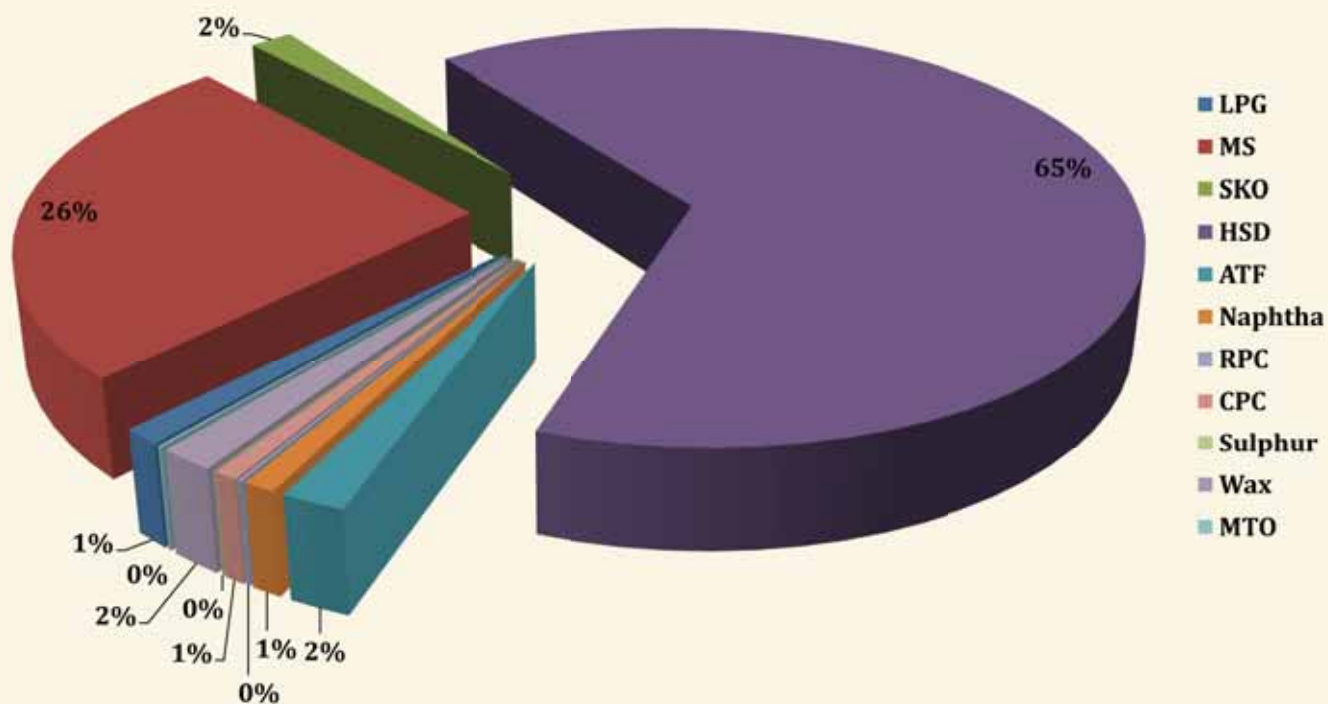




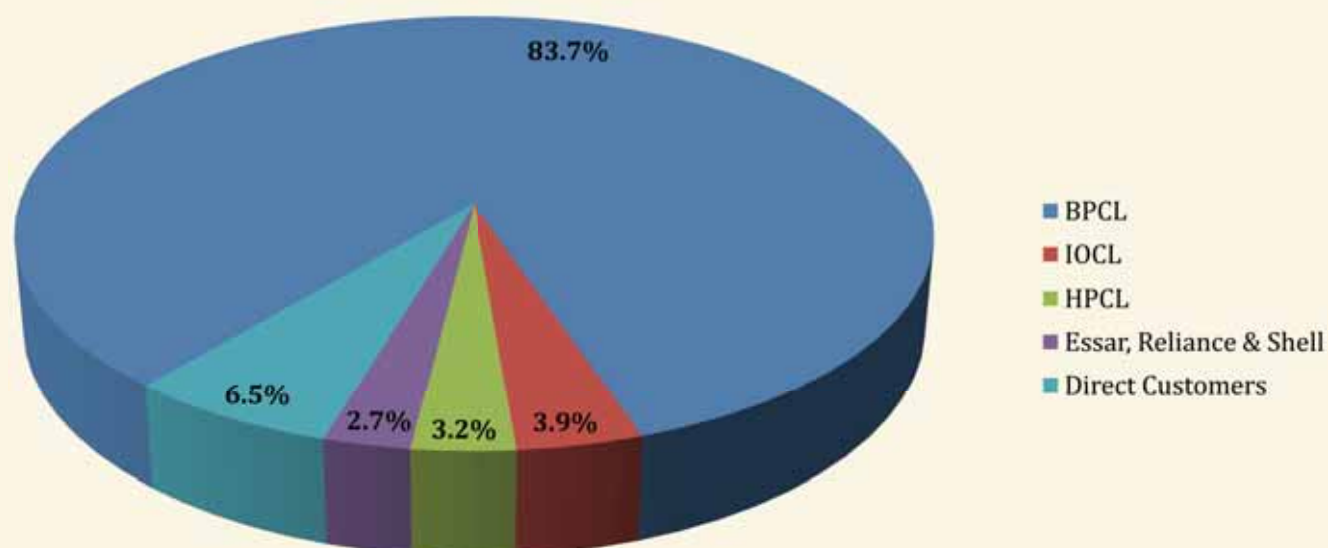
PAT & EPS



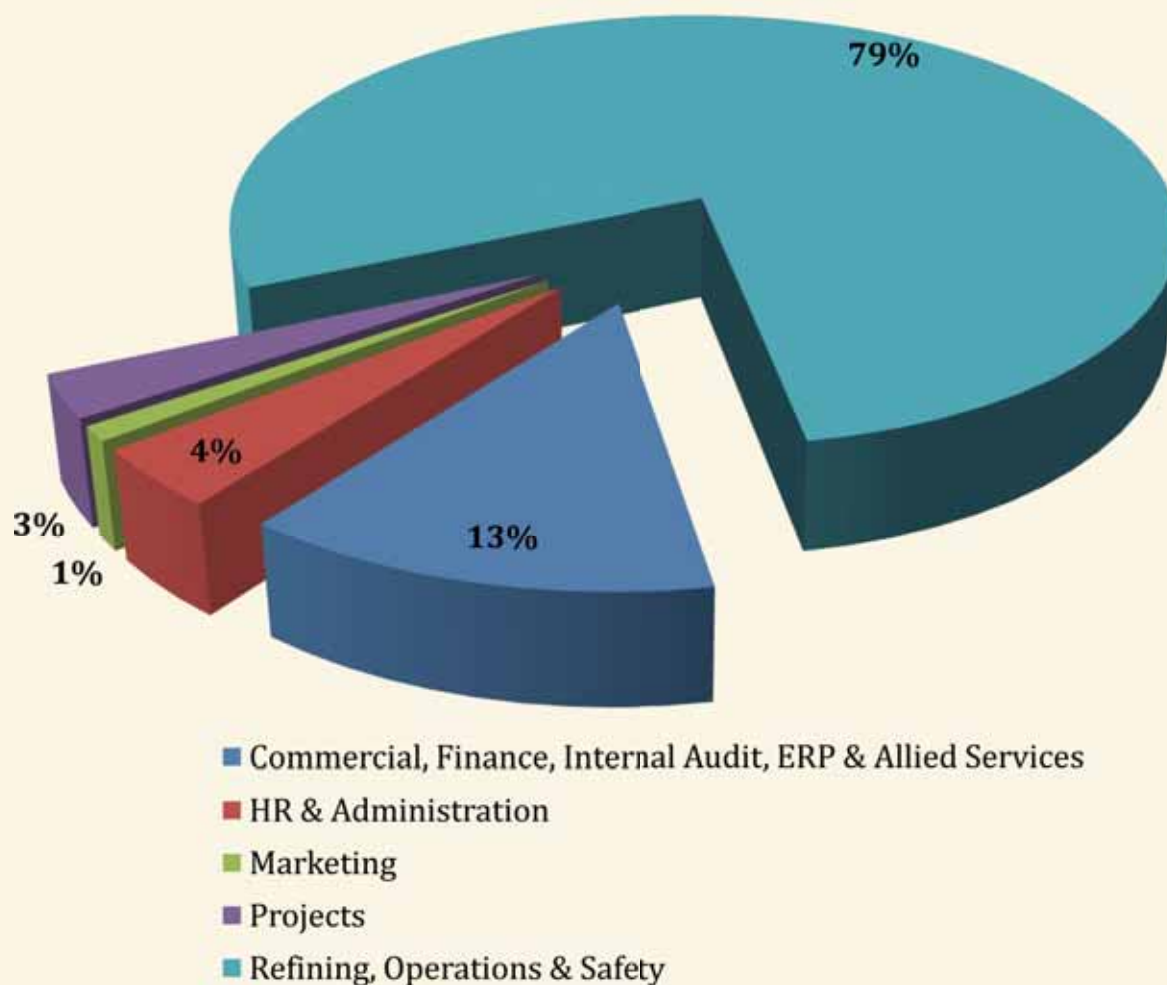
Product wise Sales Pattern



Party-wise Sales

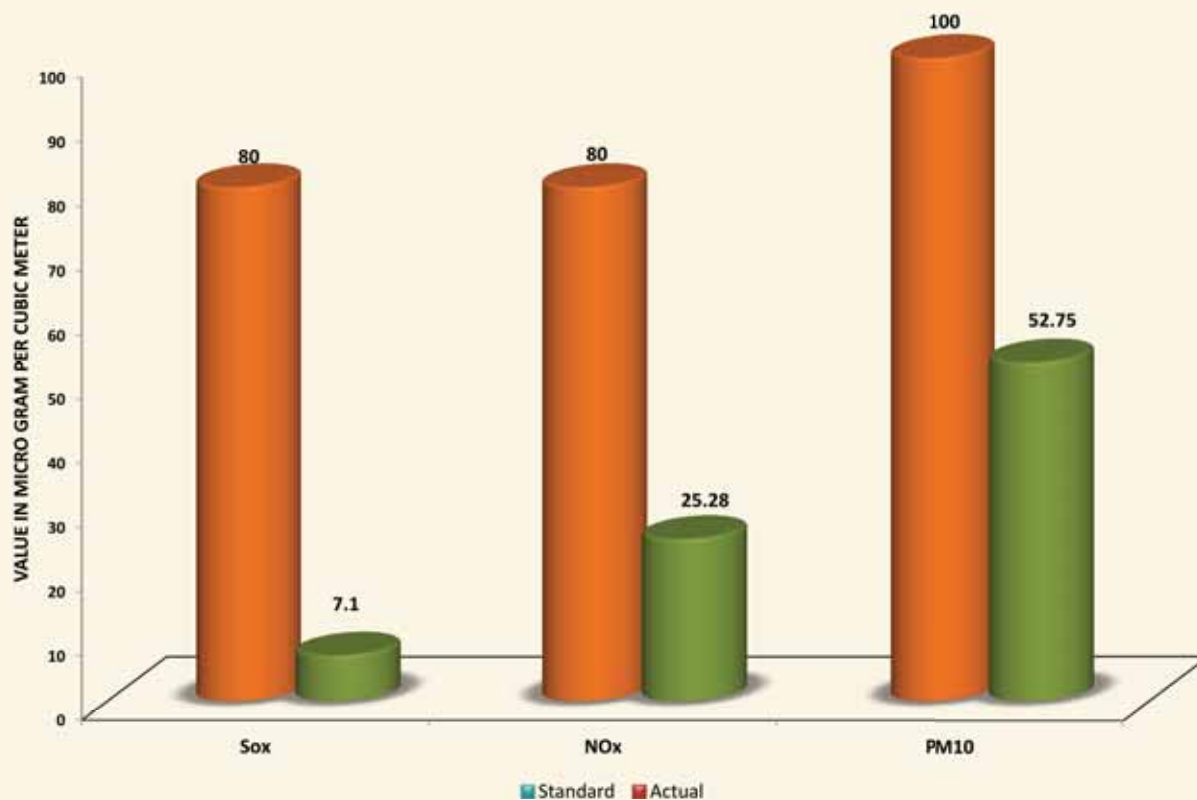


Manpower Function-wise

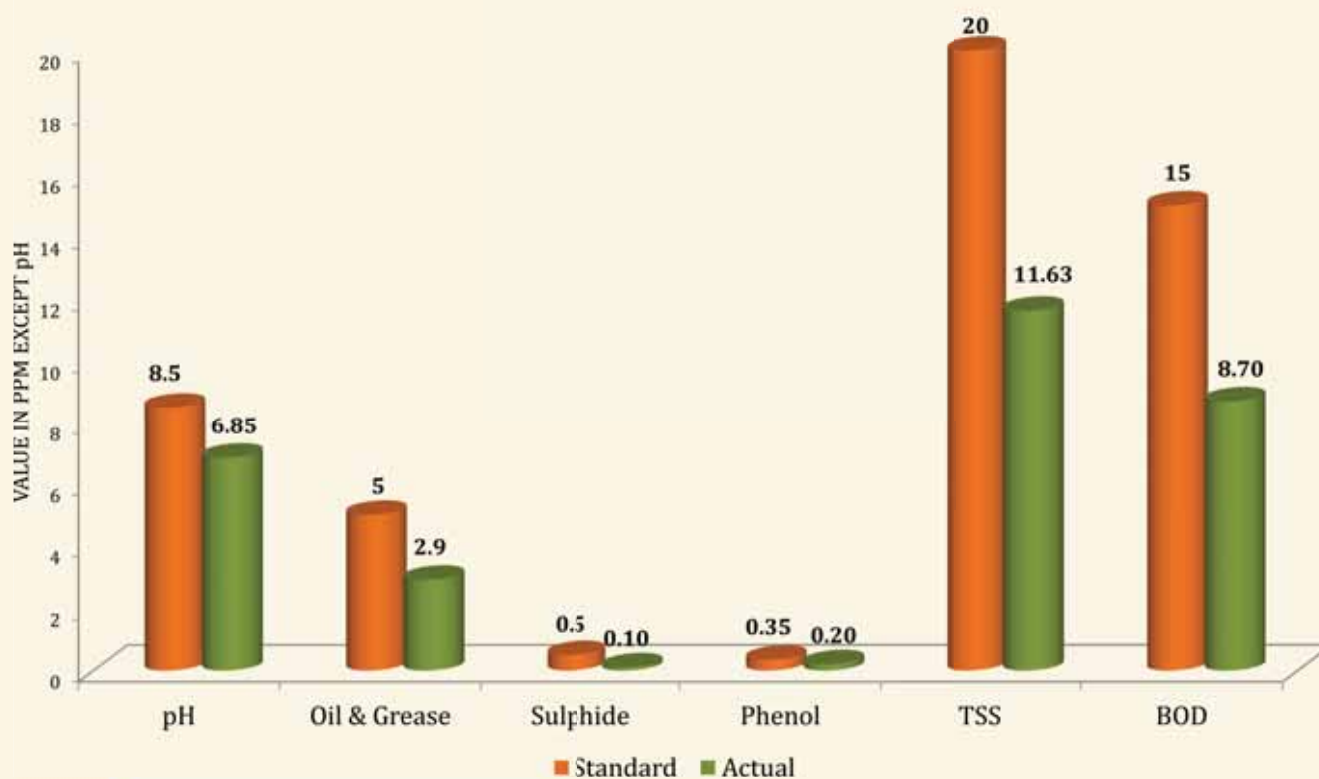


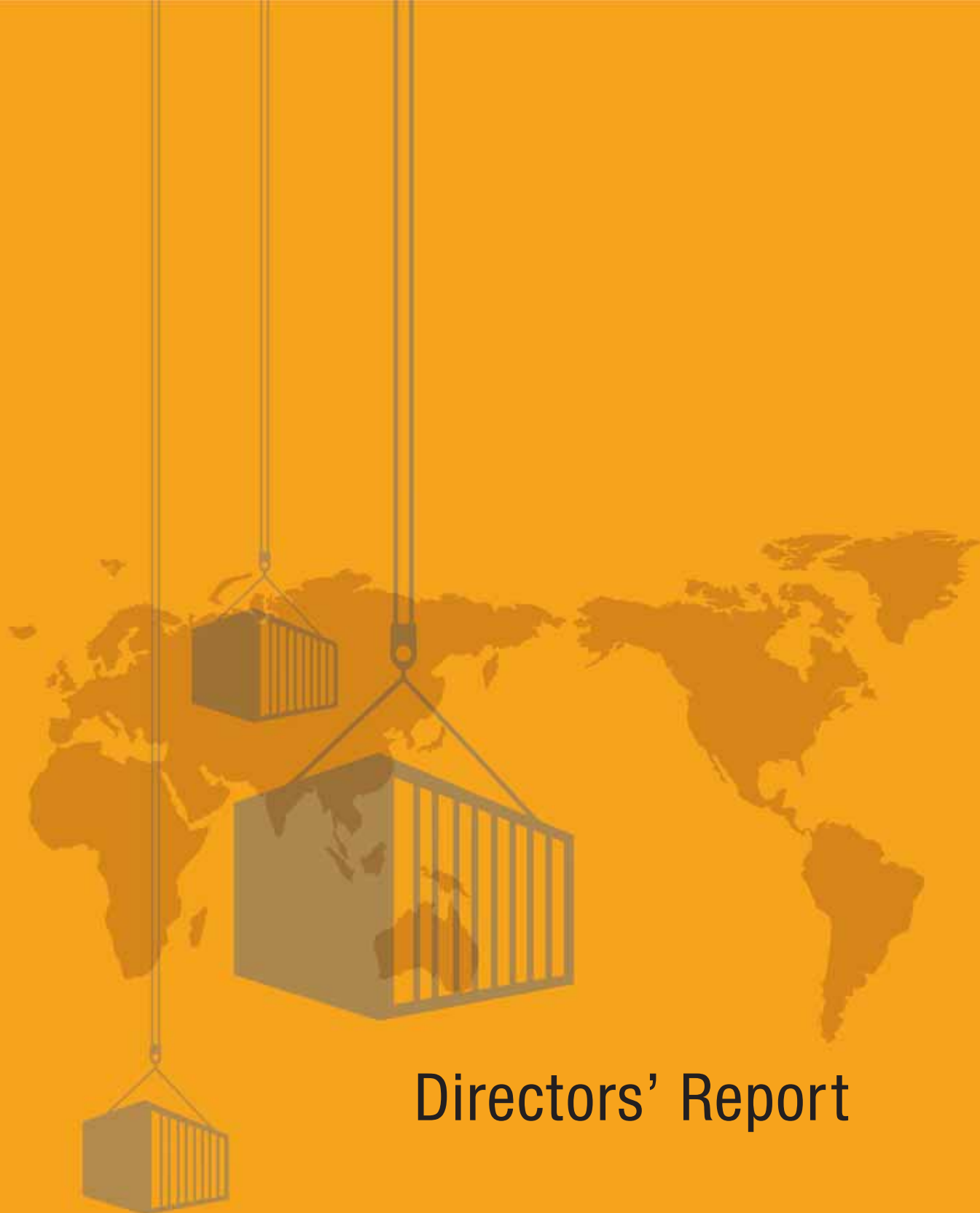


Ambient Air Quality at Numaligarh Refinery Township vis-a-vis National Standards



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





Directors' Report



Directors' Report to Shareholders

Your Board of Directors has pleasure in presenting the 24th Annual Report of the Company together with audited financial statement for the financial year ended 31st March, 2017.

1. Financial Performance

1.1 Consolidated Results

The Consolidated financial results of the Company and its Joint Venture Company DNP Limited and Associate Company Brahmaputra Cracker and Polymer Ltd. for the year 2016-17 compared to that of the previous year are summarized below.

(₹ In Crore)

	2016-17	2015-16
Revenue from operations	13,946.92	11,925.44
Profit from continuing operations before income tax	3,096.83	1,836.30
Profit / (Loss) for the period	2,049.83	1,182.27
Total comprehensive income for the period (comprising Profit / (Loss) and Other Comprehensive Income for the period)	2,045.98	1,183.23
Earnings per share (₹)	27.86	16.07
Net Worth	5,106.63	4,255.92

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

- Revenue from Operations increased to ₹13,946.92 crores registering a growth of 16.95% as compared to ₹11,925.44 crores in the previous year.
- Profit for the period after tax was higher by 73.38% at ₹2,049.83 crores as compared to ₹1,182.27 crores in the previous year and correspondingly Earnings per share for the year also increased by 73.38% to ₹27.86 per share.
- Net worth of the Company has increased by 20% to ₹5,106.63 crores at the close of the year.

Strong operating performance from NRL's refining business has led to higher operating profits and growth during the year.

1.2 Standalone Results

Financial Results

The Company's refining business has continued to deliver record performances. During 2016-17, the Company posted revenue from operations at ₹13,946.92 crores registering a growth of 16.95% as compared to ₹11,925.44 crores in the previous



Signing of MoU between NRL, Paradip Port Trust and IOCL for import of crude oil

year due to higher sales and better price realization. Record Profit for the period of ₹2,100.57 crores was declared by the company as against ₹1,209.82 crores in 2015-16 mainly on account of high value distillate production and better margin realization. PBT for the year declared by the Company is the highest ever achieved by the Company till date and has increased by 68.87% vis-à-vis that of the previous year. Total comprehensive income for the period (comprising

Profit and Other Comprehensive Income) stood at ₹2,096.72 crores as against ₹1,210.78 crores in 2015-16 i.e. a growth of 73.17%. The Compound Annual Growth Rate (CAGR) for PAT stood at 32.97% as on 31st March, 2017.

The financial results of the Company for the year 2016-17 compared to those of the previous year are summarized below:

(₹ In Crore)

	2016-17	2015-16
Physical Performance		
Crude Throughput (TMT)	2,683.13	2,520.27
Sales (TMT)	2,678.81	2,618.82
Financial Performance		
Gross Revenue from Operations	13,946.92	11,925.44
Net Revenue from Operations (excluding excise duty)	11,247.00	10,031.43
Profit before Depreciation & Amortization, Interest and Tax	3,333.62	2,109.07
Interest	22.42	23.32
Depreciation & Amortization expense	163.63	220.03
Profit/(loss) before exceptional items and tax	3,147.57	1,865.71
Exceptional Items	-	1.86
Profit/(loss) before tax	3,147.57	1,863.85
Tax Expense		
(1) Current Tax	926.21	698.04
(2) Deferred Tax	120.79	(44.01)
Profit / (Loss) for the period	2,100.57	1,209.82
Other comprehensive income, net of tax	(3.85)	0.96
Total comprehensive income for the period (comprising Profit/ (Loss) and Other Comprehensive Income for the period)	2,096.72	1,210.78
Earnings per Equity Share		
Basic (Rs.)	28.55	16.45
Diluted (Rs.)	28.55	16.45
The Directors propose to appropriate profits for dividend and dividend tax payment as under :		
Interim Dividend paid	735.63	257.47
Final (proposed) Dividend	632.64	257.47
Corporate Dividend tax	278.55	104.83
Summarized Cash Flow Statement :		
Cash Flows :		
Inflow/(Outflow) from operations	1,682.28	1,249.59
Inflow/(Outflow) from investing activities	24.48	(779.66)
Inflow/(Outflow) from financing activities	(1,456.40)	(500.73)
Net Increase/(decrease) in cash & cash equivalent	250.36	(30.80)

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



Dividend cheque given to Hon'ble Chief Minister of Assam

During 2016-17 the refinery processed 2683.13 TMT of crude oil with sales volume of 2678.81 TMT. The Earning per Share (EPS) for the year 2016-17 stood at ₹28.55 compared to ₹16.45 in 2015-16.

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 strategic investments for a secure future, are pleased to recommend for your approval, a final dividend of 86% (₹8.60 per fully paid equity share of ₹10.00 each) for the year on the paid-up share capital of ₹735.63 crores which is in addition to the interim dividend of 100% (₹10.00 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 ₹1,368.27 crores and Corporate Dividend Tax would further absorb ₹278.55 crores out of the Company's PAT. The dividend payout is subject to approval of members at the ensuing Annual General Meeting. The total dividend (interim plus proposed) of ₹18.60 per share for the year will be the highest ever dividend since inception of the Company.

The Net Worth of the Company has increased from ₹4,279.19 crores as on 31st March 2016 to ₹5,180.64 crores as on 31st March 2017.

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 ₹153.55 crores during the year (Previous Year ₹105.21 crores) at an average rate of return of 7.24% 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 0.09.

In line with its Financial Risk Management Policy, the foreign currency exposures were hedged through derivative instruments.

CRISIL Ltd. has rated the Company at 'A1+' for Short Term Loan facilities and 'AAA/Stable' for Long-Term Loans, which has reduced the overall interest cost besides facilitating optimization of treasury activities. The average borrowing cost during the year stood at 1.31%. Effective ROI on the outstanding borrowing exposure (External Commercial Borrowing) stood at 5.21% since inception.

During the year, the Company achieved 99.83% and 99.84% conversion respectively, in its e-payment and e-collection mechanisms for making payment and managing receivables.

1.5 Capital Expenditure

The total amount of Capital Expenditure incurred during the year 2016-17 was ₹503.35 crores as compared to ₹239.31 crores during 2015-16.

1.6 Contribution to Exchequer

Your Company has contributed a total of ₹3,747.26 crores to the Central Exchequer and ₹606.21 crores to the State Exchequers in the form of taxes, duties and dividends compared to ₹2757.75 crores and ₹326.79 respectively in the previous year.

1.7 Cost Control Initiatives

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

1.8 Government Audit Review

Comments of the Comptroller and Auditor General of India (C&AG) under section 143 (6)(b) of the Companies Act 2013 on accounts of the Company (both standalone as well as consolidated accounts) for the year ended 31st March, 2017 are attached with Statutory Auditors Report as Annexure. We are pleased to report that the C&AG has no comments and issued no supplement to Statutory Auditors' report under section 143 (6)(b) of the Companies Act, 2013.

1.9 Consolidated Financial Statement

In accordance with the Companies Act, 2013 ("the Act") and Ind AS-110 the audited consolidated financial statement is provided in the Annual Report.

Information relating to Associate and Joint Venture companies duly certified by the management pursuant

to section 129 (3) of the Companies Act, 2013 has been provided in **Annexure - E** to the Directors' Report as per prescribed form AOC-1 (Part-B).

1.10 Particulars of Investments made and Loans/Guarantee 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 6, 7, 10, 14 and 47 to the standalone financial statement).

1.11 Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered into 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. All related party transactions are negotiated on an arm's length basis and are intended to further the Company's interests. 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 46 to the standalone financial statement which sets out related party disclosures.

1.12. Post Balance Sheet Events

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



NRL hosts BPCL Group Refineries Finance Synergy Meet



1.13. 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.

2. Physical Performance

Your Directors take pride to share that the Company processed 2683 TMT of crude oil during the FY 2016-17 exceeding the excellent MoU target of 2670 TMT which is also a marked improvement from the preceding year's throughput of 2520 TMT. The Distillate Yield during the year also improved at 90.52% compared to 90.42% achieved in the previous year. Distillate yield achieved by your Company continues to be the best among PSU refineries in the country. As per new methodology proposed by CHT, distillate yield excluding blend components and considering NG fuel and feed as input works out to 86.50% in 2016-17. On a like-to-like basis, distillate yield as per new CHT formula for 2015-16 was 86.34%. Energy Intensity Index (EII) at 95.2 was the best ever recorded in the operational history of the Company and exceeds the excellent MOU target of 0.5% reduction from previous years EII of 96.6. Likewise, and in terms of Specific Energy Consumption (SEC), the Company made a stellar performance at 72.26 MBN.

Some of operational highlights of the Company during the year include:

- Highest ever MS Production of 540 TMT against previous highest production of 511 TMT in 2015-16.
- Three new products were launched during the year, namely, Mineral Turpentine Oil (MTO), Special Boiling Point Spirit (SBPS) & Liquid Sulphur utilizing existing facilities.
- Highest ever monthly crude processing of 283 TMT in January, 2017.
- Record EII at 95.2 against previous best of 96.6 in 2015-16

NRL's total production during the year was 2652 TMT which included 1253 TMT of BS-III grade HSD, 489 BS-IV HSD, 381 TMT of BS-III MS and 159 TMT of BS-IV MS. Production also includes 55 TMT of LPG, 80 TMT of ATF, 103 TMT of SKO, 3 TMT of MTO, 16 TMT of PCN Naphtha, 35 TMT of Paraffin Wax, 10 TMT of RPC, 64 TMT of CPC and 4 TMT of Sulphur. Total product evacuation from the refinery was 2689 TMT which included pipeline transfer of 1781 TMT, rail dispatch of 174 TMT and road dispatch of 734 TMT. Amongst the coke products, 14 TMT of RPC & 60 TMT CPC were sold during the year.

3. Safety Management

In keeping with its vision commitment of sustained efforts to attain highest standards in Safety, the Company has registered 596 days of Loss Time Accident (LTA) free operation and 3.3 Million LTA free man-hours as on 31st March'17 at its Refinery. NRL's sensitivity towards Health Safety and Environment is evident from its active role in maintaining highest HSE standards and compliance of relevant statutory norms.

Your Company believes that continuous safety in work place can be brought through attitudinal change of the work force. Therefore, special emphasis were given on activities like publishing safety leaflets on various topics & quarterly safety news-letter, circulation of fortnightly safety bulletin, conducting hands-on training on firefighting, conducting tool box talk, safety training for employees, live demonstration of fall arrestor system at project sites, installation of standardized safety signs, bimonthly safety review meeting with contractor's supervisors etc.



Around 5732 contract workmen, 275 CISF & Security Staff, 464 POL drivers, 425 NRL employees were trained in fire & safety during 2016-17. Further, a monthly online safety quiz competition is being conducted to promote safety awareness and to enhance knowledge among the employees.

During January 2017, Road Safety Week was conducted by your Company with large scale involvement of NRL employee as well as general public. Massive awareness campaigns were carried out during the week towards road safety. Distribution of safety helmet to lady pillion riders, Fluorescent jacket to cycle riders, Road Safety Items for Assam Police (Traffic) were major highlights of Road Safety Week. National safety week was observed in March, 2017 with various safety competitions among employees, contract workers and other stake holders.

Numaligarh Refinery Ltd. had won the SURAKSHA PURASKAR-2016 from National Safety Council in Group-A (Manufacturing Coke and Refined Petroleum products) under the manufacturing sector category.

External Safety Audit as per Manufacture, Storage and Import of Hazardous Chemicals (MSIHC) rules and IS-14489 was conducted for the first time at NRL in the month of August 2016 followed by Internal Safety Audit with members from BPCL group refineries. Further, OISD conducted 5th Round of External Safety Audit in NRL from 20th to 24th February 2017. NRL's Emergency Response and Disaster Management Plan was approved by M/s Bureau Veritas in July 2016 after a thorough revisit of the plan and site audit.

During the year NRL has taken three new initiatives to promote safety at workplace:

- BBS (Behavioral Based Safety) named SORAS (Safety Observation Recording and Analysis System).
- E-Permit system complying with OISD-105.
- Introduction of LOTO (Lock Out Tag Out) system for electrical safety.

NRL has entered into a Mutual Aid Agreement on 18.03.2017 with IOCL- Guwahati Refinery and Oil India Limited-Pipeline Division to provide support to each other in case of any industrial emergency.

4. Occupational Health

NRL believes that occupational and personal health of employees and workers is vital for excellence in performance of the company. The Company has implemented occupational hygiene measures and medical surveillance programmes to monitor and control the occupational health of its employees and workers as per OISD guidelines. The effectiveness of these programmes is reviewed quarterly at the highest level during Apex Loss Control Review Meeting. The Company observes a planned schedule for health check-up of the employees and workers and monitors the adherence of the schedule on daily basis. Each functional department has a Key Performance Index on the health checkup of the employees under its control.

5. Environment

Numaligarh Refinery, one of the most environment friendly refineries in the country, being located in eco-sensitive zone, has taken sustained efforts to preserve the environment through Environment Management initiatives in a systematic manner. The refinery has been at the forefront in adopting policy initiatives to comply with all norms and standards encoded in statutes, applicable codes of practices, relevant environmental guidelines, OISD standards etc. apart from its own policies and manuals, making it ecologically compatible modern refinery.



Greentech Gold Award 2017 to NRL

Real time emission data is being transmitted to CPCB server with remote alert facility. Hazardous oily sludge is disposed as per Hazardous Wastes (Management,

Handling and Trans-boundary Movement) Rules, 2008. Bio-remediation of around 500 MT of tank bottom sludge has been done this year. In order to minimize use of fresh water NRL is implementing a storm water recycling project.

Under “Ujjwala Scheme for green fuel” for rural women, NRL took initiative for converting two villages in the neighbourhood into smoke free village by distributing LPG connection to BPL families.

As recognition towards continual improvement in Environment Management, NRL has received the “Rastra Bibhuson Award, 2016 in Platinum category in the refinery sector organized by Foundation for Accelerated Mass Empowerment (FAME) India and Greentech Environment Excellence Awards 2016 in Gold Category. NRL has also complied with all the requirements for Environmental Management System 14001:2004 and same has been continued during the year.

6. Marketing Performance

The year 2016-17 was challenging and rewarding for the marketing function. Overall product sales touched 2678 TMT against production of 2652 TMT. MS sales at 558 TMT, was the highest ever achieved so far. Sale of HSD amounted to 1745 TMT. Wax sales reached the record of 40 TMT that included export to 17 countries. New products like MTO, SBPS were introduced during the year.

Despatch from NRMT comprised 734 TMT by road and 174 TMT by rail. The Numaligarh Siliguri product pipeline achieved the highest ever throughput of 1781 TMT, surpassing the previous highest of 1744 TMT in 2015-16.



First consignment of ‘Special Boiling Point Spirit’ from NRL



Production and sale of packed LPG touched an all-time high of 33 TMT compared to 22 TMT in the previous year.

During fourth quarter of the year, smooth rollover from BS-III to BS-IV grade auto fuel was achieved. This was facilitated through meticulous execution of the plan drawn up in association with the supply chain optimization group.

Category-wise sales in 2016-17 comprised 93.4% (FY15-16= 92.4%) to OMCs, 6.6% (FY15-16= 6.3%) direct and export sale besides 2.7% (FY15-16=1.3%) to private oil companies. Sales within North East increased to 737 TMT against 655 TMT in the previous year.

Sales from the Siliguri terminal amounted to 1770 TMT, representing 66% of total sales. Receipt of products at the terminal through the Numaligarh Siliguri pipeline was 1786 TMT.

During the financial year, one goodwill rake of diesel was despatched to Bangladesh from SMT.

7. Projects

Planned Projects

DHDT project

NRL is in the process of installing a 0.7 MMTPA capacity Diesel Hydrotreater Unit (DHDT) for production of BS IV/VI grade HSD at 100% capacity utilisation of the refinery. The technology for the project has been provided by Haldor Topsoe of Denmark. Engineers India Limited is the EPCM contractor for the project. The project is being implemented in compliance with the Auto Fuel Vision Policy 2025 of the country. As



DHDT Unit construction under progress

on 31.03.2017, the overall progress of the project has reached 75.7% and 46 milestones were achieved against total 61 milestones for the project. Against an approved cost of ₹1031.36 crores; total expenditure incurred in the project as on 31.03.2017 was ₹305.91 crores. The project is targeted to be completed in January 2018. As targeted in MoU 2016-17, all 12 key milestones were achieved during the year.

Refinery Expansion

NRL's refinery expansion proposal from 3 to 9 MTPA is under active consideration at the MoPNG. Draft PIB note has been prepared. Govt. of Assam and M/s Oil India Ltd. has accorded in-principle approval for additional equity investment in the project. The expansion proposal also includes construction of (i) a crude pipeline from Paradip port in Odisha to Numaligarh covering a distance of around 1,398 kilometer for transportation of imported crude and (ii) a product pipeline from Numaligarh to Siliguri of around 650 kilometer. With regard to crude oil

pipeline, NRL has signed a tripartite MOU with IOCL and Paradip Port Trust for use of SPM and port facilities at Paradip.

Bio Refinery

Your Company is planning to set up a bio-refinery for production of ethanol in Joint Venture with technology provider M/s Chempolis Oy of Finland along with their financial partners. Bamboo has been selected as feedstock considering its abundance in the North Eastern region. This will be first bamboo based ethanol plant in the world. BEDP for the project is under preparation. Since bio-mass aggregation will be one of the major activities, entire framework is being developed for the same. Process for Environment Clearance of the project is under progress.

Non-Planned Projects

Installation of LPG Mounded bullets

NRL is implementing a project for replacing the old above ground LPG vessels (LPG Spheres and bullet) with mounded bullets of suitable capacity. Mounded bullets provide intrinsically passive, safe environment & eradicates the possibility of Boiling Liquid Expanding Vapour Explosion (BLEVE). This project is being implemented at an approved cost of ₹122.10 crores. As on 31.03.17, overall progress of the project has reached 65.71% and 29 milestones were achieved against total 53 milestones for the project. Total expenditure of the project up to 31.03.17 is ₹53.86 crores. The project will get commissioned in the financial year 2017-18.

Uprating of Gas Turbine 2

In order to meet power requirement of the refinery post commissioning of new plants (Wax plant and DHD) uprating of the two existing Gas Turbine Generators (GTG) were taken up in a phased manner. The first GTG was successfully commissioned in April 2015. Subsequently, uprating of GTG-2 was taken up in 2016-17 at a cost of ₹47.68 crores. The project was completed on 31.10.2016 as targeted.

Capacity Expansion and modernization of LPG Bottling Plant

Having operated its bottling plant at significantly higher than its rated capacity of 10 TMTA for last 15 years, your Company is now modernizing the



plant with capacity augmentation from 10 to 42 TMTPA. Capacity augmentation of LPG Bottling Plant involves replacement of existing semi-automatic carousel system by an electronic carousel system. The E-carousel system has less manual involvement and is more advanced in meeting accuracy and stringent quality and quantity parameters. The new electronic carousel system with 24 filling heads will have a capacity of 1580 cylinders per hour as compared to 750 cylinders per hour in existing semi-automatic carousel with 12 filling heads. This facility will be commissioned during FY 2017-18. This will support the ongoing expansion of bottled LPG market by BPCL in the region.

Other Projects

Some of the other major non-plan projects under implementation are CDU/VDU Preheat train temperature improvement project, Construction of Corporate Office Building at Guwahati, Construction of Nursing School Building adjacent to Refinery and 1 MW Solar Power at refinery.

8. Investment in Joint Venture Companies

Brahmaputra Cracker and Polymer Limited (BCPL): BCPL is a joint venture company which was incorporated on 8th January, 2007 as a Central Public Sector Enterprise under the Department of Chemicals & Petrochemicals, Govt. of India. BCPL has implemented the Assam Gas Cracker Project (the first ever Petrochemical project in North East India)

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 70.73% of equity participation with NRL and Oil India Ltd. (OIL) having 10.11% each and Government of Assam having the balance 9.05% share as on 31st March 2017. NRL had contributed ₹141.77 crores towards equity in this joint venture.

DNP Limited: DNP Limited is a Joint Venture Company between Assam Gas Company Limited (AGCL), Oil India Limited (OIL) and Numaligarh Refinery Limited (NRL) and was incorporated on 15th June 2007 with an authorized share capital of ₹170.00 crores. As on 31st March 2017, the paid up share capital of DNP Limited is ₹167.25 crores. 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 Duliajan.

The main object of DNP Limited is transportation of natural gas through pipeline having a design capacity of 1.2 MMSCM of natural gas per day from Madhuban at Duliajan to NRL Refinery. During the FY 2016-17, the Company transported 229.12 MMSCM of natural gas as against 222.91 MMSCM of natural gas in 2015-16.

DNP Limited achieved Revenue from Operations of ₹66.51 crores for the financial year ending 31st March 2017 as compared to ₹62.83 crores in the previous year. The Company's profit for the period stood at ₹13.49 crores as against profit of ₹9.62 crores in the previous year. Earnings per Share (EPS) for the year 2016-17 stood at ₹0.81 compared to ₹0.58 in 2015-16. The Board of Directors of DNP Limited has recommended a dividend of ₹0.25 per share of ₹10.00 each for 2016-17 as compared to ₹0.17 per share of ₹10.00 in 2015-16.

9. Procurement from MSME

NRL has adopted the Public Procurement Policy 2012 for procurement of Goods and Services from Micro and Small Enterprises. All benefits provided to MSEs under the public procurement policy 2012 are extended to MSEs who have “Entrepreneurs Memorandum – II” and Udyog Aadhar Memorandum. NRL has reserved all the 358 items for exclusive procurement from MSEs as per the policy.

The target set for the year towards procurement of goods and services from MSEs as percentage of non-hydrocarbon goods and services was 20% and a sub-target of 20 per cent (i.e., 4 per cent out of 20 per cent) earmarked for procurement from Micro and Small Enterprises owned by the Scheduled Caste or the Scheduled Tribe entrepreneurs. In event of failure of such Scheduled Caste or the Scheduled Tribe Micro and Small Enterprises to participate in tender process or meet tender requirements and L1 price, shall be met from other Micro and Small Enterprises.

During Financial Year 2016-17, procurement of indigenous non-hydrocarbon goods and services amounted to ₹457.87 Crores as against ₹422.20 crores in the last year. Out of the above, total procurement from MSEs was ₹129.89 crores as against ₹91.32 crores in 2015-16, which is 28.37% against the target of 20%. However, the sub-target of 4% earmarked for procurement from Micro and Small Enterprises owned by the Scheduled Caste / Scheduled Tribe entrepreneurs could not be achieved (0.9% achievement) due to SC/ST entrepreneurs failing to meet L1 condition in tendering process. Besides, being an oil refinery, NRL procures specialized items where participation from SC/ST MSEs was limited.

During the year various steps have been taken by NRL to develop MSE and ST/SC MSE vendors to achieve the target of MSE procurement. A Vendor Development Programme was organized by NRL on 29th July 2016 with special emphasis on MSE and SC/ST entrepreneurs, where more than 200 vendors from different parts of the country actively participated. During the year NRL also actively participated in three vendor development programmes organized by the Ministry for MSME.

10. Implementation of Official Language

NRL has been promoting implementation of Hindi as the Official Language as per provisions of the Official Language Act, 1963 and Official Language Rules, 1976. Hindi training & workshops are being periodically organized for the employees. Incentive schemes for encouraging employees to use Hindi in Official correspondences are being continued. A sum of ₹2, 81,700.00 was given to 187 employees as cash incentive during the FY 2016-17. Events like “Hindi Divas” and “Hindi Week” were celebrated w.e.f. 14th to 20th Sept., 2016 with active participation from employees and their family members. A Hindi “Hasya Kavi Sammelan” was organized on 22nd Oct., 2016 at the Community Centre, NRL Township. NRL was awarded the “Chal Vijayanti Shield” (1st Prize) for the second consecutive year for effective implementation of the Official Language Policy, Govt. of India during the year 2015-16. In addition, NRL Hindi magazine “Prayas” (6th Issue) was also awarded the 1st Prize among Hindi magazines published by Town and Official Language Implementation Committee members. The 7th (seventh) issue of the Hindi Magazine “Prayas” was also brought out during the financial year 2016-17.



