



NUMALIGARH REFINERY LIMITED

Traversing new frontiers



ANNUAL REPORT

2008-2009



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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BOARD OF DIRECTORS



Shri Ashok Sinha
Chairman



Dr. B. K. Das
Managing Director



Shri Dipak Chakravarty
Director (Technical)



Shri Nilmoni Bhakta
Director (Finance)



Shri J. P. Rajkhowa
Director



Shri P. C. Sharma
Director (Upto 04-12-08)



Shri H. S. Das
Director



Shri Ravi Capoor
Director (w.e.f. 29-01-09)



Shri Manu Srivastava
Director



Shri S. Radhakrishnan
Director



Shri R. K. Singh
Director



Shri S. K. Joshi
Director



Shri N. M. Borah
Director

**Bankers**

State Bank of India
HDFC Bank Limited
ICICI Bank Limited
United Bank of India
Union Bank of India
Canara Bank
UCO Bank
Standard Chartered Bank

Auditors

Messrs P. K. Mitra & Co.
Chartered Accountants
18, R. N. Mukherjee Road
Kolkata - 700001

Refinery Unit

Pankagrart
Numaligarh Refinery Complex
Golaghat District, Assam
PIN - 785699

Co-ordination Office

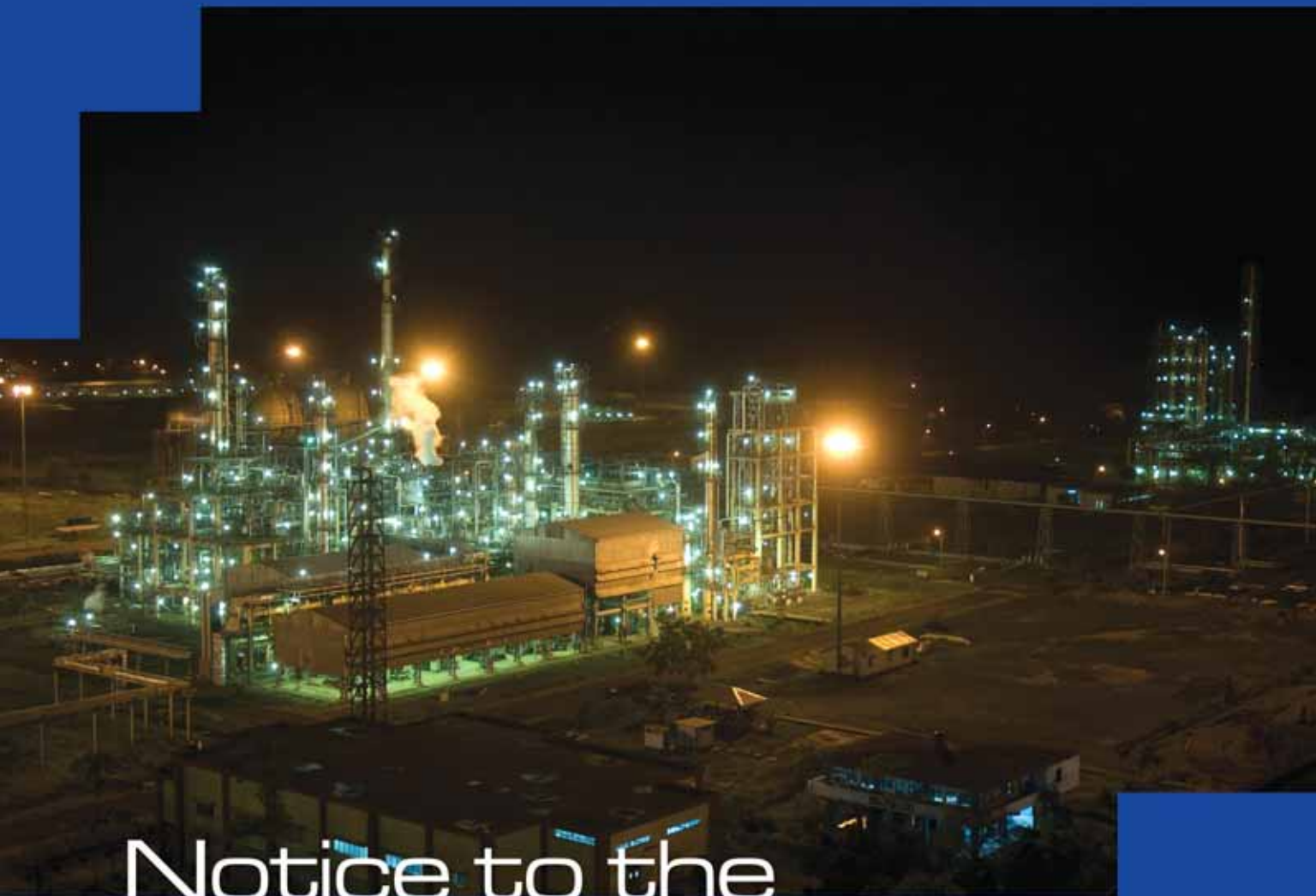
Tolstoy House, 6th Floor
15 - 17 Tolstoy Marg
New Delhi - 110001

Marketing Office

Divine Plaza, 4th Floor
Near Dispur Super Market
G. S. Road, Guwahati - 781006

Registered Office

147, Udayan
R. G. Baruah Road
Guwahati - 781005



Notice to the Shareholders

Notice to the Shareholders

Notice is hereby given that the 16th Annual General Meeting of the Shareholders of Numaligarh Refinery Limited will be held in the Conference Hall of Hotel Brahmaputra Ashok, M.G. Road, Guwahati-781001, on Friday, the 4th September, 2009 at 3.00 P.M. to transact the following Ordinary Business and Special Business.

A. Ordinary Business

1. To receive, consider and adopt the Directors' Report and the Report on Corporate Governance, the Audited Balance Sheet as at 31st March, 2009 and Profit & Loss Account for the year ended 31st March, 2009 along with the Reports of the Statutory Auditors and the Comments of the Comptroller and Auditor General of India.
2. To declare dividend.
3. To appoint a Director in place of Shri Ashok Sinha, who retires by rotation in pursuance of Section 256 of the Companies Act, 1956. Shri Ashok Sinha, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri J. P. Rajkhowa, who retires by rotation in pursuance of Section 256 of the Companies Act, 1956. Shri J. P. Rajkhowa, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri H. S. Das, who retires by rotation in pursuance of Section 256 of the Companies Act, 1956. Shri H. S. Das, being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Shri Manu Srivastava, who retires by rotation in pursuance of Section 256 of the Companies Act, 1956. Shri Manu Srivastava, being eligible, offers himself for re-appointment.

B. Special Business

7. Appointment of Director

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

“RESOLVED that Shri Ravi Capoor, IAS, Commissioner & Secretary to the Govt. of Assam, Industries & Commerce Department be and is hereby appointed as a Director of the Company.”

Registered Office:

147, Udayan,
R.G. Baruah Road,
Guwahat - 781005

Date: 5th August, 2009

By Order of the Board of Directors

Sd/-

H. K. Sarmah

Company Secretary

Notes:

1. Explanatory statement under Section 173 of the Companies Act, 1956, in respect of the above item of Special Business is annexed hereto.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies, in the alternative, to attend and vote instead of himself and such proxy need not be a member. Proxies, in order to be effective, should be duly completed & affixed with the revenue stamp and be deposited at the Registered Office of the Company not less than forty eight hours before commencement of the Meeting.
3. In order to help us in providing appropriate answers backed by relevant financial data, the shareholders may please send their queries that they would desire to raise at the AGM at least one week in advance to the Company Secretary at the Registered Office.

Explanatory Statement for the Special Business pursuant to Section 173 of the Companies Act, 1956 :

Following is the Explanatory Statement in respect of item No. 7 of the Special Business indicated in the Notice dated 5th August, 2009.

Item No. 7: Appointment of Director

Shri Ravi Capoor, IAS, Commissioner & Secretary to the Govt. of Assam, Industries & Commerce Department was appointed as Director on the Board of the Company w.e.f. 29th January, 2009 in place of Shri P. C. Sharma pursuant to Article 100 of the Articles of Association of the Company read with Section 262 of the Companies Act, 1956 in accordance with the intentions of the Govt. of Assam.

In order to make him eligible to retire by rotation pursuant to Section 255(2) of the Companies Act, 1956, it is proposed to appoint him as Director in the ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing the name of Shri Ravi Capoor as a Director of the Company. A brief resume of Shri Ravi Capoor is provided separately in the Corporate Governance Report enclosed to the Directors' Report. The Directors recommend appointment of Shri Ravi Capoor as Director of the Company.

Except Shri Ravi Capoor, no other Director is interested or concerned in the Resolution.

Registered Office:

147, Udayan,
R.G. Baruah Road,
Guwahat - 781005
Date: 5th August, 2009

By Order of the Board of Directors

Sd/-
H. K. Sarmah
Company Secretary



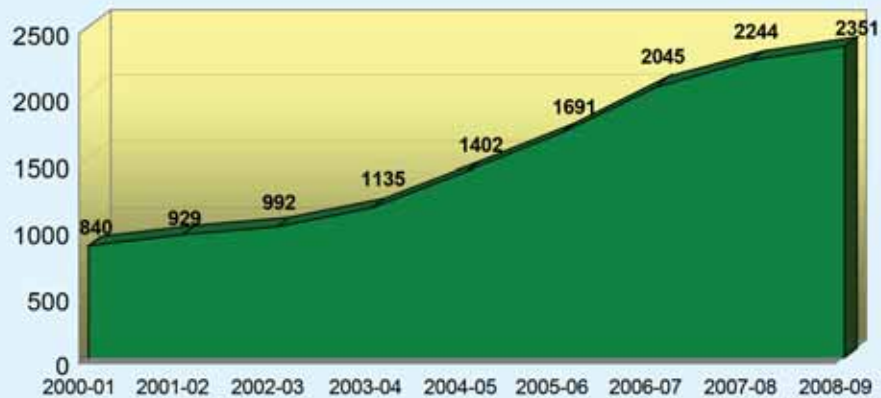
Performance Profile

Performance Profile

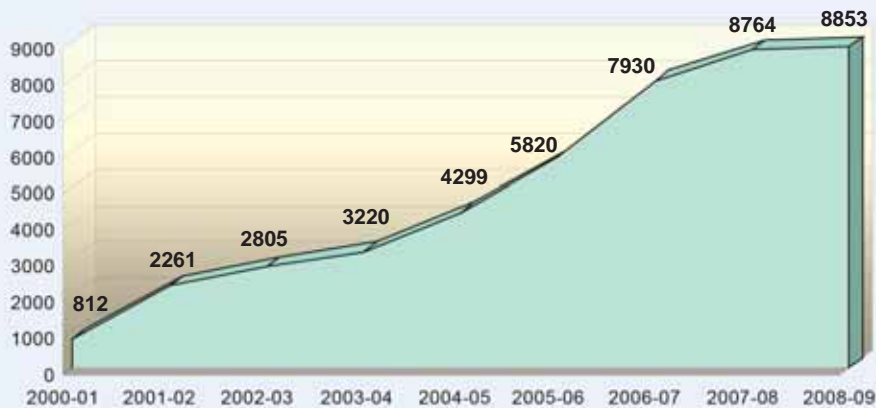
	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01 (Oct'00- Mar'01)
1 Crude Oil Processed (TMT) :	2251	2568	2504	2133	2042	2200	1879	2307	1035
2 Capacity Utilisation (%) : [Installed capacity 3000 TMT]	75%	86%	83%	71%	68%	73%	63%	77%	69%
3 Production Quantity (TMT) :	2016	2302	2268	1958	1873	1982	1691	2060	951
Light Distillates %	15.5%	15.2%	14.7%	14.1%	14.8%	14.5%	13.2%	12.6%	12.5%
Middle Distillates %	80.3%	80.4%	80.7%	80.6%	80.4%	81.5%	81.7%	83.0%	82.7%
Heavy Ends %	4.2%	4.4%	4.6%	5.3%	4.8%	4.0%	5.1%	4.3%	5.0%
4 Refinery Fuel and Loss as % of Crude Processed :	11.68%	11.04%	11.49%	11.02%	10.06%	9.94%	11.34%	11.35%	12.00%
5 Market Sales (TMT) :	2,023	2,391	2,333	1,961	1,927	1,834	1,736	2,114	934
6 Manpower (Nos.):	789	788	718	705	683	674	658	655	632
7 Sales and Earnings (Rs. in Crore) :									
i) Sales Turnover	8,853.35	8,764.16	7,930.32	5,820.37	4,298.99	3,220.26	2,804.74	2,261.28	811.74
ii) Gross Profit before Depreciation/ Amortisation, Interest & Tax:	484.02	586.00	840.55	648.14	747.97	615.43	585.40	480.46	182.95
iii) Depreciation/Amortisation	147.96	157.62	159.74	140.60	137.75	132.67	127.37	135.63	67.04
iv) Interest	21.43	23.24	20.56	34.71	55.50	104.61	140.51	200.15	92.30
v) Adjustment for prior period	(4.96)	(7.96)	77.14	(2.81)	(2.41)	0.93	0.52	11.37	—
vi) Profit Before Tax	319.59	413.10	583.11	475.64	557.13	377.22	317.00	133.31	23.61
vii) Tax #	83.95	40.29	14.31	26.70	147.98	162.28	142.37	10.34	2.01
viii) Profit After Tax	235.64	372.81	568.80	448.94	409.15	214.94	174.63	122.97	21.60
# Includes Deferred Tax provision - Rs. (43.64) crore (Current year) & - Rs. (53.82) crore (Previous year)									
8 What the Company Owned (Rs. in Crore):									
i) Gross Fixed Assets (including Capital Work-in-Progress)	3,347.22	3,219.57	3,083.36	2,964.06	2,776.61	2,641.57	2,614.79	2,695.80	2,668.63
ii) Net Fixed Assets (including Capital Work-in-Progress)	2,071.31	2,086.28	2,105.35	2,226.71	2,176.09	2,178.82	2,283.58	2,492.58	2,601.59
iii) Net Current Assets (including investments)	571.78	520.15	491.03	449.12	265.19	430.81	106.02	49.31	75.37
iv) Intangible Assets to the extent not written off	3.94	4.92	6.89	7.22	—	—	—	—	—
Total Assets Net (ii+iii+iv)	2,647.03	2,611.35	2,603.27	2,683.05	2,441.28	2,609.63	2,389.60	2,541.89	2,676.96
9 What the Company Owed (Rs. in Crore):									
i) Share Capital	735.63	735.63	735.63	735.63	735.63	735.63	735.63	735.63	735.63
ii) Reserve & Surplus	1,615.02	1,508.47	1,309.34	955.70	666.14	399.75	257.82	199.76	114.30
iii) Miscellaneous Expenditure to the extent not written off	—	—	—	—	0.31	—	1.85	6.33	10.04
iv) Net worth (i)+(ii)-(iii)	2,350.65	2,244.10	2,044.97	1,691.33	1,401.46	1,135.38	991.60	929.06	839.89
v) Borrowings	50.39	77.62	214.85	596.19	629.17	1,167.61	1,224.53	1,612.83	1,837.07
vi) Deferred Tax Liability	245.99	289.63	343.45	395.53	410.65	306.64	173.47	—	—
Total Funds Employed (iv+v+vi)	2,647.03	2,611.35	2,603.27	2,683.05	2,441.28	2,609.63	2,389.60	2,541.89	2,676.96
10 Internal Generation (Rs. in Crore)	340.02	476.67	692.92	580.12	655.45	504.60	424.90	285.51	90.65
11 Ratios:									
i) Gross profit before Depreciation/ Amortisation, Interest & Tax as %age of Net Sales & Other income	6.25%	7.90%	12.44%	13.07%	20.10%	22.94%	24.29%	24.30%	22.38%
ii) Profit after Tax as %age of Average Net Worth	10.26%	17.38%	30.45%	29.03%	32.26%	20.21%	18.18%	13.90%	2.74%
iii) Profit after Tax as %age of Share Capital	32.03%	50.68%	77.32%	61.03%	55.62%	29.22%	23.74%	16.72%	2.94%

iv) Average Net worth as % age of Share Capital	312%	292%	254%	210%	172%	145%	131%	120%	107%
v) Gross profit before Depreciation/Amortisation, Interest & Tax as % age of Average Capital Employed.	21.15%	24.67%	35.38%	28.11%	31.29%	25.80%	25.06%	19.39%	7.19%
vi) Profit Before Tax as % age of Average Capital Employed	13.96%	17.39%	24.54%	20.63%	23.31%	15.82%	13.57%	5.38%	0.93%
vii) Profit After Tax as % age of Average Capital Employed	10.30%	15.70%	23.94%	19.47%	17.12%	9.01%	7.48%	4.96%	0.85%
viii) Long Term Debt Equity Ratio	0.02	0.03	0.09	0.26	0.32	0.86	1.23	1.55	1.95
12 Earning Per Share (Rs.)	3.20	5.07	7.73	6.10	5.56	2.92	2.37	1.67	0.29
13 Book Value Per Share(Rs.)	31.96	30.51	27.80	22.99	19.05	15.43	13.48	12.63	11.42
14 SOURCES AND APPLICATION OF FUNDS (Rs. In Crore)									
SOURCES OF FUNDS									
OWN :									
Profit after Tax	235.64	372.81	568.80	448.93	409.15	214.95	174.63	122.98	21.60
Depreciation/Amortisation	144.61	157.26	242.79	137.97	137.81	131.54	127.98	136.18	67.04
Deferred Tax provision	(43.64)	(53.82)	(52.08)	(15.12)	104.01	133.17	116.65	—	—
Investments	0.46	—	2.51	—	—	—	46.00	—	—
Shareholders Investment	—	—	—	—	—	—	—	—	74.76
Miscellaneous Expenses written off	—	—	—	—	—	21.89	3.60	4.17	2.00
BORROWINGS :									
Loans (Net)	—	—	—	—	—	—	—	—	163.50
Decrease in Working Capital	—	33.88	—	—	165.61	—	—	72.06	—
Adjustment on account of retirement / reclassification of assets	—	22.95	14.42	1.47	(0.18)	8.17	92.21	(2.03)	—
	337.07	533.08	776.44	573.25	816.40	509.72	561.07	333.36	328.90
APPLICATION OF FUNDS :									
Capital Expenditure	127.65	159.16	133.72	188.91	134.85	34.94	11.19	25.15	147.65
Adjustment for Misc.Expenditure / Intangible Assets	1.03	—	1.79	8.05	0.34	20.03	(0.88)	0.45	4.88
Dividend	110.34	147.13	183.91	139.77	125.06	64.74	52.97	37.52	6.62
Tax on distributed profits	18.75	25.00	31.26	19.60	17.71	8.29	6.79	—	0.68
Repayment of Loans (Net)	27.23	137.24	381.34	32.99	538.44	56.92	388.30	224.24	—
Investments (Net)	—	63.00	—	64.31	—	—	—	46.00	—
Increase in Working Capital	52.07	—	44.42	119.62	—	324.80	102.70	—	169.07
Transitional Provision for Employee Benefit	—	1.55	—	—	—	—	—	—	—
	337.07	533.08	776.44	573.25	816.40	509.72	561.07	333.36	328.90
15 Changes in Working Capital (Rs. in Crore) :									
A) Current Assets :									
Inventories	57.15	100.34	22.95	80.65	122.22	325.04	47.23	(87.72)	171.25
Sundry Debtors	(337.68)	269.18	(57.62)	92.22	(53.96)	36.27	24.56	108.38	60.53
Cash & Bank Balances	(220.01)	121.72	359.41	29.56	(25.09)	(163.51)	172.23	(5.61)	21.43
Other Current Assets	0.03	(2.24)	3.70	0.28	—	—	—	—	—
Loans & Advances, Others	(18.48)	(5.40)	(69.29)	(65.40)	(46.82)	(40.69)	89.51	137.96	90.97
	(518.99)	483.60	259.15	137.31	(3.65)	157.11	333.53	153.01	344.18
Less:									
B) Current Liabilities & Provisions									
Current Liabilities	(558.03)	557.53	272.73	(43.66)	276.07	(175.37)	201.18	(62.78)	173.86
Provisions	(13.03)	(40.05)	(58.00)	61.35	(114.11)	7.68	29.65	287.85	1.25
	(571.06)	517.48	214.73	17.69	161.96	(167.69)	230.83	225.07	175.11
C) Working Capital (A - B)	52.07	(33.88)	44.42	119.62	(165.61)	324.80	102.70	(72.06)	169.07

