

Part-II

PERFORMANCE EVALUATION CRITERIA & OTHER TARGETS

Numaligarh Refinery Limited undertakes to achieve performance targets for the year 2013-14 as follows:

S.N	Criterion	Unit	Weightage Marks	Criterion Value MOU 2013-14					Very Good Target 2012-13	Documentary Evidence
				1 Excellent	2 Very Good	3 Good	4 Fair	5 Poor		
Part A										
I. STATIC FINANCIAL PARAMETERS										
1										
i.	a. Financial Performance Indicators									
	Gross Margin/Gross Block	%	2.0	15.17	13.22	11.88	10.11	8.74	2.87	Company's Annual Report / Audited Data
ii.	Net Profit/Net Worth	%	10.0	7.03	5.40	4.24	2.70	1.48	(4.18)	
iii.	Gross Profit/Capital Employed	%	10.0	12.85	10.31	8.55	6.23	4.44	(3.00)	
2	b. Financial Indicators - Size Related									
i.	Gross Margin	Rs/Crores	8.0	556.34	485.02	435.83	370.72	320.49	107.42	
ii.	Gross Sales	Rs/Crores	4.0	8,868.17	8,632.26	8,380.20	8,150.98	7,910.33	13,268.77	
3	c. Financial Returns- Productivity Related									
i.	PBDIT/Total Employment	Rs Lacs/Employee	7.0	66.31	57.81	51.95	44.19	38.20	12.73	
ii.	Added Value / Sales	%	9.0	3.11	2.37	1.85	1.10	0.50	(1.15)	
I. SUB TOTAL			50.0							
(STATIC FINANCIAL PARAMETERS)										

The absolute values of Gross Profit, Net Profit, Capital Employed and Net Worth are as follows :

	Excellent	Very Good	Good	Fair	Poor
Gross Profit	360.77	289.45	240.26	175.15	124.92
Capital Employed	2,808.33	2,807.57	2,809.68	2,809.38	2,811.04
Net Profit after tax	205.02	155.69	121.55	76.49	41.65
Net Worth	2,917.74	2,885.61	2,863.37	2,834.02	2,811.33
Value Added	275.51	204.27	154.86	89.78	39.38

(Rs. Crores)

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Numaligarh Refinery Limited										
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				1 Excellent	2 Very Good	3 Good	4 Fair	5 Poor		
II. DYNAMIC PARAMETERS										
Marketing										
4	Sale of CPC as percentage of production during the year.	%	1.0	100	95	90	85	80	95	Performance certificate from HOD
5	Transportation of products (MS, SKO and HSD) through the Numaligarh-Siliguri Product Pipeline (NSPL) during 2013-14.	MMT	1.0	1.47	1.40	1.33	1.26	1.20	New Parameter	Annual Report
	Sub Total (Marketing)		2.0							
Project Implementation										
6	Mechanical completion of Wax Project (12 th Plan Project).	Date	2.0	15-12-2013	31-12-2013	15-01-2014	31-01-2014	15-02-2014	New Parameter	Report to MOP&NG / Annual Report
7	Commercial Production at Wax Plant.	Date	2.0	15-03-2014	31-03-2014	Beyond 31.03.14	Beyond 31.03.14	Beyond 31-03-2014	New Parameter	Annual Report
8	Actual expenditure on Plan projects as percentage of approved Annual Plan outlay for 2013-14.	%	1.0	100	90	80	70	60	New Parameter	Report to MOP&NG
	Sub Total (Project Implementation)		5.0							
SUB TOTAL (DYNAMIC PARAMETERS)										
			7.0							

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(MOU 2013-14 Targets)



Numaligarh Refinery Limited

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				1	2	3	4	5			
				Excellent	Very Good	Good	Fair	Poor			
III. ENTERPRISE SPECIFIC PARAMETERS											
ENVIRONMENT											
9	Implementation of Flare Gas Recovery System	10% physical progress	0.5	31-01-2014	15-02-2014	28-02-2014	15-03-2014	31-03-2014	New Parameter	Performance Certificate from HOD.	
10	Installation of double roof seals in 5 floating roof tanks to contain vapour loss into atmosphere	Date of Completion	0.5	15-01-2014	31-01-2014	15-02-2014	28-02-2014	15-03-2014	New Parameter	Performance Certificate from HOD.	
	Sub-Total (Environment)		1.0								
SAFETY											
11	Loss Time Accidents per million man-hours worked	Frequency	1.0	0	0.48	0.96	1.44	1.92	0.48	Company's Annual Report / Performance Certificate from HOD.	
12	Conducting mock drills covering offsite, onsite disasters, major and minor fires	Nos	1.0	20	19	18	17	16	19		
13	Safety training to employees, CISF/Security Staff and POL Drivers	Mandays	1.0	882	840	798	758	720	800		
14	Safety training to workers engaged by contractors	% of Total workers	1.0	100	96	91	86	82	95		
15	Organising Safety Awareness Camps for educating public in neighbourhood of the refinery	No. of Camps	0.5	8	7	6	5	4	7		
16	Organising Safety Awareness programmes for increasing awareness amongst workers in various units of refinery and in Marketing Terminals	No. of Programmes	0.5	12	10	8	6	4	New Parameter		
	Sub-Total (Safety)		5.0								