Award to NRL for effective implementation of Official Language Policy

11. Right to Information Act

Procedures have been built in the system to ensure timely, rational and complete replies to RTI petitions received by the Company. With the launch of RTI Online web portal <https://rtionline.gov.in> and its alignment with NRL w.e.f 3rd October 2016, RTI petitions received online are dealt with and responded to online, while records of offline receipt and response of RTI petitions



are integrated into the online system. A robust RTI Act reporting system is in place which includes Monthly Progress Report on RTI to the Ministry of Petroleum and Natural Gas and online quarterly returns in RTI Annual Return Information system. Provisions of the RTI Act 2005 are regularly discussed in various internal forums in order to encourage proper record keeping and promote transparency and accountability in day to day working. In addition to mandatory disclosures as per Section 4(I)(b) of RTI Act, 2005, updated information related to the Company is made available in the Company's website www.nrl.co.in for easy access and flow of information to the citizens of India.

12. Vigilance

Vigilance department endures to ensure transparency and accountability in every aspect of the organization's functioning, leading to better efficacy and efficiency. It believes in preventive vigilance and suggests ways and means for improving and streamlining rules and procedures.

As part of Preventive Vigilance - 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 and Vigilance Awareness programmes among the employees were carried out during the year. Further, the department undertook investigations of complaints received from various



Vigilance Awareness week celebrated at DPS Numaligarh

stakeholders and recommended suitable actions to the management. Regular communiqués were issued concerning circulars received from the CVC for

ensuring that employees remain abreast of the latest guidelines and unintended mistakes are avoided. The 2016-17 issue of the Vigilance Journal of NRL – 'Chaitanya' containing various articles on vigilance was also released.

Vigilance Awareness Week, 2016 was observed at all locations of the Company in a befitting manner with active participation of employees and other stake holders from 31st October 2016 to 5th November 2016 in line with directives from Central Vigilance Commission with the theme "Public Participation in Promoting Integrity and Eradicating Corruption". Awareness activities like display of posters, banners, Slogan and Essay writing competitions among NRL and CISF employees and their spouses were organized. Similar awareness programmes consisting of Essay writing, Debate competition, Extempore Speech and Group Discussion competitions were organized in nearby Schools & Colleges.

Shri U. Krishna Murty, Chief Vigilance Officer, HPCL assumed the additional charge of Chief Vigilance Officer of NRL with effect from 17th August 2016.

13. Integrated Information Systems (IIS)

SAP system being the heart of information technology running the business process was successfully upgraded to latest version EHP8. The upgraded version has enhanced features of business functions which will be adopted in due course. The transition happened as planned without disruption to business.

The new tax regime "Good and Service Tax" (GST) for purchase and sale processes was configured in SAP/IT system to comply accordingly to the GST rules. NRL commenced sales transactions under new tax regime from 1st July 2017 at its marketing terminals in Assam and West Bengal.

As part of continuous endeavour to automate business process workflows and improve operational efficiency, Laboratory Information Management System (LIMS) has been implemented in refinery as part of quality assurance process. The solution is as per global industry standard which ensures security, integrity and reliability of data. It introduces a workflow based quality assurance process, hosts central repository of quality control data and integrates the data with the process historian and SAP.

Another business process adopted on IT platform is the treasury function through implementation of Treasury & Risk Management (TRM) module. The module was implemented in SAP for managing all the investment details of term deposits and securities of NRL's Surplus Fund as per Govt. directives.

An application for selling of wax online has been launched through company's website to facilitate customers for ordering online and making payment using payment gateway.

Some of the processes in various departments that got automated in the current year are integration of railway weigh-bridge of the marketing terminal with SAP. Introduction of gate-pass system developed in SAP to record the movement of vehicles for delivery of products in the marketing terminal at Numaligarh. Equipment requisition software for intending equipment by the departments and tracking by maintenance function. ERP function has also automated its change management process by implementing solution manager and ChaRM module in SAP.

Information Security Management system (ISO 27001:2013) has been re-certified to comply with the latest statement of applicability for security of IT systems.

All statutory compliance like Krishi Kalyan Cess (KKC) implemented in system on time.

14. E-Governance

In keeping with the spirit of DIGITAL INDIA, several projects towards digital transformation have been implemented. Some significant initiatives taken in this context are highlighted below:

- All Corporate Social Responsibility (CSR) proposals/schemes are processed through comprehensive workflow software christened as eSewa from acceptance of application to approval at various levels and final disbursement of funds.
- A baseline database was created for CSR by conducting survey through application developed to run both online and offline.
- Behavioral based safety software has been implemented in refinery to record and analyze safety performance data.

- In continuation with the payment through cards and digital means, all cheque payments have been discontinued with exception requiring approval from highest authority.
- Digitally signed purchase orders have been issued eliminating the need for printing and transmitting paper copies.
- Significant efforts have been put for establishment of secure digital payment platform with multiple bankers and billers for automating the business process with banking ecosystem for various types of payment collection as well as disbursements like customer payment collection, CSR fund disbursements, EMD and SD collection and release, vendor payments, online payment collection for sale of wax etc.
- Online workflow for capital budget application, approval and approval for implementation has been implemented for faster roll-out of capital budget projects.

15. Social Media Presence

NRL has embraced the power of Social media to reach out to its extended audience in digital space. Utilizing its Facebook page and Twitter handle, the Company has effectively engaged with its stakeholders-informing, engaging, clarifying and gauging perceptions based on feedback; thereby enhancing NRL's brand image while propagating the values that the company stands for. Social media has also been an effective instrument to share and receive real time information on initiatives undertaken by the Govt. of India and various organizations under its ambit with focus on developments in the Ministry of Petroleum and Natural Gas and other PSUs in the Oil sector.

16. 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 are placed at Annexure-A as part of this report.



17. Foreign Exchange Earnings and Outgo

The Company earned foreign exchange of ₹27.46 crores on export of Diesel to Bangladesh and Wax being exported to 17 different countries during 2016-17. Foreign exchange outgo during the year was ₹256.44 crores mainly on account of purchase of materials, know-how, professional consultancy fees, travelling, etc.

18. Memorandum of Understanding

Your Company has been achieving 'Excellent' performance rating consistently since signing of the first Memorandum of Understanding (MoU). Based on our self evaluation of performance against MoU 2016-17, the Company is expected to qualify in 'Excellent' category.



MoU Signed with BPCL for 2017-18

19. 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 lakhs/₹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.

20. 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 provisions are not applicable.

21. Corporate Governance

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

In accordance with the guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE) in May 2010, a report on Corporate Governance together with Auditors' Certificate on compliance of Corporate Governance is annexed as **Annexure-B** to the Directors' Report.

22. Audit Committee

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

23. Number of Meetings of the Board

Seven meetings of the Board of Directors were held during the year 2016-17, the details of which are given in the Corporate Governance Report that forms part of this Report.

24. 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.

25. Statutory Auditors

M/s. Ghoshal & Ghosal, Chartered Accountants, 4, Commercial Buildings, 23 Netaji Subhas Road, Kolkata-700001 was appointed as Statutory Auditors of the Company for the year 2016-17 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.

26. Cost Auditors

M/s. Subhadra Dutta & Associates, Cost Accountants, Guwahati was appointed as the Cost Auditor of the Company for the year 2015-16 in accordance with the provisions of Section 148(3) of the Companies Act, 2013. Cost Audit Report for the year 2015-16 was filed with the Ministry of Corporate Affairs on 14th October, 2016 in XBRL Format as specified by MCA as per requirements of the Companies (Cost Records and Audit) Rules, 2014.

The same Cost Auditor was appointed for the year 2016-17. 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 2016-17 within stipulated time.

27. 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 Biman Debnath & Associates, Practicing Company Secretaries, Guwahati were appointed by the Board as Secretarial Auditor to conduct the Secretarial Audit of the Company for the year 2016-17. The Secretarial Audit Report for the financial year ended 31st March, 2017 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.

28. 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, 2017.

29. 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, 2017, 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, 2017 and the profit and loss of the company for the year ended on that date;
- (c) The Directors have 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 have prepared the annual accounts on a 'going concern' basis; and
- (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;



- (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.

30. 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.

31. Directors resigned and appointed after the last Annual General Meeting

Shri R. T. Jindal, Former Additional Chief Secretary to the Govt. of Assam, ceased to be Director on the Board of NRL as well as Chairman of the Audit Committee with effect from 7th September, 2016 on withdrawal of his nomination by the Govt. of Assam.

Shri S. Varadarajan, erstwhile C&MD, Bharat Petroleum Corporation Limited (BPCL) ceased to be Director as well as Chairman on the Board of NRL with effect from 1st October, 2016 on attaining his superannuation in BPCL.

Shri Nalin Kumar Srivastava, erstwhile Director (Exploration-II), MOP&NG ceased to be Director on the Board of NRL with effect from 12th January, 2017 on withdrawal of his nomination by the Govt. of India, MOP & NG.

Shri S. R. Medhi, relinquished the charge of Director (Technical), NRL at the close of office hours on 31st January, 2017 on attaining his superannuation.

The Board placed on record their appreciation of the valuable contributions and guidance and support provided by Shri R.T. Jindal, Shri S. Varadarajan, Shri Nalin Kumar Srivastava and Shri S.R. Medhi for the development and progress of the Company's business during their tenure.

Shri Ravi Capoor, IAS, Additional Chief Secretary to the Govt. of Assam, Industries and Commerce Department was appointed as Additional Director

w.e.f. 14th September, 2016. As he has been 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 D. Rajkumar, C&MD, Bharat Petroleum Corporation Limited was appointed as Additional Director and Chairman on the Board of the Company w.e.f. 7th October, 2016. As he has been 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 Rajkumar Sharma, who has been nominated by the Government as Independent Director on the Board of the Company for a period of three years from the date of Notification of his appointment i.e. 31st January, 2017 or until further orders, whichever is earlier, was appointed as Additional Director on the Board of the Company w.e.f. 31.1.2017. His appointment will be placed for confirmation by the Shareholders in the ensuing AGM. 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 B. J. Phukan was appointed as Additional Director and Director (Technical) w.e.f. 1st February, 2017 as per intention of the Government. 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 Alok Tripathi, Director (D&MC), MOP&NG was appointed as Additional Director on the Board of the Company w.e.f. 27th February, 2017. 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.

In accordance with provisions of Section 152 of the Companies Act, 2013, Shri S. K. Barua, Director (Finance) will retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment as Director at the said meeting.

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

32. Acknowledgment

Your Directors wish to place on record their deep sense of appreciation for the outstanding results achieved by NRL in almost all spheres of activities which is a true reflection of collective hard work, commitment and ability of NRL employees to work as a team and deliver desired results.

Your Directors also wish to place on record the contribution made by our associates, namely, VK NRL Hospital, DPS Numaligarh, CISF, Contractor Workmen, without whose rock solid support, it would not have been possible to come so far.

Your Directors acknowledge the support and guidance received from the 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, 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 wish to place on record their gratitude to NRL's valued customers and dealers for their continued support and faith reposed to the Company.

Your Directors also express their sincere thanks to all shareowners of the Company, viz. M/s. Bharat Petroleum Corporation Limited, M/s. Oil India Limited and Government of Assam for their continued support to the management towards enhancing shareholder value.

For and on behalf of Board of Directors

Sd/-

D. Rajkumar
Chairman

New Delhi

Dated: 8th August 2017



National Safety Day Celebration at NRL

Management Discussion and Analysis

Industry Structure and Developments

World economy is gaining a growth momentum from a cyclical upturn in demand. Confidence indicators, industrial production, headline measures of employment, and cross border trade flows have improved in most economies across the globe. However, this still-modest cyclical expansion is not yet robust enough to yield a durable improvement in potential output. Global economic growth for 2017 is estimated at around 3% which is projected to strengthen in 2018 and beyond. The growth forecast for India and China remains high at around 7% and 6.5% and is expected to continue the trend in the next year.

India's GDP growth in 2016-17 is estimated at 7.1% and is projected to remain strong in the coming years. It is projected that India will remain the fastest-growing G20 economy. The increase in public wages and pensions will support consumption. The landmark Goods and Services Tax and other measures to improve the ease of doing business are expected to create a positive environment for growth.

Energy trends

Global energy trends are going through a transitional phase. While oil and gas producers are cutting cost and deferring capital expenditure, investments in clean energy are increasing. In recent years, these longer-run energy transitions are affecting the global energy markets. On the demand side, there is a shift in the center of gravity towards fast growing developing economies led by China and India. And on the supply side, the movement is towards cleaner, low carbon energy sources, led by renewable energy, driven by technological advancement and environmental needs.

In spite of such disruptions in energy market, world oil demand growth for 2017 is projected to grow by around 1 million barrels per day and demand to average at around 96 mbd.

In the context of oil and gas scenario in India, the average price for Indian crude basket marginally increased to around \$48 per bbl in 2016-17 from \$47 per bbl in the previous year.

With regard to the Indian refining industry, against the country's refining capacity of 234.5 MMTPA, crude processed during 2016-17 was 245 MMT.



Sales and Purchase agreement for HSD signed between NRL and Bangladesh Petroleum Corporation

Total consumption of petroleum products in India during 2016-17 was 194 MMT compared to 185 MMT in the previous year, registering a 5% growth. Crude oil import during the year was 214 MMT and net product export was 30 MMT.

Strengths

The Company's net worth has progressively risen to the level of ₹5,181 crores as on 31st March, 2017 with reserves and surplus at ₹4,445 crores. 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 and lowest specific energy consumption.

NRL has the largest wax producing unit in the country and since commencing commercial production of Paraffin Wax in 2015-16, it has ended the last fiscal with highest market share in the country. Paraffin wax, being a high value product, adds value to refining margin.

The Company enjoys unstinted support from stakeholders particularly from its holding company, BPCL and the administrative Ministry, MoP&NG, thus providing the needed inspiration to forge ahead towards achieving challenging objectives.

Weaknesses

The major weakness of NRL is its sub-economic refinery size at 3.0 MMTPA. Coupled with this, the logistical bottlenecks for importing limited quantity of crude oil to saturate existing refining capacity results in relatively higher operating cost per unit of crude



Slabbing unit of Wax Project

processed. Demand of petroleum product in North East is slowly picking up with MS demand growing at around 12% and HSD demand growing near 2%. 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 to BPCL in eastern part of the country and there being projected growth in demand, there is opportunity to expand NRL's refinery capacity by sourcing incremental crude through imports. In this regard, NRL is actively pursuing the proposal for refinery expansion from 3 to 9 MMTPA. Post expansion, surplus products available in the refinery can be exported to Bangladesh, Myanmar and Nepal. During the first year of commercial production of Paraffin wax, NRL has been able to capture highest market share in the country. There is an opportunity to penetrate marketing of wax in the neighbouring ASEAN countries. As on date, we have exported to 18 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.

Product-wise Performance

NRL's total production during 2016-17 was 2,653 TMT which was higher compared to 2,521 TMT in the previous year. Production included 1,254 TMT and 489 TMT of HSD in BS III and IV grades, 381 TMT and 158 TMT of MS in BS III and IV grades respectively. Production also comprised 55 TMT LPG, 80 TMT ATF, 103 TMT SKO, 10 TMT RPC, 64 TMT CPC, 35 TMT Wax and 4 TMT Sulphur. Production of Petrochemical Grade Naphtha was 15 TMT. Besides above products, 0.5 TMT of Special Boiling Point Spirit (SBPS) and 4 TMT of Mineral Turpentine Oil (MTO) were also produced.



Outlook

The outlook for 2017-18 is positive with growing demand of petroleum products in NRL's supply zone. There is opportunity to tap the export market for paraffin wax where NRL has already been able to make head way by exporting to 17 different countries in 2016-17. Even the domestic wax market is deficit in supply and around 50% of the country's demand is being met through imports.

Major challenge for the Company lies in production of BS IV grade HSD at 100% capacity utilization of its refinery. As per stipulations of the Auto Fuel norms, NRL has already started supplying BS IV grade HSD and MS. Commissioning of the DHDT unit within targeted timeline of January 2018 holds a key for optimum operation of the refinery.

The proposal for investment in the refinery expansion project is under active consideration of the Government. Once this project is approved, we expect major changes in the entire organization as this will be the biggest single investment of the company as well as in the oil industry in the North East.

The Indo Bangladesh Product Pipeline from Siliguri to Parbatipur, Bangladesh is also gaining momentum and we expect this project to start in the next couple of months. Government of India has already agreed in principle, to finance the construction of the Bangladesh portion of the pipeline under its grant-in-aid program.

The bio-refinery project is proposed to be implemented through a Joint Venture company for which framework agreement has been signed. Environment Clearance and preparation of Basic Engineering and Design Package of the plant are in progress and the JV agreement is expected to be signed thereafter.

Risks and Concerns

Risks and associated concerns for 2016-17 continue to be primarily associated with supplies of crude oil and natural gas. Major concern for the Company is meeting the timeline for commissioning of the DHDT unit by January 2018.

Internal Control Systems and their adequacy

The Company has robust internal control systems (including Internal Financial Controls over Financial Reporting) that facilitate efficiency, reliability and completeness of accounting records and timely preparation of reliable financial and management information. The internal control system ensures compliance with all applicable laws and regulations facilitates in optimum utilization of resources and protect the Company's assets and investor's interests.

NRL has a clearly defined organizational structure, delegation of authorities, service 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.

An independent internal audit department comprising of officers from finance and technical functions, conducts round the year risk focused audit to ensure sound systems and procedures in its business with robust checks and controls measures.

The audit committee, on behalf of the Board of Directors periodically assesses the adequacy and effectiveness of internal control systems in detecting fraud and irregularities, infringement of laws, nonconformity to rules and regulations, by reviewing the work and findings of Internal Audit Department.

Financial Performance with respect to operational performance

During 2016-17, the refinery processed 2,683 TMT of crude oil, which corresponds to a capacity utilisation of 89%. Crude throughput in 2016-17 was higher compared to previous year's 2,520 TMT due to higher

on stream days. Distillate yield was 90.52% compared to 90.42% of previous year. As per new methodology of CHT, distillate yield excluding blend components and considering NG fuel and feed as input works out to 86.50% in 2016-17. On a like-to-like basis, distillate yield as per new CHT formula for 2015-16 was 86.34%. Energy Intensity Index (EII) during 2016-17 improved to 95.2 from previous years 96.6. NRL's EII continues to be amongst the best in the industry. MS production during the year was maximized to achieve highest ever production of 540 TMT.



1st GST Invoice was handed over by Director (Finance) on 1st July 2017

Sales during the year were recorded at 2,679 TMT which was higher compared to 2,618 TMT in 2015-16. Gross Refinery Margin (GRM) during the year was recorded at \$8.50 per bbl compared \$8.06 per bbl. Consequent to such higher margins and excellent physical performance, the Company registered highest ever profit before tax of ₹3,147.57 crores during the year. The Earning per Share (EPS) for the year 2016-17 stood at ₹28.55 compared to ₹16.45 in 2015-16.

The Company posted revenue from operations of ₹11,247 crores registering a growth of 12% as compared to ₹10,031 crores in the previous year. Profit before tax (PBT) increased by 69% to ₹3,147.57 crores from ₹1,863.85 crores in the previous year mainly on account of higher margins. Consequently, highest ever Profit after tax (PAT) was recorded during 2016-17 at ₹2,100.57 crores, marking an increase of 74% from ₹1,209.82 crores in the previous year.

Certification and Awards

Lending credence to exemplary performance and achievement in different spheres of activities were the following prestigious Awards, that were conferred on NRL during the financial year 2016-17 :

1. National Technology Award for Commercialization of Wax De-oiling Technology developed jointly in collaboration with the Indian Institute of Petroleum and Engineers India Limited by Technology Development Board, Department of Science and Technology, Govt. of India.
2. Rashtra Vibhushan Award 2016-17-Platinum Category for Excellence in Environment Protection by Foundation for Accelerated Mass Empowerment (FAME), New Delhi.
3. Greentech Gold Award 2017 for outstanding achievements in Environment Management in Petroleum Refining category by Greentech Foundation.
4. Suraksha Puraskar Award in Manufacturing Sector, Group-A (Manufacturing coke and Refined petroleum products) by National Safety Council of India.
5. Best Performance Award in Carbon Di Oxide Emission (Lowest CWT i.e Carbon weighted in tonnes) in the category of All Indian Refineries (with Natural Gas) by CHT (Centre for High Technology).
6. Chal Vijayanti Shield (First Prize) for effective implementation of Official Language and best Hindi magazine by Town Official Language Implementation Committee (TOLIC) of PSUs.



Receiving of Technology award 2017 by NRL

7. Governance Now PSU Awards 2016 for Asset Utilization and Strategic performance by Governance Now magazine.
8. PRSI National Award 2016 in House Journal (English) category by Public Relations Society of India.
9. Intelligent PSU Award 2016 in Enterprise applications by Indian Express group.
10. SCOPE Corporate Communication Excellence award in House Journal category.
11. BT-CSR Excellence Award 2016 in the category, 'Eradicating Poverty' by Bureaucracy Today magazine.

Human Resources

The Company is committed to operational excellence and increased productivity through optimum utilization of human resources. The company recognizes the need for strategic and customer centric HR initiatives through development of HR strategy aligned to the overall organizational goal. It has continued to enable its employees to work in a conducive environment, leveraging technology to ease its operations.

The Manpower strength of NRL as on 31st March 2017 is 870, as detailed below:

Group	Total	SC	ST	OBC	PWD	Minorities	Female
A	429	52	31	104	3	17	34
B	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C	439	35	63	143	17	30	9
D	2	2	0	Nil	Nil	Nil	Nil
Total	870	89	94	247	20	47	43

Developmental Training

The Training and Development department at NRL plays a critical role in imparting training and skill development at Numaligarh Refinery Limited for both Management and Non-Management staff. Training has been provided both in the functional and behavioural aspects for capacity building. During the year, 2381 mandays of training were imparted to employees comprising both management and Non-Management staff.

Total 37 numbers of internal programs are conducted at NRL learning Centre and total number of employees covered through external program is 291. Special thrust has been given for providing functional training for Non-Management staffs during the year. Refresher course on 'Refining Technology' was arranged for 57 Non Mgt. staff at ISPe Dehradun. Fifteen programmes on leadership development with the objective of developing critical mass of leaders were organized. Man-days for training on Project Management and Risk Management were 30 and 40 respectively.

SC/ST Employees

The prescribe information of SC/ST employee of the company is furnished at **Annexure D**.

Reservation and other welfare measures for SC/ST

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

In addition to providing reservation in employment, your company is also adopting relaxed criteria in promotions for SC/ST candidates as per the existing guidelines. Besides, SC/ST candidates, who are called for written test/ interview, are reimbursed the travelling expenses.

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

During the year 2015-16 various developmental activities focused on socio-economic development of SCs, STs and Backward classes have been carried out under Corporate Social Responsibility (CSR) schemes.

Persons with Disabilities

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

Group	Nos. of posts reserved for PWD	Nos. of PWD employees in place
A	4	3
C & D	16	17

NRL has already taken initiatives for clearing the shortfall in recruitment of PWD candidates. It is a challenging task to find and appoint suitable PWD candidates in a single unit refinery which is a hazardous chemical process unit. Besides, NRL is also making continuous effort for upliftment of persons with disabilities by undertaking various initiatives under CSR schemes.

Gender-friendly work place

The Company has provided a gender friendly work place with equal opportunity for men and women. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is in force to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints therewith or incidental thereto. NRL's internal Complaints Committee has been reconstituted as per provisions of the Act to make it more pro-active and functional. During the year 2016-17, no complaints of sexual harassment has been received.

Communication to Employees

Effective employee communication is one of the cornerstones of a healthy and vibrant enterprise. Sharing of information and knowledge across the organization leads to involved, motivated and empowered employees with improved performance. With this dictum in mind, regular communication with employees is maintained utilizing various platforms including email messages, Company House Journal,



Local Area Network portal, Departmental meetings, Communication meetings, Functional Coordination meetings etc. A great deal of emphasis is put on two way interaction so that employees can share their thoughts and ideas on varied subjects related to the Company and feel their contribution in the overall achievements and success of NRL.

Industrial Relations

Industrial relations were cordial and harmonious throughout 2016-17. Issues with various groups and agencies were amicably resolved facilitating smooth conduct of business during the year.

Silver Anniversary of NRL Foundation Day

NRL celebrated its 25th Foundation Day on 22nd April 2017. It is on this day that the Company was established in year 1993 and from then on there has been no looking back. The Company has now emerged as a role model of successful business enterprise in the region with a commitment to serve the disadvantaged and society at large. In order to mark the silver jubilee year, celebrations continued for the entire week between 22nd April - 29th April 2017 which included an eye camp in the neighbouring villages, blood donations, distribution of bicycles to BPL and meritorious students of neighbouring schools around the Refinery, literary and cultural competitions etc.



Distribution of cycle among girl student

Corporate Social Responsibility and Sustainability

Corporate Social Responsibility and Sustainability (CSR) initiatives of NRL are based on baseline surveys

and are aimed at improving the socio-economic status of weaker section of the society. Focus of NRL's CSR lies in the surrounding areas of the refinery at Numaligarh, Assam and at Siliguri in West Bengal, where its marketing terminal is located. Over the years, NRL has been trying to bring positive change to the lives of more and more people through CSR activities. Every year, new CSR programs are being identified to reach out to a larger section of the society and make a visible impact to their lives. The Community, particularly around the refinery at Numaligarh has witnessed perceptible improvement on socio economic front on account of CSR initiatives of NRL. Such developments have been instrumental in promoting goodwill and ensuring sustainable development of the organization.

CSR interventions of NRL have become an effective vehicle, which carries positive image of the organization among its internal and external stakeholders. Efforts were made to ensure that benefits of the CSR activities reaches to the less privileged and marginalized section of the society under the focus areas of promotion of Agri allied activities; Skill Development; Education; Health care, Rural Infrastructure and Promotion of Sports. NRL's increasing efforts on CSR is reflected in its CSR spending which has grown by many folds in the last few years. During 2016-17, NRL CSR expenditure has increased to ₹20.69 crores, registering a growth of 78.8% over previous years CSR spending of ₹11.57 crores.

Major CSR and Sustainability initiatives undertaken during 2016-17 are:

- **Employment enhancing vocation skills:** To promote the nationwide campaign on Skill India and under the Company's flagship project "**Uttoron**", NRL provided skill development trainings to 144 unemployed youth on various trades such as Cutting and Sewing; GNM & BSc Nursing courses, Panchakarma Ayurvedic Nursing, Hospitality Management, Dip in Paramedical Science, Wiremen Control Panel, TIG Welding etc. Further training on Wax based craft was provided to 130 youths from various parts of North east to promote NRL wax & to support them in their entrepreneurial journey of setting up self sustainable production units. NRL also organized



VKNRL School of Nursing is under construction



- 6 month training for 20 local weavers through M/s Indian Institute of Entrepreneurship (IIE) on Product design; diversification and Marketing.
- Empowering women:** One of the flagship CSR initiatives undertaken during 2016-17 was to setting up VKNRL School of Nursing at Numaligarh at a project cost of ₹26.00 crores. Around 22.5% of Construction progress have been achieved and is expected to complete within October, 2017. The school will operate from the next academic session i.e 2017-18 with student intake capacity of 40 per batch. As an interim arrangement, a temporary setup of lecture halls, Laboratory, Library etc. has been arranged near refinery complex.
 - Promoting education:** To boost the outreach of education among the lesser privileged, NRL has contributed for creation of School infrastructures in the neighborhood of its operational areas. 3 new school has been constructed at a project cost of ₹ 55.09 Lakh viz. Ponka R.H. High school, 1 no. RongbongKarbi L.P. School and Lakhimi Bagan LP School. The company has also, renovated 42 nos. nearby schools by developing class room, auditorium, library facility, play field, boundary wall, teacher common room, etc. at a project cost of ₹146.12 Lakh.
 - To promote academic excellence and motivate students for higher learning, scholarships were awarded to 276 girl students under the scheme 'Prerona', 585 students securing first division in class X and XII examinations under the scheme 'Gyandeep' and teachers from 41 schools from the surrounding area were rewarded under 'Dronacharya' scheme for their role in improving
 - the standard of education. Scholarships worth ₹1.02 crores were disbursed during 2016-17 through online directly to students and teachers
 - Rural development projects:** Electrification work has been taken up in 8 nos. un-electrified villages in the neighboring areas of the Refinery covering around 1000 household. The project involves a cost of ₹63.05 lakhs which is being implemented by APDCL as deposit work. Additionally, M/s The Energy & Research Institute (TERI), New Delhi was engaged to electrify 7 nos. un-electrified villages by providing Solar Home Lighting Systems to 290 needy households where grid power connectivity is inaccessible.
 - Model Village:** In the 2nd phase, 3 nos. of nearby village viz. Chawrabasti, Ponka & Mazdoor gaon have been taken up for development as Model village in addition to 2 nos. villages ie. Gandhigaon, Napathar Notun Gaon adopted during the 1st phase. An amount of ₹189.97 lakhs have been spent on the 5 Model villages during the year.
 - Gandhi Gaon:** All the households of Model Village – Gandhigaon which was un-electrified before, was provided with Electric power connection & solar lighting. Internal road, a Community hall & RO plant for providing safe drinking water has been constructed in the village. 76 nos. toilets have been handed over to the villagers to make the village as open defecation free.
 - Napathar Notun Gaon:** Approach road to the village developed as all-weather Road. ME School & the existing weaving centre of the village has been expanded and renovated.



Electricity connection was also provided to 4 nos. un-electrified households making the village 100% electrified.

- **Chawrabasti:** A Library cum community hall, Boundary wall of cremation ground & branch road development has been done in this village along with providing electricity connection to all the households.
- **Ponka:** A RCC bridge on the main approach road to Ponka has been constructed along with development of 3.8 KM internal road. Low cost sanitary toilet also being provided to 25 household in the 1st phase.
- **Mazdoor village:** Work has started for development of Project Affected People (PAP) Mazdoor village at Bishnupur includes construction of 30 Nos. 300 sqft houses with attached toilet and safe drinking water facility. 80% work has which been completed.
- **Promoting preventive health care:** Under Project "Drishti", 15 free eye screening cum cataract operation camps were conducted in Golaghat district through Lions Eye Hospital & Sri Sankardev Netralaya, Guwahati. A total of 2,482 patients were screened, 334 cataract patients were operated. Also, free eye screening camps were conducted in 32 schools where 3232 students were screened and 115 students were provided with spectacles.
- Under NRL's healthcare project "**Niramoy**", 283 mobile medical camps were conducted in villages

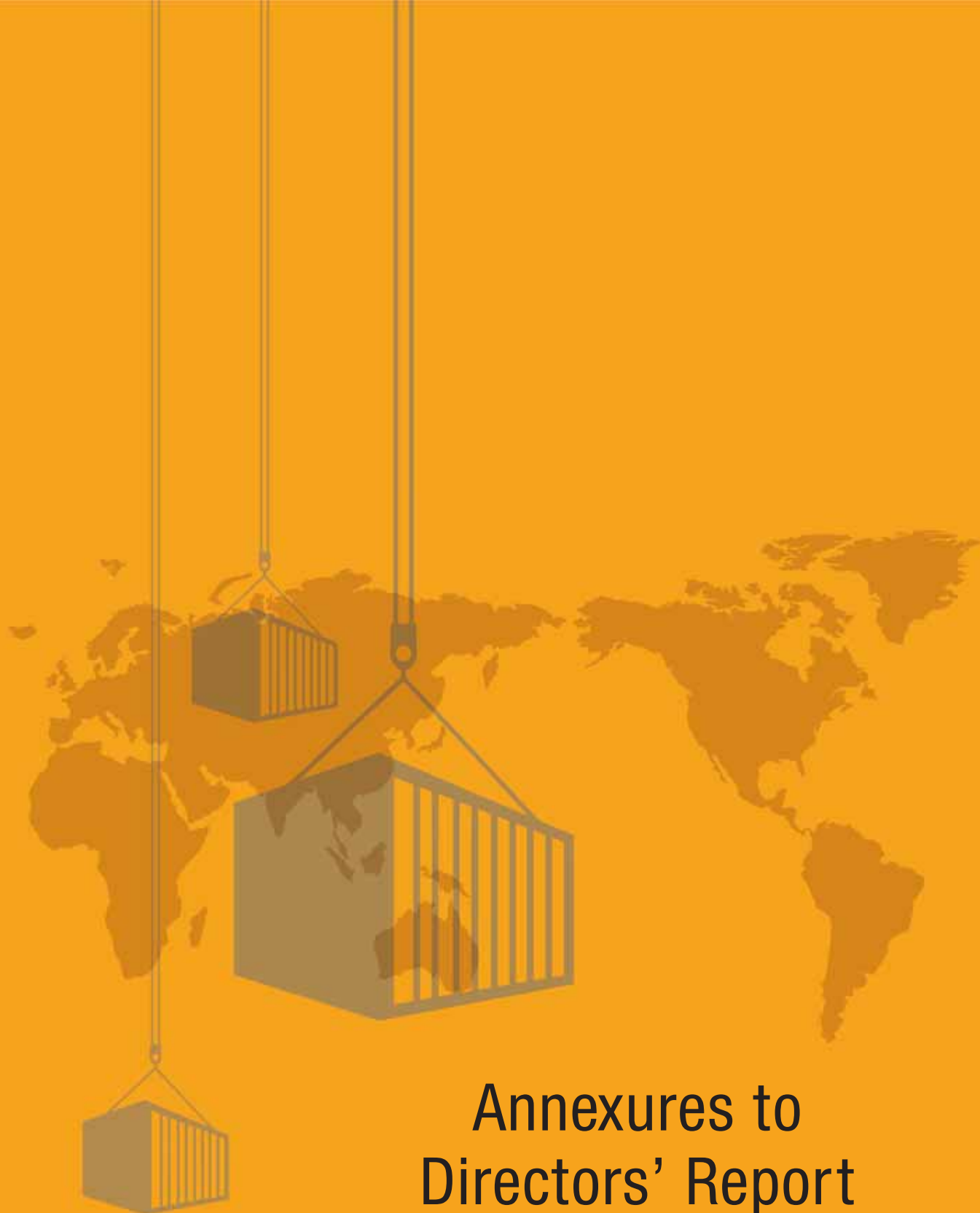
through VK NRL Hospital covering 18,330 patients. During the year, financial support has been provided to **152 nos.** of patients of nearby locality for treatment of critical ailments involving cost of ₹57.50 Lakhs. Also, a subsidy of ₹1.78 crores was provided to VKNRL Hospital for treatment of needy BPL patients of neighbouring areas during FY 16-17.

- **Eradicating hunger, poverty and malnutrition:** A Baseline study in surrounding areas of NRL, covering over 6000 nos. households in 35 villages have been conducted in association with Kaziranga University to assess the prevailing socio-economic conditions so as to address the actual need of the underprivileged/ marginal section.
- **Promotion of sanitation, health care:** As part of the ongoing nationwide Swacchh Bharat Mission, 42 nos. awareness programmes on health, hygiene, cleanliness and sanitation were conducted in various schools and public places. Waste bins were also provided at 5 different Market places near Refinery along NH -39 including provision for proper up-keepment. Maintenance cost is being provided for all the 101 toilets constructed under Swachh Bidyalaya Abhiyan.

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



NRL Marathon 2017



Annexures to Directors' Report



Annexure –A

Efforts made by NRL with regard 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

a) Energy conservation measures taken

Keeping in view the importance of energy improvement in operations, your Company continues to take major initiatives in the field of energy improvement. There has been significant improvement in the EII (Energy Intensity Index) of the refinery over the years. EII of your refinery which stood at 117 in the year 2010 has been improved to a record 95.2 in this year. Some of the energy improvement schemes implemented during the year are:

- Maximizing reformat production with reduced energy by internal modification and increase in Isom plant load by conversion of available redundant equipment as DIH bottom pump. This has resulted in saving of around 1.5TPH LP steam and realization of 38KWs of power.
- Hook up of Hot VGO line with cold VGO line to maximize hot feed in HCU.
- Incorporating heater bank coil for NG heater 34-HE-121 -01/02 up to 43 degC thereby stopping MP steam in NG heater.
- Uprating of Gas Turbine by 4-5 MW has helped in single GT operation even with increase load of new units.
- CDU VDU column internal replacement with structured packing has resulted in improved vacuum, less COT by 5 degC with same distillation yield profile. This has reduced energy consumption significantly
- Chemical cleaning/foam cleaning of exchangers/columns/CR loops done which resulted in increase in preheat temp
- Burner alignment checking done for all major furnaces for efficiency improvement
- Significant saving potential in electrical energy has been identified through system drive audit carried out for all motors and pumps through PCRA (Petroleum Conservation Research Association)

b) Energy Conservation measures planned :

Some of the energy improvement schemes identified for implementation during 2017-18 are:

- Flare gas recovery system
- CDU pre-heat improvement by 20degC : Introduction of HGO CR loop with additional Exchangers (Helical type)
- 1MW Solar PV installation as ground mounted in surrounding boundary of the Refinery
- CDU plate type exchanger in APH replacing glass APH and cast APH section of CDU/VDU heater
- Stripped water ex SWS as Desalter wash water make-up instead of DMW
- Recycle water of Storm water (300m³/h avg) as CW make-up and as FW make-up. This will reduce the service water as CW makeup to that tune
- Condensate and flash steam recovery for HCU, DCU ,SRB & CPP
- Boiler Blow-down as condensate and flash steam recovery ex-HGU and HCU
- Steams trap dynamic analysis for rectification and sustenance >98%
- Condensate recovery scheme for CDUVDU, Wax Unit and OMS.

B. Technology Absorption

i) Efforts made towards technology absorption, adaptation & Innovation

Your Company is progressing well on implementation of its Diesel Hydrotreater Unit (DHDT) project. Technology for the DHDT unit is licensed by M/s. Haldor Topsoe of Denmark.

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

NRL's DHDT unit is being set up in compliance of the Auto Fuel Quality norms of the country. Commissioning of the DHDT plant will facilitate BS-IV and BS-VI grade HSD production at 100% capacity utilisation of the refinery.

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

a) Technology imported Year

Wax Hydro-finishing Unit	2011-12
Flare Gas Recovery System	2014-15
Diesel Hydrotreater Unit	2015-16

b) Technology absorbed

Wax Hydro-finishing Unit	2014-15
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Flare Gas Recovery System and the Diesel Hydrotreater Unit are currently under implementation.

C. Research and Development:

During the year, NRL has taken up an R&D project entitled **“Production of Microcrystalline Wax from Paraffin Wax in collaboration with Corporate R&D Centre (CRDC), BPCL”**

CRDC has carried out pilot scale trial for production of Microcrystalline wax from Paraffin wax produced at NRL through additive route. After successful pilot scale trial, scale-up trial was carried out at NRL in the month of July'16. The process requires further optimization to match few BIS quality parameters with consistency.



Annexure –B

Report on Corporate Governance

1. Company's philosophy on Code of Corporate Governance

Good Corporate Governance results in corporate excellence by ensuring that the powers vested in the executive management are used with care and responsibility to deliver sustained and long term value to its stakeholders. In NRL, our endeavour is to adopt best governance practices, which in our view are critical to ensure optimization of returns and satisfaction levels accruing to all the stakeholders. The interest of all stakeholders including shareholders, employees, customers and the Government exchequer are given paramount importance while taking commercial decisions. The Company has been sharing various information with the stakeholders from time to time through Press release, Annual Report and through NRL web site, etc. Being a non- listed entity, disclosures required to be made under clause 49 of the Listing Agreement pertaining to Corporate Governance is not applicable to the Company. However, as a good corporate governance practice and as per Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE) in May, 2010, the Company has been complying with the stipulations contained therein to the extent applicable. Relevant information on areas covered under Corporate Governance disclosures during the financial year 2016-17 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, 2017, the Board of NRL comprised of three Whole Time Directors including the Managing Director, one Independent 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 neither held membership of more than 10 Board Committees nor Chairmanship of more than 5 Committees (as specified in the Guidelines on Corporate Governance for CPSEs issued by DPE) across all the companies in which they were Directors. Further, as per Section 165 of the Companies Act 2013, Director should not hold directorship in more than 20 Companies at the same time and directorship in Public Companies should not exceed 10 Nos. During the year, there was no violation of Section 165 pertaining to number of directorship.

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

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

Board Meetings :

Seven nos. of Board Meetings were held during the financial year 2016-17 on the following dates:

11 th May, 2016	27 th July, 2016	30 th August, 2016	11 th November, 2016
20 th January, 2017	6 th February, 2017	27 th March, 2017	

Particulars of Directors including their attendance at Board/ Shareholders' Meeting during the financial year 2016-17:

Sl. No.	Name of the Directors	Academic Qualifications	Date of joining as Director of the Company	Attendance out of 7 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 31.03.2017)
				No. of Meetings Attended	%		
(a)	Whole Time Directors :						
1.	Shri P. Padmanabhan Managing Director	BE (Chemical Engineering) from NIT, Trichy	01.04.2014	7	100	Attended	Director: BCPL
2.	Shri S. R. Medhi Director (Technical) [upto 31.01.2017]	B. Tech from ISM University, Dhanbad & MBA from IIM, Ahmedabad	04.11.2011	5	100	Attended.	--
3.	Shri S. K. Barua Director(Finance)	CMA and LLB from Dibrugarh University	01.05.2013	7	100	Attended	Director: DNP Ltd.
4.	Shri B. J. Phukan Director (Technical)	BE (Mechanical Engineering) from Assam Engineering College	01.02.2017	2	100	NA	--
(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	4	100	NA	C&MD: 1. BPCL Chairman: 1.BORL Director: 1.BPRL 2. PLL
2.	Shri S. Varadarajan, Chairman & Managing Director Bharat Petroleum Corpn. Ltd. Mumbai-400001 [upto 30.09.2016]	ACA & CMA	12.10.2013	3	100	Attended	---
3.	Shri Ravi Kapoor, IAS Additional Chief Secy. to the Govt. of Assam, Industries & Commerce Department	B.Com and Post Graduate in Business Administration	14.09.2016	3	75	NA	Director & Chairman: 1. AGCL 2. ASIDC 3. APDCL 4. APGCL 5. AEGCL 6. ATC Director: 1. AIDC 2. BCPL
4.	Shri R. T. Jindal, IAS (Retd.) Former Additional Chief Secretary to the Govt. of Assam [upto 07.09.2016]	M.Sc (Chemistry) from Punjab Agricultural University	02.7.2012	1	33	Absent	--
5.	Shri Alok Tripathi Director (D&MC) MOP&NG, Govt. of India, New Delhi-110001	B.Tech and M.Tech from IIT, Kanpur	27.02.2017	-	NA	NA	--



Sl. No.	Name of the Directors	Academic Qualifications	Date of joining as Director of the Company	Attendance out of 7 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 31.03.2017)
				No. of Meetings Attended	%		
6.	Shri Nalin Kumar Srivastava Erst-while Director (Exploration-II) MOP&NG, Govt. of India New Delhi -110001 [Upto 12.01.2017]	B.Tech. (Mechanical) and M.Tech (Industrial Engineering) from NIE, Mumbai; MBA in Finance and A.I.C.W.A	13.01.2016	4	100	Absent	--
7.	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	1	20	Absent	C& MD: 1. OIL Director: 1. OIL 2. Oil India (USA) Inc
C.	Part-Time (Non-Official)/ Independent Director						
1.	Shri Rajkumar Sharma Company Secretary in Practice Guwahati	Fellow Member of ICSI and LLB	31.01.2017	2	100	NA	Director: 1. LPPPL 2. MBPL
2.	Shri L. Rynjah, IAS (Retd) Former Adviser to the Planning Commission, Govt. of India New Delhi [Upto 27.06.2016]	M.Sc. in Mathematics	28.06.2013	Nil	-	NA	--
3.	Shri B. P. Rao Sr. Partner, M/s. B. P. Rao & Co., Chartered Accountant Bangalore [Upto 27.06.2016]	FCA	28.06.2013	1	100	NA	--

BCPL: Brahmaputra Cracker and Polymer Limited; **BPCL:** Bharat Petroleum Corporation Ltd; **BORL:** Bharat Oman Refineries Ltd; **BPRL:** Bharat PetroResources Limited; **PLL:** Petronet LNG Ltd; **AGCL:** Assam Gas Company Limited; **ASIDC:** Assam Small Industrial Development Corporation; **APDCL:** Assam Power Distribution Company Limited; **APGCL:** Assam Power Generation Corporation Limited; **AEGCL:** Assam Electricity Grid Corporation Limited; **ATC:** Assam Tea Corporation Limited; **AIDC:** Assam Industrial Development Corporation Limited; **OIL:** Oil India Limited; **OIIL:** Oil India International Limited; **LPPPL:** Lumding Plywood & Pastings (P) Ltd; **MBPL:** Meghalaya Boards (P) Ltd.