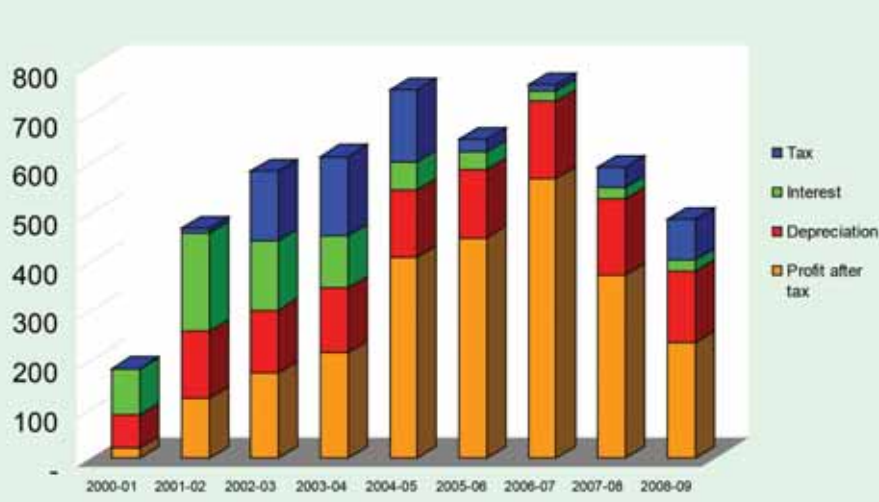
Net Worth (Rs. Crore) CAGR 13.92%



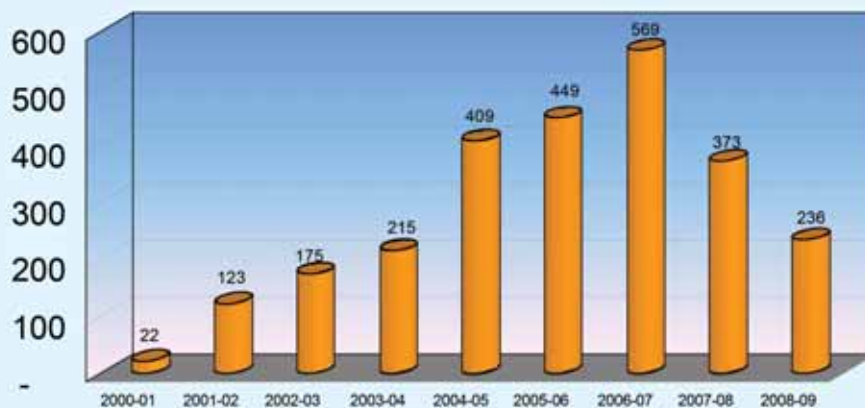
Turnover (Rs. Crore) CAGR 30.60%



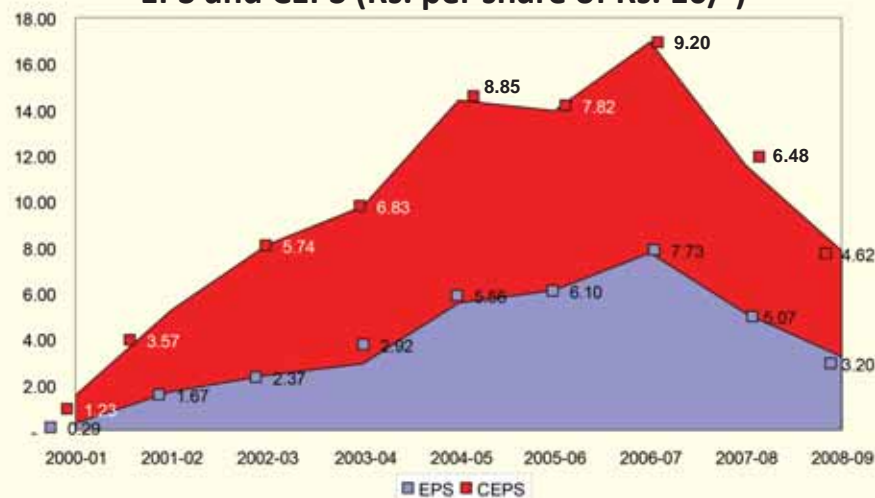
Gross Profit (Rs. Crore)



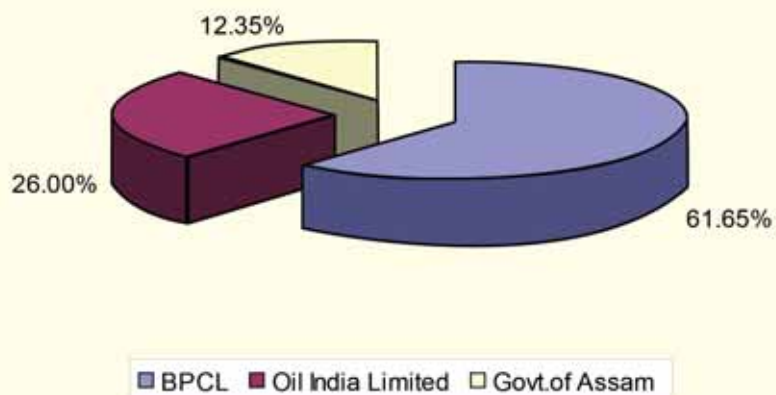
Profit After Tax (Rs. Crore) CAGR 17.23%



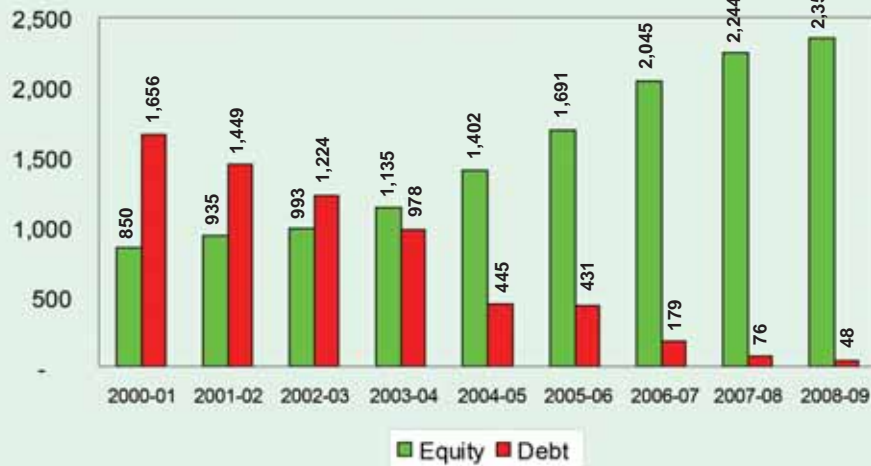
EPS and CEPS (Rs. per share of Rs. 10/-)



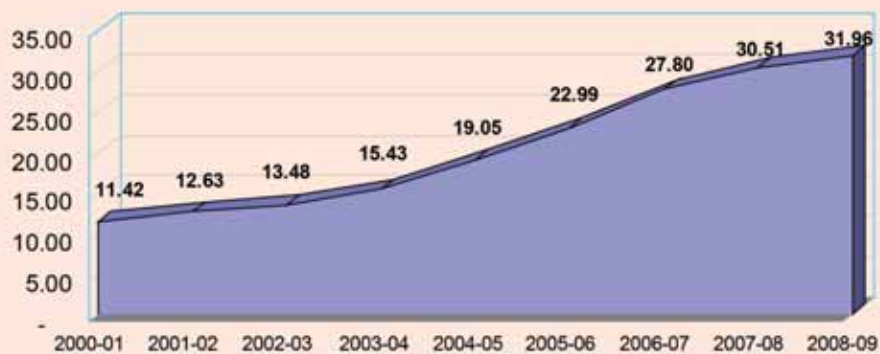
Shareholding Pattern



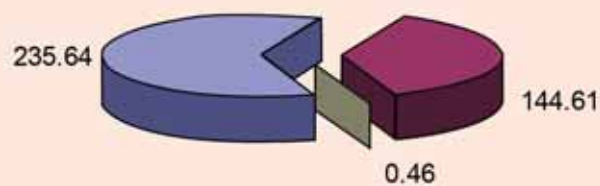
Debt Equity (Rs. Crore)



Book Value per share (face value Rs. 10 each)

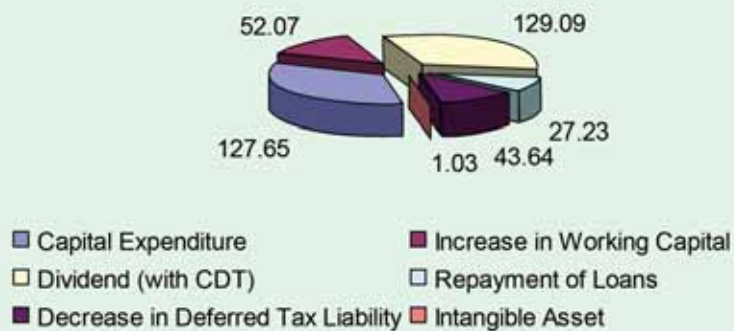


Sources of funds (Rs. Crore)

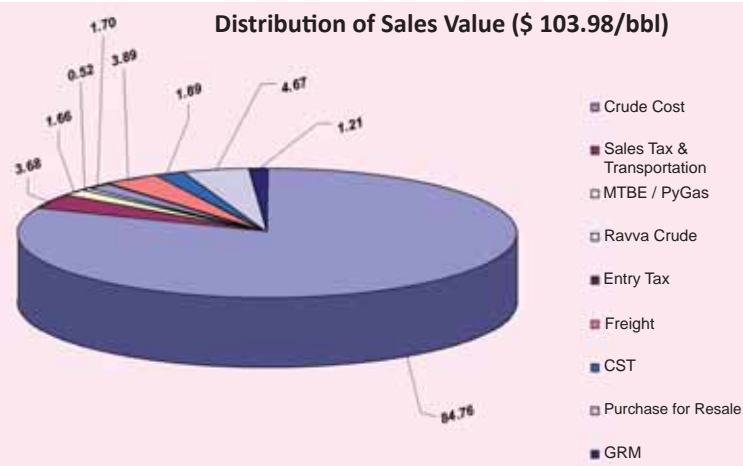


■ Profit after Tax ■ Depreciation & Amortisation □ Decrease in Investment

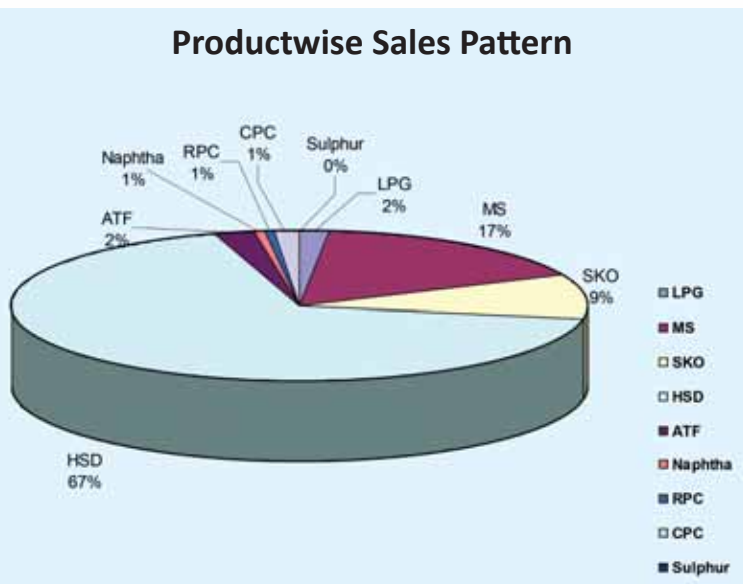
Application of Funds (Rs. Crore)



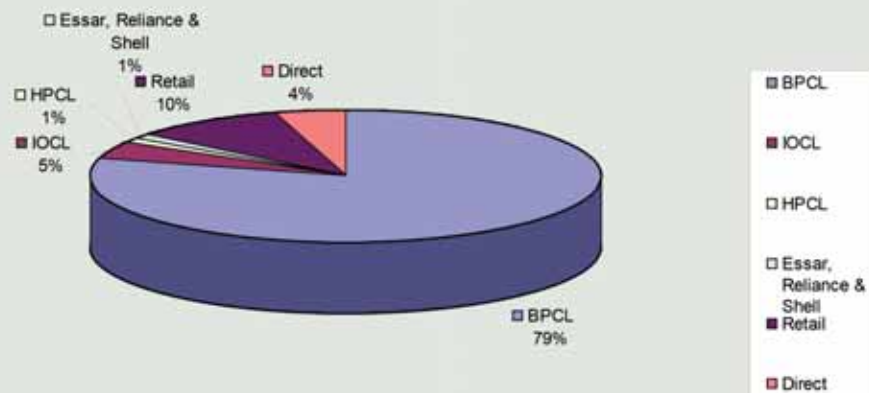
Distribution of Sales Value (\$ 103.98/bbl)