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				1	2	3	4	5		
				Excellent	Very Good	Good	Fair	Poor		
IV. SECTOR SPECIFIC PARAMETERS										
REFINING										
17	Refinery Crude Throughput	TMT	6.0	2600	2550	2500	2450	2400	2660	Company's Annual Report / Performance Certificate from HOD
18	Distillate Yield	% wt. on crude	5.0	90.00	89.60	89.20	88.80	88.40	90.35	
19	Specific Energy Consumption	MBN	4.0	63.0	64.0	65.0	66.0	67.0	69.0	
20	Production of Euro-III/IV MS	TMT	5.0	250	240	230	220	210	233	
Sub-Total (Refining)			20.0							
IV. SUB TOTAL (SECTOR SPECIFIC PARAMETERS)			20.0							

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Numaligarh Refinery Limited

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				1	2	3	4	5		
				Excellent	Very Good	Good	Fair	Poor		
V.	HRM PARAMETERS									
21	Training to employees imparted during the year (excluding training on fire & safety).	Mandays	0.5	1329	1266	1203	1143	1086	1266	
22	Developing critical mass of leaders through a system of developmental training.	No. of Training Programmes	0.5	6	5	4	3	2	New Parameter	Company's Annual Report / Performance Certificate from HOD
23	Training on Project Management.	Mandays	1.0	20	18	16	14	12	18	
24	Training on Risk Management. <i>for Senior Management</i>	Mandays	1.0	20	18	16	14	12	New Parameter	
25	Competency Mapping for executives in Job Group-E as on 1st April, 2013.	%	0.5	90%	85%	80%	75%	70%	New Parameter	
26	Number of suggestions generated per employee per year.	Nos. per employee	0.5	0.11	0.10	0.09	0.08	0.07	0.10	
V. SUB TOTAL (HRM)			4.0							

(MOU 2013-14 Targets)

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S.N	Criterion	Unit	Weightage Marks	Criterion Value MOU 2013-14					Very Good Target 2012-13	Documentary Evidence
				1	2	3	4	5		
				Excellent	Very Good	Good	Fair	Poor		
VI.	RESEARCH & DEVELOPMENT PARAMETERS									
27	Total R&D Expenditure as % of PAT recorded in 2012-13	%	2.5	Greater than 0.50	0.50	0.49	0.48	0.47	0.48	Annual Report / Certificate from HOD
28	Project 1: Implementation of Flue Gas Treating Unit in Sulphur Recovery Block to increase efficiency.	Date of appointment of the Project Management Consultant	1.0	01-02-2014	15-02-2014	28-02-2014	15-03-2014	31-03-2014	Date of completion of BEDP for the project: 15-02-2013	Verification of achievement, evaluation / rating of each project by Independent Expert / Research Advisory Committee of NRL.
29	Project 2: Mathematical modelling of Crude & Vacuum Distillation Units for yield and product quality optimisation.	Date of completion of the model	1.0	15-01-2014	31-01-2014	15-02-2014	28-02-2014	15-03-2014	New Parameter	
30	Project 3: Reduction in slop generation from DCU upto 50% through field experiments on reprocessing of DCU slop within the unit.	Date of project completion	0.5	01-02-2014	15-02-2014	28-02-2014	15-03-2014	31-03-2014	New Parameter	
VI. SUB TOTAL (R&D)			5.0							