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

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

As on 31st March, 2017, the Audit Committee was represented by Shri Rajkumar Sharma, Independent Director as Chairman, Shri Ravi Capoor, Director and Shri B. J. Phukan, Director (Technical) as Members.

All the members possess the requisite knowledge of Finance and Accounting for effective functioning of the Audit Committee. The Company Secretary acts as the Secretary of the Committee. Director (Finance), BPCL and Executive Director (Audit), BPCL along with other two Functional Directors of the Company including Managing Director are invited to attend the meetings of the Audit Committee as Special Invitee. The head of Internal Audit, Statutory Auditors and Cost Auditor also attend and participate at the meetings, on invitation.

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if, required, the replacement or removal of the statutory auditor, fixation of audit fee and also approval for payment for any other services rendered by the statutory auditors.
3. Reviewing with management, the annual financial statements and auditor's report thereon before submission to the Board, focusing primarily on:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - Any change in accounting policies and practices and reasons for the same.
 - Qualifications in draft audit report.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with stock exchange and legal requirements concerning financial statement,
 - Disclosure of any related party transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
4. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
5. Reviewing with management, performance of statutory and internal auditors, the adequacy of internal control systems.
6. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
7. Discussion with internal auditors any significant findings and follow up thereon.
8. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
9. Discussion with statutory auditors before the audit commences, nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
10. Approval or any subsequent modification of transactions of the Company with related parties;
11. Scrutiny of inter-corporate loans and investments;
12. Valuation of undertakings or assets of the company wherever it is necessary;
13. Reviewing of quarterly reports of complaints under Whistle Blower Policy;
14. Reviewing the follow-up action on the audit observations of the C&AG audit.
15. Reviewing the company's financial and risk management policies.
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholder (in case of non- payment of declared dividends) and creditors.
17. Defining the significant related party transactions.
18. Any other matter as may be referred by Board from time to time



During the financial year 2016-17, Six meetings of the Audit Committee were held on the following dates:

10 th May, 2016	23 rd June, 2016	19 th August, 2016	9 th Nov, 2016	6 th February, 2017
27 th March, 2017				

Attendance at the Audit Committee Meetings during the financial year 2016-17:

Name of the members	No of Meetings attended	% age thereof [out of 6 nos. meeting held]	Attendance at the last Annual General Meeting
Shri B. P. Rao, Chairman [upto 27.06.2016]	2	100	NA
Shri L. Rynjah [upto 27.06.2016]	2	100	NA
Shri S. R. Medhi [upto 31.01.2017]	4	100	Attended
Shri R. T. Jindal, Chairman [from 27.07.16 to 07.09.16]	1	100	Absent
Shri S. K. Barua [from 27.07.16 to 06.02.17]	3	100	Attended
Shri Ravi Capoor, Chairman [w.e.f. 25.10.16]	2	67	NA
Shri P. Padmanabhan [w.e.f. 20.01.17 to 06.02.17]	1	100	Attended
Shri Rajkumar Sharma [w.e.f. 06.02.17]	1	100	NA
Shri B. J. Phukan [w.e.f. 06.02.17]	1	100	NA

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

4. 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, 2017, 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 the three functional Directors including the Managing Director of the Company are invited to attend the meetings of the Remuneration Committee as permanent invitee. The head of HR function acts as a coordinator and the Company Secretary acts as the Secretary for convening such meetings. The quorum for the meetings of Remuneration Committee is 1/3rd of total members or two members whichever is higher.

During the financial year 2016-17, one meeting of the 'Nomination and Remuneration Committee' was held on 11th May, 2016 where all the Members and Permanent Invitees were present

5. Remuneration to Directors

NRL being a Government 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 ₹20,000 for each Board/Audit Committee meeting and ₹10,000 for each of the other Committee meetings attended by them during the FY 2016-17.

Details of remuneration paid/payable to the Whole-time Directors during the financial year 2016-17 are given below:

Name of Directors	All elements of remuneration package of the Directors i.e. salary, benefits, bonuses, pension etc. (In ₹)	Details of fixed component, Performance Related Pay (PRP) (In ₹)	Other benefits (In ₹)	Service Contracts, notice period, severance fees.
Shri P. Padmanabhan Managing Director	64,86,196.00	Fixed Com : 37,11,224.00 PRP : 19,72,320.00	8,02,652.00	Appointed for a period five years w.e.f. 01-04-2014 or till the date of his superannuation whichever is earlier. Present contract shall expire on 31.10.2017 on attaining superannuation. Notice period: Three months
Shri S. R. Medhi Director (Technical) [upto 31.01.2017]	69,45,342.00	Fixed Com: 53,65,170.00 PRP : 13,90,500.00	1,89,672.00	Superannuated on 31.01.2017. Notice period: Three months
Shri S. K. Barua Director (Finance)	48,62,908.00	Fixed Com: 29,00,968.00 PRP : 13,87,125.00	5,74,815.00	Appointed for a period of five years w.e.f. 01-05-2013. Present contract shall expire on 30-04-2018. Notice period: Three months
Shri B. J. Phukan Director (Technical) [w.e.f. 01.02.2017]	5,74,089.00	Fixed Com: 3,94,287.00 PRP : 1,02,964.00	76,838.00	Appointed for a period of five years w.e.f. 01-02-2017. Present contract shall expire on 31-01-2022. Notice period: Three months

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

Name of Director	Sitting Fees(₹)
Shri L. Rynjah (Up to 27.06.2016)	50,000/-
Shri B. P. Rao (Up to 27.06.2016)	70,000/-
Shri Rajkumar Sharma (w.e.f. 31.01.2017)	80,000/-

6. Investors Grievance Committee

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



7. Annual/Extra Ordinary General Meetings

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

	Date and Time of the Meetings	Venue
21 st Annual General Meeting	12 th September, 2014 at 3.00 P.M.	Hotel Brahmaputra Ashok, M.G. Road, Guwahati-781001
22 nd Annual General Meeting	4 th September, 2015 at 3.00 P.M.	Hotel Brahmaputra Ashok, M.G. Road, Guwahati-781001
23 rd Annual General Meeting	9 th September, 2016 at 3.00 P.M.	Hotel Brahmaputra Ashok, M.G. Road, Guwahati-781001

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

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 re-appointment / appointment of Directors are as under:

i) Shri S. K. Barua

Shri S.K.Barua is a member of the Institute of Cost Accountants of India and a graduate in Law and Commerce from Dibrugarh University. Shri Barua started his career in Indian Oil Corporation (Assam Oil Division) in 1985 and thereafter joined NRL in the year 1993 as its first permanent employee. He has more than 31 years of rich and varied experience in Finance & Business Development disciplines in Oil & Gas Industry. Prior to his appointment as Director (Finance) w.e.f. 1st May 2013, he was holding the position of General Manager (Finance) in NRL.

Shri S.K.Barua was last re-appointed as Director by the shareholders in the 22nd Annual General Meeting held on 4th September 2015. He is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

ii) Shri Ravi Capoor

Shri Ravi Capoor, IAS, presently Additional Chief Secretary to the Govt. of Assam, Industries & Commerce Department was appointed as Additional Director on the Board of the Company w.e.f. 14th September, 2016 pursuant to Section 161 of the Companies Act, 2013 read with Article 85 of the Articles of the Association of the Company.

Shri Ravi Capoor is a senior IAS Officer belonging to the 1986 Batch of Assam Meghalaya Cadre. He is a graduate in Commerce and Post Graduate in Business Administration. He has worked in various capacities under the Govt. of Assam as well as Government of India. He was also on the Board of NRL during the period January, 2009 to May, 2011.

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.

(iii) Shri D. Rajkumar

Shri D. Rajkumar, Chairman and Managing Director of Bharat Petroleum Corporation Limited (BPCL) was appointed as Additional Director and Chairman on the Board of the Company w.e.f. 7th October, 2016 pursuant to Section 161 of the Companies Act, 2013 read with Article 85 and 105 of the Articles of the Association of the Company.

He has done his B.Tech from IIT, Madras and Management Degree from IIM, Bangalore. He has 32 years of experience in BPCL out of which close to 15 years of Board experience as Managing Director of BPCL's Joint Venture/Subsidiary Companies. His work experience span across areas of marketing function, pipeline projects to integrated upstream and downstream oil sector. 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.

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 Rajkumar Sharma

Shri Rajkumar Sharma is a Practicing Company Secretary based at Guwahati. He did his Graduation in Commerce under Gauhati University and LLB from Government Law College, Guwahati. After admitting himself as a Fellow Member of the Institute of Company Secretaries of India in the year 1997, he started his practice as a Practicing Company Secretary. During the year 2011 & 2012, he was the Chairman of North-East chapter of Institute of Company Secretaries of India. Presently, he is one of the Members of the Management Committee of North-East chapter of Institute of Company Secretaries of India. He was also Secretary of Tax Bar Association in 2006, a premier body of Tax Practitioner of Assam.

Shri Sharma, nominated by the Government as part-time (Independent) Director was appointed by the Board as an Additional Director w.e.f. 31st January 2017. 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) Shri B. J. Phukan

Shri B.J.Phukan is a Mechanical Engineer from Assam Engineering College, Guwahati with more than 26 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. 1st February 2017, he was working as General Manager(Operation) in NRL.

Shri B. J. Phukan was appointed as an Additional Director on the Board of the Company with effect from 1st February, 2017 . In accordance with the approval of the Government, Shri B.J.Phukan assumed the charge of the post of Director (Technical) w.e.f. 1st February, 2017. 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.

(vi) Shri Alok Tripathi

Shri Alok Tripathi, Director (D&MC), MOP & NG was appointed as Additional Director on the Board of the Company w.e.f. 27th February, 2017 pursuant to Article 85 of the Articles of the Association of the Company read with Section 161 of the Companies Act,2013.

Shri Tripathi did his B. Tech and M.Tech in Mechanical Engineering from IIT, Kanpur. He joined Civil Services on IRTS cadre on 20th Sepember,1999 and served the Department in various capacities. Shri Tripathi joined the Ministry of Petroleum & Natural Gas in the year 2012 as Deputy Secretary (Marketing) and thereafter he was promoted as Director (Marketing), MOP & NG. Presently, he is holding the charge as Director (D&MC), Ministry of Petroleum & Natural Gas. He was also on the Board of NRL during the period from August, 2013 to August,2015.



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.

9. Disclosures and compliance

- a. There was no transaction of material nature with Directors or the Management or their relatives having potential conflict with the interest of the Company at large.
- 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 ₹20.70 Crores 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 5.18% 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 filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

The Company has a Code of 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, 2017.

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 website (www.nrl.co.in), press release, House Journal, Annual Reports etc.

12. Management Discussion & Analysis Report:

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

13. General information to shareholders:-

a.

Number of AGM	24 th Annual General Meeting
Date and Time	8 th September, 2017 at 3.00 P.M.
Venue	Numaligarh Refinery Limited, 122A, G. S. Road, Christianbasti, Guwahati - 781005
Dividend payment	The Board has recommended final Dividend @ ₹8.60 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 31-03-2017.

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

g. Plant location:

Numaligarh Refinery Limited

Pankagrang, P.O. Numaligarh Refinery Complex

Dist. Golaghat, Assam

PIN - 785699

h. Address for correspondence:

Numaligarh Refinery Limited

122A, G. S. Road, Christianbasti,

Guwahati, Assam

PIN - 781005



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

Compliance Certificate on Corporate Governance

We have examined the compliance of conditions of Corporate Governance by **M/s Numaligarh Refinery Limited** (a Non-Listed PSU) for the year ended **31st March, 2017** as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE), Government of India, in May, 2010.

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

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the requirements of Corporate Governance as stipulated in the Guidelines except non – compliance of Clause 4.1.1 relating to the composition of Audit Committee and Clause 4.4 relating to the quorum of the Audit Committee due to non-appointment of required number of Independent Director's by the Government.

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 **Biman Debnath & Associates**
Company Secretaries

Sd/-
CS Biman Debnath
Proprietor

C.P. No.5857/ FCS No. 6717

Place: Guwahati
Date: 30th June, 2017

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2017

[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** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts and Statutory Compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2017** 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 the Company for the financial year ended on **31st March, 2017** according to the provisions of:

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

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.

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

- a. The Petroleum Act, 1934 and Petroleum Rules, 2002;
- b. Factories Acts and Rules;
- c. The Oil Industry (Development) Act, 1974;
- d. The Energy Conservation Act, 2001;
- e. The Petroleum & Natural Gas Rules;
- f. Gas Cylinder Rules;
- g. Indian Boiler Regulations;
- h. The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989;
- i. The Environment (Protection) Act, 1986;
- j. Explosives Acts, 1884;
- k. Air (Prevention and Control of Pollution) Act, 1981;
- l. The Electricity Act, 2003; etc.

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



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

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

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

1. *The Company has not properly complied with the provisions of Section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 regarding the appointment of Women Director.*

As apprised by the Management, NRL being a Central Public Sector Enterprises, the issue of appointment of Women Director is taken up with the Government for which approval is awaited.

2. *Separate meeting by Independent Directors pursuant to Clause VII of Schedule IV of the Companies Act, 2013, was not held during the year under scrutiny.*

As apprised by the Management, consequent upon relinquishment of charge by two Independent Directors on expiry of their tenure on 27th June, 2016, only one Independent Director was appointed by the Government in their place w.e.f. 31st January, 2017 and hence, no separate meeting of Independent Directors was held.

3. *During the year under review the composition of the Audit Committee was not as per the requirement of Act, as the number of independent directors in the committee was not adequate therefore the quorum for the meetings of the Audit committee was also not properly formed.*

As apprised by the Management, Audit Committee will be reconstituted as per provision of Section 177(2) of the Companies Act, 2013 as and when the required numbers of Independent Directors are appointed by the Government.

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 was given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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.

For **Biman Debnath & Associates**
Company Secretaries

Sd/-
CS Biman Debnath
Proprietor

C.P. No.5857/ FCS No. 6717

Place: Guwahati

Date: 30th June, 2017

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 - ₹12,176.72 crores during the year	Not applicable	Nil
Oil India Limited (Substantial Holding)	Crude purchase & transportation charges	Ongoing transaction	Purchase of crude by NRL from OIL at market price - ₹4,880.90 crores	Not applicable	Nil
Oil India Limited (Substantial Holding)	Natural Gas Purchase	Ongoing transaction	Purchase of natural gas by NRL from OIL at market price - ₹179.96 crores	Not applicable	Nil
Oil India Limited (Substantial Holding)	Pipe Line Freight for transport of products	Ongoing transaction	Pipeline Transportation charges paid by NRL to OIL for finished goods transportation - ₹189.09 crores	Not applicable	Nil
DNP Limited (Joint Venture)	Natural Gas Transportation	Ongoing transaction	Pipeline Transportation charges paid by NRL to DNP Ltd. for natural gas transportation - ₹74.88 crores	Not applicable	Nil
BRAHMAPUTRA CRACKER AND POLYMER KIMITED (Associate Company)	Sale of product	Ongoing transaction	Sale of naphtha by NRL to BCPL at crude equivalent price - ₹ 139.28 crores during the year	Not applicable	Nil
BHARAT PETROLEUM CORPORATION LIMITED (Holding Company)	Purchase of Products	Ongoing transaction	Purchase of naphtha and reformate by NRL from BPCL at market price - ₹ 95.21 crores	Not applicable	Nil
BHARAT PETROLEUM CORPORATION LIMITED (Holding Company)	Purchase of one drum (Stadis -450)	Ongoing transaction	Purchase of one drum for production of ATF on a sustain basis at market price - ₹ 0.08 crs	Not applicable	Nil
BHARAT PETROLEUM CORPORATION LIMITED (Holding Company)	Availing of services	Ongoing transaction	Charges for various services provided by BPCL to NRL - ₹ 0.40 crores 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)	Rendering of Services	One Time arrangement	Fees for Training on DCU by M/s ORPIC operators and engineers - ₹ 0.03 crores 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 - ₹ 1.50 crores during the year	Not applicable	Nil
OIL INDIA LIMITED (Substantial Holding)	Charges for Facilities availed by OIL at NRL	Ongoing transaction	Charges received by NRL from OIL for various facilities provided by NRL to OIL - ₹ 6.46 crores	Not applicable	Nil
OIL INDIA LIMITED (Substantial Holding)	Sale of product	Ongoing transaction	Sale of HSD by NRL to OIL at market price - ₹ 1.29 crores 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 01.01.2017

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	410	48	11.70	26	6.34	-
Lowest rung of Group-A (02)	Permanent	19	4	21.05	5	26.31	-
Total		429	52	12.12	31	7.22	-
Group - B	Permanent	-	-	-	-	-	-
Group - C	Permanent	439	35	12.54	63	14.35	-
Group - D (Excluding Sweepers)	Permanent	2	2	100	0	0	-
Group - D (Sweepers)	Nil	-	-	-	-	-	-
Total		870	89	10.22	94	10.80	

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

(a) Position as on 1.1.2017

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	2	2	0	2	0
II	₹ 9700-16800	C	6	6	3	0	3
III	₹ 10350-31200	C	11	11	7	0	4
IV	₹ 10900-31500	C	9	9	7	0	2
V	₹ 11400-32500	C	18	18	18	0	0
VI	₹ 12200-33500	C	82	82	66	8	8
VII	₹ 12450-35500	C	55	55	37	8	10
VIII	₹ 13150-45000	C	103	103	77	8	18
IX	₹ 20000-48000	C	155	155	126	11	18
SUPERVISORY EMPLOYEES							
02	₹ 20600-46500	A	19	19	15	3	1
A	₹ 24900-50500	A	47	47	38	6	3
B	₹ 29100-54500	A	109	109	94	9	6
C	₹ 32900-58000	A	89	89	56	21	12
D	₹ 36600-62000	A	77	77	65	7	5
E	₹ 43200-66000	A	50	50	46	4	0
F	₹ 51300-73000	A	24	24	19	2	3
G	₹ 51300-73000	A	8	8	7	0	1
H	₹ 51300-73000	A	6	6	6	0	0



Statement showing the Number of Reserved vacancies filled by Members of Scheduled Castes & Scheduled Tribes during the year 2016-17

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	3	2	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	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	NIL	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.

Annexure-E

FORM AOC-1

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

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

PART "A": Subsidiaries : NIL

Part "B": Associates and Joint Ventures

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

Name of associates/Joint Ventures	DNP Limited	Brahmaputra Cracker and Polymer Limited
1. Latest audited Balance Sheet Date	31 st March 2017	31 st March 2017
2. Shares of Associate/Joint Ventures held by the company on the year end		
• No. of Equity Shares	43490000	141767000
• Amount of Investment in Associates/Joint Venture	₹ 43.49 crores	₹ 141.77 crores
• Extend of Holding %	26.00	10.11
3. Description of how there is significant influence	By virtue of shareholding/ Joint Venture Agreement.	By representation in the Board of Directors
4. Reason why the associate/joint venture is not consolidated		Not Applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet	₹ 52.63 crores	₹ 58.63 crores
6. Profit/Loss for the year		
i. Considered in Consolidation	₹3.51 crores	₹(55.34) crores
ii. Not Considered in Consolidation	₹0.74 crores	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 Ghoshal & Ghosal
Chartered Accountants
Firm Registration No.304013E
Sd/-
CA. P.K. Mitra
Partner
Membership No. 050716

Place: Mumbai
Date : 20th May, 2017

For and on behalf of the Board of Directors

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

Sd/-
H. K. Sarmah
Company Secretary

Place: Mumbai
Date : 20th May, 2017



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, 2017

I REGISTRATION & OTHER DETAILS:

i	CIN	U11202AS1993GOI003893
ii	Registration Date	22/04/1993
iii	Name of the Company	NUMALIGARH REFINERY LTD
iv	Category of the Company	PUBLIC COMPANY/LIMITED BY SHARES
v	Address of the Registered office & contact details	
	Address :	122A, G. S. ROAD, CHRISTIANBASTI
	Town / City :	GUWAHATI
	Pin Code:	781005
	State :	ASSAM
	Country Name :	INDIA
	Telephone (with STD Code) :	0361-2203147
	Fax Number :	0361-2203152
	Email Address :	z_comsec@nrl.co.in
	Website, if any:	www.nrl.co.in
vi	Whether listed company	No
vii	Name and Address of Registrar & Transfer Agents (RTA):-	
	Name of RTA:	Data Software Research Co. Pvt. Ltd.
	Address :	19, Pycrofts Garden Road, Nungabakkam
	Town / City :	Chennai
	State :	Tamil Nadu
	Pin Code:	600006
	Telephone :	044-28213738/28214487
	Fax Number :	044-28214636
	Email Address :	dsrmd@vsnl.com

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	MS	Group 192; sub-class: 19201	25.00%
2	High Speed Diesel (HSD)	Group 192; sub-class: 19201	63.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

No. of Companies for which information is being filled

S. 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, Adams Plaza, 1st Floor, G. S. Road, Christianbasti, Guwahati-781005	U51410AS2007SGC008410	Associate	26.00%	2(6)
3	Brahmaputra Cracker and Polymer Ltd., Hotel Brahmaputra Ashok, M. G. Road, Guwahati-781001	U11101AS2007GOI008290	JV	10.11%	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 (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.-GoA	Nil	9,08,21,337	9,08,21,337	12.35%	-	9,08,21,337	9,08,21,337	12.35%	NO CHANGE
d) Bodies Corp.-BPCL	-	45,35,45,964	45,35,45,964	61.65%	Nil	45,35,45,964	45,35,45,964	61.65%	NO CHANGE
e) Banks / FI	Nil	-	-	-	-	-	-	-	-
f) Any other: Nominee of Promoters (7 Nos. from BPCL/Govt. of Assam)									
1. Prafulla Chandra Sarma (Nominee of Govt. of Assam (GOA))	-	7	7	-	Nil	-	-	-	-
2. Ravi Capoor (Nominee of Govt. of Assam)	-	-	-	-	-	7	7	-	-
3. Bharat Petroleum Corporation Ltd (BPCL) jointly with Ramaswamy Rajamani	-	1	1	-	-	1	1	-	-
4. BPCL jointly with R. P. Natekar	-	8	8	-	-	8	8	-	-
5. BPCL jointly with P. Balasubramanian	-	8	8	-	-	8	8	-	-
6. BPCL jointly with B. K. Datta	-	8	8	-	-	-	-	-	-
7. BPCL jointly with K. Balasubramanian	-	1	1	-	-	-	-	-	-
8. S. K. Agrawal jointly with BPCL	-	8	8	-	-	8	8	-	-
9. K. Sivakumar jointly with BPCL	-	-	-	-	-	8	8	-	-
10. M. Venugopal jointly with BPCL	-	-	-	-	-	1	1	-	-
(2) Foreign									
a) NRI - Individual/	-	-	-	-	-	-	-	-	-
b) Other - Individual/	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	54,43,67,342	54,43,67,342	74.00%	-	54,43,67,342	54,43,67,342	74.00%	NO CHANGE
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Banks / FI		-	-	-	-	-	-	-	-
c) Central Govt		-	-	-	-	-	-	-	-
d) State Govt(s)		-	-	-	-	-	-	-	-
e) Venture Capital Funds		-	-	-	-	-	-	-	-
f) Insurance Companies		-	-	-	-	-	-	-	-
g) FIs		-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds		-	-	-	-	-	-	-	-
i) Others (specify)									
Oil India Limited	19,12,64,202	Nil	19,12,64,202	26%	19,12,64,202	-	19,12,64,202	26%	NO CHANGE
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian - Oil India Ltd.	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	19,12,64,202	Nil	19,12,64,202	26%	19,12,64,202	-	19,12,64,202	26%	NO CHANGE
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	19,12,64,202	54,43,67,342	73,56,31,544	100%	19,12,64,202	54,43,67,342	73,56,31,544	100%	NO CHANGE

ii Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Bharat Petroleum Corporation Limited (BPCL)	45,35,45,964	61.65%	-	45,35,45,964	61.65%	-	NO CHANGE
2	Governor of Assam	9,08,21,337	12.35%	-	9,08,21,337	12.35%	-	NO CHANGE
4	Nominees of Promoters i.e. BPCL & Govt. of Assam	41	Negligible	-	41	Negligible	-	NO CHANGE
	TOTAL	54,43,67,347	74.00%	-	54,43,67,342	74.00%	-	-

iii Change in Promoters' Shareholding: No changes during the financial year 2016-17.

iv Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable

v Shareholding of Directors and Key Managerial Personnel: NIL

V INDEBTEDNESS

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

Indebtedness at the beginning of the financial year 2016-17	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	497,93,21,099.73	--	Nil	497,93,21,099.73
ii) Interest due but not paid	--	--	Nil	--
iii) Interest accrued but not due	40,63,666.77		Nil	40,63,666.77
Total (i+ii+iii)	498,33,84,766.50	--	-	498,33,84,766.50
Change in Indebtedness during the financial year 2016-17				
* Addition	1,94,66,204.79	16,76,13,126.48	Nil	18,70,79,331.27
* Reduction	(7,50,34,374.00)	--	Nil	(7,50,34,374.00)
Net Change	(5,55,68,169.21)	16,76,13,126.48	Nil	11,20,44,957.27
Indebtedness at the end of the financial year 2016-17				
i) Principal Amount	492,28,26,238.48	16,76,13,126.48	Nil	509,04,39,364.96
ii) Interest due but not paid	-	-	Nil	-
iii) Interest accrued but not due	49,90,358.81	-	-	49,90,358.81
Total (i+ii+iii)	492,78,16,597.29	16,76,13,126.48	-	509,54,29,723.77



REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		P. Padmanabhan	S. R. Medhi (upto 31.01.17)	S. K. Barua	B. J. Phukan (w.e.f. 01.02.17)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	57,22,062.00	67,55,670.00	42,88,093.00	4,97,251.00	1,72,63,076.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7,64,134.00	1,89,672.00	5,74,815.00	76,838.00	16,05,459.00
	(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)	64,86,196.00	69,45,342.00	48,62,908.00	5,74,089.00	1,88,68,535.00
	Ceiling as per the Act	₹231 Crs (approx) being 11% of the Net Profit as per Section 197 & 198 of Companies Act, 2013				

Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		A	B	C	
1	Independent Directors	L Rynjah	B P Rao	Rajkumar Sharma	
	Fee for attending board committee meetings	50,000.00	70,000.00	80,000.00	2,00,000.00
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	50,000.00	70,000.00	80,000.00	2,00,000.00
2	Other Non-Executive Directors	NIL			
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	NIL	NIL	-	NIL
	Total (B)=(1+2)	50,000.00	70,000.00	80,000.00	2,00,000.00
	Total Managerial Remuneration				
	Overall Ceiling as per the Act	Not Applicable			

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO	H K Sarmah, Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		30,57,935.00	30,57,935.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		3,23,335.00	3,23,335.00
	(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		33,81,270.00	33,81,270.00

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE



Annexure-G

Corporate Social Responsibility and Sustainability

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

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

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

CSR and Sustainability initiatives of NRL are administered through a three-tier organizational structure, comprising a CSR and Sustainability Committee of the Board at apex level, a committee of senior executives at mid-level and a CSR and Sustainability Steering Committee at execution level. The three member Board Level Committee is headed by an Independent Director. The mid-level committee comprises three senior executives headed by Sr. General Manager (Human Resource). The CSR and Sustainability Steering Committee comprise of 12 cross functional employees as members. This committee is responsible for planning, actual implementation and monitoring of CSR and Sustainability activities. CSR and sustainability initiatives of NRL were updated on quarterly basis at the company's website and highlights for the year including project wise expenditure incurred have been published in the Annual report.

Based on the average net profits of the Company for the last three financial years, total amount to be spent on CSR during the year 2016-17 was ₹2566.73 lakhs against which actual amount spent was ₹2069.61 lakhs. Balance amount of ₹497.12 lakhs which has already been committed would be spent in the financial year 2017-18. Details of NRL's CSR and Sustainability expenditures during 2016-17 are enclosed at **Appendix to Annexure 'G'**. Members of the CSR & Sustainability Committee confirmed that implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company.

For & on behalf of CSR & Sustainability Committee

Sd/-

(Rajkumar Sharma)
Chairman

Sd/-

(S. K. Barua)
Director (Finance)

Sd/-

(B. J. Phukan)
Director (Technical)

Appendix to Annexure-G

Details of CSR & sustainability activities executed during the year 2016-17 (as per provision of Section 135 of the Companies Act 2013)

Sl. No.	Name of Project / Activity	Sector in which the Project is covered./ Revelant section of schedule VII in which the project is covered (Note)	Project or programs(1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency (NGO/ Trust/Scciety /State Govt/ Directly by CPSE)
1	Promotion of Livelihood of Women SHG through cultivation of edible mushroom	Contribution to SC/ ST/OBC/Minorities/ Women funds (Item No. (viii) of Schedule-VII)	"Within 10KM radius of Refinery, Golaghat Assam"	1.32	1.31	1.31	NGO
2	Assistance to women SHGs/ weaving units etc for empowerment of Women	Contribution to SC/ ST/OBC/Minorities/ Women funds (Item No. (viii) of Schedule-VII)	"Within 10KM radius of Refinery, Golaghat Assam"	45.41	34.77	34.77	Directly by CPSE
3	Providing Financial support to Mangala Seva Samithi Trust, Mangalore to bring up 25 nos. orphan children Scheduled Tribe) of Meghalaya in the trust which includes free accommodation, food, Clothing, Medical care, education and all other amenities for one year i.e 2016-17.	Contribution to SC/ ST/OBC/Minorities/ Women funds (Item No. (viii) of Schedule-VII)	Outside Assam	5.00	5.00	5.00	trust
4	Providing assistance to farmers of nearby localities for traditional & alternate farming by way of providing fertilizers, improved seeds, tractorization support etc.	Poverty Alleviation (Item No. (i) of Schedule-VII)	"Within 10KM radius of Refinery, Golaghat Assam"	21.04	18.08	18.08	Directly by CPSE
5	Project " Uttoron" : To provideskill development training on various trades such as Nursing, Welding Technology, Sewing etc. to unemployed youths and persons with disabilities.	Skill Development and Livelihood (Item No. (ii) of Schedule-VII)	"Within 10KM radius of Refinery, Golaghat Assam"	239.14	144.09	144.09	Directly by CPSE
6	Project "Swanirbhar" : Promoting local entrepreneurs, SHGs, JLGs for setting up various livelihood avenues.	Skill Development and Livelihood (Item No. (ii) of Schedule-VII)	"Within 10KM radius of Refinery, Golaghat Assam"	70.13	46.82	46.82	Directly by CPSE
7	Assistance to various units/ institutions for providing training on wax based items and promoting wax entrepreneurs.	Skill Development and Livelihood (Item No. (ii) of Schedule-VII)	Within North East Region	9.06	8.05	8.05	State Govt



Sl. No.	Name of Project / Activity	Sector in which the Project is covered./ Revelant section of schedule VII in which the project is covered (Note)	Project or programs(1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency (NGO/ Trust/Society /State Govt/ Directly by CPSE)
8	Operation & setting up of VKNRL Nursing School including Lease Rental for plot of Land for setting up of the school	Skill Development and Livelihood (Item No. (ii) of Schedule-VII)	"Within 10KM radius of Refinery, Golaghat Assam"	2034.26	458.65	458.65	Trust
9	Providing training to 50 nos.of technical Contract Workers of the refinery.	Skill Development and Livelihood (Item No. (ii) of Schedule-VII)	"Within 10KM radius of Refinery, Golaghat Assam"	10.00	1.66	1.66	Directly by CPSE
10	Baseline study for Developing Action Plan for Livelihood Generation and Infrastructure Improvement for surrounding area of NRL (5KM)	Social Welfare (Item No. (iii) of Schedule-VII)	"Within 10KM radius of Refinery, Golaghat Assam"	6.30	3.42	3.42	Directly by CPSE
11	Providing amenities to nearby schools for better educational environment including used computers	Education (Item No. (ii) of Schedule-VII)	"Within 10KM radius of Refinery, Golaghat Assam"	8.90	8.35	8.35	Directly by CPSE
12	Construction of new school infrastructures	Education (Item No. (ii) of Schedule-VII)	"Within 10KM radius of Refinery, Golaghat Assam"	45.10	42.7	42.7	Directly by CPSE
13	Repair & renovation of 42 nearby schools building and other facilities.	Education (Item No. (ii) of Schedule-VII)	Within Golaghat District, Assam	146.12	98.62	98.62	Directly by CPSE
14	Procurement & distribution of Test Papers among the HSLC students of nearby schools of Refinery.	Education (Item No. (ii) of Schedule-VII)	"Within 10KM radius of Refinery, Golaghat Assam"	5.00	5.00	5.00	Directly by CPSE
15	Operation of Digital Literacy Curriculum at Letekujan Tea Estate in association with IRDIS, Guwahati	Education (Item No. (ii) of Schedule-VII)	"Within 10KM radius of Refinery, Golaghat Assam"	9.76	8.24	8.24	NGO
16	Providing support for setting up 5 nos of after School coaching centres and other additional educational support, as well as career guidance and Awareness programmes on career devp	Education (Item No. (ii) of Schedule-VII)	"Within 10KM radius of Refinery, Golaghat Assam"	27.45	15.64	15.64	Directly by CPSE
17	Financial support for organizing a programme to felicitate and honour the rank holders of HSLC, High Madrasa & HSSLC examination-2016	Education (Item No. (ii) of Schedule-VII)	Within Assam	10.00	10.00	10.00	Directly by CPSE

Sl. No.	Name of Project / Activity	Sector in which the Project is covered./ Revelant section of schedule VII in which the project is covered (Note)	Project or programs(1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency (NGO/ Trust/Scciety /State Govt/ Directly by CPSE)
18	Promotion of Education by providing scholarship to the meritorious students under various schemes like "Gyandeep", "Prerona" "Dronacharya"	Education (Item No. (ii) of Schedule-VII)	"Within 10KM radius of Refinery, Golaghat Assam and Siliguri, West Bengal"	103.60	102.33	102.33	Directly by CPSE
19	Setting up libraries in nearby schools/ common libraries under project "Library for all".	Education (Item No. (ii) of Schedule-VII)	Within Golaghat District, Assam	22.35	11.68	11.68	Directly by CPSE
20	Financial support to students of economically weaker section of the society and physically challenged students to pursue higher education	Education (Item No. (ii) of Schedule-VII)	Within Golaghat District, Assam	4.12	2.53	2.53	Directly by CPSE
21	Converting 50% illiterates (800 persons) to literates in 4 villages in the vicinity of Refinery	Education (Item No. (ii) of Schedule-VII)	"Within 10KM radius of Refinery, Golaghat Assam"	4.18	4.18	4.18	Directly by CPSE
22	Financial support to VK Rock Memorial & vivekananda Kendra for setting up a Girls school at Khatkhathi in Karbi Anglong District of Assam	Education (Item No. (ii) of Schedule-VII)	Within Assam	100.00	25.00	25.00	Trust
23	Improvement of 14 nos. Village Road	Rural Development (Item No. (x) of Schedule-VII)	"Within 10KM radius of Refinery, Golaghat Assam"	55.15	34.50	34.50	Directly by CPSE
24	Development of 5 nos. Model Village -Gandhigaon, Na Pathar Notun Gaon, Ponka, Chawrabasti, Mazdoorgaon	Rural Development (Item No. (x) of Schedule-VII)	"Within 10KM radius of Refinery, Golaghat Assam"	231.94	189.97	189.97	Directly by CPSE
25	Providing electrification in 8 nearby villages through APDCL under Deposit Work basis.	Rural Development (Item No. (x) of Schedule-VII)	"Within 10KM radius of Refinery, Golaghat Assam"	63.06	54.58	54.58	State Govt
26	Development of rural infrastructure like construction of waiting shed, boundary wall in crematorium & kabarthan, repair& renovation of community halls etc. in villages adjacent to the refinery	Rural Development (Item No. (x) of Schedule-VII)	Within Golaghat District, Assam	22.63	16.73	16.73	Society



Sl. No.	Name of Project / Activity	Sector in which the Project is covered./ Revelant section of schedule VII in which the project is covered (Note)	Project or programs(1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency (NGO/ Trust/Society /State Govt/ Directly by CPSE)
27	Consultancy Charges for planning, design & estimation of infrastructure related project to be implemented under CSR program of NRL during 2016-17	Rural Development (Item No. (x) of Schedule-VII)	-	15.51	9.18	9.18	Directly by CPSE
28	Livelihood and Sanitation programme at Flood affected ST village Boraikhowa	Sanitation (Item No. (i) of Schedule-VII of the Companies Act, 2013)	Within Golaghat District, Assam	12.57	12.36	12.36	Society
29	Providing Solar Home Lighting System in 07 unelectrified villages adjacent to Numaligarh refinery Limited. (Covering around 290 households).	Social Welfare (Item No. (iii) of Schedule-VII)	Within Golaghat District, Assam	49.62	47.60	47.60	Directly by CPSE
30	"Swacchh Vidyalaya Abhiyan" A project to construct toilet block and its maintainance at schools in Assam	Sanitation (Item No. (i) of Schedule-VII of the Companies Act, 2013)	Within Assam	44.39	35.79	35.79	Directly by CPSE
31	Providing water supply facility under Project "Jeevandhara" by reviving existing piped water scheme and repair & renovation of existing ringwells in nearby villages.	drinking Water Supply (Item No. (i) of Schedule-VII)	Within Golaghat District, Assam	40.52	32.17	32.17	State Govt
32	Awareness programmes on Road safety and providing road safety items	Social Welfare (Item No. (iii) of Schedule-VII)	Within Golaghat District, Assam	13.03	6.74	6.74	NGO
33	Construction of Public Toilets (pay & Use) facility in nearby towns.	Sanitation (Item No. (i) of Schedule-VII of the Companies Act, 2013)	Within Assam	49.62	33.50	33.50	Directly by CPSE
34	"Paricchannata" a scheme to construct Low Cost Sanitary toilet for BPL household to ensure better health and Hygine including elimination of open defecation.	Sanitation (Item No. (i) of Schedule-VII of the Companies Act, 2013)	"Within 10KM radius of Refinery, Golaghat Assam"	11.12	6.90	6.90	Directly by CPSE
35	Installation of waste bin in nearby market areas and maintenance of the same through local market Committees	Sanitation (Item No. (i) of Schedule-VII of the Companies Act, 2013)	Within Golaghat District, Assam	9.60	6.55	6.55	Directly by CPSE

Sl. No.	Name of Project / Activity	Sector in which the Project is covered./ Revelant section of schedule VII in which the project is covered (Note)	Project or programs(1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency (NGO/ Trust/Scciety /State Govt/ Directly by CPSE)
36	Organizing awareness Campaigns & Cleanliness drives in schools , nearby market places, etc.to promote Cleanliness and sanitation under Swachh Bharat Mission	Sanitation (Item No. (i) of Schedule-VII of the Companies Act, 2013)	Within Golaghat District, Assam	6.82	6.82	6.82	Directly by CPSE
37	Promotion of awareness on preventive healthcare, sanitation, safe drinking water, promotion of gender equality, women empowerment through display of do & don't in local publications, advt in magazine & buying space in public function	Sanitation (Item No. (i) of Schedule-VII of the Companies Act, 2013)	Within Assam	5.90	5.90	5.90	Directly by CPSE
38	Promoting environment protection through awareness programmes, plantation drives, support to man animal conflict migitation, waste paper recycling etc.	Forest and Environment, Animal Welfare etc. (Item No. (iv) of Schedule-VII)	Within Golaghat District, Assam	72.04	33.02	33.02	Directly by CPSE
39	Relief & rehabilitation people affected by floods, calamities etc.	Social Welfare (Item No. (iii) of Schedule-VII)	Within Golaghat District, Assam	23.30	23.30	23.30	Directly by CPSE
40	Organizing veterinary vaccination camps in and around refinery for animal welfare and Renovation of Vetenieary ambulance to be provided at Assam State Zoo, Guwahati	Forest and Environment, Animal Welfare etc. (Item No. (iv) of Schedule-VII)	Within Assam	2.30	2.30	2.30	Directly by CPSE
41	Project "Dishtri" - Free Eye screening cum cataract detection and operation programme for underpreviledge section of socities and school children	Health Care (Item No. (i) of Schedule-VII)	Within Assam	13.58	11.62	11.62	trust
42	"Niramoy" a project to organize routine free mobile medical camp in the villages in the vicinity of NRL in collaboration with VK NRL Hospital.	Health Care (Item No. (i) of Schedule-VII)	"Within 10KM radius of Refinery, Golaghat Assam"	65.14	59.89	59.89	Directly by CPSE
43	Providing subsidy for treatment of needy patients of neighboring areas through VKNRL Hospital.	Health Care (Item No. (i) of Schedule-VII)	Within Golaghat District, Assam	178.00	178.00	178.00	Directly by CPSE



Sl. No.	Name of Project / Activity	Sector in which the Project is covered./ Relevant section of schedule VII in which the project is covered (Note)	Project or programs(1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency (NGO/ Trust/Society /State Govt/ Directly by CPSE)
44	"NRL Helping Hand" A scheme that support differently abled people by way of providing aid and appliances, supporting rehabilitation and to providing food, facilities, including livelihood training etc.	Health Care (Item No. (i) of Schedule-VII)	Within Assam	10.34	7.59	7.59	Directly by CPSE
45	Assistance provided for treatment of critical ailment to 152 nos. persons from economically weaker section of the society.	Health Care (Item No. (i) of Schedule-VII)	Within Golaghat District, Assam	62.00	59.50	59.50	Directly by CPSE
46	Awareness camps for critical ailments like AIDS, Cancer and legal awareness & assistance to welfare of families of ex-servicemen	Health Care (Item No. (i) of Schedule-VII)/ Measures for the benefit of armed forces veterans, war widows and their dependents	Within Golaghat District, Assam	6.66	4.19	4.19	NGO
47	Financial support to various organizations for Promotion of art, culture & Literature of Assam	Art and Culture, public libraries (Item No. (v) of Schedule-VII)	Within Assam	19.90	17.20	17.20	Directly by CPSE
48	Providing financial support for repair/ renovation of local socio-cultural organisations for promotion of art & culture.	Art and Culture, public libraries (Item No. (v) of Schedule-VII)	Within Assam	13.86	13.65	13.65	Directly by CPSE
49	Financial support to Asam Sahitya Sabha for preservation and promotion of literary and cultural works/ contribution of Biswaratna , Padma Vibhushan Dr. Bhupen Hazarika in the field of Art, Literature and culture of Assam for FY-2016-17.	Art and Culture, public libraries (Item No. (v) of Schedule-VII)	Within Assam	16.00	14.00	14.00	Directly by CPSE
50	Development of infrastructure/facilities for uplifting sports in nearby areas	Sports (Item No. (vii) of Schedule-VII)	Within Golaghat District, Assam	11.51	11.20	11.20	Society

Sl. No.	Name of Project / Activity	Sector in which the Project is covered./ Revelant section of schedule VII in which the project is covered (Note)	Project or programs(1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency (NGO/ Trust/Scciety /State Govt/ Directly by CPSE)
51	Financial support for coaching at Table Tennis & Badminton Coaching Centre at Golaghat and Furkating and participating in various tournaments for Badminton, TT, tennis etc. under project "Khel Prashikshan"	Sports (Item No. (vii) of Schedule-VII)	Within Assam	24.63	21.08	21.08	Directly by CPSE
52	Operation and maintenance of NRL Football Academy at Numaligarh under project "Khel Prakshishan"	Sports (Item No. (vii) of Schedule-VII)	Within Golaghat District, Assam	32.33	32.33	32.33	Directly by CPSE
53	Support to local talents to participate in sports events & to organise rural sports	Sports (Item No. (vii) of Schedule-VII)	Within Assam	8.83	5.83	5.83	Directly by CPSE
54	Overheads				19.50	19.50	Directly by CPSE
Total				4120.15	2069.61	2069.61	



Independent Auditors' Report

(Standalone)

Independent Auditors' Report

To
The Members of
Numaligarh Refinery Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of NUMALIGARH REFINERY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

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 give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Cash Flow Statement and Statement of Changes in Equity 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 prescribed under section 133 of the Act, read with relevant rules issued thereunder.
 - e) provisions of Section 164(2) of the Act regarding director's disqualification is not applicable vide notification F.No. 1/2/2014- CL. V dated 05th June, 2015 of Ministry of Corporate Affairs.
 - 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 B".
 - g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 47 to the standalone Ind AS financial statement.
 - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 53(c) to the standalone Ind AS financial statement.
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. the Company has provided requisite disclosures in its standalone Ind AS financial statement as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and this are in accordance with the books of accounts maintained by the Company – Refer Note 52 to the standalone Ind AS financial statement.