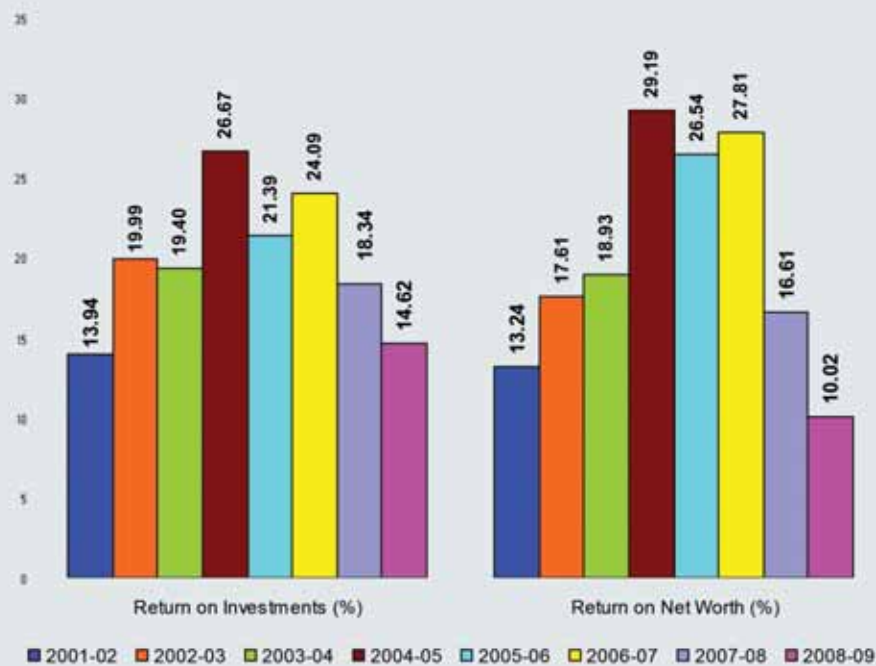
Productwise Sales Pattern



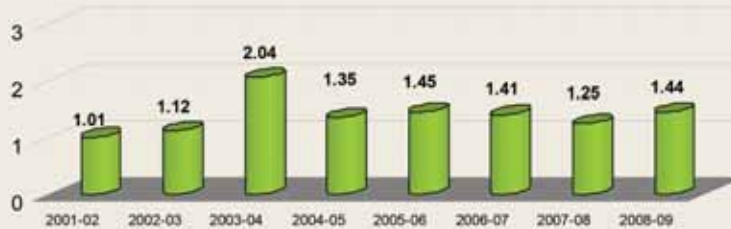
Partywise %age of Sales



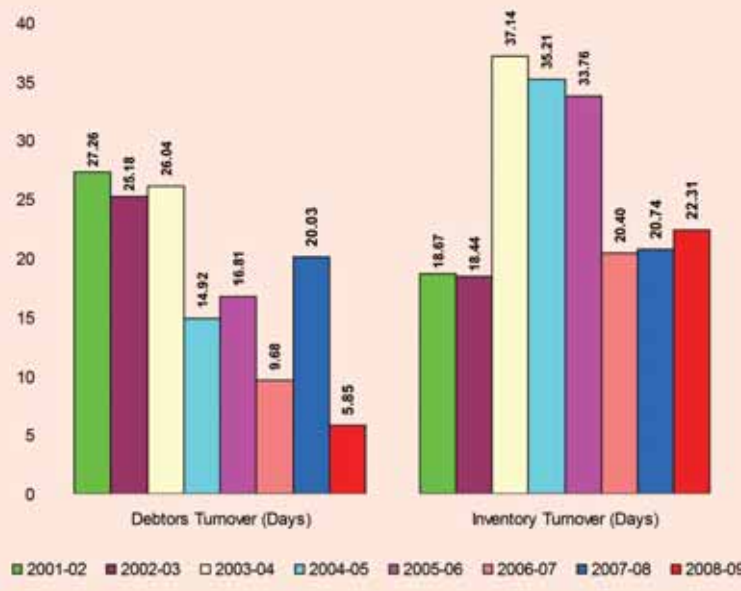
Return on Investment & Net Worth



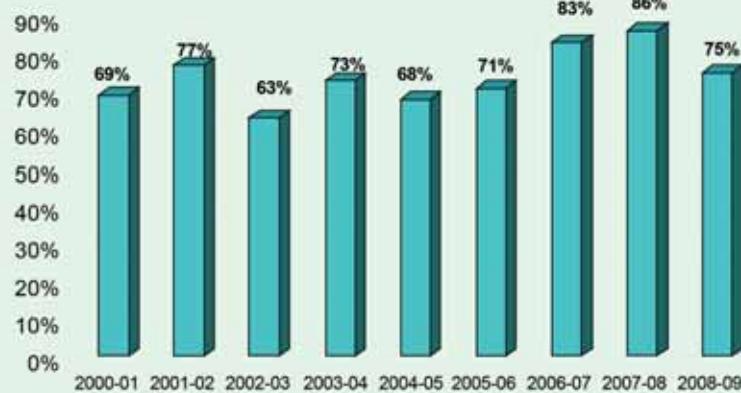
Current Ratio



Turnover Ratios



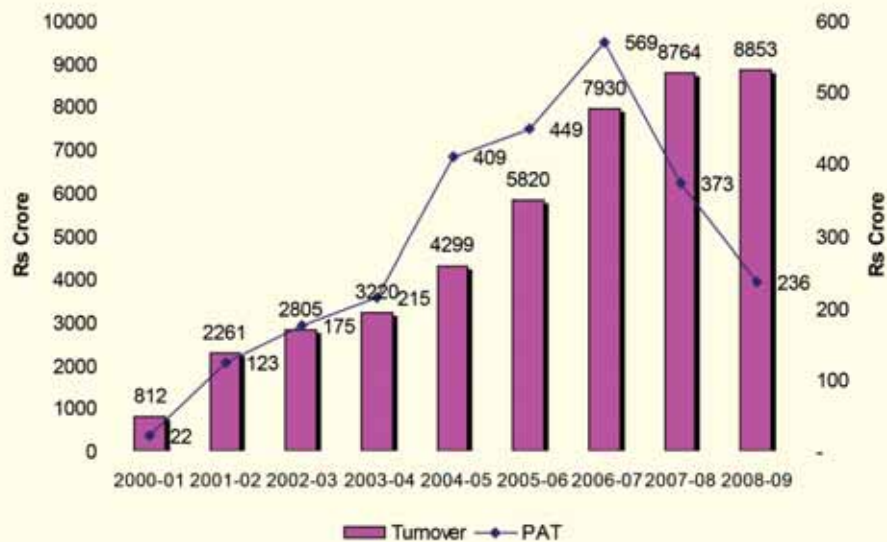
Capacity Utilisation



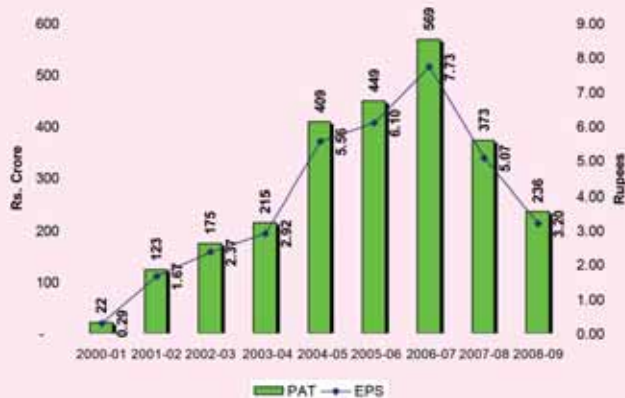
PBDIT as % of Sales



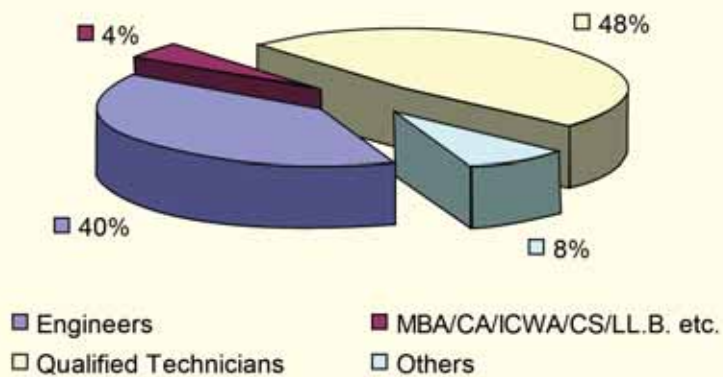
Turnover and PAT



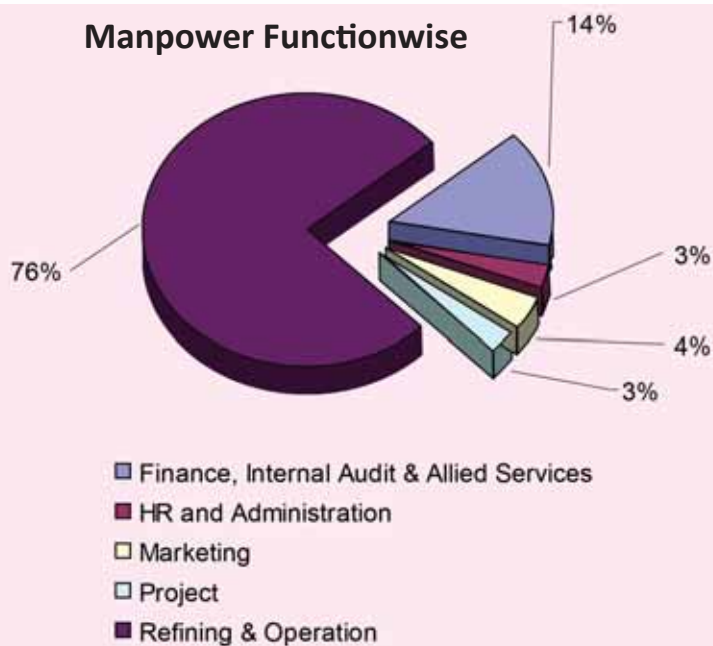
PAT & EPS



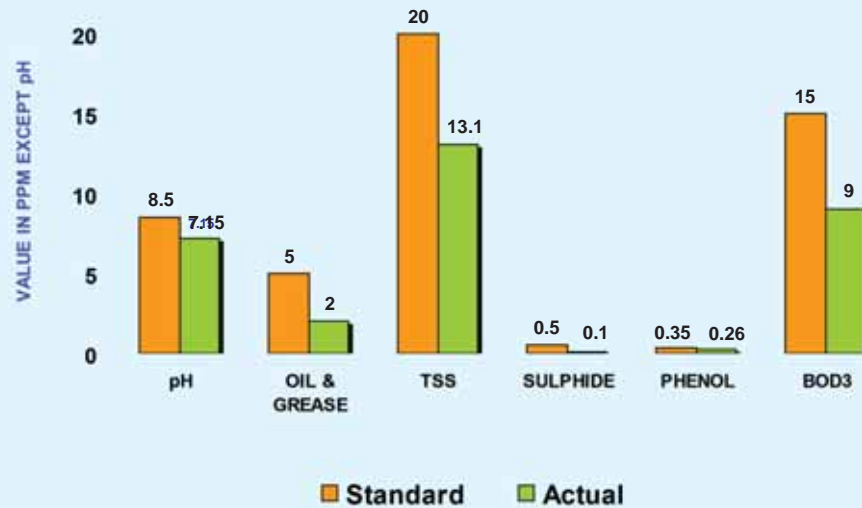
Manpower Qualificationwise



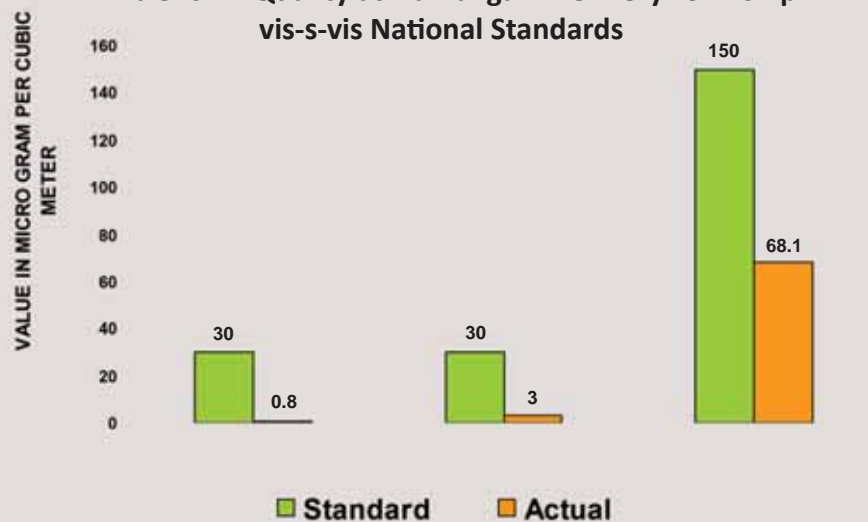
Manpower Functionwise



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



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





Directors' Report

Directors' Report to Shareholders

Your Directors take pleasure in presenting their 16th Annual Report on performance of your Company together with audited statement of accounts for the financial year ended 31st March, 2009.

The past year has been a roller coaster of highs and lows arising largely from volatile market conditions. Nevertheless, your Company remained steadfast in the face of roadblocks that came in its way and managed to overcome trying circumstances to close the financial year on a positive note. Due to unprecedented rise in crude oil prices during the year, the refining margins were squeezed leading to lower profitability.

As happened to other oil marketing companies, our retail marketing business also went through rough weather this year till October, 2008 due to spiraling crude oil prices which peaked to an unprecedented level of \$147 per barrel in the month of July, 2008 with no commensurate increase in retail prices leading to substantial under-recoveries. However, the situation improved from November, 2008 and your company was able to register profits in retail marketing then on.

FINANCIAL PERFORMANCE

a) Financial Results

During the year, the Company recorded highest ever sales turnover at Rs.8,853.35 crores as compared to Rs. 8764.16 crores in 2007-08. However, the gross profit before interest, depreciation and tax reduced by 17.67% to Rs. 488.98 crores as against the previous year's figure of Rs. 593.96 crores. The profit before tax declined by 22.64% from Rs. 413.10 crores to Rs. 319.59 crores. After providing for tax (including deferred tax and fringe benefit tax) of Rs. 83.95 crores as against Rs. 40.29 crores during the last year, the profit after tax showed a decline of 36.79% from Rs. 372.81 crores in the previous year to Rs. 235.64 crores. The reduction is mainly on account of the unfavorable factors like decrease in excise relief, reduction in duty protection rates and unfavorable spread between crude and product prices which are beyond the Company's control.



Dividend cheque being handed over to Hon'ble Chief Minister of Assam Shri Tarun Gogoi for the year 2007-08

The financial results for the year 2008-2009 as compared to those of the previous year are summarized below:

Financial Results

(Rs. In Crore)

	2008-09	2007-08
Sales Turnover - Gross	8,853.35	8,764.16
Profit before Depreciation & Amortisation, Interest and Tax	488.98	593.96
Interest	21.43	23.24
Depreciation & Amortisation	147.96	157.62
Profit before Tax	319.59	413.10
Provision for Taxation - Current	126.69	93.34
Provision for Taxation - Fringe Benefit Tax	0.90	0.77
Provision for Taxation - Deferred	(43.64)	(53.82)
Profit after Tax	235.64	372.81
Balance brought forward from the previous year	0.01	0.01
Amount available for Disposal	235.65	372.82

Directors propose to appropriate this amount as under :

Appropriations:		
Towards Dividend	110.34	147.13
Corporate Dividend tax	18.75	25.00
For Transfer to General Reserve	106.55	200.68
Balance carried forward to Balance Sheet	0.01	0.01

Summarised Cash Flow Statement :

Cash Flows :	2008-09	2007-08
Inflow/(Outflow) from operations	64.70	641.20
Inflow/(Outflow) from investing activities	(82.09)	(160.70)
Inflow/(Outflow) from financing activities	(202.62)	(358.78)
Net Increase/(Decrease) in cash & cash equivalent	(220.01)	121.72

b) 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 dividend of 15% (Rs.1.50 per equity share) for the year on the paid-up share capital of Rs. 735.63 crores, which would absorb a sum of Rs. 110.34 crores out of the Company's profit after tax. After providing for Rs. 18.75 crores towards corporate dividend tax and Rs. 0.01 crores carried forward to the Balance Sheet, Rs. 106.55 crores will remain for transfer to the General Reserve. Accordingly, your company's net worth as on 31st March, 2009 would stand at Rs. 2350.65 crores as compared to Rs. 2244.10 crores at the end of the previous year.

c) Operating Results

- i) NRL's net sales turnover grew by 1.02% from a level of Rs. 8764.16 crores in the previous year to Rs. 8853.35 crores in 2008-09. The increase in turnover is mainly due to higher product prices. Other positive factors like reduction in cost of raw material consumption due to new benchmark price made applicable by the Government of India for the north east refineries effective 1.4.2008 for the crude oil purchased from OIL and ONGC, savings in interest cost, decrease in depreciation, decrease in freight and central sales tax under recovery were more than offset by the negative factors i.e. impact of sales tax and pipeline charges on crude payable to crude oil suppliers' consequent to directions received from the Government of India, increase in operating cost, decrease in excise relief and increase in current and deferred tax, which resulted in lowering the profit after tax.
- ii) The Gross Refinery Margin (GRM) was marginally higher at USD 6.98 per barrel compared to USD 6.36 per barrel in the previous year. Adjusted GRM after accounting for freight and CST under-recoveries during 2008-09 was better at USD 1.21 per barrel against a negative GRM of USD 0.87 per barrel during 2007-08.
- iii) The Earning Per Share (EPS) stood at Rs.3.20 as compared to Rs. 5.07 during the previous year. The internal generation of cash during the year was lower at Rs. 340.02 crores as against Rs. 476.67 crores in the previous year.



Visit of Hon'ble Parliamentary Committee of Official Language

d) Treasury Operations

During the year, term loan amounting to Rs. 27.98 crores have been repaid. Your Company continued its focused attention towards effective utilization of available surplus funds which had helped to earn an interest income of Rs. 35.98 crores during the year. In an effort to further strengthen treasury management, NRL had adopted e-payment mechanism and continued making payment of taxes and duties as well as vendors through e-payment route. During the year, long term loan to equity ratio improved to 0.02 as against 0.03 in the previous year. Your Company has also been recently rated at 'P1+' for Short Term Loans and 'AAA/Negative' for Working Capital Finance by CRISIL which would help in optimizing the treasury activities of the Company.

e) Contribution to Exchequer

Your Company has contributed a total of Rs. 702.29 crores to the Central Exchequer and Rs. 344.88 crores to the State Exchequer in the form of taxes, duties & dividends compared to Rs. 851.81 crores and Rs. 443.51 crores respectively in the previous year.

f) Cost Control Initiatives

The Company follows a system of online budgetary control through SAP/R3 ERP System for optimization of cost whereby expenditures are monitored and controlled on a continuous basis to ensure proper adherence to budget. The Company has also continued its focused initiatives towards optimisation in fuel and loss, conservation of energy, improvement in distillate yield, optimization of product mix and other techno-economic parameters.

g) Government Audit Review

The comments of the Comptroller and Auditor General of India (C&AG) under section 619(4) of the Companies Act, 1956 on the accounts of the Company for the year ended 31st March, 2009 is placed next to the Statutory Auditors Report in the printed Annual Accounts of the Company. We are pleased to report that the C&AG has no comments upon or supplement to Statutory Auditors' report under section 619(4) of the Companies Act, 1956.



Hon'ble Minister of State for Labour & Employment Shri Oscar Fernandes (extreme left) handing over the National Safety award to NRL



Overhauling of equipment during RTA 2008 in progress

PHYSICAL PERFORMANCE OF THE REFINERY

During the year 2008-09, the refinery processed 2.25 MMT of crude oil against total crude receipt of 2.31 MMT. Crude throughput during the year was 0.25 MMT less than the MoU target at 2.50 MMT primarily due to post Refinery Turn Around (RTA) stabilization problems in the refinery that resulted in some curtailment in crude processing during the fourth quarter of the year. Capacity utilization of the refinery during 2008-09 was lower at 75.1% mainly due to planned refinery turn around carried out during the year as against 85.6% in the previous year. Distillate yield during 2008-09 at 84.72% was better than the MoU target of 84.70% and was among the highest in the industry. Fuel and loss at 10.72% and specific energy consumption at 70.7 MBN were slightly on the higher side due to several unplanned shutdowns during the year.

During the year 2008-09, the refinery produced 1388 TMT of HSD including 287 TMT in Euro-III grade. Production also included 266 TMT of MS with 49 TMT in Euro-III grade, 43 TMT of LPG, 35 TMT of ATF and 196 TMT of SKO. The MS plant operated at 110% capacity during the year. The Coke Calcination Unit operated on a sustained basis throughout the year producing 53 TMT of calcined petroleum coke. Against a total production of 2016 TMT, total evacuation quantity was 1989 TMT representing 98.7% of production.

Trial production of Needle Coke, a high value product, was carried out during the year in association with IOC (R&D). As the desired specification could not be reached, another batch of trial production is slated during the current financial year. Success however, was achieved in trial production of Euro-IV MS at Numaligarh refinery through in-house expertise together with assistance provided by M/s. Axens, the process licensor of the MS plant. The Numaligarh-Siliguri product pipeline was commissioned during 2008-09 with charging of product into the pipeline in August 2008.