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Numaligarh Refinery Limited												
S.N	Criterion	Unit	Weightage Marks	Criterion Value MOU 2013-14					Remark	Documentary Evidence		
				1	2	3	4	5				
											Excellent	Very Good
VII. CSR & SUSTAINABILITY												
31	No. of Workshops / Seminars / Trainings organised to sensitise employees on various aspects of CSR and Sustainability initiatives	Nos.	0.5	5	4	3	2	1	Four major workshops / seminars are planned to be organised during 2013-14 for sensitising employees on various aspects of CSR and Sustainability for the organisation. Same proposed as 'V.Good' target. Excellent target proposed at a higher level of 5 nos.	Company's Annual Report / Annual Report on CSR and Sustainability MoU 2013-14 Approved by DPE/7 Signed <i>[Signature]</i>		
32	Presence of top executives in DGM level and above in such Programmes	Yes/No	0.25	Yes	Not Applicable	Not Applicable	Not Applicable	No	At least one top management executives not below the rank of DGM is envisaged to be present in each of above programmes.			
33	Total employees covered through the above programmes	Nos.	0.25	50	40	30	20	10	With ten employees in each of such programmes, the no. of employees for the programmes have been proposed.			
34	Reduction in carbon footprint: Providing 20 KW solar power at DPS, Numaligarh to reduce consumption of power from conventional sources	Yes/No	2.0	Yes	Not Applicable	Not Applicable	Not Applicable	No	Implementation of the project would facilitate reduction in carbon footprint from the Township.			
35	Formulation of a Corporate Communications Strategy involving engagement of employees and people living in villages surrounding the refinery	Yes/No	0.25	Yes	Not Applicable	Not Applicable	Not Applicable	No	A new Corporate Communications Strategy is planned to be formulated for 2013-14 involving key stakeholders, viz. employees and people in neighbourhood of the refinery with a view to promote effectiveness of CSR and Sustainable activities.			
36	No. of employees participating in Community Development activities during the year	Nos.	0.25	5	4	3	2	1	A total of 4 employees are envisaged to be actively engaged in CSR and Sustainable activities during the year and same proposed as the 'V.Good' target.			
37	No. of meetings held during the year between employees and Village Development Committee	Nos.	0.25	4	3	2	1	-	Three structured meetings are envisaged to be held during 2013-14 between employees steering CSR and Sustainable programmes and the Village Development Committee. Same proposed as the 'V.Good' target.			
38	Establishment of a feed-back channel to access effectiveness of the Company's CSR and Sustainable activities	Yes/No	0.25	Yes	Not Applicable	Not Applicable	Not Applicable	No	An appropriate feed-back channel is planned to be established for gauging effectiveness of the Company's CSR and Sustainability initiatives.			
Sub Total:			4.0									

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Numaligarh Refinery Limited											
S.N	Criterion	Unit	Weightage Marks	Criterion Value MOU 2013-14					Remark	Documentary Evidence	
				1	2	3	4	5			
				Excellent	Very Good	Good	Fair	Poor			
VII.	CSR & SUSTAINABILITY Contd...										Company's Annual Report / Annual Report on CSR and Sustainability
39	Publication of Annual Report on CSR and Sustainability.	Yes/No	0.5	Yes	Not Applicable	Not Applicable	Not Applicable	No	An Annual Report highlighting programmes, efforts and achievements against NRL's CSR and Sustainability initiatives is planned to be published for 2013-14.		
40	Update of Company's web site for information on CSR and Sustainability on quarterly basis.	Yes/No	0.5	Yes	Not Applicable	Not Applicable	Not Applicable	No	The Company's web site is planned to be updated on quarterly basis for information on CSR and Sustainable Development.		
41	No. of beneficiaries from CSR Project "Niramoy" implemented in collaboration with VK NRL Hospital.	Nos.	1.0	7200	6840	6498	6173	5864	The project envisages providing health care support and awareness on prevention & control of diseases in neighbourhood of the refinery.		
42	No. of beneficiaries from CSR Project "Surya Jyoti" for installing solar power in seven schools in neighbourhood of the refinery.	Nos.	1.0	1000	950	903	857	815	Providing solar power for seven schools in neighbourhood of the refinery.		
43	Expenditure on CSR and Sustainability activities vis-à-vis annual budget allocation.	%	0.5	95	90	85	80	75	The budget allocation shall be as per DPE's revised guidelines on CSR and Sustainability that shall come into effect from 01.04.2013.		
44	Existence of the two tier organisation structure for CSR and Sustainability activities.	Yes/No	0.25	Yes	Not Applicable	Not Applicable	Not Applicable	No	One Board level Committee including an Independent Director and one below-Board level Committee headed by a General Manager are planned to be constituted.		
45	No. of meetings held during the year by the two committee.	Nos.	0.25	5	4	3	2	1	Minutes of such meetings shall be drawn up and documented.		
Sub Total:			4.0								
VII. SUB TOTAL (CSR & SUSTAINABILITY)			8.0								
GRAND TOTAL			100.0								
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