Report pursuant to directions issued by Comptroller & Auditor General of India in terms of Section 143(5) of the Companies Act, 2013

Report pursuant to directions issued by Comptroller & Auditor General of India in terms of Section 143(5) of the Companies Act, 2013, has been reported vide "Annexure – C" attached.

For **GHOSHAL & GHOSAL**
Chartered Accountants

Firm registration No. 304013E

Sd/-

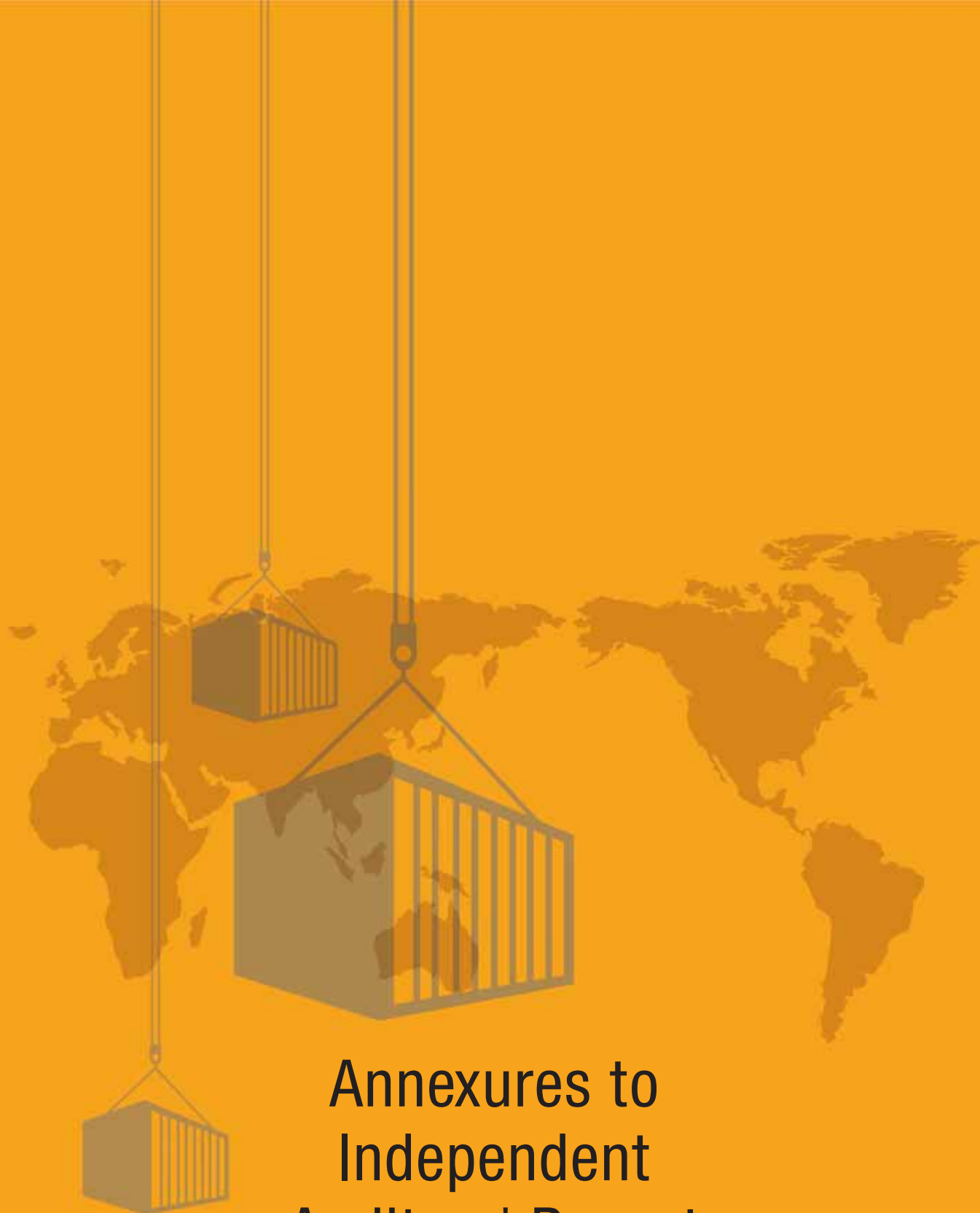
CA. P.K. MITRA

(Partner)

(Membership No.050716)

Place: Mumbai

Date: 20th May, 2017



Annexures to Independent Auditors' Report

(Standalone)



Annexure - A to Independent Auditors' Report

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory requirements" of our Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March, 2017, we report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
(b) The fixed assets of the Company have been physically verified by the management in a phased manner designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the programme of verification the Furniture and Fixtures 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 measuring 13.34 Acres whose mutation is still pending. Gross block & net block of the above land as per Fixed Asset Register as on 31.03.2017 is not readily 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 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.
- iii. 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.
- 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. The Company has not accepted any deposits from public.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of Cost Records under Section 148(1) of the Companies Act, 2013 and we are of the opinion that, prima facie, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the same.
- 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 arrears of outstanding 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, 2017:

Name of the Statute	Nature of Dues	Period to which the amount relates	Amount (₹ in Crore)	Forum where Dispute is Pending
The C. Excise Act, 1944 (Excise Duty including Penalty and Interest)	Adoption of lower Transaction Value for OMCs -IOC/HPC/IBP on HSD & MS other than BPCL.	2002-2004	108.77	CESTAT, Kolkata
	Disallowing Cenvat Credit of Refinery Project.	2002-2003	60.14	CESTAT Kolkata
	Adoption of lower transaction value on sales to Oil Marketing Companies (other than BPCL) arises because of conversion difference.	2005-2008	0.68	CESTAT Kolkata
	Interest on Erroneous AED Refund on HSD pertains to 1999 to 2000	2000-2001	73.16	CESTAT Kolkata
	Demand of duty on intermingling loss of SKO in pipeline transportation.	2009-2013	37.90	CESTAT Kolkata
The Service Tax Act	Levy of ST on License Fee Recovery (LFR) received from Retail Outlet Dealers	2006-2010	0.36	CESTAT Kolkata
	Disallowing of CENVAT credit of service tax paid on GTA services for outward transportation	2006-2008	1.42	CESTAT Kolkata
West Bengal Value Added Tax Act'2003	Demand for non-submission of Way bill.	2011-2013	17.47	West Bengal Taxation Tribunal
West Bengal Value Added Tax Act'2003	Demand against suppressed sale	2010-2011	20.29	West Bengal Taxation Tribunal
Bihar VAT Act 2005	Demand against consideration of higher purchase price than sales price	2011-12	3.54	Appellate Authority , Bihar Commercial Taxes
Bihar VAT Act 2005	Demand on account of non-consideration VAT deposited but in wrong head of account	2010-11	0.25	Appellate Authority , Bihar Commercial Taxes
West Bengal Entry Tax Act 2012	Demand on account of levy of entry tax on Naphtha entering into the state for the purpose of sales prior to export	2012-2015	33.86	West Bengal Appellate and Revision Board
Assam Entry Tax Act 2008	Demand on account of non-payment of entry tax on VAT component of crude oil bills	2011-2013	30.06	Honorable Guwahati High Court

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) and according to the information and explanations given to us, the term loans were applied for the purpose for which those are raised.
- x. According to the information and explanations given to us, and representation obtained from the management, no fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- xi. 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 vide notification F. No.1/2/2014-CL.V dated 5th June, 2015 of Ministry of Corporate Affairs.
- xii. Since the Company is not a Nidhi Company, provisions of clause (xii) of the Order are not applicable.
- xiii. All transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and only the qualitative details have been disclosed in the Financial Statements as required by the applicable Accounting Standards as the company is a Government-related entity.
- xiv. 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 the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **GHOSHAL & GHOSAL**

Chartered Accountants

Firm registration No. 304013E

Sd/-

CA. P.K. MITRA

(Partner)

(Membership No.050716)

Place: Mumbai

Date: 20th May, 2017

Annexure - B to the Auditors' Report

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 2017, 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, 2017, 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 **GHOSHAL & GHOSAL**
Chartered Accountants
Firm registration No. 304013E

Sd/-
CA. P.K. MITRA
(Partner)
(Membership No. 050716)
Place: Mumbai
Date: 20th May, 2017

Annexure- C to Independent Auditors' Report

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

Sl. No.	Directions	Remarks
1.	Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?	The company has clear title deed of freehold and leasehold land except for 13.34 Acres of Freehold Land for which mutation is still pending.
2.	Whether there are any cases of waiver/write off of debts/loans/interest etc. if yes, the reasons there for and amount involved.	The following are the details of write off of debts during the year : Lower settlement of excise duty dues for ₹ 20,948.53 by M/s Haldia Petrochemicals Ltd.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Government or other authorities.	As informed by the management and based on records examined, the Company maintains proper records for the inventories lying with third parties. As informed by the management and based on records examined, the company has not received any gift from Government or other authorities.



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, 2017

The preparation of financial statements of Numaligarh Refinery Limited for the year ended 31 March, 2017 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 the financial statements under Section 143 of the Act based on independent audit in accordance with Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 20 May, 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Numaligarh Refinery Limited for the year ended 31 March, 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

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

Sd/-

Praveer Kumar

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

Place : Kolkata

Dated: 07th July, 2017

Balance Sheet as at 31st March, 2017

₹ in Crores

Particulars	Note No.	31-03-17	31-03-16	01-04-15
ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	3	2,118.95	2,090.59	1,928.85
(b) Capital work in progress	4	545.65	295.65	423.53
(c) Other Intangible assets	5	0.60	1.48	2.85
(d) Financial Assets				
(i) Investment in Joint venture and Associate	6	186.65	171.01	170.39
(ii) Loans	7	39.66	32.56	33.24
(e) Deferred tax assets (net)	23	-	-	-
(f) Other non-current assets	8	22.78	21.74	17.95
Non-current assets		2,914.30	2,613.03	2,576.81
2 Current assets				
(a) Inventories	9	1,628.55	1,055.56	1,623.43
(b) Financial Assets				
(i) Investments	10	312.45	146.39	236.80
(ii) Trade receivables	11	803.51	819.31	1,236.88
(iii) Cash and cash equivalents	12	253.30	2.94	33.74
(iv) Bank Balances other than (iii) above	13	1,224.00	1,734.00	1,020.00
(v) Loans	14	7.45	9.14	9.86
(vi) Others	15	53.08	50.61	40.61
(c) Current Tax Assets (Net)	16	8.68	7.66	66.03
(d) Other current assets	17	32.18	48.73	90.55
Current assets		4,323.20	3,874.34	4,357.90
TOTAL ASSETS		7,237.49	6,487.37	6,934.71
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	18	735.63	735.63	735.63
(b) Other Equity	19	4,445.01	3,543.56	2,996.83
		5,180.64	4,279.19	3,732.46
Liabilities				
1 Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	334.46	497.50	503.03
(ii) Other financial liabilities	21	1.07	2.00	2.46
(b) Provisions	22	125.46	480.37	279.36
(c) Deferred tax liabilities (Net)	23	229.44	110.69	154.20
		690.43	1,090.56	939.05
2 Current liabilities				
(a) Financial Liability				
(i) Borrowings	24	18.64	0.44	166.10
(ii) Trade payables	25	792.52	724.04	1,578.88
(iii) Other financial liability	26	251.87	84.26	106.01
(b) Other current liabilities	27	208.69	229.55	215.77
(c) Provisions	28	68.68	54.80	52.90
(d) Current Tax Liabilities (Net)	29	26.02	24.53	143.54
		1,366.42	1,117.62	2,263.20
TOTAL EQUITY AND LIABILITIES		7,237.49	6,487.37	6,934.71

Significant Accounting Policies & Notes on Accounts

Notes to Financial Statement

The accompanying notes are an integral part of these financial statements.

As per our report of even date

For Ghoshal & Ghosal

Chartered Accountants

Firm Registration No.304013E

Sd/-

CA. P.K. Mitra

Partner

Membership No. 050716

Place: Mumbai

Date : 20th May, 2017

For and on behalf of the Board of Directors

Sd/-

P. Padmanabhan
Managing Director

Sd/-

S.K. Barua
Director (Finance)

Sd/-

H. K. Sarmah
Company Secretary

Place: Mumbai

Date : 20th May, 2017



Statement of Profit and Loss for the period ended 31st March, 2017

₹ in Crores

Sr. No	Particulars	Note No.	Apr-Mar, 2017	Apr-Mar, 2016
	REVENUE			
I	Revenue from operations	30	13,946.92	11,925.44
II	Other Income	31	370.29	141.01
III	Total Income (I+II)		14,317.21	12,066.45
IV	EXPENSES			
	Cost of materials consumed	32	7,493.03	6,530.25
	Purchases of Stock-in-Trade		112.88	-
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(282.46)	399.03
	Excise duty	34	2,699.91	1,894.00
	Employee benefits expense	35	212.99	187.81
	Finance Costs	36	22.42	23.32
	Depreciation and amortisation expense	37	163.63	220.03
	Other Expenses	38	747.24	946.27
	Total Expenses (IV)		11,169.64	10,200.73
V	Profit/(loss) before exceptional items and tax (III-IV)		3,147.57	1,865.71
VI	Exceptional Items	39	-	1.86
VII	Profit/(loss) before tax (V-VI)		3,147.57	1,863.85
VIII	Tax Expense	40	1,047.00	654.03
	(1) Current Tax		926.21	698.04
	(2) Deferred Tax		120.79	(44.01)
IX	Profit / (Loss) for the period (VII - VIII)		2,100.57	1,209.82
X	Other comprehensive income			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit liability (asset)	41	(5.88)	1.46
	(ii) Income tax relating to items that will not be reclassified to profit or loss	40	2.03	(0.50)
	Other comprehensive income, net of tax		(3.85)	0.96
XI	Total comprehensive income for the period (IX + X) (comprising Profit/ (Loss) and Other Comprehensive Income for the period)		2,096.72	1,210.78
XII	Earnings per Equity Share	42		
	Basic (Rs.)		28.55	16.45
	Diluted (Rs.)		28.55	16.45

The accompanying notes are an integral part of these financial statements.

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

Place: Mumbai
Date : 20th May, 2017

For and on behalf of the Board of Directors

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

Sd/-
H. K. Sarmah
Company Secretary

Place: Mumbai
Date : 20th May, 2017

Cash Flow Statement for the year ended 31st March, 2017

₹ in Crores

	31-03-2017	31-03-2016
A Cash Flow from Operating Activities		
Profit for the period	2,100.57	1209.82
Adjustments to reconcile net profit to net cash provided by operating activities		
<i>Adjustments for :</i>		
Depreciation & Amortisation expenses	163.63	220.03
Income Tax Expenses	1,047.00	654.03
Interest expenditure	22.42	23.32
(Profit) / Loss on Sale/Write Off of fixed assets(net)	0.85	0.55
Foreign Exchange Fluctuation Loss	5.32	1.77
Income from Investments	(0.74)	(0.48)
Dividend Received	(19.06)	(16.58)
Interest Income	(134.49)	(88.63)
Net gain/(loss) on sale of investment	(0.01)	0.00
Other adjustments	49.15	(144.95)
Operating Profit before Working Capital Changes	3,234.63	1,858.88
<i>(Invested in) / Generated from:</i>		
Trade receivables	15.81	417.57
Other receivables	10.66	98.72
Inventories	(572.99)	567.87
Current Liabilities & Provisions	(81.49)	(935.56)
Cash generated from Operations	2,606.62	2,007.48
Income Tax and Interest thereon (net of Refund)	(924.34)	(757.89)
Net Cash from Operating Activities	1,682.28	1249.59
B Cash Flows from Investing Activities		
Purchase of tangible assets / capital work in progress	(452.76)	(251.69)
Purchase of intangible assets	(0.01)	-0.08
Sale of tangible assets	0.12	0.00
Investment in Associate Companies	(15.64)	0.00
Purchase of / Accretion to Investments (MFs)	(166.06)	90.41
Purchase/ Maturity of Fixed Deposit	510.00	(714.00)
Sale of Investments	0.01	0.00
Income from Investment	0.74	0.48
Dividend Received	19.06	16.58
Long Term Loans and Advances	(8.14)	(2.98)
Interest Received	137.18	81.62
Net Cash from Investing Activities	24.48	-779.66
C Cash Flows from Financing Activities		
Long term Borrowings	-	28.07
Repayment of Long-term loans/borrowings	-	(33.60)
Net Increase/Decrease(-) in other borrowings	-	0.00
Other Long Term Liabilities	117.82	(6.44)



₹ in Crores

	31-03-2017	31-03-2016
Other Long Term Provisions	(354.91)	201.01
Interest paid	(22.85)	(20.87)
Dividend Paid	(993.10)	(551.72)
Corporate Dividend Tax	(202.16)	(112.33)
Realised (loss)/gain of Foreign Exchange Difference	(1.21)	(4.86)
Net Cash used in Financing Activities	(1,456.41)	(500.73)
D Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	250.36	(30.80)
E Cash & Cash Equivalents at beginning of Period: Note 1	2.94	33.74
F Cash & Cash Equivalents at end of Period (D+E): Note 1	253.30	2.94

1. Cash and Cash equivalents	31-03-2017	31-03-2016
Cash & Cash Equivalents at beginning of Period		
Cash/cheques in Hand	0.01	0.01
Cash at Bank	2.93	33.73
Remittance in transit	-	-
Fixed Deposits with Banks with original maturity of less than 3 months	-	-
	2.94	33.74
Cash & Cash Equivalents at end of Period		
Cash/cheques in Hand	0.01	0.01
Cash at Bank	6.29	2.93
Remittance in transit	-	-
Fixed Deposits with Banks with original maturity of less than 3 months	247.00	-
Cash and Cash Equivalents as restated	253.30	2.94
Net change in Cash and Cash equivalents	250.36	(30.80)

- The Cash Flow Statement is prepared in accordance with the format included in Indian Accounting Standard 7 as prescribed by the Institute of Chartered Accountant of India.
- 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.
- "Other Non-Cash items" comprise of provisions for Stores and Consumables, provision for Claims and provision for Investments and write back of Provisions.

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

Place: Mumbai
Date : 20th May 2017

For and on behalf of the Board of Directors

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

Sd/-
H. K. Sarmah
Company Secretary

Place: Mumbai
Date : 20th May 2017

Statement of Changes in Equity for the period ended 31st March, 2017

A. Equity Share Capital

₹ in Crores

Balance at the beginning of the reporting period	Changes in equity share capital during the period	Balance at the end of the reporting period
735.63	NIL	735.63

B. Other Equity

₹ in Crores

	Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus			Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income	Money received against share warrant	Total
			Capital Reserve	General reserve	Retained Earnings								
Balance as on 1st April 2015	-	-	100.00	2,896.82	0.01	-	-	-	-	-	-	-	2,996.83
Changes in accounting policy or prior period items	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	1,209.82	-	-	-	-	-	-	-	1,209.82
Other comprehensive income for the year					0.96								0.96
Dividend and Dividend Tax	-	-	-	-	(664.05)	-	-	-	-	-	-	-	(664.05)
Transfer to retained earnings	-	-	-	546.73	(546.73)	-	-	-	-	-	-	-	-
Balance as on 31st March 2016	-	-	100.00	3,443.55	0.01	-	-	-	-	-	-	-	3,543.56
Profit for the year	-	-	-	-	2,100.57	-	-	-	-	-	-	-	2,100.57
Other comprehensive income for the year					(3.85)								(3.85)
Dividend and Dividend Tax	-	-	-	901.45	(901.45)	-	-	-	-	-	-	-	(1,195.27)

B. Other Equity (contd.)

₹ in Crores

	Share ap- plication money pending allotment	Equity com- ponent of compound financial in- struments	Reserves & Surplus			Debt in- struments through Other Com- prehensive Income	Equity In- struments through Other Com- prehensive Income	Effective portion of Cash Flow Hedges	Revalua- tion Sur- plus	Exchange dif- ferences on translating the financial statements of a foreign operation	Other items of Other Com- pre- hensive Income	Money received against share warrant	Total
			Capital Reserve	General reserve	Retained Earnings								
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on 31st March 2017	-	-	100.00	4,345.00	0.01	-	-	-	-	-	-	-	4,445.01

As per our report of even date

For Ghoshal & Ghosal

Chartered Accountants

Firm Registration No.304013E

Sd/-

CA. P.K. Mitra

Partner

Membership No. 050716

Sd/-

P. Padmanabhan

Managing Director

Sd/-

S.K. Barua

Director (Finance)

Sd/-

H. K. Sarmah

Company Secretary

Place: Mumbai

Date : 20th May 2017

Place: Mumbai

Date : 20th May 2017

For and on behalf of the Board of Directors

Notes to Financial Statements for the year ended 31st March, 2017

Corporate Information

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, 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 there under.

The Financial Statements have been prepared under the historical cost convention on accrual basis except for certain financial assets and financial liabilities measured at fair value. The companies presentation and functional currency is Indian Rupees (₹).

1.2 Use of Estimates

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

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.

1.3.1.2 Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

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 subject to a minimum thresh hold limit of ₹ 5 crores.

1.3.1.4 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.

1.3.1.5 Expenditure on assets, other than plant and machinery, not exceeding ₹1,000 per item 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 more than ₹10 lakhs. In other cases, the spare part are inventoried on procurement and charged to Statement of Profit and Loss on consumption.

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

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

1.3.1.9 On date of transition to IND AS, the company has opted to continue with the carrying value of the property, plant and equipment existing as at 1st April’2015 as per previous GAAP and use that as its deemed cost.

1.3.2 Intangible Assets

1.3.2.1 Intangible assets are carried at cost less accumulated amortization.



Notes to Financial Statements

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

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

1.3.2.4 On transition to IND AS, the company has opted to continue with the carrying value of the intangible assets existing as at 1st April'2015 as per previous GAAP and use that as its deemed cost.

1.4 Impairment of Assets

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

1.5 Borrowing Costs

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

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. 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.

1.6.2 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, up to 95% of the cost of the asset. 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 5% residual value.

1.7.2 Computer equipments (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 (other than perpetual lease) 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 ₹5,000 each 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 ₹5,000/- 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

Notes to Financial Statements

related property, plant and equipment. In other cases, the spare parts are depreciated over the estimated useful life based on the technical assessment.

1.8 Accounting for Leases

1.8.1 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.

1.8.2 Finance Lease

Agreement are classified as finance leases (including those for land), if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

1.8.3 Operating Lease

Agreements (including those for land) which are not classified as finance leases 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 incentives received /lease premium paid (if any) are recognised as an integral part of the total lease expense, over the term of the lease.

1.9 Investments

1.9.1 Current investments are valued at fair value through profit and loss account determined on an individual investment basis.

1.9.2 Long-term investments (equity investments in joint venture and associates) are valued at cost.

1.10 Inventories

1.10.1 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.

1.10.2 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.

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

1.11 Revenue Recognition

1.11.1 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/Sales Tax. Further, it includes other elements allowed by the Government from time to time.

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

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



Notes to Financial Statements

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

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

1.12 Classification of Income / Expenses

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

1.12.2 Income / expenditure in excess of ₹2 crore in each case or errors aggregating in excess of ₹10 crore pertaining to prior year (s) 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.

1.12.3 Prepaid expenses up to ₹0.05 crore in each case, are charged to revenue as and when incurred.

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

1.13 Employee Benefits

1.13.1 Short-term employee benefit

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

1.13.2 Post employment benefits

Defined Benefit Plans: The Company also provides for retirement/ post-retirement benefits in the form of gratuity, leave encashment, post retirement medical benefits, resettlement benefits and long service award. Such defined benefits are charged to the Statement of Profit and Loss based on valuations made by independent actuaries using the Projected Unit Credit Method, as at the balance sheet date.

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, curtailment and settlements. Past service costs are recognized immediately in the statement of Profit and Loss. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

1.13.3 Re-measurements which comprise of actuarial gains and losses, the return on plan assets(excluding net interest) and the effect of the asset ceiling (if any, excluding net interest), are recognized immediately in Other Comprehensive Income.

1.14 Duties on Bonded Stocks

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

1.15 Foreign Currency Transactions & Derivative Transactions

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

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

1.15.3 Foreign Exchange differences arising at the time of translation or settlement of monetary items (except for long term monetary items outstanding as on 31st March'2016) are recognized as income or expense in the Statement of Profit & Loss either under foreign exchange fluctuation or interest, as the case may be.

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

Notes to Financial Statements

1.15.5 Derivatives Instruments are measured at fair value with changes in fair value recognized in Statement of Profit and Loss on the reporting date

1.16 Government Grants

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

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

1.17 Provisions, Contingent Liabilities and Capital Commitments

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

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

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

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

1.18 Fair value measurement

1.18.1 The company measures financial instruments such as equity shares, derivatives, etc. at fair value at each balance sheet date.

1.18.2 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 Corporation has access at that date. The fair value of a liability reflects its non-performance risks.

1.18.3 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

1.18.4 Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

1.18.5 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.

1.19 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.



Notes to Financial Statements

1.19.2 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 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 & Loss. The losses arising from impairment are recognised in the Statement of Profit & Loss.

Equity Investment

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at Fair value through profit or loss (FVTPL).

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

1.19.3 Derecognition

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 and equity instruments (measured at FVTPL) are recognised in the Statement of Profit & Loss. Accumulated gains or losses on equity instruments measured at fair value through other comprehensive income (FVOCI) are never reclassified to the Statement of Profit & Loss.

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. The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at FVTPL.

Notes to Financial Statements

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 on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit & Loss.

1.20.3 Derecognition

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 & Loss.

1.21 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.

1.22 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.

1.23 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 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.



Notes to Financial Statements

- 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 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 share holders 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 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.

Notes to financial statements for the year ended 31st March, 2017

2 Transition to Ind AS:

These are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('Previous GAAP').

The accounting policies set out in Note 1 have been applied in preparing these financial statements for the year ended 31 March 2016 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2015.

In preparing its Ind AS balance sheet as at 1 April 2015 and in presenting the comparative information for the year ended 31 March 2016, the Company has adjusted amounts previously reported in the financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows. "

Explanation of transition to Ind AS

In preparing the financial statement, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

Property, plant and equipment exemption:

The Company has opted to apply the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment and intangibles 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 (April 1, 2015).

Investment in joint Ventures and associates

The Company has opted to apply the exemption available under Ind AS 101 to measure all investments in subsidiaries, joint venture and associates as the previous GAAP carrying value as deemed cost as on 1 April 2015.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Long term Foreign Currency Monetary Items

In case of long term monetary items outstanding as on 31st March 2016, foreign exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset.



Notes to financial statements for the year ended 31st March, 2017

I. Reconciliation of Balance Sheet as at April 1, 2015

₹ in Crores

	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
Non-current assets			
Property, plant and equipment	1,922.37	6.48	1,928.85
Capital work in progress	424.75	(1.21)	423.53
Other Intangible assets	2.85	-	2.85
Financial Assets		-	-
Investment in Joint venture and Associate	170.39	0.00	170.39
Loans	49.18	(15.94)	33.24
Deferred Tax Assets (Net)		-	-
Other non-current assets	2.30	15.65	17.95
Total non current assets	2,571.84	4.98	2,576.81
Current Assets			
Inventories	1,598.50	24.93	1,623.43
Financial Assets			-
Investments	236.80	-	236.80
Trade Receivables	1,236.88		1,236.88
Cash and cash equivalents	33.74		33.74
Bank Balances other than (iii) above	1,020.00		1,020.00
Loans	10.58	(0.72)	9.86
Others	40.61		40.61
Current Tax Assets (Net)	66.03	-	66.03
Other current assets	88.34	2.21	90.55
Total current assets	4,331.48	26.42	4,357.90
TOTAL ASSETS	6,903.32	31.40	6,934.71
II. EQUITY AND LIABILITIES			
Equity			
Equity share capital	735.63	-	735.63
Other equity	2,619.35	377.48	2,996.83
Total equity	3,354.98	377.48	3,732.46
LIABILITIES			
Non current liabilities			
Financial Liabilities			
Borrowings	503.03	-	503.03
Other Financial Liabilities	2.46	-	2.46
Provisions	279.36	-	279.36
Deferred Tax Liabilities (Net)	144.23	9.98	154.21
Total non current liabilities	929.08	9.98	939.06
Current Liabilities			
Financial Liabilities			
Borrowings	165.61	0.49	166.10
Trade payables	1,578.88	-	1,578.88

₹ in Crores

	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
Other Financial Liability	108.40	(2.39)	106.01
Other Current Liabilities	215.77	-	215.77
Provisions	407.06	(354.16)	52.90
Current Tax Liabilities (Net)	143.54		143.54
Total Current liabilities	2,619.26	(356.06)	2,263.20
Total Liabilities	3,548.34	(346.08)	3,202.26
TOTAL EQUITY AND LIABILITIES	6,903.32	31.40	6,934.71

II. Reconciliation of Balance Sheet as at 31st March, 2016

₹ in Crores

	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
Non-current assets			
Property, Plant and Equipment	2,070.06	20.53	2,090.59
Capital Work-In-Progress	295.65		295.65
Other Intangible assets	1.48		1.48
Financial Assets		-	-
Investments	170.39	0.62	171.01
Loans	48.74	(16.18)	32.56
Deferred Tax Assets (Net)		-	-
Other non-current assets	5.72	16.02	21.74
Total non current assets	2,592.04	20.99	2,613.03
Current Assets			
Inventories	1,058.82	(3.24)	1,055.58
Financial Assets		-	-
Investments	146.39	-	146.39
Trade Receivables	819.31		819.31
Cash and cash equivalents	2.94		2.94
Bank Balances other than (iii) above	1,734.00		1,734.00
Loans	10.09	(0.95)	9.14
Others	50.61		50.61
Current Tax Assets (Net)	7.66	-	7.66
Other Current Assets	49.77	(1.04)	48.73
Total current assets	3,879.59	(5.23)	3,874.36
TOTAL ASSETS	6,471.63	15.76	6,487.39
II. EQUITY AND LIABILITIES			
Equity			
Equity share capital	735.63	-	735.63
Other equity	3,221.90	321.66	3,543.56
Total equity	3,957.53	321.66	4,279.19



₹ in Crores

	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
LIABILITIES			
Non current liabilities			
Financial Liabilities			
Borrowings	497.50	-	497.50
Other Financial Liabilities	2.00	-	2.00
Provisions	480.37	-	480.37
Deferred Tax Liabilities (Net)	106.70	3.99	110.69
Total non current liabilities	1,086.57	3.99	1,090.56
Current liabilities			
Financial liabilities			
Borrowings	0.44		0.44
Trade payables	724.06		724.06
Other financial liability	84.26		84.26
Other current liabilities	229.55		229.55
Provisions	364.69	(309.89)	54.80
Current Tax Liabilities (Net)	24.53		24.53
Total Current liabilities	1,427.53	(309.89)	1,117.64
Total liabilities	2,514.10	(305.90)	2,208.20
TOTAL EQUITY AND LIABILITIES	6,471.63	15.76	6,487.39

III. Reconciliation of Statement of Profit or Loss for the year ended 31st March, 2016

₹ in Crores

	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
Revenue			
Revenue from Operations (Gross)	10,031.44	1,894.00	11,925.44
Other income	142.50	(1.49)	141.01
Total Income	10,173.94	1,892.51	12,066.45
Expenses			
Cost of materials consumed	6,529.73	0.53	6,530.26
Changes in inventories of finished goods, work-in-progress and stock-in-trade	369.92	29.12	399.04
Excise duty		1,894.00	1,894.00
Employee Benefits Expenses	185.52	2.29	187.81
Finance costs	22.48	0.85	23.33
Depreciation and Amortization Expenses	203.89	16.15	220.04
Other Expenses	977.68	(31.42)	946.26
Total Expenses	8,289.22	1,911.51	10,200.73
Profit before exceptional and extraordinary items and tax	1,884.72	(19.00)	1,865.72
Exceptional Items	1.86	-	1.86
Profit/(loss) before tax	1,882.86	(19.00)	1,863.86

₹ in Crores

	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
Tax expense:	660.52	(6.48)	654.04
1. Current Tax	702.07		702.07
2. Deferred Tax	(37.53)	(6.48)	(44.01)
3. Short/(excess) provision for Taxation in earlier years provided for	(4.02)		(4.02)
Profit for the period	1,222.34	(12.52)	1,209.82
Other comprehensive income			
Items that will not be reclassified to profit or loss	-	1.46	1.46
Items that will not be subsequently reclassified to profit or loss	-	-	-
Income tax related to items that will not be reclassified to profit or loss	-	(0.50)	(0.50)
	-	0.96	0.96
Total comprehensive income for the period	1,222.34	(11.56)	1,210.78

IV. The Company does not have a significant impact on the Cash flow statement as on 31 March 2016.

Reconciliation of Equity as on 31st March 2016 and 1st April, 2015

₹ in Crores

	Note Ref	31-Mar-16	01-Apr-15
Net worth as per Previous GAAP		3,957.53	3,354.98
Reversal of Proposed Dividend	A	309.89	354.17
Impact of Stores and Spares	B	6.64	3.26
Fair Valuation of forwards	C	-	0.61
Fair Valuation of security deposit DNPL	D	0.04	0.10
RTA Shutdown component	E	11.87	
Impact of change in Inventory valuation to FIFO	F	(0.07)	29.32
Fair valuation of financial guarantee	G	0.62	
Others		(3.35)	
Deferred tax	H	(3.98)	(9.98)
Total Impact		321.66	377.48
Net worth as per Ind AS		4,279.19	3,732.46

Notes to reconciliations:

A. Proposed Dividend

Under Indian GAAP, proposed dividend including dividend distribution tax (DDT), are recognised as a liability in the period in which they relate, as these are considered as an adjusting event. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Company i.e. usually when approved by shareholders in an annual general meeting. Accordingly, the liability for proposed dividend including dividend distribution tax as at 1 April 2015 and 31 March 2016 of ₹354.17 crores and ₹309.89 crores respectively included under the provisions has been reversed with corresponding adjustments to retained earnings.



B. Stores and Spares

Under Indian GAAP, machinery spares that are specific to the a particular property, plant and equipment (PPE) are capitalised to the cost of the PPE. Spares acquired subsequently are charged to the Statement of Profit & Loss. Under Ind AS, spares with a useful life of more than one year shall be treated as PPE and depreciated from the date they are available for use over the useful life of the spare part. Hence, spares which were erstwhile treated as inventory under IGAAP shall now be classified as part of PPE if recognition criteria are met and corresponding depreciation is charged from the date they are available for use to retained earnings.

C. Derivative Contracts

Under Ind AS, all derivative contracts are required to be measured at fair value through profit or loss at each reporting period end. The Company has measured its outstanding derivative contracts at fair value through profit or loss and accordingly recognised a gain of ₹ 0.61 crores as on 1 April 2015.

D. Fair valuation of Security Deposit

The Company has given an interest free security deposit of INR 3 crores to its JV (DNPL) which is to be returned post 15 years. Under Ind AS, this deposit has been measured at fair value on initial recognition with corresponding impact to Prepaid Transportation cost.

E. Capitalisation of RTA Shutdown

Under IND AS, when each major inspection is performed, its cost is recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Accordingly the RTA expenses for FY 2015-16 has been capitalised which will be depreciated in next 3 years.

F. Impact of change in inventory valuation to FIFO

Under previous GAAP, the Company had during financial year 2015-16, changed the method of determination of cost of inventories from 'Weighted Average' to 'First in First Out' (FIFO) in respect of crude oil, finished products and intermediate products. Under Ind AS, the Company is required to use the same accounting policies in its Opening Ind AS Balance Sheet and throughout for all periods presented in its first Ind AS financial statements. Accordingly, the Company has restated the opening value of inventories as per FIFO method

G. Fair valuation of Financial Guarantee

Ind AS109 requires issuer to recognize a financial guarantee contract initially at fair value. The fair value of guarantee is the difference between the fair value of liability with guarantee and without the guarantee. Accordingly the company has recognised 0.62 crores as fair value of the financial guarantee given to BCPL for the FY 2015-16.

H. Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

I. Excise Duty

Under the previous GAAP, revenue from sale of goods was presented net of the excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty has been presented in the Statement of Profit and Loss as an expense. This has resulted in an increase in the revenue from operations and expenses for the year ended 31 March 2016 by ₹ 1894 crores. The total comprehensive income for the year remains unchanged.