NRL continued to maintain its high standards on the fire and safety front. There was no incident of loss time accident (LTA) or major fire during the year. The Company achieved 12.05 million LTA free man-hours as on 31st March, 2009 equivalent to more than 7 years and the performance is continuing.

The year 2008-09 was the third consecutive year for NRL having successfully re-used 100% of treated liquid effluent in the refinery as well as in the township. Liquid effluent and air quality parameters were constantly monitored and were maintained well within the stipulated pollution control norms.

The Quality Control laboratory inside the refinery, equipped with state-of-the-art testing equipment has performed precision analysis with high degree of accuracy. The laboratory is approved by Directorate General of Civil Aviation (DGCA), Centre for Military Airworthiness and Certification (CEMILAC) and Directorate General of Aeronautical Quality Assurance (DGAQA). NRL's laboratory is also accredited to the National Accreditation Board for Calibration and Testing Laboratories (NABL) as per ISO/IEC 17025.



Hon'ble Union Power Minister Shri Sushil Kumar Shinde (2nd from left) handing over the National Energy Conservation award 2008 to NRL

NRL is implementing a programme on Total Productivity Management (TPM) in collaboration with the Confederation of Indian Industries (CII). Familiarization training has been imparted to the concerned employees both in-house as well as in other refineries. A TPM Secretariat has been established. Within the purview of the programme, an 'Autonomous Maintenance' scheme is under implementation in the Delayed Coker Unit (DCU).

Innovation as well as improvement is a part of the success story of any modern industry and NRL is a forerunner in this aspect. As a part of performance improvement measures, modification of Power Supply in DCS and revamping of the obsolete panels of recycle gas compressor and modernization of PLC in PSA systems have been carried out. NRL has also carried out a pilot project in the Hydrogen Unit on Risk Based Inspection (RBI) techniques, which focuses on optimization of inspection and maintenance practices.

During the year 2008-09, planned Refinery Turn Around (RTA) was carried out for a period of 29 days during October-November, 2008. This was the second major RTA since commissioning of the refinery and was taken after a gap of three and half years of operation. All major units of the refinery, namely CDU-VDU, DCU, HCU, H₂U, SRU and CCU were under shutdown along with associated utility and offsite installations. During the RTA, major equipment numbering more than 2000 were inspected and necessary overhauling was carried out. Some challenging tasks like Reformer Tube replacement, Reformer Flue Gas Duct insulation renewal, Furnace Coil replacement, Column Tray renewal were



Chairman's HSE&S award in the category Excellence in Green (Refinery) for the year 2007-08 being handed over to NRL

completed in record time within the stipulated RTA schedule. One of the two Gas Turbines in the captive power plant was overhauled thoroughly during the RTA.

Modern, sophisticated inspection techniques were adopted to determine health of critical equipment. To monitor condition of catalyst tubes as well as to predict remaining life of the Hydrogen Reformer Tubes, H-scan, one of the most reliable Non Destructive Testing (NDT) technology was used as against conventional method of Ultrasonic Attenuation Testing (UAT). Time of Flight Diffraction (TOFD) technique was also employed to inspect condition of welding and weld overlay of Hydrocracker reactors. To monitor the tubes of High Pressure Fin Fan Cooler, Internal Rotary Inspection System (IRIS) was followed. For mapping corrosion of tank bottom plates, Acoustic Emission Testing (AET) technique was employed. Current Attenuation Testing (CAT) technique is also being continuously adopted in the refinery for monitoring health of underground piping.

MARKETING PERFORMANCE

During the year the Company could achieve a sales volume of 2.02 MMT of petroleum products, out of which 0.28 MMT was sold through Retail Outlets and to direct customers. Balance quantity of 1.74 MMT was sold through Oil Marketing Companies, namely Bharat Petroleum Corporation Limited (BPCL), Indian Oil Corporation Limited (IOCL), Hindustan Petroleum Corporation Limited



The NRL stall at IITF 2008

(HPCL), Reliance Industries Limited (RIL) and Essar Oil Limited (EOL). Major quantity of products amounting to 1.68 MMT was sold through NRL's holding company M/s. BPCL. Specialty products like RPC, CPC and Sulphur were marketed directly by NRL. Overall sale during 2008-09 was 13.29% lower than that of the previous year mainly due to lower crude processing during the year.

In retail marketing, your Company has so far commissioned 108 Retail Outlets (Energy Stations) of which 61 are located in the North East region out of which 36 are within the state of Assam. During the year 2008-09, NRL continued its focus on 'Quality and Quantity' (Q&Q) and has taken various steps in this regard. Fifty eight Energy Stations have so far been certified by M/s Det Norske Veritas (DNV) under Q&Q protocol and 80% of NRL's retail sales are from certified Energy Stations. NRL has engaged M/s. DNV for third party certification of its Retail Outlets and an exhaustive Q & Q protocol has been developed for inspection of the Retail Outlets covering over 100 different parameters. More number of Retail Outlets have been planned for certification during 2009-10. A total of 200 tank trucks under NRL's fleet are being monitored through Global Positioning System (GPS) based monitoring system. Additionally, 14 Energy Stations have been automated and automation jobs for another 30 Energy Stations have been planned.

In view of the extreme volatility of crude and product prices and in the wake of mounting under-recoveries in retail trade, NRL had to resort to demand management measures by cutting down



NRL Energy Station

supplies to the Retail Outlets to the level of 75% of normal sales during the period May '08 to October '08. The demand management measures were withdrawn from November '08 when retail margin became positive.

NRL's Product receiving and Storage terminal at Siliguri was brought to the state of readiness during the year 2008-09 and pumping through the Numaligarh-Siliguri Pipeline (NSPL) commenced in August '08. Filling up the pipeline with around 79 TKL of HSD was a challenge particularly in the wake of Refinery Turn Around (RTA) during October - November 2008. However, towards the end of the financial year, NRL could offer entire quantity required for filling up the pipeline paving the way for full commissioning of the Terminal and the Pipeline in April 2009. Commissioning of the product pipeline and the terminal at Siliguri would not only ease out perennial problems in product evacuation ex-Numaligarh but also result in reduction of freight under-recoveries.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

The financial year that has just gone by has been a watershed in recent history in more ways than one. The world witnessed the worst economic recession in over six decades. Oil prices spiraled upward to unprecedented heights. International financial markets tumbled as governments across nations struggled to bail out sinking corporates and financial institutions. Many have drawn parallel of the recent economic crisis to the Great Depression of the 1930s. But hopefully, worst of the crisis is behind us and the world might as well see a new economic order emerge in the years to come. The Indian economy has been hurt in the global whirlpool of economic downslide too but largely, it had managed to remain robust. Experts agree that India is better positioned for a quicker recovery and future growth than developed countries in Europe, North America and Japan. Inherent strengths of India's economy, aptly proved this time around, could well promote the country to higher echelons in the emerging global economic order.

In its latest analysis, the International Monetary Fund (IMF) has forecast a contraction of the global economy during 2009 by 1.4% followed by a 2.5% growth in 2010. IMF, has however projected that the world economy and the banking sector in particular, which is at the heart of the recent financial crisis, are not strong enough yet to do without heavy government support and cheaper central bank funds.

In the context of the Indian economy, Gross Domestic Product (GDP) growth rate during 2008-09 declined to 6.7% from the level of 9.0% in each of the previous three years. The Centre's fiscal deficit during 2008-09 rose to 6.2% of GDP from 2.7% in 2007-08. India's merchandise export during 2008-09 decreased by 2.4% against increase of 28.9% recorded during 2007-08. Overall imports during 2008-09 experienced a growth of 12.9%, much lower than that recorded during the previous year at 35.4%. There has been a deceleration in both oil and non-oil imports. Petroleum, Oil and Lubricant (POL) imports during 2008-09 at US\$ 90.8 billion, grew by 14.0% against a high growth rate of 39.4%

during 2007-08. The country's trade deficit for the year ended 31st March, 2009 widened to US\$ 117.1 billion, an increase by US\$ 28.6 billion over that of the previous year.

The country's steel and cement industry has of late revived with rising consumer demand, albeit at a slower pace. Despite slowdown of the economy, demand for petroleum products in India, unlike those in the developed countries, remained at a fairly high level. Total consumption of petroleum products during 2008-09 grew by 4.5% including growth in consumption of petrol and diesel by 9.0% and 8.4% respectively. Aviation Turbine Fuel however recorded a negative growth of 1.9% in 2008-09 in the backdrop of curtailment in flight operations. The corresponding growth rates in consumption of petroleum products during 2007-08 were 6.3% for all products combined, 11.2% for petrol and 11.1% for diesel.



Ground flare panel refractory renewal job in progress during RTA 2008

Downturn, in key economic indicators and consumer demand during 2008-09 were only to be expected but what matters more are signs of revival evident from first quarter results in the current financial year.

The country's total refinery crude throughput during 2008-09 was 160.77 MMT, marginally higher by 3% over throughput during the previous year at 156.10 MMT. On an overall basis, capacity utilization of the 19 refineries during 2008-09 improved to 108% against 105% in 2007-08. Domestic crude oil production has however declined in 2008-09 to 33.51 MMT from 34.12 MMT in 2007-08.

Refining margin during 2008-09 remained slack compared to the previous two years. Regional benchmark Singapore (Dubai Crack) recorded an average GRM of USD 5.78 per barrel during 2008-09 compared

to USD 7.6 per barrel during 2007-08 and USD 6.1 per barrel during 2006-07. NRL could end the year 2008-09 with a GRM of USD 6.98 per barrel.

The petroleum retailing sector in the country was severely hit throughout the first half of 2008-09. Under-recoveries of oil companies rose to unprecedented heights consequent to the sharp rise of crude oil prices. The trend however reversed since November, 2008 due to falling prices of crude oil in the international market providing relief to the oil companies.

Opportunities and Threats

Opportunities

Numaligarh Refinery being a developmental project to meet people's aspirations is associated with certain inherent drawbacks like logistically unfavourable location, sub-economic size, restriction in crude throughput due to inadequate crude availability in the region etc. NRL has its share of distinct opportunities as well. The Company enjoys unstinted support from the government, the people of Assam and its customers. With the objective of improving profitability, the Company has been pursuing several value-added projects which present the opportunity for achieving consolidation and sustained growth.

First of such projects has been the Motor Spirit Plant commissioned during 2006-07 at a cost of Rs. 296.86 crores with technology from M/s. Axens, France. During 2007-08 as well as in 2008-09, the MS Plant has operated above its rated capacity contributing significantly to the Company's profitability. The second value-added project has been the Siliguri Marketing Terminal Project having a project cost of Rs. 186.23 crores, implemented as a linked project to the Numaligarh-Siliguri product pipeline of M/s. Oil India Limited. With the commissioning of the Terminal, freight under-recoveries for the Company in positioning products outside the North East would come down.

The Company is presently implementing a project in the refinery for Diesel Quality Upgradation at a project cost of Rs. 434.94 crores. This project would enable production of Euro-III and Euro-IV HSD at 100% capacity utilization of the refinery. The project is expected to be completed by April 2010.

NRL has also identified a project for production of paraffin and micro-crystalline wax utilizing inherent properties of Assam Crude. Financial appraisal and a market survey pertaining to the project have recently been completed. The project once implemented, is expected to provide value addition to the product slate of the Company.

NRL is a co-promoter in two joint venture projects. In M/s. Brahmaputra Cracker and Polymer Limited, the company implementing the Gas Cracker project in Dibrugarh district of Assam where NRL has 10% share holding. NRL would also supply



NRL sponsored excursion for students & teachers under 'Gyan Yatra' scheme

around 160 TMT of petrochemical grade naphtha per annum to the gas cracker. The other joint venture company is M/s. DNP Limited, implementing a Natural Gas Pipeline Project from Duliajan to Numaligarh where NRL has 26% share holding. The project is in final stage of completion. This would help in improving refining margin of the Company through utilization of natural gas in lieu of naphtha as fuel in the captive power plant and as fuel and feed in the Hydrogen Plant.

Under the non-plan capital expenditure budget, NRL is implementing a project for installation of a 12 Mega Watt Steam Turbine Generator at an estimated project cost of Rs. 38.52 crores. This project, which is in final stage of completion, has been successfully registered as a Clean Development Mechanism (CDM) project with the United Nations Framework Convention on Climate Change (UNFCCC), and on completion, would bring in earnings for the Company through trading in generated carbon-credits.

Opportunity for the Company also lies in possible commercial production of high priced “Needle Coke” in the refinery once the trial runs are successfully completed.

Threats

A major threat for NRL, as in case with the three other refineries operating in the region, lies in profitability being driven by excise duty benefit. Measures by the central government on reduction or withdrawal of excise duty benefit stands to threaten the Company’s profitability. Another threat emanates from possible under-recoveries in retailing of MS and HSD as NRL is not covered under the government’s compensation scheme extended to Oil Marketing Companies. Inadequate crude oil availability in the region is also considered as a threat for the North East refineries particularly when production of Ravva Crude, a part of which is allocated to Bongaigaon Refinery, is expected to decline. The Ravva oil field in offshore Andhra Pradesh has reportedly peaked in oil production and production from the field is on the path of terminal decline. Deficiency in supply of alternate crude to Bongaigaon refinery would translate into corresponding reduction in processing of Assam Crude by the other three North East refineries.

NRL has remained resilient to challenges on multiple fronts, posting decent level of profits every year since commencement of commercial operations in October, 2000. The Company has remained firm in its resolve to promote an identity of a good corporate citizen. NRL’s team of dedicated employees though small in size, is strong in determination, committed to excel in all spheres of business activity for achieving the goal of sustained success.

Internal Control Systems and their adequacy

NRL has a system of internal control to identify potential risks, if any, which may impact business objectives. Sound internal control is achieved in NRL by processes firmly embedded within the Company’s operations to ensure protection of assets and optimum utilisation of resources. The internal control system is also designed to ensure compliance of Company’s policies, procedures

and plans, delegation of authorities, compliance of statutory regulations and applicable laws. The effectiveness of internal control system has been enhanced by use of business processes in the SAP system with appropriate system based controls which are being monitored on a continuous basis. The internal audit activities of the Company have primarily focussed on risk assessment, information technology including safety and security of data, system improvement, strengthening of control mechanism and safeguarding the assets of the Company. In order to give a reasonable assurance to the management about the adequacy of internal control, internal audit is carrying out reviews of Business Process Cycle, SAP and other applications, information technology besides performance and compliance checks on the policies, guidelines and statutory requirements etc. across the organisation on the basis of audit universe and audit plan approved by the Audit Committee of the Board. The audit findings and recommendations are reviewed on an ongoing basis by the top management and Management Audit Committee to ensure that corrective actions are taken in respect of the audit findings. The Audit Committee of the Board regularly reviews the audit reports and significant audit findings with the management, internal audit team and statutory auditors wherever necessary to ensure compliance of the recommendations as well as adequacy of the internal control system as a part of good corporate governance practice.

Human Resources

As on 31st March 2009, total employees strength was 784 of which 405 belonged to the unionized category and 379 to the executive cadre. Amongst them, there are 36 women employees, 9 physically challenged employees, 165 SC/ ST employees, 43 belonging to minorities and 203 to Other Backward Communities.

Your company always considers its human strength as the key to success and the most important asset. Company's partnership with people is deeply rooted in the Company's work ethos and organizational values. The innate values of 'Respect and Care' and sustainable growth through



Offsite Disaster Mock Drills



people is demonstrated in the way the Company builds teams, creates shared vision, executes its growth plans and nurtures human talent to address the business challenges. Keeping in mind the emerging needs of the competitive environment, there have been constant endeavors to harmoniously work with and develop human capital. During the year, 292 employees have been trained through internal training while 150 employees have been trained through external training which includes foreign training.

SC/ST Employees

The prescribed information of SC/ST employees of the Company are given in Annexure – C.

Persons with Disabilities

NRL has been providing reservations and concessions for Persons with Disabilities since 1997 for all categories of posts identified, based on Government instructions. The Company has identified positions which could be reserved for filling up by persons with disabilities. Various concessions and facilities are extended to the persons with disabilities including age relaxation etc. NRL has 9 persons with disabilities employed in the organization as at 31st March, 2009.

The Company is also making efforts to achieve the desired percentage for persons with disabilities in identified posts and also conducting special recruitment drive for them in direct recruitment. Besides, as a corporate body, various initiatives have been undertaken as a part of community development to benefit the physically challenged persons.

Fulfilment of Social Objectives

With a strong commitment to achieving the socio-economic upliftment of the region, NRL continued its definitive measures for improving the lives of the people in the neighboring areas through innovative and people friendly programmes.

The Vivekananda Kendra NRL Hospital (VKNRL), a multi-specialty 30 bed general hospital set up by the Company, has been providing round the clock emergency services to the surrounding populace along with its own employees. The hospital also conducts regular occupational health check-ups and mobile medical camps free of cost besides organising various awareness programmes in the surrounding villages within 10 KMs from the refinery.

As a part of its corporate social responsibility, NRL provides support assistance towards agri-allied /income generation activities, education, infrastructure development, community health and promotion of arts, sports, literature and culture etc. For encouraging meritorious students of 24 High Schools & Junior Colleges, NRL gives cash awards to students securing first division in Metric & Higher Secondary Board Examinations under its 'Gyandeep' Scheme. Since, 2008-09, NRL has also introduced a new scheme of Educational Excursion of Class X students of these 24 high schools to Delhi / Agra and 240 students and 48 teachers participated in the Excursion in 2008-09 under the scheme 'Gyan Yatra'.

NRL is also rewarding the teachers of these schools on the basis of results of Board Examinations from the year 2008-09 onwards under the 'Dronacharya' scheme.

During the year 2008-09, NRL has undertaken the following major schemes apart from the regular schemes as above:

- (a) Provision of one Fibre Glass Ambulance Speed Boat for the people of Majuli, the world famous river island, for using in crossing the mighty river Brahmaputra in shortest possible time in case of emergency.



Espousing education - Gyandeep, Prerona and Dronacharya awards under NRL's Community Development scheme

- (b) Construction of “NRL Training & Placement Centre” at Jorhat Engineering College.
- (c) SWOT analysis & Institutional development in ITI, Jorhat for converting it to a Centre of Excellence.