Notes to Financial Statements

3 Property, plant and equipment

₹ in Crores

	Gross Block/Cost			Depreciation			Net Block	
	As at 01-04-16	Addition	Deductions on ac- count of Retirement/ Reclassifications	As at 31-03-17	As at 01-04-16	Addition	As at 31-03-17	As at 31-03-16
	(1)	(2)	(3)	(4)=(1+2-3)	(5)	(6)	(8)=(5+6-7)	(10)=(1-5)
LAND								
i) Land Freehold	31.05	0.01	0.00	31.07	-	-	-	31.05
ii) Land Leasehold	0.07	-	-	0.07	-	-	-	0.07
BUILDINGS								
i) RCC Frame Structure (other than factory)	110.78	0.46	(0.04)	111.20	2.86	2.32	5.18	106.02
ii) Non RCC Frame Structure (other than factory)	5.52	1.31	-	6.83	0.29	0.28	0.57	6.26
iii) FACTORY	236.75	3.07	(0.99)	238.83	12.84	10.38	23.22	215.60
iv) Fences, Wells and Tube Wells	0.50	0.03	-	0.53	0.11	0.12	0.23	0.30
v) Others (Temporary Structures)	0.94	0.57	-	1.51	0.24	0.49	0.73	0.70
BRIDGE, CULVERTS, BUNKERS Etc.	22.20	0.01	-	22.21	1.30	1.30	2.60	20.90
ROADS								
i) Carpeted Roads-RCC	6.84	0.24	-	7.08	0.84	0.98	1.82	5.27
ii) Carpeted Roads-Other than RCC	3.18	0.02	-	3.20	0.67	0.64	1.31	1.89
iii) Non Carpeted Road	0.32	-	-	0.32	-	-	-	0.32
PLANT & MACHINERY								
i) CONTINUOUS PROCESS PLANT/Refineries	1,485.06	90.57	(13.26)	1,562.37	147.70	114.35	262.05	1,300.34
ii) Plant and Machinery-Other than Continuous Process Plant	124.85	3.21	(3.52)	124.54	23.14	8.53	31.67	92.85
iii) Storage Tanks & Related Equipments	78.60	38.34	-	116.94	2.04	4.30	6.34	110.60
iv) Plant & Machinery (Captive Power Plants)	104.61	41.36	(0.11)	145.86	2.76	3.47	6.23	139.63
v) Plant & Machinery Used in Medical and Surgical	3.16	0.23	-	3.39	0.33	0.33	0.66	2.72
vi) Heavy Lift Equipment	2.26	-	-	2.26	0.14	0.14	0.28	1.98
RAILWAY SIDING	21.99	0.85	-	22.84	9.42	1.27	10.69	12.14
FURNITURE								
i) FURNITURE - GENERAL	3.87	1.08	-	4.95	0.74	0.60	1.34	3.61
ii) FURNITURE - Others	2.21	0.04	-	2.25	0.43	0.33	0.76	1.48
iii) FOH-to Employees	2.66	2.32	(0.27)	4.71	0.11	0.73	0.64	4.07
OFFICE EQUIPMENTS								
i) Office Equipments-General	8.65	0.37	(0.43)	8.59	2.86	1.91	4.63	3.97
ii) Mobile on Hire-to Employees	-	0.55	-	0.55	(0.05)	0.22	0.16	0.36
COMPUTERS AND DATA PROCESSING UNITS								
i) Servers and Network	8.04	2.23	-	10.27	1.69	1.74	3.43	6.84
ii) End User Devices-Desktop, Laptops, Printers etc.	2.25	2.00	(0.36)	3.89	0.53	1.21	1.40	2.49

3 Property, plant and equipment (contd.)

₹ in Crores

	As at 01-04-16	Addition	Gross Block/Cost Deductions on ac- count of Retirement/ Reclassifications	As at 31-03-17	As at 01-04-16	Addition	Depreciation Deductions on account of Retirement/ Reclassi- fications	As at 31-03-17	As at 31-03-16	Net Block As at 31-03-16
iii) PC On Hire-To Employees	0.58	0.35	(0.23)	0.70	0.03	0.28	(0.22)	0.09	0.60	0.55
ELECTRICAL EQUIPMENTS	26.80	13.85	(0.01)	40.64	4.31	5.03		9.34	31.31	22.49
LABORATORY EQUIPMENT	8.19	6.63	(0.01)	14.81	0.87	1.23		2.10	12.72	7.32
VEHICLES	-	0.00	-	-	-	-		-	-	-
i) Motor cycles, scooters & other mopeds	0.13	0.00	-	0.13	0.02	0.01		0.03	0.09	0.11
ii) Motor buses, motor lorries, motor cars and motor taxis	1.12	0.08	(0.24)	0.96	0.09	0.16	(0.10)	0.15	0.82	1.03
iii) Trucks / heavy vehicles, harvesting combines	3.07	0.05	-	3.12	0.38	0.51		0.89	2.23	2.69
iv) Electrically operated vehicles	1.15	0.00	-	1.15	0.12	0.14		0.26	0.89	1.03
Total	2,307.40	209.83	(19.46)	2,497.77	216.81	163.00	(1.01)	378.80	2,118.95	2,090.59

Notes to financial statements for the year ended 31st March 2017

₹ in Crores

	As at 01-04-15	Addition	Gross Block/Cost Deductions on ac- count of Retirement/ Reclassifications	As at 31-03-16	As at 01-04-15	Addition	Depreciation Deductions on account of Retirement/ Reclassi- fications	As at 31-03-16	As at 31-03-15	Net Block As at 31-03-15
LAND	(1)	(2)	(3)	(4)=(1+2-3)	(5)	(6)	(7)	(8)=(5+6-7)	(9)=(4-8)	(10)=(1-5)
i) Land Freehold	30.69	0.36	-	31.05	-	0.00	-	-	31.05	30.69
ii) Land Leasehold	0.07	-	-	0.07	-	0.00	-	-	0.07	0.07
BUILDINGS										
i) RCC Frame Structure (other than factory)	109.66	1.19	(0.07)	110.78	-	2.86	-	2.86	107.92	109.66
ii) Non RCC Frame Structure (other than factory)	4.49	1.03	-	5.52	-	0.29	-	0.29	5.23	4.49
iii) FACTORY	235.30	1.45	-	236.75	-	12.84	-	12.84	223.91	235.30
iv) Fences, Wells and Tube Wells	0.09	0.41	-	0.50	-	0.11	-	0.11	0.39	0.09
v) Others (Temporary Structures)	0.09	0.85	-	0.94	-	0.24	-	0.24	0.70	0.09
BRIDGE, CULVERTS, BUNKERS Etc.	22.14	0.20	(0.14)	22.20	-	1.30	-	1.30	20.90	22.14
ROADS										
i) Carpeted Roads-RCC	4.15	2.75	(0.06)	6.84	-	0.00	-	-	-	-
ii) Carpeted Roads-Other than RCC	2.91	0.45	(0.18)	3.18	-	0.67	-	0.67	6.00	4.15
iii) Non Capreted Road	0.32	-	-	0.32	-	0.00	-	-	2.51	2.91
PLANT & MACHINERY										
i) CONTINUOUS PROCESS PLANT/Refineries	1,207.74	277.73	(0.41)	1,485.06	-	147.70	-	147.70	1,337.36	1,207.74
ii) Plant and Machinery-Other than Continuous Process Plant	98.03	26.84	(0.02)	124.85	-	23.14	-	23.14	101.71	98.03
iii) Storage Tanks & Related Equipments	56.09	24.48	(1.97)	78.60	-	2.04	-	2.04	76.56	56.09
iv) Plant & Machinery (Captive Power Plants)	81.02	23.68	(0.09)	104.61	-	2.76	-	2.76	101.85	81.02
v) Plant & Machinery Used in Medical and Surgical	2.74	0.42	-	3.16	-	0.33	-	0.33	2.83	2.74
vi) Heavy Lift Equipment	2.26	-	-	2.26	-	0.14	-	0.14	2.12	2.26
RAILWAY SIDING	21.99	-	-	21.99	-	9.42	-	9.42	12.57	21.99

3 Property, plant and equipment (contd.)

₹ in Crores

	Gross Block/Cost			Depreciation			Net Block	
	As at 01-04-15	Addition	Deductions on ac- count of Retirement/ Reclassifications	As at 31-03-16	As at 01-04-15	Addition	As at 31-03-16	As at 31-03-15
FURNITURE								
i) FURNITURE - GENERAL	3.17	0.71	-	3.87	-	0.00	-	-
ii) FURNITURE - Others	1.77	0.44	(0.01)	2.21	0.74	0.74	3.13	3.17
iii) FOH-to Employees	2.37	0.72	(0.43)	2.66	0.43	0.43	1.78	1.77
OFFICE EQUIPMENTS								
i) Office Equipments-General	6.90	2.31	(0.56)	8.65	0.00	0.00	0.11	2.37
ii) Mobile on Hire-to Employees	0.01	0.05	(0.06)	-	3.42	3.42	2.86	5.79
COMPUTERS AND DATA PROCESSING UNITS								
i) Servers and Network	3.40	4.65	(0.01)	8.04	0.00	0.00	(0.05)	0.01
ii) End User Devices-Desktop, Laptops, Printers etc.	2.30	0.66	(0.71)	2.25	1.19	1.19	1.69	6.35
iii) PC on Hire-To Employees	0.43	0.37	(0.22)	0.58	0.24	0.24	0.53	1.72
ELECTRICAL EQUIPMENTS								
i) Trucks / heavy vehicles, harvesting combines	20.22	6.83	(0.25)	26.80	4.43	4.43	0.03	0.55
LABORATORY EQUIPMENT								
i) Motor cycles, scooters & other mopeds	6.13	2.11	(0.05)	8.19	0.87	0.87	22.49	20.22
VEHICLES								
i) Motor cycles, scooters & other mopeds	-	-	-	-	0.00	0.00	0.87	6.13
ii) Motor buses, motor lorries, motor cars and motor taxis	0.12	0.01	-	0.13	0.02	0.02	-	-
iii) Trucks / heavy vehicles, harvesting combines	0.81	0.44	(0.13)	1.12	0.16	0.16	0.02	0.11
iv) Electrically operated vehicles	1.44	1.63	-	3.07	0.38	0.38	0.09	1.03
Total	1,928.85	383.92	(5.37)	2,307.40	-	218.87	216.81	2,090.59
								1,928.85

a) Total freehold land held by NRL is 1440.98 acres (1440.98 acres) which includes 13.34 acres (209.35 acres) of land for which the process of registration is on. Out of the total freehold land 0.25 acres (289.18 acres) is disputed i.e under litigation.

b) Additions to Gross Block includes capitalisation of borrowing costs of ₹ 0.53 crores (₹ 1.27 crores).

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

- ₹ 0.53 crores (₹ 3.40 crores) on account of Write off of Physical Verification discrepancies.
- ₹ 18.93 crores (₹ 1.97 crores) on account sale retirement, deletions and reclassifications.

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

- Charged to Profit & Loss Account ₹ 162.74 crores (₹ 218.58 crores).
- Charged to project expenses ₹ 0.26 crores (₹ 0.29 crores)
- Depreciation on assets given to employees has been charged as per company policy based on life of the asset envisaged as per the buy-back scheme and not as per Schedules II of Companies Act 2013. The impact of this deviation results in higher depreciation by an amount of ₹ 0.38 crores (₹ 0.09 crores) for the year.
- Assets costing up to ₹ 5000 are depreciated fully in the year of purchase/capitalisation as per company's accounting policy and are not as per the rates prescribed by Schedule II of Companies Act 2013. The impact of this deviation results in higher depreciation by an amount of ₹ 0.05 crores (₹ 0.14 crores) for the year.

e) Deduction from Depreciation (Column 7) includes :

- Withdrawal of depreciation of ₹ 0.51 crores (₹ 1.96 crores) on account sale, deletions, retirement & reclassification.
- ₹ 0.50 crore (₹ 0.10 Crore) on account of Write off of Physical Verification discrepancies.

As per exemption available under Ind AS 101, the Company has opted to adopt carrying value as per Previous GAAP as the deemed cost. Accordingly, the Net Block as per Previous GAAP as on 1st April, 2015 is considered as the Gross Block under Ind AS as per following details.



Notes to financial statements for the year ended 31st March, 2017

₹ in Crores

	Gross Block (At Cost)	Cumulative Depreciation	Net Block as per Previous GAAP/ Deemed cost as per Ind AS	Ind AS adjustments	Gross Block as per Ind AS
			As at 01/04/2015		
	(1)	(2)	(3)=(1)-(2)	(4)	(5)=(3)+(4)
LAND					
i) Land Freehold	31.86	-	31.86	-1.17	30.69
ii) Land Leasehold	0.16	0.09	0.07		0.07
BUILDINGS	-	-	-		-
i) RCC Frame Structure (other than factory)	134.56	24.90	109.66		109.66
ii) Non RCC Frame Structure (other than factory)	5.27	0.78	4.49		4.49
iii) FACTORY	295.55	60.25	235.30		235.30
iv) Fences, Wells and Tube Wells	0.60	0.51	0.09		0.09
v) Others (Temporary Structures)	1.54	1.45	0.09		0.09
BRIDGE, CULVERTS, BUNKERS Etc.	28.54	6.40	22.14		22.14
ROADS	-	-	-		-
i) Carpeted Roads-RCC	13.46	9.31	4.15		4.15
ii) Carpeted Roads-Other than RCC	34.45	31.54	2.91		2.91
iii) Non Carpeted Road	6.32	6.00	0.32		0.32
PLANT & MACHINERY	-	-	-		-
i) CONTINUOUS PROCESS PLANT/Refineries	2,692.23	1,492.14	1,200.09	7.65	1,207.74
ii) Plant and Machinery-Other than Continuous Process Plant	212.11	114.08	98.03		98.03
iii) Storage Tanks & Related Equipments	239.39	183.30	56.09		56.09
iv) Plant & Machinery (Captive Power Plants)	270.03	189.01	81.02		81.02
v) Plant & Machinery Used in Medical and Surgical	4.70	1.96	2.74		2.74
vi) Heavy Lift Equipment	17.80	15.54	2.26		2.26
RAILWAY SIDING	48.76	26.77	21.99		21.99
FURNITURE	-	-	-		-
i) FURNITURE - GENERAL	8.55	5.38	3.17		3.17
ii) FURNITURE - Others	2.69	0.92	1.77		1.77
iii) FOH-to Employees	3.60	1.23	2.37		2.37
OFFICE EQUIPMENTS	-	-	-		-
i) Office Equipments-General	17.17	10.27	6.90		6.90
ii) Mobile on Hire-to Employees	0.09	0.08	0.01		0.01
COMPUTERS AND DATA PROCESSING UNITS	-	-	-		-
i) Servers and Network	15.51	12.11	3.40		3.40
ii) End User Devices-Desktop, Laptops, Printers etc.	10.02	7.72	2.30		2.30
iii) PC on Hire-To Employees	0.95	0.52	0.43		0.43
ELECTRICAL EQUIPMENTS	49.59	29.37	20.22		20.22
LABORATORY EQUIPMENT	15.09	8.96	6.13		6.13
VEHICLES	-	-	-		-
i) Motor cycles, scooters & other mopeds	0.16	0.04	0.12		0.12
ii) Motor buses, motor lorries, motor cars and motor taxis	1.01	0.20	0.81		0.81
iii) Trucks / heavy vehicles, harvesting combines	3.82	2.38	1.44		1.44
iv) Electrically operated vehicles	-	-	-		-
Total	4,165.58	2,243.21	1,922.37	6.48	1,928.85

Notes to Financial Statements

4 Capital work in progress

₹ in Crores

	31-03-2017	31-03-2016	01-04-2015
Work-in-progress	549.50	249.54	409.84
Less : Provision for Capital Losses	(19.90)	(0.23)	
	529.60	249.31	409.84
Capital Stores	3.59	38.67	1.32
Capital goods in transit	0.84	0.73	4.61
	534.03	288.71	415.77
Construction period expenses pending allocation		-	
Opening balance	6.94	7.76	23.69
Add: Expenditure during the year			
Establishment charges	5.01	6.19	4.43
Depreciation	0.26	0.29	0.43
Finance Cost	(10.68)	29.46	13.20
	1.53	43.70	41.75
Less : Allocated to assets during the year	(10.10)	36.76	33.99
Closing balance	11.63	6.94	7.76
Total	545.65	295.65	423.53

5 Intangible Assets

₹ in Crores

	Gross Block/Cost				Amortisation				Net Block	
	As at	Addition	Disposal/ adjustments	As at	As at	Addition	Disposal/ adjustments	As at	As at	As at
	01-04-16			31-03-17	01-04-16			31-03-17	31-03-17	31-03-16
Computer Software	1.18			1.18	0.74	0.41		1.15	0.03	0.44
(Aspen PIMS)										-
Licenses - SAP Upgradation	1.76			1.76	0.72	0.47		1.19	0.57	1.04
(For SAP upgradation, Process plants, etc)										
Total	2.94			2.94	1.46	0.88		2.34	0.60	1.48

Amortisation for the year includes:

(i) Charged to the Statement of Profit & Loss ₹ 0.88 Crores

Notes to Financial Statements

5 Intangible Assets (contd.)

₹ in Crores

	Gross Block/Cost				Amortisation				Net Block	
	As at	Addition	Disposal/ adjustments	As at	As at	Addition	Disposal/ adjustments	As at	As at	As at
	01-04-15			31-03-16	01-04-15			31-03-16	31-03-16	01-04-15
Computer Software	1.09	0.09		1.18		0.74		0.74	0.44	1.09
(Aspen PIMS)										-
Licenses - SAP Upgradation	1.76			1.76		0.72		0.72	1.04	1.76
(For SAP upgradation, Process plants, etc)										
Total	2.85	0.09		2.94		1.46		1.46	1.48	2.85

Amortisation for the year includes:

(i) Charged to the Statement of Profit & Loss ₹1.46 Crores

	Gross Block (At Cost)	Cumulative Depreciation	Net Block as per Previous GAAP/ Deemed cost as per Ind AS	Ind AS adjustments	Gross Block as per Ind AS
			As at 01/04/2015		
	(1)	(2)	(3)=(1)-(2)	(4)	(5)=(3)+(4)
Computer Software (SAP Implementation cost)	8.34	8.34	-	-	-
Computer Software (Aspen PIMS)	3.61	2.52	1.09	-	1.09
Licenses - SAP Upgradation (For SAP upgradation, Process plants, etc)	13.95	12.19	1.76	-	1.76
Total	25.90	23.05	2.85	-	2.85

6 Investment in Joint venture and Associate

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Investment in Joint Ventures			
DNP Limited*	43.49	43.49	43.49
Investment in Associates			
Brahmaputra Cracker and Polymer Ltd.**	141.77	126.90	126.90
Fair valuation of financial guarantee	1.39	0.62	
	186.65	171.01	170.39

	31-03-2017		31-03-2016	
	Number of Shares	Face Value (Rs.)	Number of Shares	Face Value (Rs.)
Brahmaputra Cracker and Polymer Ltd.	141,767,000	10	126,900,010	10
DNP Limited	43,490,000	10	43,490,000	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.

**NRL holds 10.11% share in Brahmaputra Cracker and Polymer Limited (BCPL)

Notes to Financial Statements

7 Loans

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Security and other deposits - non - current	5.79	1.59	2.77
Loans to employees (secured)	33.87	30.97	30.47
	39.66	32.56	33.24

8 Other non-current assets

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Capital advances	6.11	5.72	2.30
Prepaid Employee cost	15.88	14.98	14.37
Prepaid Transportation cost	0.79	1.04	1.28
	22.78	21.74	17.95

9 Inventories

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Raw Materials	379.31	110.21	281.18
Work-in-progress	133.13	59.76	47.00
Finished goods	1,016.88	807.79	1,219.58
Stock in transit	2.42	1.82	2.29
Consumables, Stores & Spares and others	187.54	162.61	156.13
Less:Provision for losses	(90.73)	(86.63)	(82.75)
	1,628.55	1,055.56	1,623.43

10 Investments

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Investment in mutual funds measured at FVTPL	312.45	146.39	236.80
	312.45	146.39	236.80

11 Trade receivables

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Current			
Unsecured			
- Considered Good	803.51	819.31	1,236.88
- Considered Doubtful	803.51	819.31	1,236.88
Less : Allowance for Bad and Doubtful Debts	-	-	-
	803.51	819.31	1,236.88



Notes to Financial Statements

12 Cash and cash equivalents

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Cash on hand	0.01	0.01	0.01
Cheques, Drafts on hand	-	-	-
Balances with Banks			
On Current Accounts	6.20	2.84	33.64
On Deposit Accounts with original maturity of less than 3 months	247.00	-	-
Other earmarked balances with bank	0.09	0.09	0.09
Cash and cash equivalents	253.30	2.94	33.74

13 Bank Balances

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Fixed deposits with banks with original maturity of 3-12 months	1,224.00	1,734.00	1,020.00
	1,224.00	1,734.00	1,020.00

14 Loans

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Loans to employees	3.76	3.78	3.69
Other Loans			
Considered good	0.25	1.90	4.83
Considered doubtful	1.24	1.58	1.56
Less: Provision for doubtful advances	(1.24)	(1.58)	(1.56)
	0.25	1.90	4.83
Security and other deposits - current	3.44	3.46	1.34
	7.45	9.14	9.86

15 Others

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Interest accrued but not due on Bank Deposits	20.36	23.04	13.81
Other Receivables	32.73	27.57	26.80
	53.08	50.61	40.61

Notes to Financial Statements

16 Assets for Current tax (Net)

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Advance Income Tax (net of provision for taxation)	8.68	7.66	66.03
	8.68	7.66	66.03

17 Other current assets

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Deposits with Customs, Excise, etc.(net)	25.77	23.71	26.19
Claim Receivables:			
Considered Good	1.87	21.30	59.74
Considered doubtful	2.19	2.04	2.04
Less: Provision for doubtful claims	(2.19)	(2.04)	(2.04)
Prepaid expenses - current	1.89	0.46	0.64
Non current assets held for sale	1.44	3.73	2.86
Less: Provision against assets held for sale	(0.27)	(2.57)	(0.47)
Prepaid employee cost - current	1.25	1.16	1.11
Gold coins	0.25	0.25	-
Gratuity	-	0.69	0.48
	32.18	48.73	90.55

Gold coin: 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 Equity share capital

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Share capital			
73,56,31,544 fully paid Equity Shares of ₹ 10 each	735.63	735.63	735.63
	735.63	735.63	735.63



Notes to Financial Statements

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

Equity Shares	31-03-2017		31-03-2016		01-04-2015	
	Number	₹ crores	Number	₹ crores	Number	₹ crores
Shares outstanding at the beginning of the year	735,631,544	735.63	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	735,631,544	735.63

b. Terms/rights attached to equity shares

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company

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

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
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	453.55

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

₹ in Crores

	31-03-2017		31-03-2016		01-04-2015	
	Number	% of Holding	Number	% of Holding	Number	% of Holding
Name of Shareholder						
Bharat Petroleum Corporation Limited	453,545,998	61.65%	453,545,998	61.65%	453,545,998	61.65%
Oil India Limited	191,264,202	26.00%	191,264,202	26.00%	191,264,202	26.00%
Governor of Assam	90,821,344	12.35%	90,821,344	12.35%	90,821,344	12.35%

Notes to Financial Statements

19 Other Equity

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Reserves and Surplus	-	-	-
Capital Reserve			
As per last Account	100.00	100.00	100.00
	-	-	-
General reserve			
As per last Account	3,443.55	2,896.82	2,896.82
Add: Transfer from Statement of Profit & Loss	-	546.73	-
	3,443.54	3,443.55	2,896.82
Surplus/ (deficit) in the statement of profit and loss	-	-	-
As per last Account	0.01	0.01	0.01
Add: profit/(loss) for the year	2,096.72	1,210.78	-
Less: Interim Dividend paid	(735.63)	(257.47)	-
Less: Dividend paid	(257.47)	(294.25)	-
Less: Corporate Dividend Tax	(202.16)	(112.33)	-
Less: Transfer to General Reserve	-	(546.73)	-
	901.46	0.01	0.01
	4,445.01	3,543.56	2,996.83

Capital reserve

The 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 crores received in the year 1999-2000 from the Government of India.

General reserve

General reserve forms a part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

20 Borrowings

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Secured - Oil Industry Development Board	-	-	33.60
Secured (External Commercial Borrowings)	334.46	497.50	469.43
Secured - Long term maturtiy of finance lease obligations	-	-	-
	334.46	497.50	503.03

External Commercial Borrowing of USD 75 million (previous year USD 75 million) carries interest at 3 months LIBOR plus 1.85% Margin. The loan is repayable in 3 equal yearly instalments at the end of 4th, 5th and 6th year from the date of the loan taken on various dates and keeping the average age of the maturity of repayments as 5 years. The loan is secured in favour of participating banks ranking pari-passu inter-alia by hypothecation of Plant & Equipments both present and future.



Notes to Financial Statements

21 Other financial liabilities

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Security and Earnest Money Deposits	1.07	2.00	2.46
	1.07	2.00	2.46

22 Provisions

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Long Service Award	4.25	3.66	7.30
Resettlement Allowance	2.86	2.41	2.12
Contingencies for probable obligations	118.36	474.30	269.94
	125.46	480.37	279.36

23 Movement in deferred tax balances

₹ in Crores

	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Acquired in business combinations	Other	Net	31-03-2017 Deferred tax asset	Deferred tax liability
Deferred tax asset									
Retirement Benefits	19.86	4.33	2.03				26.22	26.22	
43B items	191.71	(120.59)					71.12	71.12	
PPE WDV	(319.87)	(5.08)					(324.95)		(324.95)
Other items DTA	3.88	(2.54)					1.33	1.33	
Other items DTL	(6.27)	3.11					(3.16)		(3.16)
Tax assets (Liabilities)	(110.69)	(120.78)	2.03	-	-	-	(229.44)	98.67	(328.11)

Movement in deferred tax balances

	Net balance April 1, 2015	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Acquired in business combinations	Other	Net	31-03-2016 Deferred tax asset	Deferred tax liability
Deferred tax asset									
Retirement Benefits	17.81	2.56	(0.50)				19.86	19.86	
43B items	120.03	71.68					191.71	191.71	
PPE WDV	(285.49)	(34.38)					(319.87)		(319.87)
Other items DTA	3.65	0.22					3.88	3.88	
Other items DTL	(10.20)	3.93					(6.27)		(6.27)
Tax assets (Liabilities)	(154.20)	44.01	(0.50)	-	-	-	(110.69)	215.45	(326.14)

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

Notes to Financial Statements

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.

The company has not recognised dividend distribution tax as a consequence of proposed dividend to the extent of ₹128.79 (Previous year 31st March 2016 ₹ 52.42 crores, April 1, 2015: ₹ 59.91 crores)

24 Borrowings

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Secured Working capital loans from banks - Cash credit	1.88	0.44	
Unsecured - Foreign Currency Loan	-	-	165.02
Unsecured - Rupee Loan	-	-	
Un-Secured (Overdraft)	16.76	0.00	1.08
	18.64	0.44	166.10

Cash Credit from State Bank of India carries interest @ 9.30% 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 and book debts and second charge on Plant & Machinery and other Fixed Assets of the company.

25 Trade payables

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Due to Micro, Small and Medium Enterprises	1.08	2.96	0.65
Due to others	791.44	721.08	1,578.23
	792.52	724.04	1,578.88

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

Amount due and payable

Principal	1.08	2.96	0.65
Interest on above principal	-	-	
Payment made during the year after the due date	-	-	-
Principal	-	-	-
Interest	-	-	
Interest due and payable for Principals already paid	-	-	-
Total Interest accrued and remained unpaid at year end	-	-	-



Notes to Financial Statements

26 Other financial liabilities

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Current maturities of long-term debt	151.83	-	24.65
Interest accrued but not due on borrowings	0.50	0.41	0.49
Non-trade payables - Others	-	-	0.11
Derivative liability - current	4.11	-	0.29
Other Deposits & Retention	75.39	64.15	61.67
Deposit From Customers	3.33	4.18	3.83
Employee Related Liability	16.70	15.51	14.97
	251.87	84.26	106.01

27 Other current liabilities

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Customers' advances	10.52	3.62	3.62
Sales Tax, Entry Tax, Excise, Customs etc.	198.05	225.77	212.15
Other liabilities - current	0.12	0.15	
	208.69	229.55	215.77

28 Provisions

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Gratuity	1.15	-	
Leave Encashment	58.20	44.47	39.85
Pension	2.96	2.96	2.96
Other defined benefits			
Long Service Award	0.17	0.37	0.12
Resettlement Allowance	0.13	0.13	0.05
Post Retirement Medical Benefit	6.06	3.39	1.22
Other Short-term Employee Benefits	0.01	3.48	8.70
	68.68	54.80	52.90

29 Other current liabilities

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Provision for Taxation (net of Tax paid)	26.02	24.53	143.54
	26.02	24.53	143.54

Notes to Financial Statements

30 Revenue from Operations

₹ in Crores

Particulars	Apr-Mar, 2017	Apr-Mar, 2016
A. Sales of products and Services		
Sales *	13,945.14	11,922.97
B. Other operating revenue		
Others	1.77	2.47
Total	13,946.92	11,925.44

31 Other Income

₹ in Crores

Particulars	Apr-Mar, 2017	Apr-Mar, 2016
Income from current investments		
Interest income on instruments measured at amortised cost		
On Bank deposits	134.49	88.63
Interest Income-Others	3.74	3.29
On current investments measured at FVTPL		
On current investments	19.06	16.58
On Long term investments	0.74	0.48
Net gain/(loss) on sale of investmentnt	0.01	-
Income from non current investments		
Liabilities no longer required written back *	196.52	0.74
Other Non operating income	14.95	30.67
Guarantee commision	0.78	0.62
Total Other income	370.29	141.01

* This includes reversal of Entry Tax provision for ₹ 195.24 crores under amnesty scheme

32 Cost of materials consumed

₹ in Crores

Particulars	Apr-Mar, 2017	Apr-Mar, 2016
Raw Material Stocks at the Commencement of the Year	110.21	280.90
Add : Purchases	7,762.13	6,359.57
	7,872.34	6,640.47
Less: Raw Material Stocks at the Close of the Year	379.31	110.21
Total Cost of Raw Material Consumed	7,493.03	6,530.25
Details of raw material consumed		
Crude Oil	6,788.01	5,803.92
MTBE, Reformate, Py. Gas, Octane Booster & Naphtha	620.98	613.33
Natural Gas	84.03	113.01
	7,493.03	6,530.25



Notes to Financial Statements

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

₹ in Crores

Particulars	Apr-Mar, 2017	Apr-Mar, 2016
Opening Stock :		
Finished Goods	807.79	1,219.58
Work In Progress	59.76	47.00
	867.55	1,266.58
Closing Stock :		
Finished Goods	1,016.88	807.79
Work In Progress	133.13	59.76
	1,150.01	867.55
Changes in inventories of finished goods and work in progress	(282.46)	399.03

34 Excise Duty

₹ in Crores

Particulars	Apr-Mar, 2017	Apr-Mar, 2016
Excise Duty*	2,699.91	1,894.00
	2,699.91	1,894.00

* The company is exempted from payment of fifty percent excise duty as per CBEC Tariff Notification No : 29/2002 - Central Excise dated 13th May 2002.

35 Employee benefit expense

₹ in Crores

Particulars	Apr-Mar, 2017	Apr-Mar, 2016
Salaries and wages	123.57	110.46
Contribution to provident fund and other funds	23.58	22.58
Contribution to gratuity fund	0.35	(0.17)
Bonus	17.84	13.82
Leave Encashment	18.00	9.84
Welfare expenses	29.65	31.29
Employee benefit expense	212.99	187.81

36 Finance Costs

₹ in Crores

Particulars	Apr-Mar, 2017	Apr-Mar, 2016
Interest expense on instruments measured at amortised cost:		
Interest expense on loans	13.06	14.40
Interest expense others	9.13	1.65
Other borrowing costs	0.23	0.19
Applicable net loss on foreign currency transactions and translations	-	7.08
Finance Costs	22.42	23.32

Notes to Financial Statements

37 Depreciation and Amortisation Expense

₹ in Crores

Particulars	Apr-Mar, 2017	Apr-Mar, 2016
Depreciation	162.75	218.58
Amortization	0.88	1.46
Impairment of Assets	-	-
Depreciation and Amortisation Expense	163.63	220.03

38 Other Expenses

₹ in Crores

Particulars	Apr-Mar, 2017	Apr-Mar, 2016
Transportation	178.03	172.14
Excise duty (including inventory differential)	(40.36)	28.06
Other Duties and taxes	139.60	111.76
Repairs and maintenance		
Machinery	37.57	19.89
Building	0.00	0.01
Others	73.96	74.08
Sub Total	111.53	93.99
Power and Fuel	185.58	234.26
Less: Consumption of fuel out of own production	(17.69)	(22.19)
Power and Fuel (net)	167.89	212.07
Consumption of stores, spares and materials	19.14	22.20
Less: Charged to other revenue accounts	-	-
Stores, spares and materials (net)	19.14	22.20
Office Administration, Selling and Other expenses		
Rent	4.03	2.64
Insurance	7.87	8.69
Rates and taxes	1.93	0.53
Utilities	4.87	4.50
Facility hire charges	0.17	4.11
Communication expenses	1.38	1.07
Travelling and conveyance	18.47	16.65
Remuneration to auditors		
Audit Fees	0.07	0.07
Fees for other services - Certification	0.00	0.01
Reimbursement of out of pocket expenses	0.01	0.01
Sub-Total	0.08	0.09



Notes to Financial Statements

₹ in Crores

Particulars	Apr-Mar, 2017	Apr-Mar, 2016
Others	51.56	42.91
Loss on sale/write off of Fixed Assets (net)	0.85	0.55
Provision for Stores	4.23	3.89
Expenses on CSR activities	20.70	11.51
Loss on sale of Stores (net)	0.01	0.19
Foreign Exchange Fluctuations (net)	5.32	1.77
Provision Against Capital Work in Progress	19.90	
Provision for Doubtful Debts, Advances and Claims	0.18	0.30
Loss recognized on assets held for sale	-	2.09
Provision for Litigation cases	28.87	204.36
Charity and donation	1.00	0.20
	747.24	946.27

39 Exceptional Items

₹ in Crores

Particulars	Apr-Mar, 2017	Apr-Mar, 2016
Exceptional Items	-	1.86
	-	1.86

Claim on account of Loss due to fire in the Refinery has been settled by the Insurance company and the differential between the amount of claim provisionally recognized earlier and the amount settled has been recognized (net-off expenses).

40 Tax Expense

(a) Amounts recognised in profit and loss

₹ in Crores

	Apr-Mar, 2017	Apr-Mar, 2016
Current tax expense	926.21	698.04
Current year	968.26	702.07
Changes in estimates relating to prior years	(42.05)	(4.02)
Deferred tax expense	120.79	(44.01)
Origination and reversal of temporary differences	120.79	(46.82)
Change in tax rate	-	2.80
Recognition of previously unrecognised tax losses		
Tax expense recognised in the income statement	1,047.00	654.03

Notes to Financial Statements

(b) Amounts recognised in other comprehensive income

₹ in Crores

	Apr-Mar, 2017			Apr-Mar, 2016		
	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	(5.88)	2.03	(3.84)	1.46	(0.50)	0.95
	(5.88)	2.03	(3.84)	1.46	(0.50)	0.95

(c) Reconciliation of effective tax rate

₹ in Crores

	Apr-Mar, 2017	Apr-Mar, 2016
Profit before tax	3,147.57	1,863.85
Tax using the Company's domestic tax rate (Current year 34.61% and Previous Year 34.61%)	1,089.31	645.04
Reduction in tax rate		
Tax effect of:		
Provision for CSR expenditure	7.16	3.98
Provision for CWIP	6.89	0.80
Tax-exempt income	(6.85)	(5.90)
Income Tax interest provision	3.00	5.53
DTA impact on change in estimate & tax rate	4.09	4.15
Investment allowance deduction	(6.78)	(4.32)
Changes in tax estimates relating to prior years	(42.05)	(4.02)
Others	(7.78)	8.77
	1,047.00	654.03

The Company's weighted average tax rates for the years ended 31st March 2017 and 31st March 2016 were 33.26% and 35.09%, respectively. Income tax expense was ₹1047.00 crs for the year ended 31st March 2017, as compared to income tax expense of ₹654.03 for the year ended 31st March, 2016. The applicable tax rate in India for the year ended 31st March 2015 was 33.99% which was subsequently increased to 34.61% for the financial year 2015-16. This rate continued to apply for the next financial year as well.

41 Other comprehensive income

₹ in Crores

Particulars	Apr-Mar, 2017	Apr-Mar, 2016
(i) Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit liability (asset)	(5.88)	1.46
	(5.88)	1.46



Notes to Financial Statements

42 Earning Per Share

Basic EPS amount is calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amount is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders of NRL

₹ in Crores

	31-03-2017	31-03-2016
Profit attributable to equity holders of the parent for basic and diluted earnings per share	2,100.57	1,209.82

ii. Weighted average number of ordinary shares

₹ in Crores

	31-03-2017	31-03-2016
Issued ordinary shares at April 1	735631544	735631544
Weighted average number of shares at March 31 for basic and diluted earnings per shares	735631544	735631544
Basic and Diluted earnings per share (₹ per share)	28.55	16.45

43 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.

The future minimum lease payments and payment profile of non-cancellable operating leases (godowns) are as under:

i. Future minimum lease payments

At March 31, the future minimum lease payments under non-cancellable leases were receivable as follows.

₹ in Crores

	31-03-2017	31-03-2016	01-04-2015
Less than one year	10.77	10.54	12.70
Between one and five years	15.04	6.56	13.17
More than five years	0.96	0.84	0.36
	26.77	17.95	26.24

ii. Amounts recognised in profit or loss

₹ in Crores

	31-03-2017	31-03-2016
Lease expense	4.03	2.64
	4.03	2.64

Notes to Financial Statements

44 Employee Benefits

[A] Post Employment Benefit Plans:

The Company operates the following Defined Contribution Plans

Defined Contribution Plan

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.

Pension:

Company has New Pension Scheme w.e.f. 01.01.2007 as per DPE OM dated 26.11.2008 and 02.04.2009, which is managed by a trust. The contribution to the fund is made by the company within the ceiling of 30% of Basic Plus DA which includes CPF, Gratuity & Post Retirement Medical Benefit Scheme.

Defined Benefits Plan

The Company operates the following Defined Benefit Plans

Gratuity:

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

Other Defined Benefits:

These are :

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

[B] Other Long term employee benefits

Leave Encashment:

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

Notes to Financial Statements

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

₹ in Crores

Reconciliation of balances of Defined Benefit Obligations	Gratuity : Funded		Post Retirement Medical Benefit : Funded		Resettlement Allowance : Non Funded		Long Service Award : Non Funded		Leave Encashment : Non Funded	
	31-03-17	31-03-16	31-03-17	31-03-16	31-03-17	31-03-16	31-03-17	31-03-16	31-03-17	31-03-16
Defined Obligations at the beginning of the year	28.98	26.92	23.30	20.01	2.54	2.17	4.04	7.42	44.47	39.85
Interest Cost	2.33	2.15		1.60	0.20	0.17		0.59		3.18
Current Service Cost	0.35	0.24	1.88	1.51	0.31	0.27	0.37	0.53	13.73	0.82
Past Service cost		-	1.48	1.90				-		
(Gain)/Loss on curtailment		-		-				(3.88)		
Benefits paid	(0.85)	(0.33)	(0.27)	(0.40)	(0.33)	(0.36)		(0.09)		(5.22)
Actuarial (Gains)/ Losses on Financial Assumption	1.89	-	4.23		0.26					
Actuarial (Gains)/ Losses on obligations	(0.23)	-	(0.86)	(1.33)	0.01	0.29		(0.53)		5.84
Defined Obligations at the end of the year	32.47	28.98	29.76	23.30	2.99	2.54	4.41	4.04	58.20	44.47

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	
	31-03-17	31-03-16	31-03-17	31-03-16	31-03-17	31-03-16
Fair Value at the beginning of the Year	29.67	27.40	19.91	18.80	-	-
Expected Return	2.39	2.19	1.60	1.50	-	-
Actuarial Gain/(Losses)	-					-
Actual return on Plan assets excluding Interest Income	0.12	0.41	(0.70)	0.01	-	-
Contribution by employer	-	-	3.39	-	-	-
Benefits paid	(0.85)	(0.33)	(0.27)	(0.40)	-	-
Fair Value of Plan Assets at the end of the year	31.33	29.67	23.93	19.91	-	-

Notes to Financial Statements

₹ in Crores

Reconciliation of balances of Defined Benefit Obligations	Gratuity : Funded		Post Retirement Medical Benefit: Funded		Resettlement Allowance : Non Funded		Long Service Award : Non Funded		Leave Encashment : Non Funded	
	31-03-17	31-03-16	31-03-17	31-03-16	31-03-17	31-03-16	31-03-17	31-03-16	31-03-17	31-03-16
Amount recognised in Balance Sheet	1.14	(0.69)	(5.83)	3.39	(2.99)	2.54	4.41	4.04	58.20	44.47
Amount recognised in P&L										
Current Service Cost	0.35	0.24	1.48	1.51	0.31	0.27	0.37	0.53	13.73	0.82
Past Service cost				1.90						
(Gain)/Loss on curtailment								(3.88)		
Interest Cost	(0.05)	(0.04)	0.27	0.10	0.20	0.17		0.59		3.18
Expected Return on Plan Assets										
Actuarial (Gains)/ Losses		-		-		-		(0.53)		5.84
Expenses for the period	0.30	0.20	1.75	3.51	0.51	0.44	0.37	(3.29)	13.73	9.84
Amount recognised in Other Comprehensive Income										
Actuarial (Gains)/ Losses on obligations	1.66	-	3.37	(1.33)	0.27	0.29				
Actual return on Plan assets excluding Interest Income	(0.12)	(0.41)	0.70	(0.01)		-				
Net (Income)/ Expenses recognised in OCI	1.54	(0.41)	4.07	(1.34)	0.27	0.29				

Major Actuarial Assumptions

Discount Rate	7.39%	8.04%	7.39%	8.04%	7.39%	8.04%	7.39%	8.04%	7.39%	8.04%
Salary Escalation	8.00%	8.00%			8.00%	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%	2.00%	2.00%	2.00%	2.00%
Expected Return on Plan Assets	7.39%	8.04%	7.39%	8.04%						
Investment pattern for Fund as on 31.03.2017	Insured Fund		Insured Fund		Not Funded		Not Funded		Not Funded	

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

₹ in Crores

Sensitivity analysis	Gratuity : Funded				PRMB : Funded				Resettlement Allowance: Funded			
	31-03-17		31-03-16		31-03-17		31-03-16		31-03-17		31-03-16	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.84)	3.29	(2.54)	2.94	(6.05)	8.19	(4.74)	6.41	(0.30)	0.35	(0.26)	0.30
Future salary growth (1% movement)	0.34	(0.38)	0.34	(0.38)	-	-	-	-	-	-	-	-
Future Benefit Cost inflation (1% Movement)					8.21	(6.11)	6.42	(4.78)	-	-	-	-
Future Employee Turnover (1% movement)	1.77	(1.97)	1.76	(1.97)	(3.55)	4.22	(2.78)	3.31	(0.33)	0.39	(0.29)	0.33

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.



Notes to Financial Statements

Maturity analysis

The expected future cash flows as at 31st March 2017 were as follows:

₹ in Crores

Expected contribution	Gratuity - Funded	PRMB : Funded	Resettlement Allowance: Funded
Projected benefits payable in future years from the date of reporting			
1st following year	1.85	0.20	0.13
2nd following year	1.49	0.25	0.04
3rd following year	2.26	0.27	0.17
4th following year	1.63	0.25	0.05
5th following year	2.42	0.31	0.19
Years 6 to 10	11.40	1.86	0.81

Other details as at 31.03.2017

Particulars	Gratuity - Funded	PRMB : Funded	Resettlement Allowance : Funded
Weighted average duration of the Projected Benefit Obligation(in years)	10	26	12
Prescribed contribution for next year (₹ in Crores)	1.53	7.61	3.37

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:

	31-03-17	31-03-16	April 1, 2015
Total employee benefit liabilities			
Non-current	7.11	6.07	9.41
Current	65.71	47.68	40.76

45. 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 Crores

31 st March 2017	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investment in mutual funds	312.45			312.45	312.45			
Cash and cash equivalents			253.30	253.30				
Balances other than (iii) above			1,224.00	1,224.00				
Loans Non current financial asset	-	-	39.66	39.66		2.20		-
Loans Current financial asset			7.45	7.45				-
Trade receivables			803.51	803.51				-
Other Non-current financial asset	-			-				-
Other Current financial asset	-		53.08	53.08				-
	312.45	-	2,381.00	2,693.45	-	-	-	-

Notes to Financial Statements

₹ in Crores

31 st March 2017	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities								
Borrowings Current financial liability			18.64	18.64				-
Borrowings Non current financial liability			334.46	334.46				
Trade and other payables			792.52	792.52				
Othet current liabilities			247.76	247.76				
Derivative Liability on forwards	4.11			4.11		4.11		
Other Non-Current financial liabilities			1.07	1.07				
	4.11	-	1,394.45	1,398.56	-	-	-	-

31 st March 2016	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investment in mutual funds	146.39			146.39	146.39			
Cash and cash equivalents			2.94	2.94				-
Bank Balances other than (iii) above			1,734.00	1,734.00				
Loans Non current financial asset			32.56	32.56		2.00		-
Loans Current financial asset			9.14	9.14				-
Other Current financial asset			50.61	50.61				
Trade receivables			819.31	819.31				-
	146.39	-	2,648.57	2,794.96	-	-	-	-
Financial liabilities								
Borrowings Current financial liability			0.44	0.44				-
Borrowings Non current financial liability			497.50	497.50				
Trade and other payables			724.04	724.04				-
Othet current liabilities			84.26	84.26				
Other Non-Current financial liabilities			2.00	2.00				-
	-	-	1,308.23	1,308.23	-	-	-	-

₹ in Crores

1 st April 2015	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investment in mutual funds	236.80			236.80	236.80			
Cash and cash equivalents			33.74	33.74				
Balances other than (iii) above			1,020.00	1,020.00				
Loans Non current financial asset			33.24	33.24		1.82		
Loans Current financial asset			9.86	9.86				
Trade receivables	-	-	1,236.88	1,236.88				-
Other Non-current financial asset				-				-
Other Current financial asset			40.61	40.61				-
	236.80	-	2,374.33	2,611.13	-	-	-	-
Financial liabilities								
Borrowings Current financial liability			166.10	166.10				-
Borrowings Non current financial liability			503.03	503.03				
Trade and other payables			1,578.88	1,578.88				-

Notes to Financial Statements

Financial instruments – Fair values and risk management (continued)

₹ in Crores

1 st April 2015	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Othet current liabilities			105.72	105.72				-
Derivative Liability on forwards	0.29			0.29		0.29		
Security deposits received				-				
Other Non-Current financial liabilities			2.46	2.46				-
	-	-	2,356.19	2,356.48	-	-	-	-

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 statement of financial position.

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

Financial instruments – Fair values and risk management (continued)

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.

Notes to Financial Statements

Financial instruments – Fair values and risk management (continued)

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 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.

At March 31, 2017, the Company's most significant customer accounted for ₹727.74 crores of the trade and other receivables carrying amount (March 31, 2016 : ₹728.76 crores).

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

₹ in Crores

31 st March 2017	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Neither past due not impaired	792.94		-
Less Than 90 days	9.43	-	-
More than 90 days	1.14	-	-
	803.51	-	-

Financial instruments – Fair values and risk management (continued)

₹ in Crores

31 st March 2016	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Neither past due not impaired	803.74		-
Less Than 90 days	12.81		-
More than 90 days	2.75		-
	819.31	-	-

₹ in Crores

1 st April 2015	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Neither past due not impaired	1,214.18		-
Less Than 90 days	21.89		-
More than 90 days	0.78		-
	1,236.88	-	-

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 ₹253.30 crores at 31st March 2017 (31st March 2016 : ₹ 2.94 crores, April 1, 2015 : ₹33.74 crores). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.



Notes to Financial Statements

Derivatives

The derivatives are entered into with bank and financial institution counterparties with good credit ratings.

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 2017, the Company had working capital of ₹2956.78 crores, including cash and cash equivalents of ₹253.30 crores, investments in term deposits (having original maturities of more than 3 months) of ₹1224.00 crores, and investments in mutual funds of ₹312.45 crores.

As of March 31, 2016, the Company had working capital of ₹2756.71 crores, including cash and cash equivalents of ₹2.94 crores, investments in term deposits (having original maturities of more than 3 months) of ₹1734.00 crores and investments in mutual funds of ₹146.39 crores.

As of April 1, 2015, the Company had working capital of ₹2094.70 crores, including cash and cash equivalents of ₹33.74 crores, investments in term deposits (having original maturities of more than 3 months) of ₹1020.00 crores and investments in mutual funds of ₹236.80 crores.

Exposure to liquidity risk

₹ in Crores

31 st March 2017	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
External Commercial Borrowings	486.29	509.06	174.34	334.72		
Short Term Borrowings	18.64	18.64	18.64			
Trade payables	792.52	792.52	792.52			
Other Non-Current financial liabilities	1.07	1.07	1.07			
Other current liabilities	100.03	100.03	100.03			
Financial guarantee contracts*	72.71	72.71	72.71			
Derivative financial liabilities						
Forward exchange contracts	-	-				
Inflows						
Outflows						

Notes to Financial Statements

₹ in Crores

31 st March 2016	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
External Commercial Borrowings	497.50	529.65	12.22	349.02	168.40	
Short Term Borrowings	0.44	0.44	0.44			
Trade Payables	724.04	724.04	724.04			
Other Non-Current financial liabilities	2.00	2.00	2.00			
Other current liabilities	84.26	84.26	84.26			
Financial guarantee contracts*	80.73	80.73	80.73			
Derivative financial liabilities						
Forward exchange contracts	-	-				
Inflows						
Outflows						

Financial instruments – Fair values and risk management (continued)

₹ in Crores

1 st April 2015	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
External Commercial Borrowings	469.43	505.33	9.89	175.04	320.41	
OIDB Loans	58.25	66.78	30.39	22.31	14.07	
Foreign Currency Loans	165.02	165.02	165.02			
Trade Payables	1,578.88	1,578.88	1,578.88			
Other Non-Current financial liabilities	2.46	2.46	2.46			
Other current liabilities	81.36	106.01	81.36			
Financial guarantee contracts*	52.16	52.16	52.16			
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 OIDB. 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.

Notes to Financial Statements

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 2017, 31st March 2016 and April 1, 2015 are as below:

₹ in Crores

	Total	31-03-17 INR	31-03-17 USD	31-03-17 EURO
Financial assets				
Investment in mutual funds	312.45	312.45		
Derivative instruments - Forwards				
Cash and cash equivalents	253.30	253.30		
Balances other than (iii) above	1,224.00	1,224.00		
Loans Non current financial asset	39.66	39.66		
Loans Current financial asset	7.45	7.45		
Trade receivables	803.51	797.46	6.05	
Other Non-current financial asset		-		
Other Current financial asset	53.08	53.08		
Net exposure for assets	2,693.45	2,687.40	6.05	-
Financial liabilities				
Borrowings Current financial liability	18.64	18.64		
Borrowings Non current financial liability	334.46		334.46	
Derivative instruments - Forwards	4.11		4.11	
Trade and other payables	792.52	791.95	0.55	0.02
Other current liabilities	247.76	247.76		
Other Non-Current financial liabilities	1.07	1.07		
	1,398.56	1,059.42	339.12	0.02
Less: Foreign currency forward exchange contracts				
Net exposure for liabilities	1,398.56	1,059.42	339.12	0.02
Net exposure (Assets - Liabilities)	1,294.88	1,627.97	(333.07)	(0.02)

Notes to Financial Statements

Financial instruments – Fair values and risk management (continued)

₹ in Crores

	Total	31-03-16	31-03-16	31-03-16
		INR	USD	EURO
Financial assets				
Investment in mutual funds	146.39	146.39		
Cash and cash equivalents	2.94	2.94		
Balances other than (iii) above	1,734.00	1,734.00		
Loans Non current financial asset	32.56	32.56		
Loans Current financial asset	9.14	9.14		
Trade receivables	819.31	813.50	5.81	
Other Non-current financial asset		-		
Other Current financial asset	50.61	50.61		
	2,794.96	2,789.14	5.81	-
Financial liabilities				
Borrowings Current financial liability	0.44	0.44		
Borrowings Non current financial liability	497.50		497.50	
Trade and other payables	724.04	723.72	0.30	0.02
Other current liabilities	84.26	84.26		
Other Non-Current financial liabilities	2.00	2.00		
	1,308.23	810.42	497.80	0.02
Less: Foreign currency forward exchange contracts				
Net exposure for liabilities	1,308.23	810.42	497.80	0.02
Net exposure (Assets - Liabilities)	1,486.72	1,978.72	(491.99)	(0.02)

₹ in Crores

	Total	1-04-15	1-04-15	1-04-15
		INR	USD	EURO
Financial assets				
Investment in mutual funds	236.80	236.80		
Cash and cash equivalents	33.74	33.74		
Balances other than (iii) above	1,020.00	1,020.00		
Loans Non current financial asset				
Loans Current financial asset	9.86	9.86		
Trade receivables	1,236.88	1,236.88		
Other Non-current financial asset		-		
Other Current financial asset	40.61	40.61		
	2,577.89	2,577.89	-	-

Notes to Financial Statements

Financial instruments – Fair values and risk management (continued)

	Total	1-04-15	1-04-15	1-04-15
		INR	USD	EURO
Financial liabilities				
Borrowings Current financial liability	166.10	1.57	164.53	
Borrowings Non current financial liability	503.03	33.60	469.43	
Derivative instruments - Forwards	0.29		0.29	
Trade and other payable	1,578.88	1,578.82	0.04	0.02
Other current liabilities	105.72	105.72		
Other Non-Current financial liabilities	2.46	2.46		
	2,356.48	1,722.17	634.29	0.02
Less: Foreign currency forward exchange contracts				
Net exposure for liabilities	2,356.48	1,722.17	634.29	0.02
Net exposure (Assets - Liabilities)	221.41	855.72	(634.29)	(0.02)

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.

Effect in INR (before tax)	Profit or loss	
	Strengthening	Weakening
31-Mar-17		
1% movement		
USD	(13.32)	13.32
EUR	-	-
	(13.32)	13.32

Effect in INR (before tax)	Profit or loss	
	Strengthening	Weakening
31-Mar-16		
1% movement		
USD	(19.68)	19.68
EUR	-	-
	(19.68)	19.68

Notes to Financial Statements

Financial instruments – Fair values and risk management (continued)

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 from borrowings. The interest rate profile of the Company's interest-bearing financial instruments is as follows.

	₹ in Crores		
	31-03-17	31-03-16	01-04-15
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			33.60
	-	-	33.60
Variable-rate instruments			
Financial liabilities - measured at amortised cost(ECB)	486.29	497.50	469.43
Financial liabilities - measured at amortised cost (Working capital loans from banks - Cash credit)	1.88	0.44	
Financial liabilities - measured at amortised cost(Buyers Credit)	-		165.02
Total	488.17	497.94	634.45

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
INR		
31-Mar-17		
Variable-rate instruments	(5.22)	5.22
	(5.22)	5.22
31-Mar-16		
Variable-rate instruments	(5.36)	5.36
Cash flow sensitivity (net)	5.36	(5.36)



Notes to Financial Statements

46 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 of Holding Companies:

Bharat Oman Refineries Limited

Key Management Personnel :

Shri P. Padmanabhan, Managing Director

Shri S. R. Medhi, Director (Technical) (up to 31.01.2017)

Shri B. J. Phukan, Director (Technical) (w.e.f. 01.02.2017)

Shri S. K. Barua, Director (Finance)

Shri S. Varadarajan, Chairman (up to 30.09.2016)

Shri D. Rajkumar, Chairman (w.e.f. 07.10.2016)

Shri R. T. Jindal, Director (representing Govt. of Assam) (up to 07.09.2016)

Shri Ravi Capoor, Director (representing Govt. of Assam) (w.e.f. 14.09.2016)

Shri Nalin Kumar Srivastava, Director (representing Govt. of India) (up to 12.01.2017)

Shri Alok Tripathi, Director (representing Govt. of India) w.e.f. 27.02.2017

Shri S.K.Srivastava, Director (representing Oil India Ltd.) (up to 30.06.2015)

Shri Utpal Bora, Director (representing Oil India Limited) (w.e.f. 19.08.2016)

Smt Sushma Taishete, Director (representing Govt. of India) (up to 12.01.2016)

Shri I. Rynjah, Independent Director (up to 27.06.2016)

Shri B. P. Rao, Independent Director (up to 27.06.2016)

Shri Rajkumar Sharma, Independent Director (w.e.f. 31.01.2017)

Dr. A. K. Ghoshal, Independent Director (up to 10.04.2015)

Following are the related party transactions entered by the Company during the year:

₹ in Crores

	31-Mar-17	31-Mar-16
	Joint Venture of Holding Companies:	Joint Venture of Holding Companies:
Revenues and income		
Sale of goods		
Dividend income received		
Services given		
Lease rental received		
Finance income		
Other income		
Costs and expenses		
Production and operating expenses		
Purchases of goods	97.17	

Notes to Financial Statements

₹ in Crores

	31-Mar-17	31-Mar-16
	Joint Venture of Holding Companies:	Joint Venture of Holding Companies:
Financial expenses		
Other expenses		
Other operations		
Investment in equity shares		
Advances against equity given/ Share application money pending allotment		
Loans given		
Loans repaid		

b) Outstanding balance with related parties

	31-03-17		31-03-16	
	KMPs	Others	KMPs	Others
Loans given	0.23		0.33	
Loans taken				
Trade receivables				
Trade payables				

c) In the course of its ordinary business, the Company enters into transactions with other companies controlled by the Indian Government. 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

	31-03-17	31-03-16
Short-term employee benefits	1.32	1.47
Post-employee benefits	0.27	0.15
Other long-term benefits	0.43	0.07
Termination benefits	-	-
Total	2.02	1.69



Notes to Financial Statements

47 Contingent Liabilities and Capital Commitments

₹ in Crores

	31-03-17	31-03-16	01-04-15
(a) Contingent Liabilities :			
Claims against the Company not acknowledged as debts :			
Excise matters	242.75	238.73	269.23
Service Tax matters	0.36	0.35	2.09
Sales tax matters	24.16	26.43	29.76
Entry Tax Matters	33.86	9.92	113.51
Land Acquisition cases for higher compensation			
Claim by contractors Arbitration cases/other extra claims on capital account	71.49	112.09	106.29
Others(ESI)	1.86	1.86	1.86
(b) Capital Commitments :			
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	209.77	335.27	72.25
(c) Guarantees:			
Guarantees in favour of Oil Industry Development Board(OIDB) for long term loans for capital project extended to BCPL Ltd. by OIDB	72.71	80.73	52.16

The Company currently does not have any Contingent Assets

48 In compliance of INDAS 37 on "Provisions, Contingent Liabilities and Contingent Assets", the required information of provisions is as under:

₹ in Crores

Nature	Opening balance	Additions during the year	Utilisation during the year	Reversals during the year	Closing balance
Excise	60.04	15.82	-	-	75.86
Service Tax	1.34	0.08	-	-	1.42
VAT/ Sales Tax/ Entry Tax	412.92	2.96	171.32	213.49	31.07
Legal cases		10.00	-	-	10.00
Total	474.30	28.87	171.32	213.49	118.36

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

49 Disclosure in respect of Expenditure on Corporate Social Responsibility Activities

₹ in Crores

	2016-17
a) Amount required to be spent by the company during the year.	24.00
b) Unspent CSR Expenditure carried forward from FY 2015-16	1.66
c) Amount spent during the year (on purpose other than construction / acquisition of assets controlled by the company)	20.70

Notes to Financial Statements

50 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 1.31% (31st March 2016: 8.39%).

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 2017 was as follows.

₹ in Crores

	As at 31 st March 2017	As at 31 st March 2016
Total liabilities	2,056.85	2,208.18
Less : Cash and cash equivalent	253.30	2.94
Adjusted net debt	1,803.55	2,205.24
Total equity	5,180.64	4,279.19
Adjusted net debt to adjusted equity ratio	0.35	0.52

51 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 location of customers and segments assets were based on the geographic location of the respective non-current assets.

Geography	31-Mar-17	31-Mar-16
I Revenue		
India	14,289.48	12,059.54
All Foreign Countries		
Others	27.73	6.91
Total Revenue	14,317.21	12,066.45
II Non-current Assets *		
India	2,687.99	2,409.46
All Foreign Countries		
Others		-
Total Non-current Assets	2,687.99	2,409.46

*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 ₹ 12176.72 Crores (previous year - ₹ 10,417.29 Crores)

Notes to Financial Statements

52 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

	SBN's	Other denomination	Total
Closing Cash in Hand as on 08.11.2016	1,17,000.00	8,360.00	1,25,360.00
(+) Permitted receipts	-	12,14,642.00	12,14,642.00
(-) Permitted payments	-	10,83,041.00	10,83,041.00
(-) Amount deposited in Banks	1,17,000.00	-	1,17,000.00
Closing cash in hand as on 30.12.2016	-	1,39,961.00	1,39,961.00

53 Derivative Instruments and unhedged foreign currency exposure:

a. Derivatives outstanding as at the reporting date

Particulars	Purpose	31-03-17		31-03-16	
		USD million	₹ crores	USD million	₹ crores
Forward contracts to buy USD	ECB Loan (short term) Repayable within 12 months	15.00	97.26	Nil	Nil

b. Particulars of unhedged foreign currency exposures as at reporting date

Particulars	USD million	₹ crores	USD million	₹ crores
Buyers Credit Loan (Short Term)	Nil	Nil	Nil	Nil
External Commercial Borrowing	60.00	389.00	75.00	497.50

c. Mark-to-Market losses

Particulars	USD million	₹ crores	USD million	₹ crores
Mark-to-Market losses provided for		4.11		

54 Previous year figures

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

Signature to Notes '1' to '54'

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

Place: Mumbai
 Date : 20th May 2017

For and on behalf of the Board of Directors

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

Sd/-
H. K. Sarmah
 Company Secretary

Place: Mumbai
 Date : 20th May 2017



Independent Auditors' Report

(Consolidated)



Independent Auditors' Report

To
The Members of
Numaligarh Refinery Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of NUMALIGARH REFINERY LIMITED ("the Company") and its associate and joint venture (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2017, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 Ind AS financial statements by the Directors of the Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group, as at 31st March, 2017, and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year then ended.

Other Matters

We did not audit the Ind AS financial statements / financial information of one joint venture (DNP Limited) and one associate (Brahmaputra Cracker and Polymer Limited) whose Ind AS financial statements / financial information reflect total assets of ₹ (-) 74 crores (due to increase in investment value of joint venture DNPL to the tune of ₹ 9.14 crores and decrease in investment value for associate BCPL to the tune of ₹ 83.14 crores) as at 31st March, 2017, total revenue amounting to ₹ Nil, and net cash flow amounting to ₹ Nil for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the JV's (DNPL) share of net profit of ₹ 2.62 crores and associate's (BCPL) share of loss of ₹ 53.36 crores (Net financial impact is loss of ₹ 50.74 crores) for the year ended 31st March, 2017, as considered in the consolidated Ind AS financial statements, in respect of (i) Ind AS financial statements / financial information of the joint venture (DNPL) have been audited by other auditor whose report has been furnished to us by the Management and (ii) Management certified unaudited Ind AS financial statements / financial information of the associate (BCPL) as furnished to us (Refer Note 55 to the consolidated Ind AS financial statements.) Our opinion on the consolidated Ind AS financial statements, insofar as it relates to the amounts and disclosures in respect of the joint venture and the associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture and associate, is solely based on the report of other auditor and management certified Ind AS financial statements.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements / financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.



- (e) Provisions of Section 164 (2) of the Act regarding director's disqualification is not applicable vide notification F.No. 1/2/2014- CL. V dated 05th June, 2015 of Ministry of Corporate Affairs.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (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 information and according to the explanations given to us:
 - i. the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 47 to the consolidated Ind AS financial statements;
 - ii. provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts - Refer Note 53c to the consolidated 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.
 - iv. the Company has provided requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company - Refer Note 52 to the consolidated Ind AS financial statements.

Report pursuant to directions issued by Controller & Auditor General Of India in terms of Section 143(5) of the Companies Act 2013

Report pursuant to directions issued by Controller & Auditor General Of India in terms of Section 143(5) of the Companies Act 2013, has been reported vide "Annexure - B"

For **GHOSHAL & GHOSAL**

Chartered Accountants

Firm registration No. 304013E

Sd/-

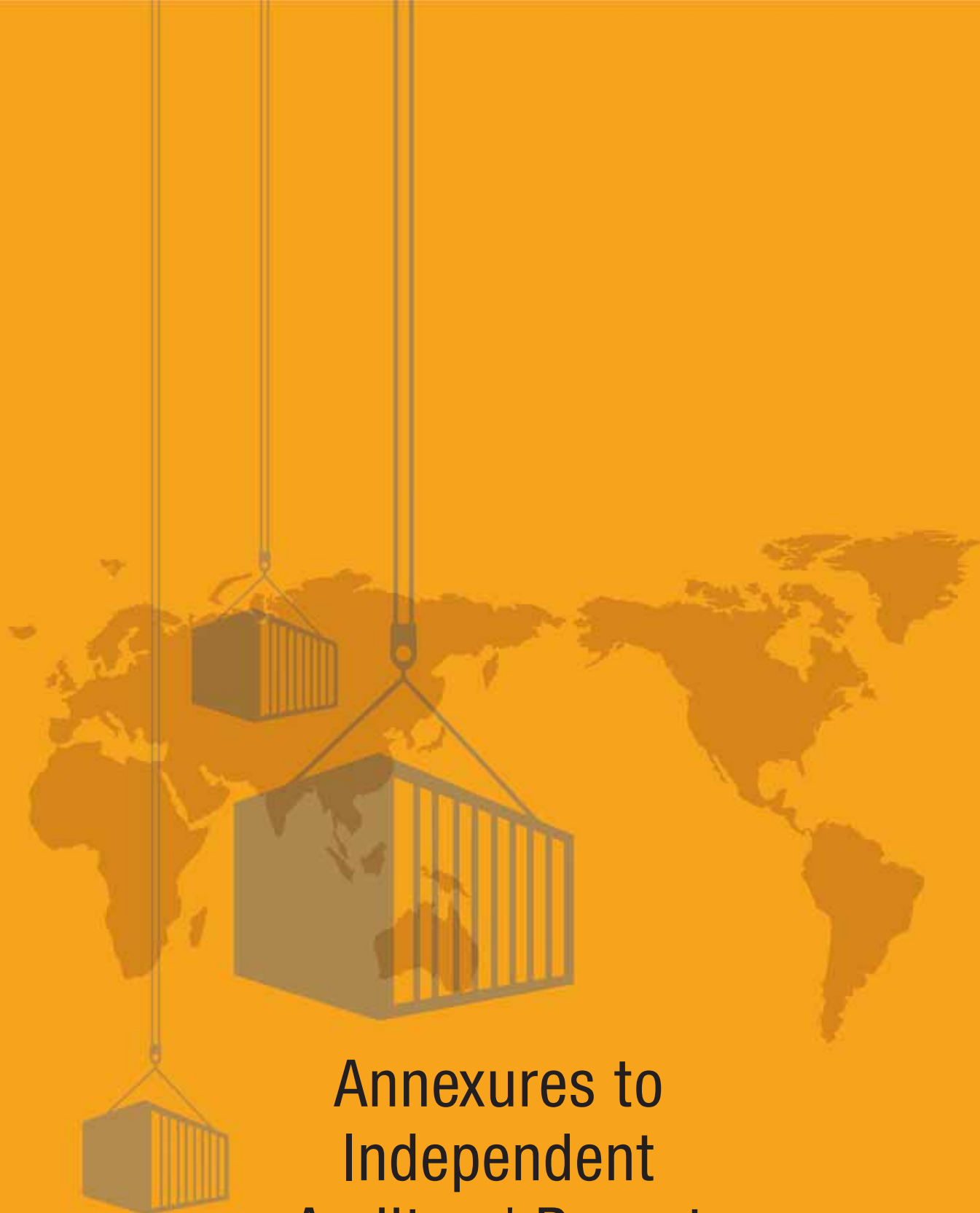
CA. P.K. MITRA

Partner

Membership No. 050716

Place: Mumbai

Date: 20th May, 2017



Annexures to Independent Auditors' Report

(Consolidated)



Annexure - A to the Auditors' Report

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NUMALIGARH REFINERY LIMITED

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Numaligarh Refinery Limited ("the Company") and its joint venture (DNPL) and its associate (BCPL) subject to 'Other Matters' paragraph below which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Company and its associates and joint venture, which are companies incorporated in India, 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 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") issued by ICAI 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 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 auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate, subject to our observation in the 'Other Matters' paragraph below, 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 and its associate and joint venture, which are companies incorporated in India, 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 subject to our observation in the 'Other Matters' paragraph below, as at 31st March 2017, 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 ICAI.

Other Matters

Our aforesaid report 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 associate (DNPL) is based on the corresponding report of the auditor of DNPL, and for the Joint Venture (BCPL) we are unable to comment on the issue as we have not received the auditor's report on Internal Financial Control, which are companies incorporated in India.

For **GHOSHAL & GHOSAL**
Chartered Accountants
Firm registration No. 304013E

Sd/-
CA. P.K. MITRA
Partner
Membership No. 050716
Place: Mumbai
Date: 20th May, 2017



Annexure- B to Independent Auditors' Report

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

Sl. No.	Directions	Remarks
1.	Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?	<p>Numaligarh Refinery Limited: The company has clear title deed of freehold and leasehold land except for 13.34 Acres of Freehold Land for whose mutation is still pending.</p> <p>Joint Venture (DNPL) : As per the Audit Report of the Joint Venture (DNPL) which is audited by another auditor freehold land measuring 16B 4K 16.43 Ls. owned by the Joint Venture whose mutation is still pending.</p> <p>Associate (BCPL): In the absence of Audit Report we are unable to comment on the issue.</p>
2.	Whether there are any cases of waiver/write off of debts/ loans/ interest etc. if yes, the reasons there for and amount involved.	<p>Numaligarh Refinery Limited: The following are the details of write off of debts during the year : Lower settlement of excise duty dues for Rs. 20,948.53 by M/s Haldia Petrochemicals Ltd.</p> <p>Joint Venture (DNPL): The financial statements of the Joint venture (DNPL) has been audited by another auditor whose report is silent in this issue, hence we are unable to comment on the same.</p> <p>Associate (BCPL): In the absence of Audit Report we are unable to comment on the issue.</p>
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Government or other authorities.	<p>Numaligarh Refinery Limited: As informed by the management and based on records examined, the Company maintains proper records for the inventories lying with third parties. As informed by the management and based on records examined, the company has not received any gift/grant(s) from Government or other authorities.</p> <p>Joint Venture (DNPL): The financial statements of the Joint venture (DNPL) has been audited by another auditor whose report is silent in this issue, hence we are unable to comment on the same.</p> <p>Associate (BCPL): In the absence of Audit Report we are unable to comment on the issue.</p>

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 2017

The preparation of consolidated financial statements of Numaligarh Refinery Limited for the year ended 31 March 2017 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) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with 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 20 May 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of Numaligarh Refinery Limited for the year ended 31 March 2017. We conducted a supplementary audit of the financial statements of Numaligarh Refinery Limited and its associate company Brahmaputra Cracker and Polymer Limited, but did not conduct supplementary audit of the financial statements of its joint venture company DNP Limited for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

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

Place : Kolkata
Dated: 4th August, 2017



Consolidated Balance Sheet as at 31st March, 2017

₹ in Crores

Particulars	Note No.	31-03-17	31-03-16	01-04-15
ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	3	2,118.95	2,090.59	1,928.85
(b) Capital work in progress	4	545.65	295.65	423.53
(c) Other Intangible assets	5	0.60	1.48	2.85
(d) Financial Assets				
(i) Investment in Joint venture and Associate	6	112.65	147.75	174.67
(ii) Loans	7	39.66	32.56	33.24
(e) Deferred tax assets (net)	23	-	-	-
(f) Other non-current assets	8	22.78	21.74	17.95
Non-current assets		2,840.30	2,589.77	2,581.09
2 Current assets				
(a) Inventories	9	1,628.55	1,055.56	1,623.43
(b) Financial Assets				
(i) Investments	10	312.45	146.39	236.80
(ii) Trade receivables	11	803.51	819.31	1,236.88
(iii) Cash and cash equivalents	12	253.30	2.94	33.74
(iv) Bank Balances other than (iii) above	13	1,224.00	1,734.00	1,020.00
(v) Loans	14	7.45	9.14	9.86
(vi) Others	15	53.08	50.61	40.61
(c) Current Tax Assets (Net)	16	8.68	7.66	66.03
(d) Other current assets	17	32.18	48.73	90.55
Current assets		4,323.20	3,874.34	4,357.90
TOTAL ASSETS		7,163.49	6,464.11	6,938.99
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	18	735.63	735.63	735.63
(b) Other Equity	19	4,371.00	3,520.29	3,001.11
		5,106.63	4,255.92	3,736.74
Liabilities				
1 Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	334.46	497.50	503.03
(ii) Other financial liabilities	21	1.07	2.00	2.46
(b) Provisions	22	125.46	480.37	279.36
(c) Deferred tax liabilities (Net)	23	229.44	110.69	154.20
		690.43	1,090.56	939.05
2 Current liabilities				
(a) Financial Liability				
(i) Borrowings	24	18.64	0.44	166.10
(ii) Trade payables	25	792.53	724.05	1,578.88
(iii) Other financial liability	26	251.87	84.26	106.01
(b) Other current liabilities	27	208.69	229.55	215.77
(c) Provisions	28	68.68	54.80	52.90
(d) Current Tax Liabilities (Net)	29	26.02	24.53	143.54
		1,366.43	1,117.63	2,263.20
TOTAL EQUITY AND LIABILITIES		7,163.49	6,464.11	6,938.99
Significant Accounting Policies & Notes on Accounts	1			
Notes to Financial Statement	2-56			
The accompanying notes are an integral part of these financial statements.				

As per our report of even date

For Ghoshal & Ghosal

Chartered Accountants

Firm Registration No.304013E

Sd/-

CA. P.K. Mitra

Partner

Membership No. 050716

Place: Mumbai

Date : 20th May, 2017

For and on behalf of the Board of Directors

Sd/-

P. Padmanabhan

Managing Director

Sd/-

S.K. Barua

Director (Finance)

Sd/-

H. K. Sarmah
Company Secretary

Place: Mumbai

Date : 20th May, 2017

Statement of Consolidated Profit and Loss for the period ended 31st March, 2017

₹ in Crores

Sr. No	Particulars	Note No.	Apr-Mar'17	Apr-Mar'16
	REVENUE			
I	Revenue from operations	30	13,946.92	11,925.44
II	Other Income	31	370.29	141.01
III	Total Income (I+II)		14,317.21	12,066.45
IV	EXPENSES			
	Cost of materials consumed	32	7,493.03	6,530.25
	Purchases of Stock-in-Trade		112.88	-
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(282.46)	399.03
	Excise duty	34	2,699.91	1,894.00
	Employee benefits expense	35	212.99	187.81
	Finance Costs	36	22.42	23.32
	Depreciation and amortisation expense	37	163.63	220.03
	Other Expenses	38	747.24	946.27
	Total Expenses (IV)		11,169.64	10,200.73
V	Profit/(loss) before exceptional items and tax (III-IV)		3,147.57	1,865.71
VI	Exceptional Items	39	-	1.86
VII	Profit/(loss) from continuing operations before share of profit of equity accounted investees and income tax (V-VI)		3,147.57	1,863.85
VIII	Share of profit of equity accounted investees and income tax		(50.74)	(27.55)
IX	Profit from continuing operations before income tax (VII+VIII)		3,096.83	1,836.30
X	Tax Expense	40	1,047.00	654.03
	(1) Current Tax		926.21	698.04
	(2) Deferred Tax		120.79	(44.01)
XI	Profit / (Loss) for the period (VII - VIII)		2,049.83	1,182.27
XII	Other comprehensive income			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit liability (asset)	41	(5.88)	1.46
	(ii) Income tax relating to items that will not be reclassified to profit or loss	40	2.03	(0.50)
	Other comprehensive income, net of tax		(3.85)	0.96
XIII	Total comprehensive income for the period (IX + X) (comprising Profit/ (Loss) and Other Comprehensive Income for the period)		2,045.98	1,183.23
XIV	Earnings per Equity Share	42		
	Basic (₹)		27.86	16.07
	Diluted (₹)		27.86	16.07

The accompanying notes are an integral part of these financial statements.

As per our report of even date

For Ghoshal & Ghosal

Chartered Accountants

Firm Registration No.304013E

Sd/-

CA. P.K. Mitra

Partner

Membership No. 050716

Place: Mumbai

Date : 20th May, 2017

For and on behalf of the Board of Directors

Sd/-

P. Padmanabhan

Managing Director

Sd/-

S.K. Barua

Director (Finance)

Sd/-

H. K. Sarmah
Company Secretary

Place: Mumbai

Date : 20th May, 2017

A. Equity Share Capital

₹ in Crores

B. Other Equity

[illegible]

B. Other Equity (contd.)

₹ in Crores

	Share ap- plication money pending allotment	Equity com- ponent of compound financial in- struments	Reserves & Surplus			Debt in- struments through Other Com- prehensive Income	Equity In- struments through Other Com- prehensive Income	Effective portion of Cash Flow Hedges	Revalua- tion Sur- plus	Exchange dif- ferences on translating the financial statements of a foreign operation	Other items of Other Com- pre- hensive Income	Money received against share warrant	Total
			Capital Reserve	General reserve	Retained Earnings								
Balance as on 31st March'2017	-	-	100.00	3,420.28	850.72	-	-	-	-	-	-	-	4,371.00

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

Place: Mumbai
Date : 20th May 2017

For and on behalf of the Board of Directors

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

Sd/-
H. K. Sarmah
Company Secretary

Place: Mumbai
Date : 20th May 2017



Consolidated Cash Flow Statement for the year ended 31st March, 2017

₹ in Crores

	31-03-2017	31-03-2016
A Cash Flow from Operating Activities		
Profit for the period	2,049.83	1182.27
Adjustments to reconcile net profit to net cash provided by operating activities		
<i>Adjustments for :</i>		
Depreciation & Amortisation expenses	163.63	220.03
Income Tax Expenses	1,047.00	654.03
Interest expenditure	22.42	23.32
(Profit) / Loss on Sale/Write Off of fixed assets(net)	0.85	0.55
Foreign Exchange Fluctuation Loss	5.32	1.77
Income from Investments	(0.74)	(0.48)
Dividend Received	(19.06)	(16.58)
Interest Income	(134.49)	(88.63)
Net gain/(loss) on sale of investment	(0.01)	0.00
Other adjustments	49.15	(144.95)
Operating Profit before Working Capital Changes	3,183.89	1,831.33
<i>(Invested in) / Generated from:</i>		
Trade receivables	15.81	417.57
Other receivables	10.66	98.72
Inventories	(572.99)	567.87
Current Liabilities & Provisions	(81.49)	(935.55)
Cash generated from Operations	2,555.88	1,979.94
Income Tax and Interest thereon (net of Refund)	(924.34)	(757.89)
Net Cash from Operating Activities	1,631.54	1222.05
B Cash Flows from Investing Activities		
Purchase of tangible assets / capital work in progress	(452.76)	(250.95)
Purchase of intangible assets	(0.01)	(-0.08)
Sale of tangible assets	0.12	0.00
Investment in Associate Companies	35.10	26.92
Purchase of / Accretion to Investments (MFs)	(166.06)	90.41
Purchase/ Maturity of Fixed Deposit	510.00	(714.00)
Sale of Investments	0.01	0.00
Income from Investment	0.74	0.48
Dividend Received	19.06	16.58
Long Term Loans and Advances	(8.14)	(3.11)
Interest Received	137.18	81.62
Net Cash from Investing Activities	75.22	(752.12)
C Cash Flows from Financing Activities		
Long term Borrowings	-	28.07
Repayment of Long-term loans/borrowings	-	(33.60)
Net Increase/Decrease(-) in other borrowings	-	0.00

₹ in Crores

	31-03-2017	31-03-2016
Other Long Term Liabilities	117.82	(6.44)
Other Long Term Provisions	(354.91)	201.01
Interest paid	(22.85)	(20.87)
Dividend Paid	(993.10)	(551.72)
Corporate Dividend Tax	(202.16)	(112.33)
Realised (loss)/gain of Foreign Exchange Difference	(1.21)	(4.86)
Net Cash used in Financing Activities	(1,456.41)	(500.73)
D Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	250.36	(30.80)
E Cash & Cash Equivalents at beginning of Period: Note 1	2.94	33.74
F Cash & Cash Equivalents at end of Period (D+E): Note 1	253.30	2.94

1. Cash and Cash equivalents	31-03-2017	31-03-2016
<i>Cash & Cash Equivalents at beginning of Period</i>		
Cash/cheques in Hand	0.01	0.01
Cash at Bank	2.93	33.73
Remittance in transit	-	-
Fixed Deposits with Banks with original maturity of less than 3 months	-	-
	2.94	33.74
<i>Cash & Cash Equivalents at end of Period</i>		
Cash/cheques in Hand	0.01	0.01
Cash at Bank	6.29	2.93
Remittance in transit	-	-
Fixed Deposits with Banks with original maturity of less than 3 months	247.00	-
Cash and Cash Equivalents as restated	253.30	2.94
Net change in Cash and Cash equivalents	250.36	(30.80)

- The Consolidated Cash Flow Statement is prepared in accordance with the format included in Indian Accounting Standard 7 as prescribe by Institute of Chartered Accountant of India.
- In Part-A of Consolidated 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.
- "Other Non-Cash items" comprise of provisions for Stores and Consumables, provision for Claims and provision for Investments and write back of Provisions.

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

Place: Mumbai
Date : 20th May 2017

For and on behalf of the Board of Directors

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

Sd/-
H. K. Sarmah
Company Secretary

Place: Mumbai
Date : 20th May 2017



Notes to consolidated financial statements for the year ended 31st March 2017

1. Statement of Significant Accounting Policies (Consolidated)

1.1 Basis of Consolidation

The consolidated financial statements relate to Numaligarh Refinery Limited (NRL) and its Joint Venture Company DNP Limited (DNPL) and Associate Company Brahmaputra Cracker and Polymer Limited (BCPL).

1.1.1 Basis of Accounting

The Financial Statements of the joint venture company (DNPL) and associate company (BCPL) used in preparation of the Consolidated Financial Statements are drawn up to the same reporting date as that of NRL viz. 31st March 2017.

1.1.2 Principles of Consolidation

The Consolidated Financial Statements have been prepared as per Ind AS-110 "Consolidated Financial Statements" as notified on the following basis:

1.1.2.1 The Financial Statements of NRL and its Joint Venture Company DNPL and Associate Company BCPL have been consolidated using the equity method. The unrealized profits or losses resulting from intra group transactions are fully eliminated. Consolidation of Associate Company BCPL has been done on the basis of their management certified un-audited accounts.

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

1.1.3 The percentage of interest of the Company in its Joint Venture and Associates as on 31st March 2017 are as under:

Joint Venture Company (JVC)	Percentage of Interest as on	
	31-03-2017	31-03-2016
DNP Limited	26.00	26.00
Associate Company		
Brahmaputra Cracker and Polymer Ltd.	10.11	10.81

1.2 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 there under.

The Financial Statements have been prepared under the historical cost convention on accrual basis except for certain financial assets and financial liabilities measured at fair value. The companies presentation and functional currency is Indian Rupees (₹).

1.3 Use of Estimates

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

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 related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

- 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 subject to a minimum thresh hold limit of ₹ 5 crores.
- 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, not exceeding ₹ 1,000 per item (other than plant and machinery) and not exceeding ₹ 5,000 in case of its Joint Venture company DNPL 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 more than ₹ 10 lakhs. In other cases, the spare part are inventoried on procurement and charged to Statement of Profit and Loss on consumption. No such policy exists in case of its Associate company BCPL.
- 1.4.1.7** Land acquired on outright purchase / perpetual lease basis are treated as freehold land.
- 1.4.1.8** **Expenditure during construction period:** Direct expenses including borrowing cost incurred during construction period on capital projects are capitalized. Indirect expenses of the project group which are allocated to projects costing ₹ 5 crores and above are also capitalized. Expenditure incurred generally during construction period of projects on assets like electricity transmission lines, roads, culverts etc. the ownership of which is not with the company are charged to revenue in the accounting period of incurrence of such expenditure.
- 1.4.1.9** On date of transition to IND AS, the company has opted to continue with the carrying value of the property, plant and equipment existing as at 1st April'2015 as per previous GAAP and use that as its deemed cost.
- 1.4.2** **Intangible Assets**
- 1.4.2.1** Intangible assets are carried at cost less accumulated amortization.
- 1.4.2.2** Expenditure incurred for creating/acquiring intangible assets of ₹ 0.50 crores and above from which future economic benefits will flow over a period of time, is amortised over the estimated useful life of the asset or five years, whichever is earlier, from the time the intangible asset starts providing the economic benefit. No such limit exists in case of its Joint Venture company DNPL and Associate company BCPL.
- 1.4.2.3** In other cases, the expenditure is charged to revenue in the year the expenditure is incurred.
- 1.4.2.4** On transition to IND AS, the company has opted to continue with the carrying value of the intangible assets existing as at 1st April 2015 as per previous GAAP and use that as its deemed cost.
- 1.5** **Impairment of Assets**
- The values of tangible and intangible assets of respective Cash Generating Units are reviewed by the management for impairment at each Balance Sheet date, if events or circumstances indicate that the carrying values may not be recoverable. If the carrying value is more than the net selling price of the asset or present value, the difference is recognized as an impairment loss.
- 1.6** **Borrowing Costs**
- Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets till the month in which the asset is ready for use. All other borrowing costs are charged to revenue.
- 1.7** **Non-current assets held for sale**
- 1.7.1** 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.
- 1.7.2** Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.
- 1.7.3** Property, Plant and Equipment and intangible assets are not depreciated or amortized once classified as held for sale.



1.8 Depreciation

- 1.8.1** Depreciation on property, plant and equipment is provided over the useful life of the assets prescribed under Schedule II of the Companies Act, 2013, up to 95% of the cost of the asset. 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 5% residual value.
- 1.8.2** Computer equipments (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.
- 1.8.3** Premium paid for acquiring leasehold land (other than perpetual lease) and lease hold land not exceeding 99 years in case of its Joint Venture company DNPL is amortized over the period of lease.
- 1.8.4** Depreciation is charged on addition / deletion on pro-rata monthly basis including the month of addition / deletion.
- 1.8.5** Items of property, plant and equipment costing not more than ₹ 5,000 each are depreciated at 100% in the year of acquisition.
- 1.8.6** 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. Whereas no such policy exists in case of its Joint Venture company DNPL.
 - assets costing upto ₹ 5,000/- are depreciated fully in the year of its purchase/capitalisation.
- 1.8.7** 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.

1.9 Accounting for Leases

- 1.9.1** 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.

1.9.2 Finance Lease

Agreement are classified as finance leases (including those for land), if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

1.9.3 Operating Lease

Agreements (including those for land) which are not classified as finance leases 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 incentives received /lease premium paid (if any) are recognised as an integral part of the total lease expense, over the term of the lease.

1.10 Investments

- 1.10.1** Current investments are valued at fair value through profit and loss account determined on an individual investment basis.

1.10.2 Long-term investments (equity investments in joint venture and associates) are valued at cost.

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.

No such policy exists in case of its Joint Venture company DNPL. However in the case of its Associate company BCPL the inventories are determined at weighted average cost. The impact due to difference in policy is not material.

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

1.12 Revenue Recognition

1.12.1 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/Sales Tax. Further, it includes other elements allowed by the Government from time to time. 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 on performance of service based on agreements/arrangements with the concerned parties.

1.12.2 Other claims are booked when there is reasonable certainty of recovery. No such disclosure exists in case of Associate company BCPL.

1.12.3 Income from sale of scrap is accounted for on realization where sufficient risk and rewards are transferred to customers, which is generally on dispatch of goods. No such disclosure exists in case of Associate company BCPL.

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

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

1.12.6 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 less than ₹ 0.05 crore 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 in excess of ₹2 crore in each case or errors aggregating in excess of ₹10 crore and ₹0.01 crore in case of its Joint Venture company DNPL pertaining to prior year (s) 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 ₹0.05 crore and ₹0.01 crore in case of its Joint Venture company DNPL 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. No such policy exists in case of Associate company BCPL and Joint Venture company DNPL.

1.14 Employee Benefits

1.14.1 Short-term employee benefit

Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered. No such policy exists in case of its Joint Venture company DNPL.

1.14.2 Post employment benefits

Defined Benefit Plans: The Company also provides for retirement/ post-retirement benefits in the form of gratuity, leave encashment, post retirement medical benefits, resettlement benefits and long service award. Such defined benefits are charged to the Statement of Profit and Loss based on valuations made by independent actuaries using the Projected Unit Credit Method, as at the balance sheet date.

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, curtailment and settlements. Past service costs are recognized immediately in the statement of Profit and Loss. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss. No such policy exists in case of its Joint Venture company DNPL.

1.14.3 Re-measurements which comprise of actuarial gains and losses, the return on plan assets(excluding net interest) and the effect of the asset ceiling (if any, excluding net interest), are recognized immediately in Other Comprehensive Income. No such policy exists in case of its Joint Venture company DNPL.

1.15 Duties on Bonded Stocks

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

1.16 Foreign Currency Transactions & Derivative Transactions

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

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

1.16.3 Foreign Exchange differences arising at the time of translation or settlement of monetary items (except for long term monetary items outstanding as on 31st March'2016) are recognized as income or expense in the Statement of Profit & Loss either under foreign exchange fluctuation or interest, as the case may be.