Gender-Friendly work place

NRL has been committed to ensure a gender friendly workplace with equal opportunity to men and women. The Company has constituted a committee with representation from both men and women to look into the interest of women specifically to enquire the complaints if any of sexual harassment and to recommend appropriate remedial measures.

Communication to Employees

The Company lays considerable stress on “Employee Information” management. Communication at NRL through open forums, meets, newsletters, in-house journal etc. aims at sharing news, events and information within the organization while encouraging cross over of ideas and best practices. Management keeps on updating all relevant information related to the Company as well as its group companies which are considered to be beneficial for the employees. Structured presentations are also made to employees highlighting the Company’s performance in key areas. The Company also shares its valuable information including events and happenings with its employees through NRL website www.nrl.co.in, intranet portal 'Eureka' and a quarterly in-house journal called 'Rodali'.

Industrial Relations

Your Company continued to maintain peaceful, harmonious and cordial relations with all its employees through mutual support and cooperation at all levels. The proactive human resource management practices adopted by your Company as well as cooperation and support received from the employees at all levels had contributed significantly to maintain harmonious industrial relations climate throughout the year.

Implementation of the Official language

Your Company continued its effort for promoting the use of Hindi as official language under the provision of Official Language Act, 1963 and the Official Language Rules, 1976. Employees having working knowledge in Hindi have been encouraged to do their maximum work in Hindi. Action plan has also been finalized to make all documents particularly, the manuals etc. in bilingual form in a phased manner. Employees are also encouraged to participate in ‘Hindi Training’ through correspondence course being imparted by the Centre of Hindi Directorate, Ministry of Home Affairs. For creating a congenial atmosphere to motivate employees for working in Hindi, policy of encouragement and incentive has been continued.

Programmes like 'Hindi Day', 'Hindi week' etc. have since been organized in NRL every year enthusiastically. The Company's in-house journal 'Rodali' is having a regular Hindi section where employees' participation is praiseworthy. The Company continued to publish a yearly Hindi journal 'Prayas' with participation of all section of employees, their spouses and children.

Right to Information Act

NRL being a public authority as defined under Section 2, sub section (h) of the Right to Information Act, 2005, appropriate mechanism has been put in place by the Company for addressing various queries related to RTI Act and required information are made available in the Company website www.nrl.co.in. During the year, NRL has received 23 requests for information and only one case has been referred to the appellate authority. No case has been referred to the Central Information Commissioner since the enactment of the Act.

Vigilance

The role of vigilance in NRL has become multi dimensional today – disseminating preventive vigilance measures, facilitating transparency in commercial decision making & accountability and strengthening systems and procedures in almost all spheres of operations of the Company. Accordingly, continued focused attention have been given to create a conducive environment by streamlining of rules and procedures, maximization of use of information technology and also adherences of guidelines and procedures issued from time to time by various statutory authorities including CVC. Vigilance has also continued its endeavor to identify new areas of risk and to develop new risk management tools and integrate them into the main business processes.



During the year, besides investigating genuine complaints, the department also carried out regular as well as surprise inspections at various locations of the Company. Major inspections were also undertaken in line with the inspection carried out by the Chief Technical Examiner's (CTE) organization of Central Vigilance Commission and extended requisite support and assistance to the inspection team of CTE in carrying out intensive examination of works of the Company. As a part of preventive vigilance, lessons learnt from those inspections/investigations were shared with the concerned departments for their future reference. In addition, interactive sessions were also held amongst the officers and staff of the Company for preventive vigilance as well as improvement of systems and procedures.

With the emphasis on good corporate governance, there is a need for vigilance to go beyond their traditional roles and become an integral part of business strategy. During the year, Vigilance took proactive role in implementation of the Integrity Pact (an understanding between the vendors and the Company for ethical practices to eliminate corruption in the procurement process). Accordingly, majority of the vendors were contacted with a view to get them to enrol in this programme and their participation is found to be encouraging. On receipt of approval of the appointment of Independent External Monitors from the CVC, the Integrity Pact will be implemented.

In accordance with the directive issued by the CVC, Vigilance Awareness week was observed in November, 2008 at all locations of the Company with the theme 'Propagation of essence of Public Interest Disclosure and Protection of Informer Resolution' also known as 'Whistle Blowers Resolution' in order to make the public as well as users of the services of the organizations proactive in lodging complaints against corrupt officers/practices without disclosure of their identity for an efficient and ethical environment, transparency in systems and procedures and efficiency on public spending of government budget.

To promote probity in public life and increase awareness amongst the employees of the company, vendors, students of DPS, Numaligarh and public as a whole, many promotional activities related to vigilance like slogan and essay competitions in Hindi, English and Assamese for employees, slogan and speech competition for the students of the DPS, interaction session with officers, vendors, demonstration of quality checking of products at NRL Retail Outlets to public and interaction with dealers and consumers etc. were held throughout the week.

With a view to maximize the use of information technology and leverage from it, a Vigilance Section has been incorporated in the NRL's intranet "Eureka". All important guidelines/circulars relating to Contract /Tendering and Training materials on Vigilance matters are posted in the 'Eureka' to provide necessary guidance as well as to ensure compliance of the same by the employees.



Health and Safety

During the year, NRL continued its efforts towards achieving the highest standards in the area of health, safety and environment. Emphasis was also continued on security related preparedness at all locations particularly at the Refinery and Township for enhanced industrial security, commensurate with the nationwide alerts issued from time to time by National Security Agencies and State Authorities. In line with the instructions issued by the Ministry of Home Affairs, all operational locations were in a state of preparedness for dealing with security concerns.

With top priority in Health & Safety, NRL achieved the milestone of 7 years continuous Loss Time Accident (LTA) free operations on 18th February 2009. As on 31st March, 2009, LTA free manhours stood at 12.1 million. The drive is continuing for achieving further improvement through various modern safety management tools including certification & recertification of OHSAS 18001, with its latest version by Det Norkse Varitus. (DNV)

In recognition of safety initiatives, NRL has been awarded the 'Shreshtha Suraksha Puraskar' 2007 by National Safety Council for the second consecutive year. NRL also bagged the 2nd prize on Safety from OISD in 2007-08.

Safety parameters achieved by the refinery during the year qualifies for excellent rating as per MoU target. Caring for safety in every aspect, NRL conducted two Onsite & two Offsite Disaster Mock Drills on the same day on 24th February 2009 under the observation & guidance of National Disaster Management Authority. The mock drill was a total success with involvement of National Disaster Response Force (NDRF), Civil Defence, Inspectorate of Factories of Assam apart from observers



from nearby industries. With Chief Emergency Coordinator (CEC) being the Deputy Commissioner, Golaghat, all the agencies of district authorities, namely, police, civil supply, health service, fire service, communication and PWD took active part in the Mock Drills.

Safety Training for all new entrants and existing NRL's employees, contractors workers, CISF and security staff & POL drivers are regular in NRL with more than 6000 contract workmen trained in 2008-09 in addition to 763 mandays of training to NRL employees & CISF.

To bring awareness among the people living in the neighboring areas, NRL regularly conducts safety awareness programs once in every two months with 7 such camps held during the year.

The Safety Week in March and Fire Service Fortnight in April are observed every year in NRL with involvement of NRL employees, CISF, security staff, contractors and their workers, near by public and school students.

Reaffirming its commitment in the field of safety, NRL has established one new fully equipped "Disaster Control Room" together with full fledged "Training Hall" for imparting safety training.

NRL has a Occupational Health Centre inside refinery premises which operates on 24 hour basis to take care of emergencies. In addition to the Medical Centre inside refinery, NRL has a full fledged 30 bed general hospital with specialty service in Surgery, Gynecology, Medicine, Pediatrics, etc. having modern equipment & facilities for X Ray, Sonography, Burn Ward, ECG, Pathology lab with Blood bank, etc. being run by Vivekananda Kendra on behalf of NRL. The VKNRL hospital is certified under ISO 9001 and is functional on 24 hours basis.

Regular health check-up is done under Occupation Health Check-up (OHC) scheme for all employees and contractor workmen. The OHC maintains & monitors this regular health check up records with the help of VKNRL hospital.

In addition to regular mobile medical camps in the nearby villages, special camps for Cancer & Diabetes detection, awareness camps like Aids prevention camp and Yoga camps are also organized by VKNRL hospital.

Environment and Ecology

NRL has adopted very advanced and comprehensive steps towards controlling pollution. Its corporate vision statement commits itself to attain excellence in environment management. From the very outset, Numaligarh Refinery has taken the policy initiatives to comply with all norms and standards as encoded in statutes, applicable codes of practices, relevant guidelines, OISD standards etc. apart from its own policies and manual making it an environment friendly and ecologically compatible modern refinery. In its quest for environmental excellence and continual improvement, NRL has been pursuing a focused program towards environment protection through well-defined objectives and has taken up several initiatives that are being implemented in a systematic manner.

Legal and statutory requirements for the refinery have been fully complied with during the year. Further, all the monitored environmental parameters including treated effluent quality and quantity, stack emissions, ambient air quality, noise level, etc. were maintained within the latest stipulated standards which are much more stringent than the earlier standards.



The Butterfly Valley

To spread environmental awareness amongst the employees and neighboring people, a number of awareness programs were taken up during the year. 'World Environment Day' was celebrated where all the employees as well as local residents and students from various nearby schools participated.

NRL has also complied with all the requirements for Environmental Management System 14001:2004 and the same has been recertified



A view of the facility



for another period of three years i.e. upto 2012. During the year 2008-09, Environmental Clearance (EC) for Diesel Quality Up-gradation Project (DQUP) has been received from Ministry of Environment & Forest (MOEF).

In the month of November, 2008, continuous Ambient Air Quality Monitoring Station has been commissioned inside the refinery premises.

Numaligarh Refinery has implemented a host of precautionary measures to protect the environment. As a step towards reduction of green house gas (GHG) emission as well as energy consumption, NRL is installing a 12 Mega Watt (MW) Steam Turbine Generator (STG) project for generation of electricity utilizing excess steam in the refinery. This project has been registered with United Nations Framework Convention on Climate Change (UNFCCC) under Clean Development Mechanism (CDM) of the Kyoto Protocol on 7th June 2008 and would generate 'carbon credit' in the range of 42 TMT per annum.

Another CDM project, namely, Natural Gas Utilisation project would lead to substitution of Naphtha by Natural Gas besides resulting in lower emission of carbon-di-oxide by around 43 TMT. Price Waterhouse Coopers (PWC) has been engaged for providing the advisory services for this project and presently Project Concept Note (PCN) and Project Design Document (PDD) have been prepared. UNFCCC & MOEF have been intimated and stakeholder's consultation is in progress.



Certifications and Awards

- Numaligarh Refinery has been awarded the 1st prize of TERI Corporate Environment Award 2008 for the second year in succession in recognition of its leadership efforts towards Environment Management and Innovative initiatives amongst corporations with turnover above Rs. 500 Crores.
- NRL bagged the BPCL Chairman's Appreciation Award, 2008 in Green Category.
- NRL has bagged the National Energy Conservation Award 2008 instituted by Bureau of Energy Efficiency under Ministry of Power for 2nd consecutive year.
- NRL has been awarded the GreenTech Safety Gold Award for 2008 for safety management system and practices followed in the refinery.
- NRL has been awarded the Oil & Gas Conservation Awards - 2008 instituted by Centre for High Technology (CHT) in the category of Furnace & Boiler Efficiency amongst refineries having total design heat duty up to 500 MMKcal/Hr.
- NRL has bagged the prestigious Oil Industry Safety Award 2007-08 under the 'Refineries' Category from Oil Industry Safety Directorate.
- NRL has been awarded the 'Shreshtha Suraksha Puraskar 2007' in manufacturing sector instituted by National Safety Council for the 2nd consecutive year.
- NRL has been selected for the Jawaharlal Nehru Centenary Awards for Energy Performance of Refineries instituted by the CHT for the year 2007-08.

Integrated Information Systems (IIS)

Your Company considers security of information assets to be of paramount importance. Accordingly, during the year, NRL has successfully implemented Information Security Management System (ISMS) as a part of overall management system. Further, the confidentiality, integrity and availability

of business sensitive information assets and information processing systems of the Company are maintained at all times through controls commensurate with the assets importance to the organization.

IIS function has achieved prestigious ISO 27001:2005 certification for its ISMS from DNV Netherlands. This certification is under accreditation of UKAS ISO 27001:2005 and an internationally recognized benchmark that ensures appropriate safety controls being set within the organization to safeguard information and intellectual property assets.

Implementation of SAP ERP system in the Company has completed one more successful year. Adequate customization has been done to support business dynamics and new operational challenges. Provision has been made in SAP system to accommodate marketing need for Numaligarh Siliguri Pipeline product transfer and commissioning of Siliguri Marketing Terminal (SMT).



Monthly transaction statements are now automatically emailed to the customers directly from SAP. The automatic SMS delivery system against any payment and invoicing event has been extended to all customers. Real Estate Management module with master data on real estate properties of the Company has been made ready for implementation. Plant Maintenance module has been made ready for implementation at SMT, Siliguri.

Data Centre infrastructure has been improved with addition of resources and services including automated backup solution for non-SAP systems, capacity augmentation of critical servers, extension of LAN facility to new offices etc. Latest version of design and engineering software has been made available to support engineering needs of refinery technical team. Smooth operation of Disaster Recovery site is ensured throughout the year. Maximum uptime and data communication reliability is maintained by upgrading WAN links between Numaligarh and other NRL offices at Delhi, Kolkata, Siliguri and Guwahati.

Retail automation system has been rolled out in 10 new NRL Energy Stations during the year with key contribution from IIS team. 10 VSATs have been installed in these locations to ensure smooth data communication. Adequate IT support has been provided for implementation of Hindi in day to day working of the Company.

PROJECTS

Your Company is pursuing a broad array of growth opportunities by way of implementing several value added projects so as to remain profitable in the highly competitive business environment. Status of major projects that have been commissioned, under implementation as well as those under feasibility studies stage are given below:

COMMISSIONED PROJECTS

- **Siliguri Marketing Terminal**

NRL has recently commissioned the Marketing Terminal at Siliguri having a project cost of Rs. 186.23 crores as a linked project to the Numaligarh-Siliguri product pipeline project implemented by M/s Oil India Limited. The pipeline has been implemented for providing a smooth, reliable and economical mode for product evacuation from Numaligarh refinery.

ONGOING PROJECTS

- **Diesel Quality Upgradation Project**

As reported last year, to meet requirements of the Auto Fuel Policy, NRL is implementing a Diesel Quality Upgradation project at a project cost of Rs. 434.94 crores. The project involves revamp



Tank farm

of the Hydrocracker and other units and would enable production of Euro-III HSD as well as limited quantities of Euro-IV HSD at 100% capacity utilization of the refinery. Ordering of long lead items for the project has been completed and procurement activities for balance materials are in progress. The first phase of project activity for executing tie-in points was successfully completed during the Refinery Turn Around in October-November 2008. Overall Progress of the project as on 15th July, 2009 was 35.43% against schedule of 36.61%. Cumulative expenditure on the project upto 30.06.09 was Rs. 70.02 crores. The Diesel Quality Upgradation Project is expected to be completed by April 2010. A 60 days shutdown of the refinery is planned during March-April, 2010 for commissioning the Upgradation project.

- **12 MW Steam Turbine Generator (STG)**

As part of efforts towards continuous improvement in energy conservation and overall efficiency in plant operations, NRL is installing a 12 MW STG at a project cost of Rs. 38.52 crores. The project has been pursued for generating power utilizing surplus steam available in the refinery. The project has been successfully registered with United Nations Framework Convention on Climate Change (UNFCCC) under Clean Development Mechanism (CDM). The project is in final stage of completion.

- **Natural Gas Utilization Project**

NRL has entered into an agreement with OIL for purchase of 1 MMSCMD of natural gas with the objective of replacing naphtha as fuel in the captive power plant and as fuel and feed in the Hydrogen plant. The pipeline for transporting natural gas from Duliajan to Numaligarh is being constructed by the joint venture company M/s DNP Limited. NRL is constructing the facilities within the refinery premises for receiving natural gas and distribution to the units at a project cost of Rs. 9.50 crores. Both the facilities are expected to be completed within second quarter of 2009-10.

PROJECT PROPOSALS

- **Naphtha Splitter Project**

Naphtha Splitter Project has been taken up for production of around 160 TMT of petrochemical grade naphtha per annum for supply as feedstock to the Assam Gas Cracker project. M/s Engineers India Limited has been engaged for preparation of the Basic Engineering and Design Package (BEDP) and the process of selection of the project management consultant (PMC) has been initiated.

- **Wax Project**

NRL has identified the Wax Project for production of high value paraffin and micro-crystalline

wax utilizing inherent properties of Assam Crude. A draft Detailed Feasibility Project (DFR) has been prepared through M/s Engineers India Limited and a financial appraisal of the project as well as market survey has recently been carried out. The proposal for implementing the project is being put up for necessary approval.

FUTURE PROJECTS

- **Euro-IV MS**

Studies have been carried out in-house at NRL and through process licensor of the Motor Spirit Plant, M/s Axens of France for production of Euro-IV MS in Numaligarh Refinery. A trial batch of Euro-IV MS has been successfully produced in the refinery

- **Euro-IV HSD**

To cater to future need of high quality environment friendly diesel, a study is being carried out by NRL as well as by engaging consultants to explore the feasibility of producing Euro-IV HSD at 100% capacity utilization of the refinery.

- **Flare Gas Recovery System**

As a measure for the protection of environment & conservation of energy, it is planned to implement a Flare Gas Recovery System to recover and reuse waste gas discharged into the flare lines. For implementation of the project, action has been initiated and in-house feasibility studies are being carried out.



Fire water reservoir

INVESTMENT IN JOINT VENTURES

- **M/s Brahmaputra Cracker & Polymer Limited (Assam Gas Cracker Project)**

A joint venture company, M/s Brahmaputra Cracker & Polymer Limited (BCPL) was incorporated on 08.01.2007 with equity participation from M/s GAIL (70%), M/s OIL (10%), Government of Assam (10%) and NRL (10%) for implementing the Assam Gas Cracker Project in Dibrugarh district of Assam at a project cost of Rs. 5460.61 crores. NRL's total equity contribution in the joint venture is estimated at Rs. 110.00 crores and upto 30.06.09 the Company had contributed Rs. 32.47 crores towards its share capital. The Gas Cracker project is scheduled for completion by 2012.

- **M/s DNP Limited (Natural Gas Pipeline from Duliajan to Numaligarh)**

As mentioned earlier, joint venture company, M/s DNP Limited, is implementing a Natural Gas Pipeline project for transporting natural gas from Duliajan to Numaligarh refinery at a project cost of Rs. 318.00 crores. Equity pattern of the joint venture company is : M/s Assam Gas Company Limited (51%), NRL (26%) and M/s Oil India Limited (23%). Substitution of naphtha by natural gas in Numaligarh refinery as fuel in the captive power plant and as fuel and feed in the Hydrogen plant is expected to improve the Company's refining margin. During 2008-09, NRL had completed entire payment towards its share capital amounting to Rs. 27.56 crores in the joint venture project. The Natural Gas Pipeline project is expected to be completed within the second quarter of 2009-10.



Delhi Public School at NRL Township



Signing of MoU between NRL and BPCL for the year 2009-10

Memorandum of Understanding with BPCL

Your Company has been achieving an 'Excellent' performance rating consistently since the first Memorandum of Understanding (MoU) was signed with BPCL in the year 2003-04. Based on an internal evaluation of performance for the year 2008-09, NRL once again merits an 'Excellent' rating, subject to approval by BPCL.

NRL has also signed the performance MoU with BPCL on 19th March, 2009 for the year 2009-10. The MoU outlines stringent performance targets for sustained and continual improvement in the Company's operations and financial parameters.

Particulars of Employees

As there is no employee drawing the specified remuneration, particulars of employees under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 for the year ended 31st March, 2009 are not furnished.

Conservation of Energy, Technology Absorption

The details regarding energy conservation and technology absorption as required to be furnished pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are placed in Annexure A forming part of this report.

Foreign Exchange Earnings and outgo

There was no direct foreign exchange earnings during the year 2008-09. However, foreign exchange outgo during the year was Rs. 80.87 crores on account of purchase of products, know-how, professional consultancy fees, traveling expenses etc.

Corporate Governance

NRL being a non listed Company, stipulations as contained in clause 49 of the listing agreement and DPE guidelines on Corporate Governance are not mandatory. Yet, as a good corporate practice, a report on Corporate Governance covering the relevant disclosure as per clause 49 of the listing agreement as well as DPE guidelines is annexed as Annexure-B to the Directors' Report. The Directors' Report also contains a chapter on Management Discussion and Analysis Report in line with clause 49 of the listing agreement. The forward looking statements made in the 'Management Discussion and Analysis' are based on assumptions and expectations of future events. The Directors cannot guarantee that these are accurate or these expectations will materialize.

Statutory Auditors

M/s. P. K. Mitra & Co., Chartered Accountants, Kolkata were appointed as Statutory Auditors for the year 2008-09 by the Comptroller & Auditor General of India under the provisions of Section 619(2) of the Companies Act, 1956. They will hold office till the ensuing Annual General Meeting. The Comptroller and Auditor General of India will be approached in due course of time for the appointment of Statutory Auditors for the financial year 2009-2010.

Cost Audit

Pursuant to the provisions of the Section 233B of the Companies Act, 1956, Central Government had directed the Company to conduct audit of the cost accounts maintained by the Company in respect of the petroleum industry i. e. Refinery unit of the Company for the year 2006-07 and for every financial year thereafter continuously through an auditor with the qualification prescribed in Section 233B (1) of the Companies Act, 1956.

The Government of India had approved the appointment of M/s Jain Nathulal & Co., Cost Accountants, Guwahati, as Cost Auditors of the Company to conduct audit of the cost accounts maintained by the Company in respect of the Petroleum Industry, i.e. Refinery unit for the year 2008-09 . The remuneration of the Cost Auditors for the year 2008-09 has been fixed at 50,000/- plus actual out of pocket expenses.



2nd All Assam Kaliyani Open Tennis Tournament hosted by Officers' Club at NRL Township

Directors' Responsibility Statement

In accordance with Section 217(2AA) of the Companies Act, 1956, the Directors of NRL confirm that :

1. That in the preparation of the annual accounts, applicable Accounting Standards have been followed along with proper explanation relating to material departures.
2. That the Directors have 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 at the end of the financial year and of the profit or loss of the Company for that period.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the annual accounts on a going concern basis.

Board of Directors

Since the last Annual General Meeting held on 12.09.2008, following changes have been made.

Shri P. C. Sharma, IAS, Chief Secretary to the Government of Assam ceased to be a Director w.e.f. 05.12.2008 consequent to the withdrawal of his nomination by the Government of Assam from the Board of the Company.



Relief for Majuli flood victims

The Directors have placed on record their appreciation of valuable contribution made and guidance given by Shri P. C. Sharma for the development and progress of NRL's business during his tenure as Director of the Company.

Shri Ravi Capoor, IAS, Commissioner & Secretary to the Government of Assam, Industries & Commerce Department has been appointed as Director on the Board of the Company w.e.f. 29.01.2009 in place of Shri P. C. Sharma. The Company has received a Notice under section 257 of the Companies Act, 1956 proposing the candidature of Shri Ravi Capoor for appointment as 'director liable to retire by rotation' at the ensuing Annual General Meeting.

As required under Section 256 of the Companies Act, 1956, Shri Ashok Sinha, Shri J. P. Rajkhowa, Shri H. S. Das and Shri Manu Srivastava will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment as Directors at the said meeting.

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

Acknowledgment

Your Directors place on record their sincere appreciation for the employees continued dedication and support and are confident that NRL's quest for excellence will continue to grow in strength and stature in all spheres of the Company's activities.

Your Directors acknowledge with appreciation the loyalty and confidence of the NRL's valued customers and look forward to the continuation of this mutually supportive relationship in future.

The Directors also convey their gratitude for the support and guidance received from the various Ministries of the Government of India, particularly from the Ministry of Petroleum and Natural Gas, Petroleum Planning and Analysis Cell, Centre for High Technology, Railways, Income Tax, Customs and Central Excise Department as well as from the Government of Assam and other Government agencies.



NRL contributes to Chief Minister's Relief Fund, Assam

The Directors also express their heartfelt gratitude to all the NRL dealers, bankers, contractors and suppliers for their contribution to its success.

Yours Directors express their sincere thanks to the Shareholders of the Company particularly, Bharat Petroleum Corporation Limited, Oil India Limited and Government of Assam for their reposing confidence and support to NRL management.

For and on behalf of the Board of Directors

Place: Mumbai

Date : 5th August, 2009

Sd/-

Ashok Sinha

Chairman

Annexure to Directors' Report

Annexure – A

Efforts made by NRL with regard to conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo, which are required to be given under section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken

As a part of NRL's continual efforts towards energy conservation, the following Encon schemes have been taken up for implementation during the year 2008-09.

- NG utilization project for replacement of naphtha as fuel in GTG (Gas Turbine Generator) and replacement of naphtha both as feed & fuel in H₂U & replacement of fuel oil in refinery furnaces by Natural Gas.
- 12 MW STG (Steam Turbine Generator) for utilizing surplus waste steam and recovering power from PRDS (Pressure Reducing Device Station) is in advanced stage of implementation and is expected to recover around 64000 MWH of energy.
- Substantial energy saving by cleaning of Fin Fan Coolers' finned tubes in Hydrocracker Unit by application of Foam cleaning technique was achieved. Cleaning of Fin Fan Coolers of other units also done by similar cleaning method in RTA 2008.
- Continual use of Energy Master in air compressor of CPP(Captive Power Plant) for better energy management.
- Continual benefit from the unique Step Less Control system implemented in the make-up Gas Compressor of the Hydrocracker Unit during the year 2006-07. This has also improved the energy efficiency of the machine as well as the operational convenience.
- Regular monitoring of all the valves connected with flare system for any passing by Acoustic Leak Detector was carried out throughout the year and timely detection and rectification of such passing valves had resulted in the saving of substantial amount of process/fuel gas from flaring.
- Fugitive emission survey for detecting and rectifying any minor leak from valve glands, flanges etc. was carried out on regular basis through out the year by using Gas Measuring Instrument (GMI).

b) Energy conservation measures planned

In continuation of its energy conservation efforts, NRL has identified various schemes for future implementation. Some of the schemes are as follows:

- Phase wise implementation of Advance Process Control (APC) in the remaining process plants

are in progress (already implemented in CDU/VDU). Activities for APC implementation in DCU and HCU have been taken up.

- Implementation of innovative technology for use of O₂ rich waste air stream available from N₂ plant as enrich air in Sulfur Recovery Unit by replacing the conventional use of process air.
- Replacement of conventional lighting fixture by more energy efficient fittings.
- Installation of improved insulation over the High Pressure (HP) steam line to reduce the heat loss.
- Installation of Flare Gas Recovery System for recovery and reuse of refinery waste gas going to flare.
- Steam trap survey and rectification covering all the units including utilities & offsites.
- Utilization of surplus HP saturated steam from MS unit.

B. TECHNOLOGY ABSORPTION

In the technology absorption front, NRL has taken up the advantages and benefits of latest development in technology for upgrading the products in line with Auto Fuel Policy of GOI and putting up the following projects:

NRL is presently implementing the Diesel Quality Upgradation Project (DQUP) by revamping the existing Hydrocracker and Hydrogen units along with associated facilities including utilities & offsites for producing entire HSD conforming to Euro-III spec along with required quantity of Euro-IV equivalent HSD.

Enhancement of capacity of existing Sulfur Recovery Unit (SRU) by using Oxygen Enrichment Technology where O₂ enriched waste air stream from N₂ plant will be used for increasing the capacity of the existing SRU in order to cater to higher load requirement after DQUP implementation.

In order to further improve the refinery operation, NRL will use Natural Gas as fuel in GTG and as feed as well as fuel in Hydrogen unit by replacing naphtha and also as fuel to refinery process furnaces by replacing fuel oil.

NRL proposes to set up a wax extraction unit along with the associated utilities to extract wax from the Assam crude oil processed by the refinery. Detailed Feasibility Report (DFR) for the project has already been prepared through Engineers India Limited (EIL).

Details regarding efforts made in technology absorption as per prescribed Form B is annexed hereto.

FORM A

Form for disclosure of particulars with respect of conservation of energy

A. Power & Fuel Consumption		2008 - 09	2007 - 08
1. Electricity			
a) Purchased			
Unit (million KWH)		0.02	0.0
Total Amount (Rs. Million)		3.97	0.0
Rate / Unit (Rs./KWH)		4.05	3.9
b) Own Generation			
i) Through Diesel Generator			
Units (million / KWH)		0.03	0.02
Units per ltrs of Gas Oil		0.000003	0.000002
Cost / Unit (Rs./KWH)		12.11	12.11
ii) Captive Power Plant			
Net (million KWH)		181.37	193.70
Fuel Consumption (Qty - MT)			
Naphtha		59296.85	64325.75
HSD		3150.57	77.60
Total Fuel (MT)		62447.42	64403.35
Total Amount (Rs. Million)		1962.65	2054.55
Less: Steam credit		896.99	946.94
Net Amount (Rs. Million)		1065.66	1107.61
Cost / Unit (Rs./KWH)		5.88	5.72
2. Internal Consumption			
a) Liquid Fuel			
Quantity (MT)	Naphtha	25551.82	26909.20
	FO	40188.95	46856.23
	LPG	1934.32	2294.00
	Total Fuel (MT)	67675.09	76059.43
Total Amount (Rs. Million)		1815.17	1790.53
Avg. Rate (Rs./Unit)		26821.90	23541.26
b) Refinery Gas			
Quantity (MT)		110122.73	123003.60
Total Amount (Rs. Million)		2717.62	2773.45
Avg. Rate (Rs./Unit)		24678.09	22547.75
B. Energy Consumption per unit of production			
	UNIT	STD. IF ANY	
ELECTRICITY	KG/MT		
		30.979	27.98
LIQUID FUEL	KG/MT		
		33.572	33.05
REFINERY GAS	KG/MT		
		54.629	53.44
TOTAL	KG/MT	119.18	114.47

FORM B

Form for disclosure of particulars with respect to Technology Absorption

RESEARCH & DEVELOPMENT

Specific areas in which R&D is being carried out by the Company

1. Optimization of operating parameters for production of Euro III HSD at design throughput without installation of new units.
2. Optimization of processing streams in ATF based on innovative ATF blend optimization study carried out in NRL lab.
3. Developmental activities have been under taken for production of Branded Fuels of NRL.
4. Production of Euro-IV MS from existing unit by innovative blend optimization.
5. Optimization of process variables and feed preparation for production of value added product Needle Coke.
6. Studies on formation of mesophase during conversion of petroleum refinery streams into pitch for needle coke production.

Benefits derived as a result of above R&D

1. NRL has established process feasibility of producing Euro III HSD through revamp of existing units.
2. NRL is going ahead with needle coke production in association with IOC (R&D) in the existing DCU. First trial run was taken during 2008 and action is on for next trial production.

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

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

NRL is in the advanced stage for implementation of Diesel Quality Upgradation Project (DQUP) for production of E-III grade HSD at rated refinery capacity. With the commencement of production of Euro-III grade HSD post DQUP implementation the technology will be fully absorbed.

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

NRL will be able to upgrade its entire HSD pool to E-III grade along with limited quantity of E-IV grade HSD as well in line with the Auto Fuel Policy of the Govt. of India.

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

a) Technology imported	Year of Import
Hydrocracker Revamp (DQUP)	2006-2007
Hydrogen Unit Revamp (DQUP)	2007-2008
b) Has Technology been fully absorbed?	Yes.
Hydrocracker Revamp (DQUP)	Under implementation
Hydrogen Unit Revamp (DQUP)	Under implementation

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 its stakeholders. The interest of all stakeholders including shareholders, employees, customers and the Government exchequer are given paramount importance while taking commercial decisions. The Company has been sharing various information with the shareholders from time to time through Press release, Annual Reports, etc. Being a non- listed entity, disclosures required to be made under clause 49 of the Listing Agreement and guidelines issued by Department of Public Enterprises on Corporate Governance are not mandatory for the Company. However, as a good corporate governance practice, relevant information on areas covered under Corporate Governance disclosures are furnished below:

2. Board of Directors

NRL is a Government Company under Section 617 of the Companies Act, 1956 by virtue of being subsidiary of M/s. Bharat Petroleum Corporation Limited (BPCL), a Government Company. In terms of the Articles of Association of the Company, the number of Directors shall not be less than three and more than fifteen.

As on 31st March, 2009, the Board of NRL comprises of three Whole time (Executive) Directors including the Managing Director, one part-time (Ex-Officio) Director representing the Ministry of Petroleum & Natural Gas, one part-time non-official Director (Independent Director) appointed by the Government of India, one part-time (Ex-Officio) Director appointed by Oil India Limited and six part-time (Ex-Officio) Directors appointed by the Promoters, namely, Bharat Petroleum Corporation Limited (Four) and Govt. of Assam (Two).

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

The Directors neither held membership of more than 10 Board Committees, nor Chairmanship of more than 5 Committees (as specified in Clause 49 of the Listing Agreement and DPE Guidelines) across all the companies in which they were Directors.

- a) The details regarding the Board Meetings, Directors attendance thereat and the Annual General Meeting, Directorship held by the Directors as on 31st March,2009 are as under :

Name of the Directors	Academic Qualifications	Date of joining as Director of the Company	Attendance out of 5 Board Meetings held during the year and percentage thereof		Attendance at the last Annual General Meeting	Details of Directorship held in other Public Ltd. Companies
(a) Whole Time Directors			No. of Meetings Attended	%		
Dr. B.K.Das, Managing Director	B.E.(Hons) in Electronics and MBA (IIMA)	03.01.1996	5	100	Attended	Director BCPL
Shri Dipak Chakravarty Director (Technical)	BE (Chem. Engg.) and MS (Chem. Engg.)	04.08.2006	5	100	Attended	Director: DNP Ltd.
Shri Nilmoni Bhakta Director (Finance)	M.Com AICWAI	25.07.2007	5	100	Attended	Nil
(b) Part-time (Ex-officio)						
Shri Ashok Sinha Chairman & Managing Director Bharat Petroleum Corporation Ltd. Mumbai -400001. [Chairman of the Company]	B.Tech. (Elect.) M.B.A	14.09.01	5	100	Attended	C&MD 1. BPCL Chairman 1. BORL 2. BREL 3. MBMSPL Director 1. PLL 2. BPRL
Shri C. B. Singh, Joint Advisor (Fin. I) Govt. of India Ministry of Petroleum & Natural Gas, New Delhi-110001 (Upto 14.05.2008)	MA (Economics)	26.07.06	Nil	--	Absent	N. A.
Shri Manu Srivastava Director (GP), Govt. of India Ministry of Petroleum & Natural Gas, New Delhi-110001	B.Tech(Elect) M.Tech (Com. Tech.)	20.02.07	4	80	Absent	Director 1. BCPL
Shri P. C. Sharma, IAS Chief Secretary to the Govt. of Assam, Assam Secretariat Dispur, Guwahati-781006 (Upto 04.12.2008)	M.Sc., L.L.B.	28.01.04	1	20	Attended	N. A.