1.16.4 Foreign exchange differences on long term foreign currency monetary items outstanding as on 31st March'2016 relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset.

- 1.16.5** Derivatives Instruments are measured at fair value with changes in fair value recognized in Statement of profit and loss on the reporting date.

1.17 Government Grants

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

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.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

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

1.18 Provisions, Contingent Liabilities and Capital Commitments

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

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

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

- 1.18.4** Capital commitments and Contingent liabilities disclosed are in respect of items which exceed ₹ 0.05 crore in each case and ₹ 0.01 crore in case of its Joint Venture company DNPL.

1.19 Fair value measurement

- 1.19.1** The company measures financial instruments such as equity shares, derivatives, etc. at fair value at each balance sheet date.

- 1.19.2** 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 Corporation has access at that date. The fair value of a liability reflects its non-performance risks.



1.19.3 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

1.19.4 Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

1.19.5 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.

1.20 Financial Assets

1.20.1 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.

1.20.2 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 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 & Loss. The losses arising from impairment are recognised in the Statement of Profit & Loss.

Equity Investment

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL).

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

1.20.3 Derecognition

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 and equity instruments (measured at FVTPL) are recognised in the Statement of Profit & Loss. Accumulated gains or losses on equity instruments measured at fair value through other comprehensive income (FVOCI) are never reclassified to the Statement of Profit & Loss.

1.21 Financial Liabilities

1.21.1 Initial recognition and measurement

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

1.21.2 Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities. The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at FVTPL.

Financial Liabilities at fair value through profit or loss

A financial liability is classified as at fair value through profit or loss (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 fair value through profit or loss 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 on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit & Loss.

1.21.3 Derecognition

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 & Loss.

1.22 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.

1.23 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.



1.24 Taxes on Income

- 1.24.1** 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.
- 1.24.2** 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.
- 1.24.3** Deferred tax liabilities are recognized for all taxable temporary differences.
- 1.24.4** 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.
- 1.24.5** 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.
- 1.24.6** The carrying amount of deferred tax assets and unrecognized deferred tax assets are reviewed at each balance sheet date.
- 1.24.7** 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.
- 1.24.8** 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.

1.25 Earnings per share

- 1.25.1** Basic earnings per share are calculated by dividing the net profit or loss (after deducting preference dividends, if any, and attributable taxes) for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period.
- 1.25.2** 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.

1.26 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.

Notes to Consolidated financial statements for the year ended 31st March 2017

2 Transition to Ind AS:

These are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('Previous GAAP').

The accounting policies set out in Note 1 have been applied in preparing these financial statements for the year ended 31 March 2016 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2015.

In preparing its Ind AS balance sheet as at 1 April 2015 and in presenting the comparative information for the year ended 31 March 2016, the Company has adjusted amounts previously reported in the financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Explanation of transition to Ind AS

In preparing the financial statement, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

Property, plant and equipment exemption:

The Company has opted to apply the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment and intangibles 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 (April 1, 2015).

Investment in joint Ventures and associates

The Company has opted to apply the exemption available under Ind AS 101 to measure all investments in subsidiaries, joint venture and associates as the previous GAAP carrying value as deemed cost as on 1 April 2015.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Long term Foreign Currency Monetary Items

In case of long term monetary items outstanding as on 31st March 2016, foreign exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset.



Notes to consolidated financial statements for the year ended 31st March, 2017

I. Reconciliation of Balance Sheet as at April 1, 2015

₹ in Crores

	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
Non-current assets			
Property, plant and equipment	1,922.37	6.48	1,928.85
Capital work in progress	424.75	(1.21)	423.53
Other Intangible assets	2.85	-	2.85
Financial Assets		-	-
Investment in Joint venture and Associate	174.67	0.00	174.67
Loans	49.18	(15.94)	33.24
Deferred Tax Assets (Net)		-	-
Other non-current assets	2.30	15.65	17.95
Total non current assets	2,576.12	4.98	2,581.09
Current Assets			
Inventories	1,598.50	24.93	1,623.43
Financial Assets			-
Investments	236.80	-	236.80
Trade Receivables	1,236.88		1,236.88
Cash and cash equivalents	33.74		33.74
Bank Balances other than (iii) above	1,020.00		1,020.00
Loans	10.58	(0.72)	9.86
Others	40.61		40.61
Current Tax Assets (Net)	66.03	-	66.03
Other current assets	88.34	2.21	90.55
Total current assets	4,331.48	26.42	4,357.90
TOTAL ASSETS	6,907.60	31.40	6,938.99
II. EQUITY AND LIABILITIES			
Equity			
Equity share capital	735.63	-	735.63
Other equity	2,623.63	377.48	3,001.11
Total equity	3,359.26	377.48	3,736.74
LIABILITIES			
Non current liabilities			
Financial Liabilities			
Borrowings	503.03	-	503.03
Other Financial Liabilities	2.46	-	2.46
Provisions	279.36	-	279.36
Deferred Tax Liabilities (Net)	144.23	9.98	154.21
Total non current liabilities	929.08	9.98	939.06

₹ in Crores

	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
Current Liabilities			
Financial Liabilities			
Borrowings	165.61	0.49	166.10
Trade payables	1,578.88	-	1,578.88
Other Financial Liability	108.40	(2.39)	106.01
Other Current Liabilities	215.77	-	215.77
Provisions	407.06	(354.16)	52.90
Current Tax Liabilities (Net)	143.54		143.54
Total Current liabilities	2,619.26	(356.06)	2,263.20
Total Liabilities	3,548.34	(346.08)	3,202.26
TOTAL EQUITY AND LIABILITIES	6,907.60	31.40	6,938.99

II. Reconciliation of Balance Sheet as at 31st March 2016

₹ in Crores

	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
Non-current assets			
Property, Plant and Equipment	2,070.06	20.53	2,090.59
Capital Work-In-Progress	295.65		295.65
Other Intangible assets	1.48		1.48
Financial Assets		-	-
Investments	147.13	0.62	147.75
Loans	48.74	(16.18)	32.56
Deferred Tax Assets (Net)		-	-
Other non-current assets	5.72	16.02	21.74
Total non current assets	2,568.78	20.99	2,589.77
Current Assets			
Inventories	1,058.82	(3.24)	1,055.58
Financial Assets		-	-
Investments	146.39	-	146.39
Trade Receivables	819.31		819.31
Cash and cash equivalents	2.94		2.94
Bank Balances other than (iii) above	1,734.00		1,734.00
Loans	10.09	(0.95)	9.14
Others	50.61		50.61
Current Tax Assets (Net)	7.66	-	7.66
Other Current Assets	49.77	(1.04)	48.73
Total current assets	3,879.59	(5.23)	3,874.36
TOTAL ASSETS	6,448.37	15.76	6,464.13



₹ in Crores

	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
II. EQUITY AND LIABILITIES			
Equity			
Equity share capital	735.63	-	735.63
Other equity	3,198.64	321.66	3,520.30
Total equity	3,934.27	321.66	4,255.93
LIABILITIES			
Non current liabilities			
Financial Liabilities			
Borrowings	497.50	-	497.50
Other Financial Liabilities	2.00	-	2.00
Provisions	480.37	-	480.37
Deferred Tax Liabilities (Net)	106.70	3.99	110.69
Total non current liabilities	1,086.57	3.99	1,090.56
Current liabilities			
Financial liabilities			
Borrowings	0.44		0.44
Trade payables	724.06		724.06
Other financial liability	84.26		84.26
Other current liabilities	229.55		229.55
Provisions	364.69	(309.89)	54.80
Current Tax Liabilities (Net)	24.53		24.53
Total Current liabilities	1,427.53	(309.89)	1,117.64
Total liabilities	2,514.10	(305.90)	2,208.20
TOTAL EQUITY AND LIABILITIES	6,448.37	15.76	6,464.13

III. Reconciliation of Statement of Profit or Loss for the year ended 31st March 2016

₹ in Crores

	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
Revenue			
Revenue from Operations (Gross)	10,031.44	1,894.00	11,925.44
Other income	142.50	(1.49)	141.01
Total Income	10,173.94	1,892.51	12,066.45
Expenses			
Cost of materials consumed	6,529.73	0.53	6,530.26
Changes in inventories of finished goods, work-in-progress and stock-in-trade	369.92	29.12	399.04
Excise duty		1,894.00	1,894.00
Employee Benefits Expenses	185.52	2.29	187.81
Finance costs	22.48	0.85	23.33
Depreciation and Amortization Expenses	203.89	16.15	220.04
Other Expenses	977.68	(31.42)	946.26
Total Expenses	8,289.22	1,911.51	10,200.73

₹ in Crores

	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
Profit before exceptional and extraordinary items and tax	1,884.72	(19.00)	1,865.72
Exceptional Items	1.86	-	1.86
Profit/(loss) from continuing operations before share of profit of equity accounted investees and income tax	1,882.86	(19.00)	1,863.86
Share of profit of equity accounted investees and income tax	(27.55)		(27.55)
Profit from continuing operations before income tax	1,855.31	(19.00)	1,836.31
Tax expense:	660.52	(6.48)	654.04
1. Current Tax	702.07		702.07
2. Deferred Tax	(37.53)	(6.48)	(44.01)
3. Short/(excess) provision for Taxation in earlier years provided for	(4.02)		(4.02)
Profit for the period	1,194.79	(12.52)	1,182.27
Other comprehensive income			
Items that will not be reclassified to profit or loss	-	1.46	1.46
Items that will not be subsequently reclassified to profit or loss	-	-	-
Income tax related to items that will not be reclassified to profit or loss	-	(0.50)	(0.50)
	-	0.96	0.96
Total comprehensive income for the period	1,194.79	(11.56)	1,183.23

IV. The Company does not have a significant impact on the Cash flow statement as on 31st March, 2016.

Reconciliation of Equity as on 31st March 2016 and 1st April, 2015

₹ in Crores

	Note Ref	31-Mar-16	01-Apr-15
Net worth as per Previous GAAP		3,934.27	3,359.26
Reversal of Proposed Dividend	A	309.89	354.17
Impact of Stores and Spares	B	6.64	3.26
Fair Valuation of forwards	C	-	0.61
Fair Valuation of security deposit DNPL	D	0.04	0.10
RTA Shutdown component	E	11.87	-
Impact of change in Inventory valuation to FIFO	F	(0.07)	29.32
Fair valuation of financial guarantee	G	0.62	-
Others		(3.35)	-
Deferred tax	H	3.98	(9.98)
Total Impact		321.66	377.48
Net worth as per Ind AS		4,255.93	3,736.74

Notes to reconciliations:

A. Proposed Dividend

Under Indian GAAP, proposed dividend including Dividend Distribution Tax (DDT), are recognised as a liability in the period in which they relate, as these are considered as an adjusting event. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Company i.e. usually when approved by shareholders in an annual general meeting.



Accordingly, the liability for proposed dividend including dividend distribution tax as at 1st April 2015 and 31st March 2016 of ₹354.17 crores and ₹309.89 crores respectively included under the provisions has been reversed with corresponding adjustments to retained earnings.

B. Stores and Spares

Under Indian GAAP, machinery spares that are specific to the a particular property, plant and equipment (PPE) are capitalised to the cost of the PPE. Spares acquired subsequently are charged to the Statement of Profit & Loss.

Under Ind AS, spares with a useful life of more than one year shall be treated as PPE and depreciated from the date they are available for use over the useful life of the spare part. Hence, spares which were erstwhile treated as inventory under IGAAP shall now be classified as part of PPE if recognition criteria are met and corresponding depreciation is charged from the date they are available for use to retained earnings.

C. Derivative Contracts

Under Ind AS, all derivative contracts are required to be measured at fair value through profit or loss at each reporting period end. The Company has measured its outstanding derivative contracts at fair value through profit or loss and accordingly recognised a gain of ₹0.61 crores as on 1 April 2015.

D. Fair valuation of Security Deposit

The Company has given an interest free security deposit of ₹3 crores to its JV (DNPL) which is to be returned post 15 years. Under Ind AS, this deposit has been measured at fair value on initial recognition with corresponding impact to Prepaid Transportation cost.

E. Capitalisation of RTA Shutdown

Under IND AS, when each major inspection is performed, its cost is recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Accordingly the RTA expenses for FY 2015-16 has been capitalised which will be depreciated in next 3 years.

F. Impact of change in inventory valuation to FIFO

Under previous GAAP, the Company had during financial year 2015-16, changed the method of determination of cost of inventories from 'Weighted Average' to 'First in First Out' (FIFO) in respect of crude oil, finished products and intermediate products. Under Ind AS, the Company is required to use the same accounting policies in its Opening Ind AS Balance Sheet and throughout for all periods presented in its first Ind AS financial statements. Accordingly, the Company has restated the opening value of inventories as per FIFO method.

G. Fair valuation of Financial Guarantee

Ind AS 109 requires issuer to recognize a financial guarantee contract initially at fair value. The fair value of guarantee is the difference between the fair value of liability with guarantee and without the guarantee. Accordingly the company has recognised ₹0.62 crores as fair value of the financial guarantee given to BCPL for the FY 2015-16.

H. Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

I. Excise Duty

Under the previous GAAP, revenue from sale of goods was presented net of the excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty has been presented in the Statement of Profit and Loss as an expense. This has resulted in an increase in the revenue from operations and expenses for the year ended 31 March 2016 by ₹ 1894 crores. The total comprehensive income for the year remains unchanged.

Notes to consolidated Financial Statements

3 Property, plant and equipment

	Gross Block/Cost			Depreciation			Net Block	
	As at 01-04-16 (1)	Addition (2)	Deductions on ac- count of Retirement/ Reclassifications (3)	As at 31-03-17 (4)=(1+2-3)	As at 01-04-16 (5)	Addition (6)	As at 31-03-17 (8)=(5+6-7)	As at 31-03-16 (10)=(1-5)
LAND								
i) Land Freehold	31.05	0.01	0.00	31.07	-	-	31.07	31.05
ii) Land Leasehold	0.07	-	-	0.07	-	-	0.07	0.07
BUILDINGS								
i) RCC Frame Structure (other than factory)	110.78	0.46	(0.04)	111.20	2.86	2.32	106.02	107.92
ii) Non RCC Frame Structure (other than factory)	5.52	1.31	-	6.83	0.29	0.28	6.26	5.23
iii) FACTORY	236.75	3.07	(0.99)	238.83	12.84	10.38	215.60	223.91
iv) Fences, Wells and Tube Wells	0.50	0.03	-	0.53	0.11	0.12	0.30	0.39
v) Others (Temporary Structures)	0.94	0.57	-	1.51	0.24	0.49	0.78	0.70
BRIDGE, CULVERTS, BUNKERS Etc.	22.20	0.01	-	22.21	1.30	1.30	19.62	20.90
ROADS								
i) Carpeted Roads-RCC	6.84	0.24	-	7.08	0.84	0.98	5.27	6.00
ii) Carpeted Roads-Other than RCC	3.18	0.02	-	3.20	0.67	0.64	1.89	2.51
iii) Non Carpeted Road	0.32	-	-	0.32	-	-	0.32	0.32
PLANT & MACHINERY								
i) CONTINUOUS PROCESS PLANT/Refineries	1,485.06	90.57	(13.26)	1,562.37	147.70	114.35	1,300.34	1,337.36
ii) Plant and Machinery-Other than Continuous Process Plant	124.85	3.21	(3.52)	124.54	23.14	8.53	92.85	101.71
iii) Storage Tanks & Related Equipments	78.60	38.34	-	116.94	2.04	4.30	110.60	76.56
iv) Plant & Machinery (Captive Power Plants)	104.61	41.36	(0.11)	145.86	2.76	3.47	139.63	101.85
v) Plant & Machinery Used in Medical and Surgical	3.16	0.23	-	3.39	0.33	0.33	2.72	2.83
vi) Heavy Lift Equipment	2.26	-	-	2.26	0.14	0.14	1.98	2.12
RAILWAY SIDING	21.99	0.85	-	22.84	9.42	1.27	12.14	12.57
FURNITURE								
i) FURNITURE - GENERAL	3.87	1.08	-	4.95	0.74	0.60	3.61	3.13
ii) FURNITURE - Others	2.21	0.04	-	2.25	0.43	0.33	1.48	1.78
iii) FOH-to Employees	2.66	2.32	(0.27)	4.71	0.11	0.73	4.07	2.55
OFFICE EQUIPMENTS								
i) Office Equipments-General	8.65	0.37	(0.43)	8.59	2.86	1.91	3.97	5.79
ii) Mobile on Hire-to Employees	-	0.55	-	0.55	(0.05)	0.22	0.36	0.05
COMPUTERS AND DATA PROCESSING UNITS								
i) Servers and Network	8.04	2.23	-	10.27	1.69	1.74	6.84	6.35
ii) End User Devices-Desktop, Laptops, Printers etc.	2.25	2.00	(0.36)	3.89	0.53	1.21	2.49	1.72

3 Property, plant and equipment (contd.)

	Gross Block/Cost				Depreciation				Net Block	
	As at 01-04-16	Addition	Deductions on ac- count of Retirement/ Reclassifications	As at 31-03-17	As at 01-04-16	Addition	Deductions on ac- count of Retirement/ Reclassifications	As at 31-03-17	As at 31-03-16	As at 31-03-17
iii) PC on Hire-To-Employees	0.58	0.35	(0.23)	0.70	0.03	0.28	(0.22)	0.09	0.60	0.55
ELECTRICAL EQUIPMENTS	26.80	13.85	(0.01)	40.64	4.31	5.03		9.34	31.31	22.49
LABORATORY EQUIPMENT	8.19	6.63	(0.01)	14.81	0.87	1.23		2.10	12.72	7.32
VEHICLES	-	0.00	-	-	-	-	-	-	-	-
i) Motor cycles, scooters & other mopeds	0.13	0.00	-	0.13	0.02	0.01		0.03	0.09	0.11
ii) Motor buses, motor lorries, motor cars and motor taxis	1.12	0.08	(0.24)	0.96	0.09	0.16	(0.10)	0.15	0.82	1.03
iii) Trucks / heavy vehicles, harvesting combines	3.07	0.05	-	3.12	0.38	0.51		0.89	2.23	2.69
iv) Electrically operated vehicles	1.15	0.00	-	1.15	0.12	0.14		0.26	0.89	1.03
Total	2,307.40	209.83	(19.46)	2,497.77	216.81	163.00	(1.01)	378.80	2,118.95	2,090.59

Notes to financial statements for the year ended 31st March, 2017

	Gross Block/Cost				Depreciation				Net Block	
	As at 01-04-15	Addition	Deductions on ac- count of Retirement/ Reclassifications	As at 31-03-16	As at 01-04-15	Addition	Deductions on ac- count of Retirement/ Reclassifications	As at 31-03-16	As at 31-03-15	As at 31-03-15
	(1)	(2)	(3)	(4)=(1+2-3)	(5)	(6)	(7)	(8)=(5+6-7)	(9)=(4-8)	(10)=(1-5)
LAND										
i) Land Freehold	30.69	0.36	-	31.05		0.00	-	-	31.05	30.69
ii) Land Leasehold	0.07	-	-	0.07		0.00	-	-	0.07	0.07
BUILDINGS										
i) RCC Frame Structure (other than factory)	109.66	1.19	(0.07)	110.78		2.86	-	2.86	107.92	109.66
ii) Non RCC Frame Structure (other than factory)	4.49	1.03	-	5.52		0.29	-	0.29	5.23	4.49
iii) FACTORY	235.30	1.45	-	236.75		12.84	-	12.84	223.91	235.30
iv) Fences, Wells and Tube Wells	0.09	0.41	-	0.50		0.11	-	0.11	0.39	0.09
v) Others (Temporary Structures)	0.09	0.85	-	0.94		0.24	-	0.24	0.70	0.09
BRIDGE, CULVERTS, BUNKERS Etc.										
ROADS										
i) Carpeted Roads-RCC	4.15	2.75	(0.06)	6.84		0.84	-	0.84	6.00	4.15
ii) Carpeted Roads-Other than RCC	2.91	0.45	(0.18)	3.18		0.67	-	0.67	2.51	2.91
iii) Non Capreted Road	0.32	-	-	0.32		0.00	-	-	0.32	0.32
PLANT & MACHINERY										
i) CONTINUOUS PROCESS PLANT/Refineries	1,207.74	277.73	(0.41)	1,485.06		147.70	-	147.70	1,337.36	1,207.74
ii) Plant and Machinery-Other than Continuous Process Plant	98.03	26.84	(0.02)	124.85		23.14	-	23.14	101.71	98.03
iii) Storage Tanks & Related Equipments	56.09	24.48	(1.97)	78.60		2.04	-	2.04	76.56	56.09
iv) Plant & Machinery (Captive Power Plants)	81.02	23.68	(0.09)	104.61		2.76	-	2.76	101.85	81.02
v) Plant & Machinery Used in Medical and Surgical	2.74	0.42	-	3.16		0.33	-	0.33	2.83	2.74
vi) Heavy Lift Equipment	2.26	-	-	2.26		0.14	-	0.14	2.12	2.26
RAILWAY SIDING	21.99	-	-	21.99		9.42	-	9.42	12.57	21.99

₹ in Crores

	Gross Block/Cost		Depreciation		Net Block	
	As at 01-04-15	Addition	Deductions on ac- count of Retirement/ Reclassifications	As at 31-03-16	As at 01-04-15	As at 31-03-16
FURNITURE						
i) FURNITURE - GENERAL	3.17	0.71	(0.01)	3.87	-	3.17
ii) FURNITURE - Others	1.77	0.44	-	2.21	0.74	3.17
iii) FOH-to Employees	2.37	0.72	(0.43)	2.66	0.43	1.77
OFFICE EQUIPMENTS						
i) Office Equipments-General	6.90	2.31	(0.56)	8.65	0.49	2.37
ii) Mobile on Hire-to Employees	0.01	0.05	(0.06)	-	0.00	-
COMPUTERS AND DATA PROCESSING UNITS						
i) Servers and Network	3.40	4.65	(0.01)	8.04	0.00	-
ii) End User Devices-Desktop, Laptops, Printers etc.	2.30	0.66	(0.71)	2.25	1.69	3.40
iii) PC on Hire-To Employees	0.43	0.37	(0.22)	0.58	1.19	2.30
ELECTRICAL EQUIPMENTS	20.22	6.83	(0.25)	26.80	0.24	0.43
LABORATORY EQUIPMENT	6.13	2.11	(0.05)	8.19	4.43	20.22
VEHICLES						
i) Motor cycles, scooters & other mopeds	0.12	0.01	-	0.13	0.00	-
ii) Motor buses, motor lorries, motor cars and motor taxis	0.81	0.44	(0.13)	1.12	0.02	0.12
iii) Trucks / heavy vehicles, harvesting combines	1.44	1.63	-	3.07	0.16	0.81
iv) Electrically operated vehicles	-	1.15	-	1.15	0.38	1.44
Total	1,928.85	383.92	(5.37)	2,307.40	- 218.87	1,928.85

a) Total freehold land held by NRL is 1440.98 acres (1440.98 acres) which includes 13.34 acres (209.35 acres) of land for which the process of registration is on. Out of the total freehold land 0.25 acres (289.18 acres) is disputed i.e under litigation.

b) Additions to Gross Block includes capitalisation of borrowing costs of ₹ 0.53 crores (₹ 1.27 crores).

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

- ₹ 0.53 crores (₹ 3.40 crores) on account of Write off of Physical Verification discrepancies.
- ₹ 18.93 crores (₹ 1.97 crores) on account sale retirement, deletions and reclassifications.

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

- Charged to Profit & Loss Account ₹ 162.74 crores (₹ 218.58 crores).
- Charged to project expenses ₹ 0.26 crores (₹ 0.29 crores)
- Depreciation on assets given to employees has been charged as per company policy based on life of the asset envisaged as per the buy-back scheme and not as per Schedules II of Companies Act 2013. The impact of this deviation results in higher depreciation by an amount of ₹ 0.38 crores (₹ 0.09 crores) for the year.
- Assets costing up to ₹ 5000 are depreciated fully in the year of purchase/capitalisation as per company's accounting policy and are not as per the rates prescribed by Schedule II of Companies Act 2013. The impact of this deviation results in higher depreciation by an amount of ₹ 0.05 crores (₹ 0.14 crores) for the year.

e) Deduction from Depreciation (Column 7) includes :

- Withdrawal of depreciation of ₹ 0.51 crores (₹ 1.96 crores) on account sale, deletions, retirement & reclassification.
- ₹ 0.50 crore (₹ 0.10 Crore) on account of Write off of Physical Verification discrepancies.

As per exemption available under Ind AS 101, the Company has opted to adopt carrying value as per Previous GAAP as the deemed cost. Accordingly, the Net Block as per Previous GAAP as on 1st April, 2015 is considered as the Gross Block under Ind AS as per following details.



Notes to financial statements for the year ended 31st March 2017

₹ in Crores

	Gross Block (At Cost)	Cumulative Depreciation	Net Block as per Previous GAAP/ Deemed cost as per Ind AS	Ind AS adjustments	Gross Block as per Ind AS
	(1)	(2)	As at 01/04/2015 (3)=(1)-(2)	(4)	(5)=(3)+(4)
LAND					
i) Land Freehold	31.86	-	31.86	-1.17	30.69
ii) Land Leasehold	0.16	0.09	0.07		0.07
BUILDINGS	-	-	-		-
i) RCC Frame Structure (other than factory)	134.56	24.90	109.66		109.66
ii) Non RCC Frame Structure (other than factory)	5.27	0.78	4.49		4.49
iii) FACTORY	295.55	60.25	235.30		235.30
iv) Fences, Wells and Tube Wells	0.60	0.51	0.09		0.09
v) Others (Temporary Structures)	1.54	1.45	0.09		0.09
BRIDGE, CULVERTS, BUNKERS Etc.	28.54	6.40	22.14		22.14
ROADS	-	-	-		-
i) Carpeted Roads-RCC	13.46	9.31	4.15		4.15
ii) Carpeted Roads-Other than RCC	34.45	31.54	2.91		2.91
iii) Non Carpeted Road	6.32	6.00	0.32		0.32
PLANT & MACHINERY	-	-	-		-
i) CONTINUOUS PROCESS PLANT/Refineries	2,692.23	1,492.14	1,200.09	7.65	1,207.74
ii) Plant and Machinery-Other than Continuous Process Plant	212.11	114.08	98.03		98.03
iii) Storage Tanks & Related Equipments	239.39	183.30	56.09		56.09
iv) Plant & Machinery (Captive Power Plants)	270.03	189.01	81.02		81.02
v) Plant & Machinery Used in Medical and Surgical	4.70	1.96	2.74		2.74
vi) Heavy Lift Equipment	17.80	15.54	2.26		2.26
RAILWAY SIDING	48.76	26.77	21.99		21.99
FURNITURE	-	-	-		-
i) FURNITURE - GENERAL	8.55	5.38	3.17		3.17
ii) FURNITURE - Others	2.69	0.92	1.77		1.77
iii) FOH-to Employees	3.60	1.23	2.37		2.37
OFFICE EQUIPMENTS	-	-	-		-
i) Office Equipments-General	17.17	10.27	6.90		6.90
ii) Mobile on Hire-to Employees	0.09	0.08	0.01		0.01
COMPUTERS AND DATA PROCESSING UNITS	-	-	-		-
i) Servers and Network	15.51	12.11	3.40		3.40
ii) End User Devices-Desktop, Laptops, Printers etc.	10.02	7.72	2.30		2.30
iii) PC on Hire-To Employees	0.95	0.52	0.43		0.43
ELECTRICAL EQUIPMENTS	49.59	29.37	20.22		20.22
LABORATORY EQUIPMENT	15.09	8.96	6.13		6.13
VEHICLES	-	-	-		-
i) Motor cycles, scooters & other mopeds	0.16	0.04	0.12		0.12
ii) Motor buses, motor lorries, motor cars and motor taxis	1.01	0.20	0.81		0.81
iii) Trucks / heavy vehicles, harvesting combines	3.82	2.38	1.44		1.44
iv) Electrically operated vehicles	-	-	-		-
Total	4,165.58	2,243.21	1,922.37	6.48	1,928.85

Notes to consolidated Financial Statements

4 Capital work in progress

₹ in Crores

	31-03-2017	31-03-2016	01-04-2015
Capital work in progress			
Work-in-progress	549.50	249.54	409.84
Less : Provision for Capital Losses	(19.90)	(0.23)	
	529.60	249.31	409.84
Capital Stores	3.59	38.67	1.32
Capital goods in transit	0.84	0.73	4.61
	534.03	288.71	415.77
Construction period expenses pending allocation		-	
Opening balance	6.94	7.76	23.69
Add: Expenditure during the year			
Establishment charges	5.01	6.19	4.43
Depreciation	0.26	0.29	0.43
Finance Cost	(10.68)	29.46	13.20
	1.53	43.70	41.75
Less : Allocated to assets during the year	(10.10)	36.76	33.99
Closing balance	11.63	6.94	7.76
Total	545.65	295.65	423.53

5 Intangible Assets

₹ in Crores

	Gross Block/Cost			Amortisation				Net Block		
	As at	Addition	Disposal/ adjustments	As at	As at	Addition	Disposal/ adjustments	As at	As at	As at
	01-04-16			31-03-17	01-04-16			31-03-17	31-03-17	31-03-16
Computer Software	1.18			1.18	0.74	0.41		1.15	0.03	0.44
(Aspen PIMS)										-
Licenses - SAP Upgradation	1.76			1.76	0.72	0.47		1.19	0.57	1.04
(For SAP upgradation, Process plants, etc)										
Total	2.94			2.94	1.46	0.88		2.34	0.60	1.48

Amortisation for the year includes:

(i) Charged to the Statement of Profit & Loss ₹ 0.88 Crores

Notes to consolidated Financial Statements

5 Intangible Assets (contd.)

₹ in Crores

	Gross Block/Cost				Amortisation				Net Block	
	As at	Addition	Disposal/ adjustments	As at	As at	Addition	Disposal/ adjustments	As at	As at	As at
	01-04-15			31-03-16	01-04-15			31-03-16	31-03-16	01-04-15
Computer Software	1.09	0.09		1.18		0.74		0.74	0.44	1.09
(Aspen PIMS)										-
Licenses - SAP Upgradation	1.76			1.76		0.72		0.72	1.04	1.76
(For SAP upgradation, Process plants, etc)										
Total	2.85	0.09		2.94		1.46		1.46	1.48	2.85

Amortisation for the year includes:

(i) Charged to the Statement of Profit & Loss ₹ 1.46 Crores

	Gross Block (At Cost)	Cumulative Depreciation	Net Block as per Previous GAAP/ Deemed cost as per Ind AS	Ind AS adjustments	Gross Block as per Ind AS
	As at 01/04/2015				
	(1)	(2)	(3)=(1)-(2)	(4)	(5)=(3)+(4)
Computer Software (SAP Implementation cost)	8.34	8.34	-	-	-
Computer Software (Aspen PIMS)	3.61	2.52	1.09	-	1.09
Licenses - SAP Upgradation (For SAP upgradation, Process plants, etc)	13.95	12.19	1.76	-	1.76
Total	25.90	23.05	2.85	-	2.85

6 Investment in Joint venture and Associate

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Investment in Joint Ventures			
DNP Limited*	52.63	50.01	48.08
Investment in Associates			
Brahmaputra Cracker and Polymer Ltd.**	58.63	97.12	126.59
Fair valuation of financial guarantee	1.39	0.62	
	112.65	147.75	174.67

	31-03-2017		31-03-2016	
	Number of Shares	Face Value (Rs.)	Number of Shares	Face Value (Rs.)
Brahmaputra Cracker and Polymer Ltd.	141,767,000	10	126,900,010	10
DNP Limited	43,490,000	10	43,490,000	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.

**NRL holds 10.11% share in Brahmaputra Cracker and Polymer Limited (BCPL)

Notes to consolidated Financial Statements

7 Loans

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Security and other deposits - non - current	5.79	1.59	2.77
Loans to employees (secured)	33.87	30.97	30.47
	39.66	32.56	33.24

8 Other non-current assets

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Capital advances	6.11	5.72	2.30
Prepaid Employee cost	15.88	14.98	14.37
Prepaid Transportation cost	0.79	1.04	1.28
	22.78	21.74	17.95

9 Inventories

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Raw Materials	379.31	110.21	281.18
Work-in-progress	133.13	59.76	47.00
Finished goods	1,016.88	807.79	1,219.58
Stock in transit	2.42	1.82	2.29
Consumables, Stores & Spares and others	187.54	162.61	156.13
Less:Provision for losses	(90.73)	(86.63)	(82.75)
	1,628.55	1,055.56	1,623.43

10 Investments

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Investment in mutual funds measured at FVTPL	312.45	146.39	236.80
	312.45	146.39	236.80

11 Trade receivables

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Current			
Unsecured			
- Considered Good	803.51	819.31	1,236.88
- Considered Doubtful	803.51	819.31	1,236.88
Less : Allowance for Bad and Doubtful Debts	-	-	-
	803.51	819.31	1,236.88



Notes to consolidated Financial Statements

12 Cash and cash equivalents

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Cash on hand	0.01	0.01	0.01
Cheques, Drafts on hand	-	-	-
Balances with Banks			
On Current Accounts	6.20	2.84	33.64
On Deposit Accounts with original maturity of less than 3 months	247.00	-	-
Other earmarked balances with bank	0.09	0.09	0.09
Cash and cash equivalents	253.30	2.94	33.74

13 Bank Balances

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Fixed deposits with banks with original maturity of 3-12 months	1,224.00	1,734.00	1,020.00
	1,224.00	1,734.00	1,020.00

14 Loans

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Loans to employees	3.76	3.78	3.69
Other Loans			
Considered good	0.25	1.90	4.83
Considered doubtful	1.24	1.58	1.56
Less: Provision for doubtful advances	(1.24)	(1.58)	(1.56)
	0.25	1.90	4.83
Security and other deposits - current	3.44	3.46	1.34
	7.45	9.14	9.86

15 Others

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Interest accrued but not due on Bank Deposits	20.36	23.04	13.81
Other Receivables	32.73	27.57	26.80
	53.08	50.61	40.61

Notes to consolidated Financial Statements

16 Assets for Current tax (Net)

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Advance Income Tax (net of provision for taxation)	8.68	7.66	66.03
	8.68	7.66	66.03

17 Other current assets

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Deposits with Customs, Excise, etc.(net)	25.77	23.71	26.19
Claim Receivables:			
Considered Good	1.87	21.30	59.74
Considered doubtful	2.19	2.04	2.04
Less: Provision for doubtful claims	(2.19)	(2.04)	(2.04)
Prepaid expenses - current	1.89	0.46	0.64
Non current assets held for sale	1.44	3.73	2.86
Less: Provision against assets held for sale	(0.27)	(2.57)	(0.47)
Prepaid employee cost - current	1.25	1.16	1.11
Gold coins	0.25	0.25	-
Gratuity	-	0.69	0.48
	32.18	48.73	90.55

Gold coin: 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 Equity share capital

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Share capital			
73,56,31,544 fully paid Equity Shares of ₹ 10 each	735.63	735.63	735.63
	735.63	735.63	735.63

Notes to consolidated Financial Statements

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

Equity Shares	31-03-2017		31-03-2016		01-04-2015	
	Number	₹ crores	Number	₹ crores	Number	₹ crores
Shares outstanding at the beginning of the year	735,631,544	735.63	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	735,631,544	735.63

b. Terms/rights attached to equity shares

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company

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

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
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	453.55

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

₹ in Crores

	31-03-2017		31-03-2016		01-04-2015	
	Number	% of Holding	Number	% of Holding	Number	% of Holding
Name of Shareholder						
Bharat Petroleum Corporation Limited	453,545,998	61.65%	453,545,998	61.65%	453,545,998	61.65%
Oil India Limited	191,264,202	26.00%	191,264,202	26.00%	191,264,202	26.00%
Governor of Assam	90,821,344	12.35%	90,821,344	12.35%	90,821,344	12.35%

Notes to consolidated Financial Statements

19 Other Equity

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Reserves and Surplus	-	-	
Capital Reserve			
As per last Account	100.00	100.00	100.00
General reserve			
As per last Account	3,420.28	2,901.10	2,901.10
Add: Transfer from Statement of Profit & Loss	-	519.18	
	3,420.27	3,420.28	2,901.10
Surplus/ (deficit) in the statement of profit and loss	-	-	
As per last Account	0.01	0.01	0.01
Add: profit/(loss) for the year	2,045.98	1,183.23	
Less: Interim Dividend paid	(735.63)	(257.47)	
Less: Dividend paid	(257.47)	(294.25)	
Less: Corporate Dividend Tax	(202.16)	(112.33)	
Less: Transfer to General Reserve		(519.18)	
	850.72	0.01	0.01
	4,371.00	3,520.29	3,001.11

Capital reserve

The 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 crores received in the year 1999-2000 from the Government of India.

General reserve

General reserve forms a part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

20 Borrowings

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Secured - Oil Industry Development Board	-	-	33.60
Secured (External Commercial Borrowings)	334.46	497.50	469.43
Secured - Long term maturity of finance lease obligations	-	-	
	334.46	497.50	503.03

External Commercial Borrowing of USD 75 million (previous year USD 75 million) carries interest at 3 months LIBOR plus 1.85% Margin. The loan is repayable in 3 equal yearly instalments at the end of 4th, 5th and 6th year from the date of the loan taken on various dates and keeping the average age of the maturity of repayments as 5 years. The loan is secured in favour of participating banks ranking pari-passu inter-alia by hypothecation of Plant & Equipments both present and future.



Notes to consolidated Financial Statements

21 Other financial liabilities

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Security and Earnest Money Deposits	1.07	2.00	2.46
	1.07	2.00	2.46

22 Provisions

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Long Service Award	4.25	3.66	7.30
Resettlement Allowance	2.86	2.41	2.12
Contingencies for probable obligations	118.36	474.30	269.94
	125.46	480.37	279.36

23 Movement in deferred tax balances

₹ in Crores

	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Acquired in business combinations	Other	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset									
Retirement Benefits	19.86	4.33	2.03				26.22	26.22	
43B items	191.71	(120.59)					71.12	71.12	
PPE WDV	(319.87)	(5.08)					(324.95)		(324.95)
Other items DTA	3.88	(2.54)					1.33	1.33	
Other items DTL	(6.27)	3.11					(3.16)		(3.16)
Tax assets (Liabilities)	(110.69)	(120.78)	2.03	-	-	-	(229.44)	98.67	(328.11)

Movement in deferred tax balances

	Net balance April 1, 2015	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Acquired in business combinations	Other	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset									
Retirement Benefits	17.81	2.56	(0.50)				19.86	19.86	
43B items	120.03	71.68					191.71	191.71	
PPE WDV	(285.49)	(34.38)					(319.87)		(319.87)
Other items DTA	3.65	0.22					3.88	3.88	
Other items DTL	(10.20)	3.93					(6.27)		(6.27)
Tax assets (Liabilities)	(154.20)	44.01	(0.50)	-	-	-	(110.69)	215.45	(326.14)

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

Notes to consolidated Financial Statements

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.

The company has not recognised dividend distribution tax as a consequence of proposed dividend to the extent of ₹128.79 (Previous year 31st March 2016 ₹ 52.42 crores, April 1, 2015: ₹ 59.91 crores)

24 Borrowings

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Secured Working capital loans from banks - Cash credit	1.88	0.44	-
Unsecured - Foreign Currency Loan	-	-	165.02
Unsecured - Rupee Loan	-	-	-
Un-Secured (Overdraft)	16.76	-	1.08
	18.64	0.44	166.10

Cash Credit from State Bank of India carries interest @ 9.30% 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 and book debts and second charge on Plant & Machinery and other Fixed Assets of the company.

25 Trade payables

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Due to Micro, Small and Medium Enterprises	1.08	2.96	0.65
Due to others	791.45	721.09	1,578.23
	792.53	724.05	1,578.88

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

Amount due and payable

Principal	1.08	2.96	0.65
Interest on above principal	-	-	-
Payment made during the year after the due date	-	-	-
Principal	-	-	-
Interest	-	-	-
Interest due and payable for Principals already paid	-	-	-
Total Interest accrued and remained unpaid at year end	-	-	-



Notes to consolidated Financial Statements

26 Other financial liabilities

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Current maturities of long-term debt	151.83	-	24.65
Interest accrued but not due on borrowings	0.50	0.41	0.49
Non-trade payable - Others	-	-	0.11
Derivative liability - current	4.11	-	0.29
Other Deposits & Retention	75.39	64.15	61.67
Deposit From Customers	3.33	4.18	3.83
Employee Related Liability	16.70	15.51	14.97
	251.87	84.26	106.01

27 Other current liabilities

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Customers' advances	10.52	3.62	3.62
Sales Tax, Entry Tax, Excise, Customs etc.	198.05	225.77	212.15
Other liabilities - current	0.12	0.15	-
	208.69	229.55	215.77

28 Provisions

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Gratuity	1.15	-	-
Leave Encashment	58.20	44.47	39.85
Pension	2.96	2.96	2.96
Other defined benefits			
Long Service Award	0.17	0.37	0.12
Resettlement Allowance	0.13	0.13	0.05
Post Retirement Medical Benefit	6.06	3.39	1.22
Other Short-term Employee Benefits	0.01	3.48	8.70
	68.68	54.80	52.90

29 Other current liabilities

₹ in Crores

Particulars	31-03-2017	31-03-2016	01-04-2015
Provision for Taxation (net of Tax paid)	26.02	24.53	143.54
	26.02	24.53	143.54

Notes to consolidated Financial Statements

30 Revenue from Operations

₹ in Crores

Particulars	Apr-Mar 2017	Apr-Mar 2016
A. Sales of products and Services		
Sales *	13,945.14	11,922.97
B. Other operating revenue		
Others	1.77	2.47
Total	13,946.92	11,925.44

31 Other Income

₹ in Crores

Particulars	Apr-Mar 2017	Apr-Mar 2016
Income from current investments		
Interest income on instruments measured at amortised cost		
On Bank deposits	134.49	88.63
Interest Income-Others	3.74	3.29
On current investments measured at FVTPL		
On current investments	19.06	16.58
On Long term investments	0.74	0.48
Net gain/(loss) on sale of investments	0.01	-
Income from non current investments		
Liabilities no longer required written back *	196.52	0.74
Other Non operating income	14.95	30.67
Guarantee commission	0.78	0.62
Total Other income	370.29	141.01

* This includes reversal of Entry Tax provision for ₹195.24 crores under amnesty scheme

32 Cost of materials consumed

₹ in Crores

Particulars	Apr-Mar 2017	Apr-Mar 2016
Raw Material Stocks at the Commencement of the Year	110.21	280.90
Add : Purchases	7,762.13	6,359.57
	7,872.34	6,640.47
Less: Raw Material Stocks at the Close of the Year	379.31	110.21
Total Cost of Raw Material Consumed	7,493.03	6,530.25
Details of raw material consumed		
Crude Oil	6,788.01	5,803.92
MTBE, Reformate, Py. Gas, Octane Booster & Naphtha	620.98	613.33
Natural Gas	84.03	113.01
	7,493.03	6,530.25



Notes to consolidated Financial Statements

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

₹ in Crores

Particulars	Apr-Mar 2017	Apr-Mar 2016
Opening Stock :		
Finished Goods	807.79	1,219.58
Work In Progress	59.76	47.00
	867.55	1,266.58
Closing Stock :		
Finished Goods	1,016.88	807.79
Work In Progress	133.13	59.76
	1,150.01	867.55
Changes in inventories of finished goods and work in progress	(282.46)	399.03

34 Excise Duty

₹ in Crores

Particulars	Apr-Mar 2017	Apr-Mar 2016
Excise Duty*	2,699.91	1,894.00
	2,699.91	1,894.00

* The company is exempted from payment of fifty percent excise duty as per CBEC Tariff Notification No : 29/2002 - Central Excise dated 13th May 2002.