Name of the Directors	Academic Qualifications	Date of joining as Director of the Company	Attendance out of 5 Board Meetings held during the year and percentage thereof		Attendance at the last Annual General Meeting	Details of Directorship held in other Public Ltd. Companies
			No. of Meetings Attended	%		
Shri H. S. Das, IAS Principal Secretary to the Govt. of Assam, Finance Department Dispur, Guwahati-6	M.A.(Eco.)	29.08.00	4	80	Attended	Director 1. ASEB
Shri Ravi Capoor, IAS Commissioner & Secy. to the Govt. of Assam, Industries & Commerce Dept., Dispur, Guwahati - 6 [w.e.f. 29.01.09]	Graduate in Commerce & Post Graduate in Business Administration	29.01.09	2	100	N. A.	Director 1. ICL 2. AHCL 3. ATCL 4. TBOI 5. MBCCCL 6. HPCL
Shri S. Radhakrishnan Director (Marketing) Bharat Petroleum Corpn. Ltd. Mumbai-400001	B.Tech (Mech.) M.B.A.	11.12.02	5	100	Attended	Director 1. BPCL 2. IGL 3. SGLi 4. MBMSPL
Shri R. K. Singh Director (Refineries) Bharat Petroleum Corpn. Ltd. Mumbai-400001	B. Tech (Mech. Engg)	04.04.06	4	80	Attended	Director 1. BPCL 2. BPRL 3. BORL 4. Premier Oil Cachar BV
Shri S. K. Joshi Director (Finance) Bharat Petroleum Corpn. Ltd. Mumbai-400001	A.C.A, M.B.A.	04.04.06	5	100	Absent	Director 1. BPCL 2. BPRL 3. BORL 4. BPR JPDA Ltd.
Shri N. M. Borah Chairman & Managing Director, Oil India Ltd. Noida, Uttar Pradesh	B.E. (Petroleum Engineering), PGD (PP & RE), NIT, Norway	04.04.06	5	100	Absent	C&MD 1. OIL
(c) Part-Time (Independent)						
Shri J. P. Rajkhowa, IAS (Retd.), Former Chief Secretary to the Govt. of Assam, Narikalbasti, Guwahati-781024	MA (Economics)	26.07.06	5	100	Attended	Independent Director: 1. NEEPCO

BCPL: Brahmaputra Cracker & Polymer Limited, **BPCL :** Bharat Petroleum Corporation Ltd., **BORL:** Bharat Oman Refineries Ltd., **BREL:** Bharat Renewable Energy Limited, **MBMSPL:** Matrix Bharat Marine Services Pte Limited, **PLL:** Petronet LNG Ltd, **BPRL:** Bharat PetroResources Limited **ASEB:** Assam State Electricity Board, **ICL:** India Carbon Limited, **AHEL:** Assam Hydrocarbon Energy Limited, **ATCL:** Assam Tea Corporation Limited, **TBOI:** Tea Board of India, **MBCCL:** Mandakini B'Coal Co. Limited, **HPCL:** Hindustan Paper Corporation Limited, **IGL :** Indraprastha Gas Ltd., **SGL:** Sabarmati Gas Limited, **BPRJPDA:** Bharat PetroResources JPDA Limited., **OIL :** Oil India Limited, **NEEPCO:** North Eastern Electric Power Corporation Limited.

Note :

1. Percentage computed by considering the meetings attended with the total meetings held during his tenure.
- b) Five Board Meetings were held during the financial year 2008-2009. Date of these Board Meetings are given below:

8 th May, 2008	22 th July, 2008	12 th September, 2008
8 th December, 2008	29 th January, 2009	

2. Audit Committee

NRL took the initiative to introduce Corporate Governance code in the Organization since 1999 by constituting the Audit Committee. The said committee was reconstituted from time to time in accordance with the provisions of Section 292A of the Companies Act, 1956. The role, powers and functions of the Audit Committee were specified and approved by the Board.

The present Audit Committee was reconstituted by the Board w.e.f. 6th August, 2007 by inducting Shri J. P. Rajkhowa, IAS (Retd.), Independent Director along with three non-executive Directors. The quorum for the meetings of the Committee is two members or 1/3rd of the members of the Audit Committee whichever is higher. Shri J. P. Rajkhowa, IAS (Retd.), Independent Director is the Chairman of the Committee. Shri P. C. Sharma, IAS, Chief Secretary to the Govt. of Assam (upto 4th December, 2008), Shri H. S. Das, IAS, Principal Secretary to the Govt. of Assam, Finance Department and Shri R. K. Singh, Director (Refineries), BPCL are the other members of the Committee. All the members possess the requisite knowledge of Finance & 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 three Functional Directors of the Company including Managing Director are invited to attend the meeting of the Audit Committee Meeting as Special Invitee. The head of Internal Audit and Statutory Auditors are also invited to attend the Audit Committee Meetings as and when required.

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 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 (2AA) of section 217 of the Companies Act, 1956.
 - Any change in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on exercise of judgment by management.
 - 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 statements.
 - Disclosure of any related party transactions i.e. 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. Reviewing the Company's financial and risk management policies.
11. 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.
12. Defining the significant related party transactions

During the financial year 2008-09, five meetings of the Audit Committee were held on the following dates:

6 th May, 2008	1 st September, 2008	27 th October, 2008
29 th January, 2009		

Attendance at the Audit Committee Meetings :

Name of the members	No of Meetings attended	% age thereof (out of 5 nos. meeting held)	Attendance at the last Annual General Meeting
Shri J. P. Rajkhowa, Chairman	4	100	Attended
Shri P. C. Sharma, Member (upto 4 th December, 2008)	2	67	Attended
Shri H.S.Das, Member	3	75	Attended
Shri R. K. Singh	1	25	Attended

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

3. Remuneration Committee

NRL being a Govt. Company, appointment and remuneration of whole time Directors are determined by the President of India 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 receive sitting fee of Rs. 10,000/- for each Board/ Sub-Committee of the Board meeting attended by them.

However, NRL has constituted 'Remuneration/HR Policies Committee' comprising the following members to examine, review and recommend proposals relating to perquisites and benefits of the employees of the Company to the Board.

1. Shri J. P. Rajkhowa, Director as Chairman
2. Shri Manu Srivastava, Director as Member
3. Shri N. M. Borah, Director as Member
4. Shri S. Mohan, Director (HR), BPCL as Member

Details of remuneration paid to the Whole-time Directors during the financial year 2008-2009 are given below :

Name of Directors	All elements of remuneration package of the Directors i.e. salary, benefits, bonuses, pension etc. (In Rs.)	Details of fixed component and performance linked incentives (In Rs.)	Other benefits (In Rs.)	Service Contracts, notice period, severance fees.
Dr. B.K.Das Managing Director	20,61,568/-	Fixed Com: 15,95,074/- PLI & PI : 2,00,745/-	2,65,749/-	On successful completion of first five year term as MD on 10.11.2007, tenure was further extended upto 31.03.2011, i.e. the date of his superannuation. Notice period: Three months

Name of Directors	All elements of remuneration package of the Directors i.e. salary, benefits, bonuses, pension etc. (In Rs.)	Details of fixed component and performance linked incentives (In Rs.)	Other benefits (In Rs.)	Service Contracts, notice period, severance fees.
Shri Dipak Chakravarty Director(Technical)	16,72,331/-	Fixed Com: 9,71,976/- PLI & PI : 1,88,002/-	5,12,353/-	Appointed for five years w.e.f. 04-08-2006 Present contract shall expire on 03-08-2011 Notice period: Three months
Shri Nilmoni Bhakta Director(Finance)	12,56,182/-	Fixed Com : 9,48,753/- PLI & PI : 58,566/-	2,48,863/-	Appointed for five years w.e.f. 25-07-2007. Present contract expire on 24-07-2012. Notice Period : Three months.

PLI : Performance Linked Incentive; PI : Productivity Incentives

During the year, Shri J. P. Rajkhowa, IAS (Retd), Part-time (Non-Official) Director received sitting fees amounting to Rs.1,20,000/- for attending the meetings of the Board/ Sub-Committee of the Board.

4. Investors Grievance Committee

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

5. Annual/Extra Ordinary General Meetings

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

	Date and Time of the Meetings	Venue
13 th Annual General Meeting	22 nd September, 2006 at 3.00 P.M.	Conference hall of Hotel Brahmaputra Ashok, M.G. Road, Guwahati-781001
Extra-Ordinary General Meeting	10 th January, 2007 at 3.30 P.M.	Conference hall of BPCL Guest House, Khaitan Villa, 10 K.G. Marg, New Delhi-1
14 th Annual General Meeting	14 th September, 2007 at 3.00 P.M.	Conference hall of Hotel Brahmaputra Ashok, M.G. Road, Guwahati-781001
15 th Annual General Meeting	12 th September, 2008 at 3.00 P.M.	Conference hall of Hotel Brahmaputra Ashok, M.G. Road, Guwahati-781001

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

Special Business	Type of Resolution	Date of Meeting
Commencement of New Business	Special Resolution	EGM held on 10-01-2007 at New Delhi
Fixation of remuneration of Statutory Auditors	Special Resolution	14 th AGM held on 14-09-2007

c) Postal Ballot:

No resolution was passed in the 15th AGM through postal ballot. In the ensuing 16th AGM also, the Company has no such resolution proposed for approval of the shareholders through postal ballot.

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

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

i) Shri Ashok Sinha

Shri Ashok Sinha, Chairman & Managing Director of BPCL and Chairman of the Company is a B. Tech. (Electrical Engg.) from Indian Institute of Technology, Kanpur and M. B. A. from Indian Institute of Management, Bangalore with specialization in Finance. He has about 32 years of experience in the Petroleum Industry. In recognition of his role in the design and execution of information and knowledge management initiatives, Shri Sinha has been conferred with the India CFO Award-2001 for Information and Knowledge Management by the Economic Intelligence Unit (EIU), India and American Express. He was also conferred with the "Alumnus of the year Award" by the Indian Institute of Management, Bangalore. Besides holding directorships of BPCL and NRL, Shri Sinha is also the Chairman of Bharat Oman Refineries Limited, Bharat Renewable Energy Limited, Matrix Bharat Marine Services Pte Limited and Director of Petronet LNG Limited and Bharat PetroResources Limited.

Shri Ashok Sinha was appointed as Director in the Annual General Meeting held on 14th September, 2001. Thereafter, he was re-appointed at the AGMs held on 8th August, 2003 and 22nd September, 2006 respectively. He is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

ii) Shri J. P. Rajkhowa

Shri J. P. Rajkhowa did his B.A. (Hons.) in Economics from Cotton College under Gauhati University and M. A. (Economics) from Delhi School of Economics under Delhi University with specialization in Industrial & Agricultural Economics. He joined the India Administrative Service in 1968 (Assam Meghalaya joint cadre) and was holding various senior posts in the department of Finance, Industry & Commerce, Labour under various departments of Govt. of Assam including deputation in PSUs etc. He retired as Chief Secretary to the Govt. of Assam. At present, he is also a Director of North Eastern Electric Power Corporation Limited (NEEPCO).

Shri Rajkhowa was appointed as Additional Director w.e.f. 26th July, 2006, by the Board of Directors of the Company under the provisions of Article 85 of the Articles of Association of the Company, in accordance with the intention of the Govt. of India. Subsequently, he was appointed as Director by the Shareholder at the 13th AGM held on 22nd September, 2006. He is liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

iii) Shri H. S. Das

Shri H. S. Das did his MA in Economics securing first class with specialization in Mathematical Economics and Econometrics. Shri Das is a senior IAS officer belonging to the 1982 Batch of Assam Meghalaya cadre having wide experience in Finance, Planning Tourism, Home & Political Affairs,

Industry and Commerce, Cultural Affairs etc. Presently, he is working as the Principal Secretary to the Govt. of Assam, Finance Department. He is also a Director of Assam State Electricity Board.

Shri H. S. Das, IAS was appointed by the Board as Director w.e.f. 29th August, 2000 and thereafter by the Shareholders in the Annual General Meeting held on 14th September 2000. Thereafter, he was re-appointed at the AGMs held on 8th August, 2003, 9th September, 2005 and 14th September, 2007, respectively. He is liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

iv) Shri Manu Srivastava

Shri Manu Srivastava, Director (GP), Ministry of Petroleum & Natural Gas, is a senior IAS officer belonging to the 1991 Batch of MP Cadre. He did his B. Tech in Electrical Engineering and M. Tech. in Communication Technology from IIT, Delhi. In addition to NRL, he holds the Directorship in Brahmaputra Cracker & Polymer Limited.

Shri Manu Srivastava was appointed as Additional Director w.e.f. 20th February, 2007 by the Board of Directors and thereafter by the Shareholders in the 14th Annual General Meeting held on 14th September 2007.

He is liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

v) Shri Ravi Capoor

Shri Ravi Capoor, IAS, Commissioner & Secretary to the Govt. of Assam, Industries & Commerce 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. In addition to NRL, he holds the Directorship in India Carbon Limited, Assam Hydrocarbon Energy Limited, Assam Tea Corporation Limited, Tea Board of India, Mandakini B'Coal Co. Limited and Hindustan Paper Corporation Limited.

Shri Ravi Capoor was appointed by the Board w.e.f. 29th January, 2009 to fill the casual vacancy caused by resignation of Shri P. C. Sharma pursuant to Article 100 of the Articles of Association of the Company read with Section 262 of the Companies Act, 1956. Being appointed in casual vacancy, he holds the office upto the date of Annual General Meeting to which Shri P. C. Sharma would have held office as Director, had he not resigned as aforesaid.

The Company has received a Notice under Section 257 of the Companies Act, 1956 from a member proposing his name as a Director of the Company.

7. 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 from regulatory authorities etc. during the last three years.
- c. There are no qualifications in the Auditors' Report on the financial statements to the shareholders of the Company.

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

NRL, being a non-listed company, the code is not mandatory.

9. Means of communication

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

10. Management Discussion & Analysis Report

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

11. General information to shareholders

a.

Number of AGM	16 th Annual General Meeting
Date and Time	4 th September, 2009 at 3:00 P.M.
Venue	Conference hall of Hotel Brahmaputra Ashok, M.G.Road, Guwahati-781001
Dividend payment	The Board has recommended Dividend @ Rs. 1.50 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.

d. Since the Company's shares are not listed , market price of share is not available.

e. Registrars & Share Transfer Agents:

M/s. Data Software Research Co. Pvt. Limited

'Sree Sovereign Complex'

22, 4th Cross Street Trust Puram, Kodambakkam, Chennai- 600024

Ph: +91-44-24833738/24834487, Fax: +91-44-24834646

Email: dsrcmd@vsnl.com

f. 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.

g. Shareholding Pattern as on 31-03-2009

Sl. No.	Name of share holder	Capital contribution (In Rs.)	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
4.	Nominees of Promoters i.e. BPCL & Govt. of Assam	410/-	41	Negligible
	Total	735,63,15,440/-	73,56,31,544	100.00

h. Plant location:

Numaligarh Refinery Limited

Pankagrath, P.O. Numaligarh Refinery Complex, Dist. Golaghat, Assam, PIN - 785699

i. Address for correspondence:

Numaligarh Refinery Limited

147, Udayan, R. G. Baruah Road, Guwahati, Assam, PIN - 781005

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of

Numaligarh Refinery Limited

Regd. Office : 147, Udayan

R. G. Baruah Road, Guwahati - 781005

We have examined the compliance of conditions of Corporate Governance by Numaligarh Refinery Limited for the year ended 31st March 2009, as stipulated in Guidelines on Corporate Governance for Central Public Sector Enterprises 2007 (the Guidelines) issued by Department of Public Enterprise of Ministry of Heavy Industries and Public Enterprises, Government of India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the mandatory requirements of Corporate Governance as stipulated in the Guidelines except for non-compliance of Clause 3.1.4 relating to the number of Independent Directors on the Board of Directors of the Company and 4.1.1 relating to composition of Audit Committee.

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

For Narayan Sharma & Associates
Company Secretaries

Sd/-

NARAYAN SHARMA

Partner

Place : Guwahati

Date : 22nd July, 2009

C. P. No. 3844

Membership No. FCS 5117

Annexure to Directors' Report

Annexure - C

Statement showing the total number of employees and the number of Scheduled Castes & Scheduled Tribes amongst them as on 1.1.2009

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	372	46	12.36	32	8.60	—
Lowest rung of Group - A	Permanent	8	1	12.50	1	12.50	—
Total		380	47	12.36	33	8.68	—
Group - B	Permanent	146	11	7.53	13	8.90	—
Group - C	Permanent	237	16	6.75	36	15.18	—
Group - D (Excluding Sweepers)	Permanent	14	—	—	7	50	—
Group - D (Sweepers)	Nil	—	—	—	—	—	—
Total		777	74	9.52	89	11.45	—

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

(a) Position as on 1.1.2009

Grades of the Service including Scale of Pay		Groups	Total No. of Posts	Total No. of Employees	Employees belong to		
Grades	Scale of Pay				Other Community	SC	ST
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
NON-SUPERVISORY EMPLOYEES							
I	Rs. 3850	D	14	14	7	—	7
II	Rs. 4150	C	10	10	8	—	2
III	Rs. 4450	C	4	4	4	—	—
IV	Rs. 4700	C	21	21	15	1	5
V	Rs. 4900	C	6	6	4	1	1
VI	Rs. 5200	C	64	64	52	2	10
VII	Rs. 5350	C	132	132	102	12	18
VIII	Rs. 5650	B	146	146	122	11	13
SUPERVISORY EMPLOYEES							
01	RS. 6550- 11350	A	—	—	—	—	—
02	RS. 10750-16750	A	8	8	6	1	1
A	RS. 12000- 17500	A	142	142	106	22	14
B	RS. 13750-18700	A	66	66	46	11	9
C	RS. 16000-20800	A	67	67	57	8	2
D	RS. 17500-22300	A	50	50	43	3	4
E	RS. 18500-23900	A	21	21	18	1	2
F	RS. 19000-24750	A	13	13	11	1	1
G	RS. 19500-25600	A	9	9	9	—	—
H	RS. 20500-26500	A	4	4	4	—	—

Statement showing the Number of Reserved vacancies filled by Members of Scheduled Castes & Scheduled Tribes during the year 2008

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 STs candidates	No. of reservation lapsed	No. of Vacancies reserved						
			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	No. of STs candidates appointed	No. of STs vacancies carried forward from the previous year	No. of SCs candidates appointed against vacancies reserved for STs in the 3 rd year of carry forward	No. of reservations lapsed 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 Other than lowest rung of Group - A Lowest rung of Group - A	21	21	6	2	1	7	—	—	—	—	—	—	—	—	—
Group - B	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Mil	Nil	Nil	Nil	Nil	Nil
Group - C	13	13	—	—	—	—	—	—	—	—	—	—	—	—	—
Group - D (Excluding Sweepers)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Group - D (Sweepers)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Posts filled by Promotion Group - A Other than lowest rung of Group - A	No Promotions have taken place to attract reservation.														
Group - B	No Promotions have taken place														
Group - C	No Promotions have taken place.														
Group - D (Excluding Sweepers)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—



Auditors' Report

Auditors' Report to the Members of Numaligarh Refinery Limited

We have audited the attached Balance Sheet of Numaligarh Refinery Limited as at 31st March 2009, the Profit & Loss Account and also the Cash Flow Statement for the year ended on the date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order 2003 issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the aforesaid order.