35 Employee benefit expense

₹ in Crores

Particulars	Apr-Mar 2017	Apr-Mar 2016
Salaries and wages	123.57	110.46
Contribution to provident fund and other funds	23.58	22.58
Contribution to gratuity fund	0.35	(0.17)
Bonus	17.84	13.82
Leave Encashment	18.00	9.84
Welfare expenses	29.65	31.29
Employee benefit expense	212.99	187.81

36 Finance Costs

₹ in Crores

Particulars	Apr-Mar 2017	Apr-Mar 2016
Interest expense on instruments measured at amortised cost:		
Interest expense on loans	13.06	14.40
Interest expense others	9.13	1.65
Other borrowing costs	0.23	0.19
Applicable net loss on foreign currency transactions and translations	-	7.08
Finance Costs	22.42	23.32

Notes to consolidated Financial Statements

37 Depreciation and Amortisation Expense

₹ in Crores

Particulars	Apr-Mar 2017	Apr-Mar 2016
Depreciation	162.75	218.58
Amortization	0.88	1.46
Impairment of Assets	-	-
Depreciation and Amortisation Expense	163.63	220.03

38 Other Expenses

₹ in Crores

Particulars	Apr-Mar 2017	Apr-Mar 2016
Transportation	178.03	172.14
Excise duty (including inventory differential)	(40.36)	28.06
Other Duties and taxes	139.60	111.76
Repairs and maintenance		
Machinery	37.57	19.89
Building	0.00	0.01
Others	73.96	74.08
Sub Total	111.53	93.99
Power and Fuel	185.58	234.26
Less: Consumption of fuel out of own production	(17.69)	(22.19)
Power and Fuel (net)	167.89	212.07
Consumption of stores, spares and materials	19.14	22.20
Less: Charged to other revenue accounts	-	-
Stores, spares and materials (net)	19.14	22.20
Office Administration, Selling and Other expenses		
Rent	4.03	2.64
Insurance	7.87	8.69
Rates and taxes	1.93	0.53
Utilities	4.87	4.50
Facility hire charges	0.17	4.11
Communication expenses	1.38	1.07
Travelling and conveyance	18.47	16.65
Remuneration to auditors		
Audit Fees	0.07	0.07
Fees for other services - Certification	0.00	0.01
Reimbursement of out of pocket expenses	0.01	0.01
Sub-Total	0.08	0.09
Others	51.56	42.91
Loss on sale/write off of Fixed Assets (net)	0.85	0.55
Provision for Stores	4.23	3.89



Notes to consolidated Financial Statements

38 Other Expenses (contd.)

₹ in Crores

Particulars	Apr-Mar 2017	Apr-Mar 2016
Expenses on CSR activities	20.70	11.51
Loss on sale of Stores (net)	0.01	0.19
Foreign Exchange Fluctuations (net)	5.32	1.77
Provision Against Capital Work in Progress	19.90	
Provision for Doubtful Debts, Advances and Claims	0.18	0.30
Loss recognized on assets held for sale	-	2.09
Provision for Litigation cases	28.87	204.36
Charity and donation	1.00	0.20
	747.24	946.27

39 Exceptional Items

₹ in Crores

Particulars	Apr-Mar 2017	Apr-Mar 2016
Exceptional Items	-	1.86
	-	1.86

Claim on account of Loss due to fire in the Refinery has been settled by the Insurance company and the differential between the amount of claim provisionally recognized earlier and the amount settled has been recognized (net-off expenses).

40 Tax Expense

(a) Amounts recognised in profit and loss

₹ in Crores

	31-03-2017	31-03-2016
Current tax expense	926.21	698.04
Current year	968.26	702.07
Changes in estimates relating to prior years	(42.05)	(4.02)
Deferred tax expense	120.79	(44.01)
Origination and reversal of temporary differences	120.79	(46.82)
Change in tax rate	-	2.80
Recognition of previously unrecognised tax losses		
Tax expense recognised in the income statement	1,047.00	654.03

Notes to consolidated Financial Statements

(b) Amounts recognised in other comprehensive income

₹ in Crores

	31-03-2017			31-03-2016		
	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	(5.88)	2.03	(3.84)	1.46	(0.50)	0.95
	(5.88)	2.03	(3.84)	1.46	(0.50)	0.95

(c) Reconciliation of effective tax rate

₹ in Crores

	31-03-2017	31-03-2016
Profit before tax	3,147.57	1,863.85
Tax using the Company's domestic tax rate (Current year 34.61% and Previous Year 34.61%)	1,089.31	645.04
Reduction in tax rate		
Tax effect of:		
Provision for CSR expenditure	7.16	3.98
Provision for CWIP	6.89	0.80
Tax-exempt income	(6.85)	(5.90)
Income Tax interest provision	3.00	5.53
DTA impact on change in estimate & tax rate	4.09	4.15
Investment allowance deduction	(6.78)	(4.32)
Changes in tax estimates relating to prior years	(42.05)	(4.02)
Others	(7.78)	8.77
	1,047.00	654.03

The Company's weighted average tax rates for the years ended 31st March 2017 and 31st March 2016 were 33.26% and 35.09%, respectively. Income tax expense was ₹1047.00 crs for the year ended 31st March 2017, as compared to income tax expense of ₹654.03 for the year ended 31st March, 2016. The applicable tax rate in India for the year ended 31st March 2015 was 33.99% which was subsequently increased to 34.61% for the financial year 2015-16. This rate continued to apply for the next financial year as well.

41 Other comprehensive income

₹ in Crores

Particulars	Apr- Mar 2017	Apr-Mar 2016
(i) Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit liability (asset)	(5.88)	1.46
	(5.88)	1.46



Notes to consolidated Financial Statements

42 Earning Per Share

Basic EPS amount is calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amount is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders of NRL

₹ in Crores

	31-03-2017	31-03-2016
Profit attributable to equity holders of the parent for basic and diluted earnings per share	2,049.83	1,182.27

ii. Weighted average number of ordinary shares

₹ in Crores

	31-03-2017	31-03-2016
Issued ordinary shares at April 1	735631544	735631544
Weighted average number of shares at March 31 for basic and diluted earnings per shares	735631544	735631544
Basic and Diluted earnings per share (₹ per share)	27.86	16.07

43 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.

The future minimum lease payments and payment profile of non-cancellable operating leases (godowns) are as under:

i. Future minimum lease payments

At March 31, the future minimum lease payments under non-cancellable leases were receivable as follows.

₹ in Crores

	31-03-2017	31-03-2016	01-04-2015
Less than one year	10.77	10.54	12.70
Between one and five years	15.04	6.56	13.17
More than five years	0.96	0.84	0.36
	26.77	17.95	26.24

ii. Amounts recognised in profit or loss

₹ in Crores

	31-03-2017	31-03-2016
Lease expense	4.03	2.64
	4.03	2.64

Notes to consolidated Financial Statements

44 Employee Benefits

[A] Post Employment Benefit Plans:

The Company operates the following Defined Contribution Plans

Defined Contribution Plan

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.

Pension:

Company has New Pension Scheme w.e.f. 01.01.2007 as per DPE OM dated 26.11.2008 and 02.04.2009, which is managed by a trust. The contribution to the fund is made by the company within the ceiling of 30% of Basic Plus DA which includes CPF, Gratuity & Post Retirement Medical Benefit Scheme.

Defined Benefits Plan

The Company operates the following Defined Benefit Plans

Gratuity:

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

Other Defined Benefits:

These are :

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

[B] Other Long term employee benefits

Leave Encashment:

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



Notes to consolidated Financial Statements

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

₹ in Crores

Reconciliation of balances of Defined Benefit Obligations	Gratuity : Funded		Post Retirement Medical Benefit : Funded		Resettlement Allowance : Non Funded		Long Service Award : Non Funded		Leave Encashment : Non Funded	
	31-03-17	31-03-16	31-03-17	31-03-16	31-03-17	31-03-16	31-03-17	31-03-16	31-03-17	31-03-16
Defined Obligations at the beginning of the year	28.98	26.92	23.30	20.01	2.54	2.17	4.04	7.42	44.47	39.85
Interest Cost	2.33	2.15		1.60	0.20	0.17		0.59		3.18
Current Service Cost	0.35	0.24	1.88	1.51	0.31	0.27	0.37	0.53	13.73	0.82
Past Service cost		-	1.48	1.90				-		
(Gain)/Loss on curtailment		-		-				(3.88)		
Benefits paid	(0.85)	(0.33)	(0.27)	(0.40)	(0.33)	(0.36)		(0.09)		(5.22)
Actuarial (Gains)/ Losses on Financial Assumption	1.89	-	4.23		0.26					
Actuarial (Gains)/ Losses on obligations	(0.23)	-	(0.86)	(1.33)	0.01	0.29		(0.53)		5.84
Defined Obligations at the end of the year	32.47	28.98	29.76	23.30	2.99	2.54	4.41	4.04	58.20	44.47

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	
	31-03-17	31-03-16	31-03-17	31-03-16	31-03-17	31-03-16
Fair Value at the beginning of the Year	29.67	27.40	19.91	18.80	-	-
Expected Return	2.39	2.19	1.60	1.50	-	-
Actuarial Gain/(Losses)	-					-
Actual return on Plan assets excluding Interest Income	0.12	0.41	(0.70)	0.01	-	-
Contribution by employer	-	-	3.39	-	-	-
Benefits paid	(0.85)	(0.33)	(0.27)	(0.40)	-	-
Fair Value of Plan Assets at the end of the year	31.33	29.67	23.93	19.91	-	-

Notes to consolidated Financial Statements

Reconciliation of balances of Defined Benefit Obligations	Gratuity : Funded		Post Retirement Medical Benefit: Funded		Resettlement Allowance : Non Funded		Long Service Award : Non Funded		Leave Encashment : Non Funded	
	31-03-17	31-03-16	31-03-17	31-03-16	31-03-17	31-03-16	31-03-17	31-03-16	31-03-17	31-03-16
Amount recognised in Balance Sheet	1.14	(0.69)	(5.83)	3.39	(2.99)	2.54	4.41	4.04	58.20	44.47
Amount recognised in P&L										
Current Service Cost	0.35	0.24	1.48	1.51	0.31	0.27	0.37	0.53	13.73	0.82
Past Service cost				1.90						
(Gain)/Loss on curtailment								(3.88)		
Interest Cost	(0.05)	(0.04)	0.27	0.10	0.20	0.17		0.59		3.18
Expected Return on Plan Assets										
Actuarial (Gains)/ Losses		-		-		-		(0.53)		5.84
Expenses for the period	0.30	0.20	1.75	3.51	0.51	0.44	0.37	(3.29)	13.73	9.84
Amount recognised in Other Comprehensive Income										
Actuarial (Gains)/ Losses on obligations	1.66	-	3.37	(1.33)	0.27	0.29				
Actual return on Plan assets excluding Interest Income	(0.12)	(0.41)	0.70	(0.01)		-				
Net (Income)/ Expenses recognised in OCI	1.54	(0.41)	4.07	(1.34)	0.27	0.29				

Major Actuarial Assumptions

Discount Rate	7.39%	8.04%	7.39%	8.04%	7.39%	8.04%	7.39%	8.04%	7.39%	8.04%
Salary Escalation	8.00%	8.00%			8.00%	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%	2.00%	2.00%	2.00%	2.00%
Expected Return on Plan Assets	7.39%	8.04%	7.39%	8.04%						
Investment pattern for Fund as on 31.03.2017	Insured Fund		Insured Fund		Not Funded		Not Funded		Not Funded	

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

₹ in Crores

Sensitivity analysis	Gratuity : Funded				PRMB : Funded				Resettlement Allowance: Funded			
	31-03-17		31-03-16		31-03-17		31-03-16		31-03-17		31-03-16	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.84)	3.29	(2.54)	2.94	(6.05)	8.19	(4.74)	6.41	(0.30)	0.35	(0.26)	0.30
Future salary growth (1% movement)	0.34	(0.38)	0.34	(0.38)	-	-	-	-	-	-	-	-
Future Benefit Cost inflation (1% Movement)					8.21	(6.11)	6.42	(4.78)	-	-	-	-
Future Employee Turnover (1% movement)	1.77	(1.97)	1.76	(1.97)	(3.55)	4.22	(2.78)	3.31	(0.33)	0.39	(0.29)	0.33

Notes to consolidated Financial Statements

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Maturity analysis

The expected future cash flows as at 31st March 2017 were as follows:

Expected contribution	Gratuity - Funded	PRMB : Funded	Resettlement Allowance: Funded
Projected benefits payable in future years from the date of reporting			
1st following year	1.85	0.20	0.13
2nd following year	1.49	0.25	0.04
3rd following year	2.26	0.27	0.17
4th following year	1.63	0.25	0.05
5th following year	2.42	0.31	0.19
Years 6 to 10	11.40	1.86	0.81

Other details as at 31.03.2017

Particulars	Gratuity - Funded	PRMB : Funded	Resettlement Allowance : Funded
Weighted average duration of the Projected Benefit Obligation (in years)	10	26	12
Prescribed contribution for next year (₹ in Crores)	1.53	7.61	3.37

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:

	31-03-17	31-03-16	April 1, 2015
Total employee benefit liabilities			
Non-current	7.11	6.07	9.41
Current	65.71	47.68	40.76

45. 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 Crores

31 st March 2017	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investment in mutual funds	312.45			312.45	312.45			
Cash and cash equivalents			253.30	253.30				
Balances other than (iii) above			1,224.00	1,224.00				
Loans Non current financial asset	-	-	39.66	39.66		2.20		-

Notes to consolidated Financial Statements

31 st March 2017	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Loans Current financial asset			7.45	7.45				-
Trade receivables			803.51	803.51				-
Other Non-current financial asset	-			-				-
Other Current financial asset	-		53.08	53.08				-
	312.45	-	2,381.00	2,693.45	-	-	-	-
Financial liabilities								
Borrowings Current financial liability			18.64	18.64				-
Borrowings Non current financial liability			334.46	334.46				
Trade and other payables			792.53	792.53				
Other current liabilities			247.76	247.76				
Derivative Liability on forwards	4.11			4.11		4.11		
Other Non-Current financial liabilities			1.07	1.07				
	4.11	-	1,394.46	1,398.57	-	-	-	-

31 st March 2016	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investment in mutual funds	146.39			146.39	146.39			
Cash and cash equivalents			2.94	2.94				-
Bank Balances other than (iii) above			1,734.00	1,734.00				
Loans Non current financial asset			32.56	32.56		2.00		-
Loans Current financial asset			9.14	9.14				-
Other Current financial asset			50.61	50.61				
Trade receivables			819.31	819.31				-
	146.39	-	2,648.57	2,794.96	-	-	-	-
Financial liabilities								
Borrowings Current financial liability			0.44	0.44				-
Borrowings Non current financial liability			497.50	497.50				
Trade and other payable			724.05	724.05				-
Other current liabilities			84.26	84.26				
Other Non-Current financial liabilities			2.00	2.00				-
	-	-	1,308.24	1,308.24	-	-	-	-

₹ in Crores

1 st April 2015	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investment in mutual funds	236.80			236.80	236.80			
Cash and cash equivalents			33.74	33.74				
Balances other than (iii) above			1,020.00	1,020.00				
Loans Non current financial asset			33.24	33.24		1.82		
Loans Current financial asset			9.86	9.86				



Notes to consolidated Financial Statements

Financial instruments – Fair values and risk management (continued)

₹ in Crores

1 st April 2015	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Trade receivables	-	-	1,236.88	1,236.88				-
Other Non-current financial asset				-				-
Other Current financial asset			40.61	40.61				-
	236.80	-	2,374.33	2,611.13	-	-	-	-
Financial liabilities								
Borrowings Current financial liability			166.10	166.10				-
Borrowings Non current financial liability			503.03	503.03				-
Trade and other payable			1,578.88	1,578.88				-
Other current liabilities			105.72	105.72				-
Derivative Liability on forwards	0.29			0.29		0.29		
Security deposits received				-				-
Other Non-Current financial liabilities			2.46	2.46				-
	-	-	2,356.19	2,356.48	-	-	-	-

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 statement of financial position.

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.

Notes to consolidated Financial Statements

Financial instruments – Fair values and risk management (continued)

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 counterpart 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 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.

At March 31, 2017, the Company's most significant customer accounted for ₹727.74 crores of the trade and other receivables carrying amount (March 31, 2016 : ₹728.76 crores).

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

₹ in Crores

31 st March 2017	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Neither past due not impaired	792.94	-	-
Less Than 90 days	9.43	-	-
More than 90 days	1.14	-	-
	803.51	-	-

₹ in Crores

31 st March 2016	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Neither past due not impaired	803.74	-	-
Less Than 90 days	12.81	-	-
More than 90 days	2.75	-	-
	819.31	-	-

₹ in Crores

1 st April 2015	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Neither past due not impaired	1,214.18	-	-
Less Than 90 days	21.89	-	-
More than 90 days	0.78	-	-
	1,236.88	-	-

Loss rates are based on actual credit loss experience over the past three years.



Notes to consolidated Financial Statements

Financial instruments – Fair values and risk management (continued)

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 253.30 crores at 31st March 2017 (31st March 2016 : ₹ 2.94 crores, April 1, 2015 : ₹ 33.74 crores). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

Derivatives

The derivatives are entered into with bank and financial institution counterparties with good credit ratings.

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 2017, the Company had working capital of ₹2956.78 crores, including cash and cash equivalents of ₹253.30 crores, investments in term deposits (having original maturities of more than 3 months) of ₹1224.00 crores, and investments in mutual funds of ₹312.45 crores.

As of March 31, 2016, the Company had working capital of ₹2756.71 crores, including cash and cash equivalents of ₹2.94 crores, investments in term deposits (having original maturities of more than 3 months) of ₹1734.00 crores and investments in mutual funds of ₹146.39 crores.

As of April 1, 2015, the Company had working capital of ₹2094.70 crores, including cash and cash equivalents of ₹33.74 crores, investments in term deposits (having original maturities of more than 3 months) of ₹1020.00 crores and investments in mutual funds of ₹236.80 crores.

Exposure to liquidity risk

₹ in Crores

31 st March 2017		Contractual cash flows				
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
External Commercial Borrowings	486.29	509.06	174.34	334.72		
Short Term Borrowings	18.64	18.64	18.64			
Trade payables	792.53	792.53	792.53			
Other Non-Current financial liabilities	1.07	1.07	1.07			
Othet current liabilities	100.03	100.03	100.03			
Financial guarantee contracts*	72.71	72.71	72.71			
Derivative financial liabilities						
Forward exchange contracts	-	-				
Inflows						
Outflows						

Notes to consolidated Financial Statements

Financial instruments – Fair values and risk management (continued)

₹ in Crores

31 st March 2016	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
External Commercial Borrowings	497.50	529.65	12.22	349.02	168.40	
Short Term Borrowings	0.44	0.44	0.44			
Trade Payables	724.05	724.05	724.05			
Other Non-Current financial liabilities	2.00	2.00	2.00			
Other current liabilities	84.26	84.26	84.26			
Financial guarantee contracts*	80.73	80.73	80.73			
Derivative financial liabilities						
Forward exchange contracts	-	-				
Inflows						
Outflows						

₹ in Crores

1 st April 2015	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
External Commercial Borrowings	469.43	505.33	9.89	175.04	320.41	
OIDB Loans	58.25	66.78	30.39	22.31	14.07	
Foreign Currency Loans	165.02	165.02	165.02			
Trade Payables	1,578.88	1,578.88	1,578.88			
Other Non-Current financial liabilities	2.46	2.46	2.46			
Other current liabilities	81.36	106.01	81.36			
Financial guarantee contracts*	52.16	52.16	52.16			
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 OIDB. 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.

Notes to consolidated Financial Statements

Financial instruments – Fair values and risk management (continued)

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 2017, 31st March 2016 and April 1, 2015 are as below:

₹ in Crores

31 st March 2017	Total	31-03-17 INR	31-03-17 USD	31-03-17 EURO
Financial assets				
Investment in mutual funds	312.45	312.45		
Derivative instruments - Forwards				
Cash and cash equivalents	253.30	253.30		
Balances other than (iii) above	1,224.00	1,224.00		
Loans Non current financial asset	39.66	39.66		
Loans Current financial asset	7.45	7.45		
Trade receivables	803.51	797.46	6.05	
Other Non-current financial asset		-		
Other Current financial asset	53.08	53.08		
Net exposure for assets	2,693.45	2,687.40	6.05	-
Financial liabilities				
Borrowings Current financial liability	18.64	18.64		
Borrowings Non current financial liability	334.46		334.46	
Derivative instruments - Forwards	4.11		4.11	
Trade and other payables	792.53	791.96	0.55	0.02
Other current liabilities	247.76	247.76		
Other Non-Current financial liabilities	1.07	1.07		
	1,398.57	1,059.43	339.12	0.02
Less: Foreign currency forward exchange contracts				
Net exposure for liabilities	1,398.57	1,059.43	339.12	0.02
Net exposure (Assets - Liabilities)	1,294.87	1,627.96	(333.07)	(0.02)

Notes to consolidated Financial Statements

Financial instruments – Fair values and risk management (continued)

₹ in Crores

31 st March 2016	Total	31-03-16 INR	31-03-16 USD	31-03-16 EURO
Financial assets				
Investment in mutual funds	146.39	146.39		
Cash and cash equivalents	2.94	2.94		
Balances other than (iii) above	1,734.00	1,734.00		
Loans Non current financial asset	32.56	32.56		
Loans Current financial asset	9.14	9.14		
Trade receivables	819.31	813.50	5.81	
Other Non-current financial asset		-		
Other Current financial asset	50.61	50.61		
	2,794.96	2,789.14	5.81	-
Financial liabilities				
Borrowings Current financial liability	0.44	0.44		
Borrowings Non current financial liability	497.50		497.50	
Trade and other payables	724.05	723.73	0.30	0.02
Other current liabilities	84.26	84.26		
Other Non-Current financial liabilities	2.00	2.00		
	1,308.24	810.43	497.80	0.02
Less: Foreign currency forward exchange contracts				
Net exposure for liabilities	1,308.24	810.43	497.80	0.02
Net exposure (Assets - Liabilities)	1,486.71	1,978.71	(491.99)	(0.02)

₹ in Crores

1 st April 2015	Total	01-04-15 INR	01-04-15 USD	01-04-15 EURO
Financial assets				
Investment in mutual funds	236.80	236.80		
Cash and cash equivalents	33.74	33.74		
Balances other than (iii) above	1,020.00	1,020.00		
Loans Non current financial asset				
Loans Current financial asset	9.86	9.86		
Trade receivables	1236.88	1,236.88		
Other Non-current financial asset		-		
Other Current financial asset	40.61	40.61		
	2,577.89	2,577.89	-	-



Notes to consolidated Financial Statements

Financial instruments – Fair values and risk management (continued)

₹ in Crores

1 st April 2015	Total	01-04-15 INR	01-04-15 USD	01-04-15 EURO
Financial liabilities				
Borrowings Current financial liability	166.10	1.57	164.53	
Borrowings Non current financial liability	503.03	33.60	469.43	
Derivative instruments - Forwards	0.29		0.29	
Trade and other payables	1,578.88	1,578.82	0.04	0.02
Other current liabilities	105.72	105.72		
Other Non-Current financial liabilities	2.46	2.46		
	2,356.48	1,722.17	634.29	0.02
Less: Foreign currency forward exchange contracts				
Net exposure for liabilities	2,356.48	1,722.17	634.29	0.02
Net exposure (Assets - Liabilities)	221.41	855.72	(634.29)	(0.02)

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.

Effect in INR (before tax)	Profit or loss	
	Strengthening	Weakening
31-Mar-17		
1% movement		
USD	(13.32)	13.32
EUR	-	-
	(13.32)	13.32

Effect in INR (before tax)	Profit or loss	
	Strengthening	Weakening
31-Mar-16		
1% movement		
USD	(19.68)	19.68
EUR	-	-
	(19.68)	19.68

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.

Notes to consolidated Financial Statements

Financial instruments – Fair values and risk management (continued)

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments is as follows.

	₹ in Crores		
	31-03-17	31-03-16	01-04-15
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			33.60
	-	-	33.60
Variable-rate instruments			
Financial liabilities - measured at amortised cost(ECB)	486.29	497.50	469.43
Financial liabilities - measured at amortised cost (Working capital loans from banks - Cash credit)	1.88	0.44	
Financial liabilities - measured at amortised cost(Buyers Credit)	-		165.02
Total	488.17	497.94	634.45

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 (₹ in crores)	
	100 bp increase	100 bp decrease
31-Mar-17		
Variable-rate instruments	(5.22)	5.22
	(5.22)	5.22
31-Mar-16		
Variable-rate instruments	(5.36)	5.36
Cash flow sensitivity (net)	5.36	(5.36)



Notes to consolidated Financial Statements

46 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 of Holding Companies:

Bharat Oman Refineries Limited

Key Management Personnel :

Shri P. Padmanabhan, Managing Director

Shri S. R. Medhi, Director (Technical) (up to 31.01.2017)

Shri B. J. Phukan, Director (Technical) (w.e.f. 01.02.2017)

Shri S. K. Barua, Director (Finance)

Shri S. Varadarajan, Chairman (up to 30.09.2016)

Shri D. Rajkumar, Chairman (w.e.f. 07.10.2016)

Shri R. T. Jindal, Director (representing Govt. of Assam) (up to 07.09.2016)

Shri Ravi Capoor, Director (representing Govt. of Assam) (w.e.f. 14.09.2016)

Shri Nalin Kumar Srivastava, Director (representing Govt. of India) (up to 12.01.2017)

Shri Alok Tripathi, Director (representing Govt. of India) w.e.f. 27.02.2017

Shri S. K. Srivastava, Director (representing Oil India Ltd.) (up to 30.06.2015)

Shri Utpal Bora, Director (representing Oil India Limited) (w.e.f. 19.08.2016)

Smt Sushma Taishete, Director (representing Govt. of India) (up to 12.01.2016)

Shri I. Rynjah, Independent Director (up to 27.06.2016)

Shri B. P. Rao, Independent Director (up to 27.06.2016)

Shri Rajkumar Sharma, Independent Director (w.e.f. 31.01.2017)

Dr. A. K. Ghoshal, Independent Director (up to 10.04.2015)

Following are the related party transactions entered by the Company during the year:

₹ in Crores

	31-Mar-17	31-Mar-16
	Joint Venture of Holding Companies:	Joint Venture of Holding Companies:
Revenues and income		
Sale of goods		
Dividend income received		
Services given		
Lease rental received		
Finance income		
Other income		
Costs and expenses		
Production and operating expenses		
Purchases of goods	97.17	

Notes to consolidated Financial Statements

₹ in Crores

	31-Mar-17	31-Mar-16
	Joint Venture of Holding Companies:	Joint Venture of Holding Companies:
Financial expenses		
Other expenses		
Other operations		
Investment in equity shares		
Advances against equity given/ Share application money pending allotment		
Loans given		
Loans repaid		

b) Outstanding balance with related parties

	31-03-17		31-03-16	
	KMPs	Others	KMPs	Others
Loans given	0.23		0.33	
Loans taken				
Trade receivables				
Trade payables				

c) In the course of its ordinary business, the Company enters into transactions with other companies controlled by the Indian Government. 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

	31-03-17	31-03-16
Short-term employee benefits	1.32	1.47
Post-employee benefits	0.27	0.15
Other long-term benefits	0.43	0.07
Termination benefits	-	-
Total	2.02	1.69



Notes to consolidated Financial Statements

47 Contingent Liabilities and Capital Commitments

₹ in Crores

	31-Mar-17	31-Mar-16	1-Apr-15
(a) Contingent Liabilities :			
Claims against the Company not acknowledged as debts :			
Excise matters	242.75	238.73	269.23
Service Tax matters	0.36	0.35	2.09
Sales tax matters	24.16	26.43	29.76
Entry Tax Matters	33.86	9.92	113.51
Land Acquisition cases for higher compensation			
Claim by contractors Arbitration cases/other extra claims on capital account	71.49	112.09	106.29
Others(ESI)	1.86	1.86	1.86
(b) Capital Commitments :			
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	209.77	335.27	72.25
(c) Guarantees:			
Guarantees in favour of Oil Industry Development Board(OIDB) for long term loans for capital project extended to BCPL Ltd. by OIDB	72.71	80.73	52.16

The Company currently does not have any Contingent Assets

48 In compliance of INDAS 37 on "Provisions, Contingent Liabilities and Contingent Assets", the required information of provisions is as under:

₹ in Crores

Nature	Opening balance	Additions during the year	Utilisation during the year	Reversals during the year	Closing balance
Excise	60.04	15.82	-	-	75.86
Service Tax	1.34	0.08	-	-	1.42
VAT/ Sales Tax/ Entry Tax	412.92	2.96	171.32	213.49	31.07
Legal cases		10.00	-	-	10.00
Total	474.30	28.87	171.32	213.49	118.36

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

49 Disclosure in respect of Expenditure on Corporate Social Responsibility Activities

₹ in Crores

	2016-17
a) Amount required to be spent by the company during the year.	24.00
b) Unspent CSR Expenditure carried forward from FY 2015-16	1.66
c) Amount spent during the year (on purpose other than construction / acquisition of assets controlled by the company)	20.70

Notes to consolidated Financial Statements

50 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 1.31% (31st March 2016: 8.39%).

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 2017 was as follows.

₹ in Crores

	As at 31 st March 2017	As at 31 st March 2016
Total liabilities	2,056.86	2,208.19
Less : Cash and cash equivalent	253.30	2.94
Adjusted net debt	1,803.56	2,205.25
Total equity	5,106.63	4,255.92
Adjusted net debt to adjusted equity ratio	0.35	0.52

51 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 location of customers and segments assets were based on the geographic location of the respective non-current assets.

Geography	31-Mar-17	31-Mar-16
I Revenue		
India	14,289.48	12,059.54
All Foreign Countries		
Others	27.73	6.91
Total Revenue	14,317.21	12,066.45
II Non-current Assets *		
India	2,687.99	2,409.46
All Foreign Countries		
Others		-
Total Non-current Assets	2,687.99	2,409.46

*non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising from insurance contracts.

Notes to consolidated Financial Statements

C. Information about major customers

Revenues from one customer (BPCL) of the Downstream Petroleum segment represented approximately ₹ 12176.72 Crores (previous year - ₹ 10,417.29 Crores)

52 Disclosure on SPECIFIED BANK NOTES (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

	SBN's	Other denomination	Total
Closing Cash in Hand as on 08.11.2016	1,17,000.00	8,360.00	1,25,360.00
(+) Permitted receipts	-	12,14,642.00	12,14,642.00
(-) Permitted payments	-	10,83,041.00	10,83,041.00
(-) Amount deposited in Banks	1,17,000.00	-	1,17,000.00
Closing cash in hand as on 30.12.2016	-	1,39,961.00	1,39,961.00

53 Derivative Instruments and unhedged foreign currency exposure:

a. Derivatives outstanding as at the reporting date

Particulars	Purpose	31-Mar-17		31-Mar-16	
		USD million	₹ crores	USD million	₹ crores
Forward contracts to buy USD	ECB Loan (short term) Repayable within 12 months	15.00	97.26	Nil	Nil

b. Particulars of unhedged foreign currency exposures as at reporting date

Particulars	USD million	₹ crores	USD million	₹ crores
Buyers Credit Loan (Short Term)	Nil	Nil	Nil	Nil
External Commercial Borrowing	60.00	389.00	75.00	497.50

c. Mark-to-Market losses

Particulars	USD million	₹ crores	USD million	₹ crores
Mark-to-Market losses provided for		4.11		

54 Equity accounted Investees

Information of interest of the Corporation in its equity accounted investees:

	Name of the Investes	31-03-17	31-03-16	01-04-15
Interest in Joint Venture	DNP Ltd.	26.00%	26.00%	26.00%
Interest in Associate	Brahmaputra Cracker and Polymer Ltd.	10.11%	10.81%	10.81%

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 June, 2007 with an authorised capital of ₹170 crores 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 crores. NRL invested ₹43.49 crores in DNP Limited for 26% stake in its equity. DNP Limited is not a listed Company.

Note (i) BCPL was incorporated on 8th January 2007, for producing petrochemical products using natural gas,

Notes to consolidated Financial Statements

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 crores and paid up capital of ₹1174 crores. 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 crores.

The following table comprises the financial information of the Company's material Joint Venture and Associate with their respective carrying amount.

31st March 2017

	DNP Ltd.	Brahmaputra Cracker and Polymer Ltd.
Percentage ownership interest	26%	10.11%
Summarised financial information		
Non Current Assets	257.19	8,761.35
Current Assets (excluding cash and cash equivalent)	18.10	734.54
Cash and cash equivalent	13.36	0.04
Less:		
Non Current liabilities (non current liabilities other than trade payables , other non current liabilities and provisions)	50.24	2,821.50
Current liabilities (current liabilities other than trade payables. other current liabilities and provisions)	32.86	871.29
Trade Payables, other current liabilities, other non-current liabilities and provisions	3.15	5,223.19
Net Assets	202.41	579.95
Groups share of net assets	52.63	58.63
Carrying amount of interest in Investees	52.63	58.63
Revenue	68.49	973.08
Less:		
Cost of materials consumed		603.17
Excise Duty on sale of goods		91.10
Purchases of Stock-in-Trade		
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress		
Employee Benefits Expense	3.00	76.65
Finance Costs	5.45	302.77
Depreciation and Amortisation	13.70	351.68
Other Expenses	14.95	159.65
Exceptional items	0.69	
Income tax expense	17.22	(64.53)
Other Comprehensive Income	-	0.19
Total Comprehensive Income	13.49	(547.60)
Groups share of profit	3.51	(55.34)
Groups share of OCI	-	(0.02)
Groups share of total comprehensive Income	3.51	(55.36)
Dividend received from the Investees	0.74	-



Notes to consolidated Financial Statements

31st March 2016

	DNP Ltd.	Brahmaputra Cracker and Polymer Ltd.
Percentage ownership interest	26%	10.81%
Non Current Assets	266.15	9,111.94
Current Assets (excluding cash and cash equivalent)	23.06	487.85
Cash and cash equivalent	2.94	26.11
Less:		
Non Current liabilities (non current liabilities other than trade payables, othe non current liabilities and provisions)	66.76	2,804.97
Current liabilities (current liabilities other than trade payables, other current liabilities and provisions)	27.95	692.34
Trade Payables, other current liabilities, other non-current liabilities and provisions	5.10	5,230.13
Net Assets	192.34	898.46
Company's share of net assets	50.01	97.12
Carrying amount of interest in Investees	50.01	97.12
Revenue	63.49	49.74
Less:		
Cost of materials consumed	-	104.78
Excise Duty on sale of goods	-	0.23
Purchases of Stock-in-Trade		
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress		
Employee Benefits Expense	3.14	20.86
Finance Costs	9.11	68.61
Depreciation and Amortisation	15.38	84.28
Other Expenses	13.29	30.33
Amortization of Preliminery and Other Expenses	-	6.68
Income tax expense	12.95	6.49
Other Comprehensive Income	-	0.03
Total Comprehensive Income	9.62	(272.55)
Groups share of profit	2.50	(29.46)
Groups share of OCI	-	-
Groups share of total comprehensive Income	2.50	(29.46)
Dividend received from the Investees	0.48	-

Notes to consolidated Financial Statements

1st April 2015

	DNP Ltd.	Brahmaputra Cracker and Polymer Ltd.
Percentage ownership interest	26%	10.81%
Non Current Assets	281.11	8,430.27
Current Assets (excluding cash and cash equivalent)	17.24	188.00
Cash and cash equivalent	4.35	114.78
Less:		
Non Current liabilities (non current liabilities other than trade payables, othe non current liabilities and provisions)	85.78	2,114.28
Current liabilities (current liabilities other than trade payables, other current liabilities and provisions)	24.84	428.30
Trade Payables, other current liabilities, other non-current liabilities and provisions	7.16	5,019.46
Net Assets	184.93	1,171.00
Company's share of net assets	48.08	126.59
Carrying amount of interest in Investees	48.08	126.59

55 Consolidation of Associate Company BCPL has been done on the basis of their management certified un-audited accounts.

56 Previous year figures

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

Signature to Notes '1' to '55'

As per our report of even date

For Ghoshal & Ghosal

Chartered Accountants

Firm Registration No.304013E

Sd/-

CA. P.K. Mitra

Partner

Membership No. 050716

Place: Mumbai

Date : 20th May 2017

For and on behalf of the Board of Directors

Sd/-

P. Padmanabhan

Managing Director

Sd/-

S.K. Barua

Director (Finance)

Sd/-

H. K. Sarmah
Company Secretary

Place: Mumbai

Date : 20th May 2017



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	26	127	135	29	317
Workmen	27	82	258	30	397
Sub Total	53	209	393	59	714
Others					
Executives	3	26	55	31	115
Workmen	5	6	28	4	43
Sub Total	8	32	83	35	158
Grand Total	61	241	476	94	872
Average age 42 Years					

The human resources have been valued by adopting Lev and Schwartz model with the following assumptions :

- Continuity of present pattern of employee compensation, both direct and indirect.
- Continuity in career growth as per present policy of the company.
- The future earnings have been discounted at the cost of capital of 7.39% (previous year 8.04%)

Value of Human Resources

	in ₹ Crore				
	2016-17	2015-16	2014-15	2013-14	2012-13
Executives	1,319.17	1,194.25	1,168.04	1,788.66	1,731.22
Workmen	832.34	967.77	655.71	977.95	999.98
	2,151.51	2,162.01	1,823.75	2,766.61	2,731.20
Human Assets vis-à-vis Total Assets					
Value of Human Assets	2,151.51	2,162.01	1,823.75	2,766.61	2,731.20
Net Fixed Assets	2,664.60	2,386.24	2,352.38	2,224.79	1,952.22
Net Current Assets	2,662.98	2,610.77	2,024.00	1,605.69	1,328.25
	7,479.09	7,159.02	6,200.13	6,597.09	6,011.67
Profit before tax	3,147.57	1,863.85	1,134.25	562.65	262.86
Value Added	4,102.96	3,007.98	2,213.38	1,383.43	1,043.59
Ratio of :					
Profit(before tax) to Human Resources	146%	86%	62%	20%	10%
Value Added to Human Resources	191%	139%	121%	50%	38%
Human Resources to Total Resources	29%	30%	29%	42%	45%

Social Accounts

in ₹ Crore

	2016-17	2015-16	2014-15	2013-14	2012-13
I. SOCIAL BENEFITS AND COSTS TO EMPLOYEES					
a) Social Benefits to Employees					
1 Welfare facilities	24.44	14.63	10.17	7.58	7.35
2 Ex-gratia/Awards	17.84	13.82	14.04	14.13	9.98
3 Medical facilities	18.12	19.15	13.63	12.39	11.89
4 Retirement Benefits	14.96	11.29	16.10	6.32	12.00
5 Interest Concessions	-	-	-	-	-
6 Training and career development	2.71	1.34	1.08	0.89	0.70
7 Clothing and Uniform	-	-	0.40	0.03	0.31
8 Holiday Facilities	3.55	5.16	3.20	3.00	3.06
9 Transport Facilities	5.11	4.60	4.04	3.59	3.82
10 Insurance	0.92	1.20	1.01	1.04	0.88
11 Educational Facilities	1.50	1.00	0.89	0.75	1.42
12 Township Costs	4.01	4.01	4.01	4.42	4.61
13 Power Service at Township	-	-	-	0.93	0.93
14 Others	37.34	32.50	31.92	24.66	20.86
Total (a)	130.50	108.70	100.49	79.73	77.81
b) Social Cost to Employees :					
1 Out of pocket expenses surrendered	2.04	1.15	1.63	1.49	1.67
Total (b)	2.04	1.15	1.63	1.49	1.67
Net Social Income to Employees (a-b)	128.46	107.55	98.86	78.24	76.14
II SOCIAL BENEFITS TO COMMUNITY					
1 Local Taxes	1.93	0.53	0.94	0.33	0.60
2 Environment Improvements	0.09	0.42	0.59	0.69	1.24
3 Expenditure on Project-Education	1.11	2.18	2.18	1.11	1.18
4 Expenditure on -Agriculture & allied	0.74	0.58	0.58	0.74	0.61
5 Expenditure on -Infrastructure	0.78	1.48	1.48	0.78	1.89
6 Expenditure on -Medical	0.96	2.47	2.47	0.96	0.55
7 Expenditure on -Sports & Culture	1.70	0.91	0.91	1.70	1.28
8 Generation of job potential to local people	20.37	16.57	16.57	12.95	12.53
9 Generation of business	422.00	404.74	436.18	387.71	389.45
Total Social income to community	449.68	429.88	461.90	406.97	409.33



₹ in Crores

	2016-17	2015-16	2014-15	2013-14	2012-13
III SOCIAL COST AND BENEFIT TO THE GENERAL PUBLIC					
a) Benefits to the General Public					
1 Taxes paid to State Government	483.60	258.68	235.26	234.79	270.74
2 Dividend paid to State Government	122.61	68.12	14.53	9.08	9.08
3 Taxes and Duties paid to Central Government	3,747.26	2,757.75	1,175.46	890.35	748.34
Total (a)	4,353.47	3,084.55	1,425.25	1,134.22	1,028.16
b) Costs to the General Public :					
1 Purchase of Power	4.87	4.48	4.70	4.38	4.49
Total (b)	4.87	4.48	4.70	4.38	4.49
Net Social Income to the General Public (a-b)	4,348.60	3,080.07	1,420.55	1,129.84	1,023.67
Net Social Income to Employees, Community and General Public (I+II+III)	4,926.74	3,617.50	1,981.31	1,615.05	1,509.14

Economic Value Added

Economic value added measures the profitability of a company after taking into account the cost of capital. It is post-tax return on capital employed (adjusted for the tax shield on debt) less the cost of capital employed.

₹ in Crores

	2016-17	2015-16
Cost of Capital		
Cost of Equity	17.59%	12.91%
Cost of Debt (net of tax)	0.85%	2.53%
Weighted Average Cost of Capital	16.57%	11.75%
Average Capital Employed	4,962.56	4,207.52
Economic Value Added		
Operating Profits	3,169.99	1,887.17
Less: Tax	1,047.00	660.52
: Cost of Capital	822.30	494.38
Economic Value Added	1,300.69	732.27
Return Ratios		
PAT/Average Capital Employed	42.33%	28.75%
EVA/Average Capital Employed	26.21%	17.40%