Further to our comments in the Annexure referred to above, we report that:

- (a) Accounting Policy No. 3.1 in Schedule – 'X' relating to treatment of Land acquired on perpetual lease basis as freehold, has been considered in this account.
- (b) Accounting Policy No. 4 in Schedule – 'X' relating to impairment of Assets are based on management's evaluation / estimates, whether technical or otherwise, which we have relied upon.

2. Read with our comments in forging Paragraphs No. 1 :

- 2.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- 2.2 In our opinion, proper books of account as required by law have been kept by the Company so far as appear from our examination of those books;
- 2.3 The Balance Sheet, Profit and loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- 2.4 In our opinion, the Balance Sheet, Profit and loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

- 2.5 On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
- 2.6 In our opinion and to the best of information and according to the explanations, given to us the said accounts read with Significant Accounting Policies and Notes appearing in Schedule- 'X' and 'Y' respectively, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - (b) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and,
 - (c) in the case of the Cash Flow Statement of the cash flow of the company for the year ended on that date.

For P. K. MITRA & CO.
CHARTERED ACCOUNTANTS

Sd/-

T. N. CHAKRABARTI

PARTNER

Membership No.:- 10610

Place: Mumbai

Date: 14th May, 2009

Annexure to Auditors' Report

(Referred to In our report of even date attached)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets except for items like pipes, valves, meters, instruments and other similar items peculiar to a continuous process industry.
- (b) The fixed assets of the Company have been physically verified by the management according to a phased programme 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 a portion of the fixed assets i.e. Furniture and Fixtures have been physically verified by the management during the year and the discrepancies noticed between book records and physical inventory, which were not material, have been adjusted in the accounts.
- (c) According to the information and explanations given to us, a substantial part of the fixed assets have not been disposed off by the Company during the year, which might affect going concern concept.
2. (a) As explained to us the inventories of Finished Goods, Raw Material and Stores and Spares except those lying with contractors / third parties have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In accordance with the information and explanations given to us, the procedures of physical verification of inventory followed by the management appear to be reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared with book records were not material considering the size of the company and the nature of its business and the same have been properly adjusted in the accounts.
3. (a) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) The Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 therefore the provisions of Sub-clauses of Sub-para (3) are not applicable to the Company.

4. According to the information and explanations given to us, having regard to the explanation that some of the items purchased are of a special nature and suitable alternative sources do not exist for obtaining comparable quotations there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services and we have not observed any continuing failure to correct major weaknesses in internal control system.
5. (a) Based on the audit procedures applied by us and according to the information and explanations given to us, in our opinion, there was no transactions that needed to be entered in the Register required to be maintained under Section 301 of Companies Act, 1956.

(b) Sub-clause (b) of Sub-para (v) of para 4 of the Order is not applicable as there are no such transactions exceeding the value of Rupees Five Lacs in respect of any party in the financial year.
6. According to information and explanations given to us the Company has not accepted any deposits from the Public. Hence, the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 are not applicable to the Company.
7. The Company has its Internal Audit System, which appear to be commensurate with its size and nature of business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
9. (a) According to the records of the Company and information and explanations given to us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Fringe Benefit Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid statutory dues were in arrears as at 31st March, 2009 for a period of more than six months from the date they became payable.

(c) According to the records of the Company and the information and explanations given to us the particulars of disputed dues in respect of Income Tax, Sales Tax, Wealth Tax, Fringe

Benefit Tax, Service Tax, Customs Duty, Excise Duty and Cess as at 31st March, 2009 are given below :

Name of the Statute	Nature of Dues	Since when Pending	Amount (Rs. in Crore)	From where Dispute is Pending
Excise Act, 1944 (Excise Duty including Penalty and Interest)	Excise Duty	26.12.2005 24.03.2005 10.01.2008	73.96 58.36 73.16 205.48	Appellate Authority, Central Excise, & Service Tax.
Income Tax Act, 1961	Income Tax	04.02.2009	2.23	CIT(Appeals)
Service Tax	Service Tax	26.10.2007	1.44	Appellate Authority, Central Excise & Service Tax
Assam Vat Act	Sales Tax	09/01/08	37.06	Commissioner Sales Tax, Assam

10. The Company has no accumulated losses as at 31st March, 2009 and it has not incurred any cash losses in the financial year ended on that date or in the immediate preceding financial year.
11. Based on our audit procedures and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank. The Company has not issued debentures.
12. Based on our examination of records, we are of the opinion that the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore the provisions of Paragraph 4 (xiii) of the order is not applicable to the Company.
14. According to the information and explanations given to us the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of Clause 14 (xiv) are not applicable to the Company.
15. According to the information and explanations given to us, the Company has given Corporate Guarantees for Rs. 42.98 crores and Rs. 36.34 crores for loans taken by DNP Ltd and Bramhaputra Cracker and Polymer Ltd. respectively from Oil Industry Development Board (OIDB) the terms and conditions of which are, prima facie, not prejudicial to the interest of the company.
16. According to information and explanations given to us the term loans have, prima facie, been applied for the purpose for which the loans were obtained.

17. On an overall examination of the Balance Sheet of the Company and information and explanations given to us, the Company did not raise any funds on short term basis which have been used for long term investment. No long term funds have been used to finance short term assets.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures. Therefore, the provisions of Clause 4 (xix) of the order are not applicable to the Company.
20. The Company has not raised any money during the year by public issue.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, nor have we been informed of such cases by the management.

For P. K. MITRA & CO.
CHARTERED ACCOUNTANTS

Sd/-

T. N. CHAKRABARTI
PARTNER

Membership No.:- 10610

Place: Mumbai

Date: 14th May, 2009

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NUMALIGARH REFINERY LIMITED, NUMALIGARH FOR THE YEAR ENDED 31st MARCH, 2009

The preparation of financial statements of Numaligarh Refinery Limited for the year ended 31st March, 2009 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and assurance standards prescribed by their professional body, The Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 14th May 2009.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3) of the Companies Act, 1956 of the financial statements of Numaligarh Refinery Limited for the year ended 31st March 2009. This supplementary audit has been carried out independently 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 under section 619(4) of the Companies Act, 1956.

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

Sd/-

A. Roychoudhury

Principal Director of Commercial Audit &
Ex-officio Member, Audit Board - I,
K O L K A T A

Place : Kolkata

Dated: 17th June 2009

Balance Sheet as at 31st March, 2009

	Schedules	Rs. Crore	31-03-2009 Rs. Crore	Rs. Crore	31-03-2008 Rs. Crore
SOURCES OF FUNDS					
1. Shareholders' funds					
a) Capital	A	735.63		735.63	
b) Reserves and Surplus	B	1,615.02	2,350.65	1,508.47	2,244.10
2. Loan Funds	C				
a) Secured Loans		2.38		1.55	
b) Unsecured Loans		48.01	50.39	76.07	77.62
3. Deferred tax liability (net)			245.99		289.63
TOTAL			2,647.03		2,611.35
APPLICATION OF FUNDS					
1. Fixed Assets	D				
a) Gross Block		3,093.03		3,051.12	
b) Less : Depreciation		1,275.91		1,133.30	
c) Net Block		1,817.12		1,917.82	
d) Capital Work-in-Progress	E	254.19	2,071.31	168.45	2,086.27
2. Intangible Assets	D1				
a) Gross Carrying Amount		10.88		9.85	
b) Less : Accumulated amortisation		6.94		4.93	
c) Net carrying amount			3.94		4.92
3. Investments	F		91.87		120.61
4 Advance for Investments	F1		32.48		4.20
5 Current Assets, Loans & Advances					
a) Inventories	G	978.53		921.38	
b) Sundry Debtors	H	141.89		479.57	
c) Cash & Bank Balances	I	292.02		512.03	
d) Other current Assets	J	1.77		1.74	
e) Loans & Advances	K	91.45		109.93	
		1,505.66		2,024.65	
Less:Current Liabilities & Provisions					
a) Liabilities	L	888.59		1,446.63	
b) Provisions	M	169.64		182.67	
Net Current Assets			447.43		395.35
TOTAL			2,647.03		2,611.35
Statement of Significant Accounting Policies	X				
Notes on Accounts	Y				

For and on behalf of the Board of Directors

As per our report of even date

Sd/-

B.K. Das

Managing Director

Sd/-

Nilmoni Bhakta

Director (Finance)

For and on behalf of

P K Mitra & Co.

Chartered Accountants

Sd/-

H.K. Sarmah

Company Secretary

Mumbai

Date : 14th May, 2009

Sd/-

T.N. Chakrabarti

Partner, M. No. 10610

Mumbai

Date : 14th May, 2009

Profit & Loss Accounts for the year ended 31st March, 2009

	Schedules	31-03- 2009 Rs. Crore	31-03-2008 Rs. Crore
INCOME			
Sale of products(Gross)	N	8,853.35	8,764.16
Less : Excise duty		596.52	774.92
Sale of products(Net)		8,256.83	7,989.24
Miscellaneous income	O	49.61	56.56
Increase (Decrease) in Inventory	P	15.06	74.02
TOTAL		8,321.50	8,119.82
EXPENDITURE			
Purchase of Product of Resale		356.24	301.26
Raw materials consumed	Q	7,036.07	6,820.13
Increase (Decrease) in Excise Duty on closing stock		(2.66)	(4.86)
Other Duties, taxes etc. and charges		143.74	165.79
Transportation		68.23	106.39
Consumption of stores, spares and materials	R	36.97	11.13
Power and Fuel	S	0.03	1.43
Employees remuneration and other benefits	T	87.42	54.09
Interest	U	21.43	23.24
Other operating and administration expenses	V	115.30	77.12
Provision for diminution in value of investment		(3.86)	1.35
Depreciation & Amortisation		147.96	157.62
TOTAL		8,006.87	7,714.69
Profit		314.63	405.13
Prior period expenses net	W	(4.96)	(7.97)
Profit before tax		319.59	413.10
Provision for Taxation			
-Current Tax		126.69	93.34
-Fringe Benifit Tax		0.90	0.77
-Deferred Tax		(43.64)	(53.82)
Profit after tax		235.64	372.81
Balance brought forward from last year		0.01	0.01
Disposable Profit		235.65	372.82
Appropriations:			
Proposed dividend		110.34	147.13
Tax on Distributed Profits		18.75	25.00
		129.09	172.13
Transfer to General Reserve		106.55	200.68
Balance Carried to Balance Sheet		0.01	0.01
Earning per Share (Rupees)		3.20	5.07
Statement of Significant Accounting Policies	X		
Notes on Accounts	Y		

For and on behalf of the Board of Directors

Sd/-
B.K. Das
Managing Director

Sd/-
Nilmoni Bhakta
Director (Finance)

Sd/-
H.K. Sarmah
Company Secretary
Mumbai
Date : 14th May, 2009

As per our report of even date

For and on behalf of
P K Mitra & Co.
Chartered Accountants

Sd/-
T.N. Chakrabarti
Partner, M. No. 10610
Mumbai
Date : 14th May, 2009

Schedule 'A' - Share Capital

	31-03-2009 Rs. Crore	31-03-2008 Rs. Crore
Authorised		
100,00,00,000 Equity Shares of Rs.10 each	1,000.00	1,000.00
	1,000.00	1,000.00
Issued, subscribed and paid-up		
735631544 (735631544) fully paid equity shares of Rs. 10 each)*	735.63	735.63
Total	735.63	735.63

* Includes 453545998 (453545998) fully paid equity shares of Rs.10/- each held by the Holding Company - Bharat Petroleum Corporation Limited.
Out of the total 735631544 fully paid up shares, 191264202 numbers are in electronic mode

Schedule 'B' - Reserves & Surplus

	31-03-2009 Rs. Crore	31-03-2008 Rs. Crore
Capital Reserve		
(Subsidy Received from Govt. of India)		
As per last Balance Sheet	100.00	100.00
General Reserve		
Balance brought forward from Previous Year	1,408.46	1,209.33
Less: Transitional Provision for Employee Benefit	0.00	1.55
	1,408.46	1,207.78
Transfer from Profit & Loss Account	106.55	200.68
	1,515.01	1,408.46
Surplus as per Profit & Loss Account	0.01	0.01
Total	1,615.02	1,508.47

Schedule 'C' - Loan Funds

	31-03-2009 Rs. Crore	31-03-2008 Rs. Crore
Secured Loans		
Working Capital Loans/Cash Credit	2.38	1.55
(Secured by Hypothecation of current assets i.e. stocks of raw material, finished goods, semi-finished goods and book debts)		
Sub Total (a)	2.38	1.55
Unsecured Loans		
Working Capital Loans/Cash Credit		
Others	0.14	0.22
(Unsecured Cash Credit with limit of Rs 3 crore from HDFC Bank)		
Term Loan		
Oil Industry Development Board	47.87	75.85
[Due for payment within one year Rs.7.98 Crore (previous year :Rs 27.98 Crore)]		
Sub Total (b)	48.01	76.07
Total (a)+(b)	50.39	77.62

Schedule - D - Fixed Assets

(Rs Crore)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01-04-2008	Addition	Retirement/ Reclassifications	As at 31-03-2009	As at 01-04-2008	For the Year	Retirement/ Reclassifications	Up to 31-03-2009	As at 31-03-2009	As at 31-03-2008
	(1)	(2)	(3)	(4)=(1+2+3)	(5)	(6)	(7)	(8)=(5+6+7)	(9)=(4-8)	(10)=(1)-5
Land - Freehold	28.22	—	—	28.22	—	—	—	—	28.22	28.22
Land - Leasehold	—	0.11	1.78	1.89	—	0.08	0.06	0.14	1.75	—
Building	350.50	30.00	(1.78)	378.72	38.31	8.91	(0.06)	47.16	331.56	312.19
Railway Siding	30.57	—	—	30.57	10.87	1.45	—	12.32	18.25	19.70
Plant & Machinery	2,358.46	4.74	—	2,363.20	873.58	121.70	—	995.28	1,367.92	1,484.88
Tanks & Pipelines	189.13	0.28	—	189.41	164.65	5.48	—	170.13	19.28	24.48
Dispensing Tanks & Pipelines	19.79	0.59	—	20.38	1.23	0.96	—	2.19	18.19	18.56
Sundries Equipment	52.83	5.55	(1.29)	57.09	26.67	4.39	(1.13)	29.93	27.16	26.16
Furniture & Fittings	5.58	1.33	(0.08)	6.83	3.41	0.43	(0.07)	3.77	3.06	2.17
Vehicle	16.04	0.68	—	16.72	14.58	0.41	—	14.99	1.73	1.46
Grand Total	3,051.12	43.28	(1.37)	3,093.03	1,133.30	143.81	(1.20)	1,275.91	1,817.12	1,917.82
Previous Year Figures	2,985.73	88.34	(22.95)	3,051.12	978.01	155.66	(0.37)	1,133.30	1,917.82	2,007.72

- Freehold Land includes Rs 11.02 Crore (Rs 11.64 Crore) in respect of 369.42 acres(374.91 acres) of Land acquired through Government of Assam for which the process of registration is on and registration in the name of the Company is pending.
Freehold land includes 1.41 acres (1.36 acres) of disputed land.
Lease Hold Land have been reclassified out of Building.
- Plant & Machinery includes Rs 5.46 Crore (Rs 5.46 Crore) towards assets ownership of which does not vest with the Company. The amount has been amortised over a period of 5 years,the amount charged off as depreciation for the current year is Rs 0.05 Crore
- Deduction from Gross Block (Column 3) includes :
 - Rs 0.06 crores (Rs 0.02 crores) on account of Write off of Physical Verification discrepancies.
 - Rs 1.31 crore (Rs 22.93 Crore) on account of retirement, deletions and reclassifications.
- Depreciation for the year (column 6) includes :
 - Charged to Profit & Loss Account Rs 145.93 Crore (Rs 155.66 Crore)
 - Charged to previous year expenses Rs -2.81 Crore (Rs Nil Crore)
 - Charged to project expenses Rs 0.69 crore (Rs 0.007 crore)
- Deduction from Depreciation(Column 7) includes :
 - Rs 0.05 crore (Rs 0.004 Crore) on account of Write off of Physical Verification discrepancies.
 - withdrawal of depreciation of Rs 1.15 Crore(Rs 0.37 Crore) on account deletions, retirement & reclassification.
- Addition to the Gross Block (Column 2) includes:
 - Rs 1.78 Crore (Rs. 22.48 Crore) on account of Reclassification of Assets

Schedule - D 1 - Intangible Assets

(Rs Crore)

Particulars	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01-04-08	Addition	Disposal/ Adjust-ment	As at 31-03-09	As at 01-04-08	For the Year	Disposal/ Adjust-ment	Up to 31-03-09	As at 31-03-09	As at 31-03-08
SAP Imple-mentation cost	8.34	—	—	8.34	4.40	1.66	—	6.06	2.28	3.94
License Fee for SAP Upgradation	—	1.03	—	1.03	—	0.05	—	0.05	0.98	—
License Fee for MS Project	1.51	—	—	1.51	0.53	0.30	—	0.83	0.68	0.98
Grand Total	9.85	1.03	—	10.88	4.93	2.01	—	6.94	3.94	4.92
Previous Year	9.85	—	—	9.85	2.95	1.98	—	4.93	4.92	6.90

Schedule 'E' - Capital Work-in-Progress

	31-03-2009 Rs. Crore	31-03-2008 Rs. Crore
Capital work-in-progress (at Cost)		
Work-in-progress	222.93	139.34
Less : Provision for Capital Losses	1.11	1.11
	<u>221.82</u>	<u>138.23</u>
Capital Advances (Unsecured, Considered good)	9.04	10.53
Capital Stores (including lying with contractors)	13.68	13.36
Capital goods in transit	0.52	0.91
	<u>245.06</u>	<u>163.03</u>
Construction period expenses		
Opening balance	5.42	3.96
Add : Expenditure during the year		
Establishment charges	3.26	0.52
Depreciation	0.69	0.01
Interest	—	—
Rates & Taxes	0.39	—
Others (including miscellaneous stores)	0.04	0.93
	<u>9.80</u>	<u>5.42</u>
Less : Allocated to assets during the year	0.67	—
Balance pending allocation at the end of the year	<u>9.13</u>	<u>5.42</u>
Total	<u>254.19</u>	<u>168.45</u>

Schedule 'F' - Investment

	31-03-2009 Rs. Crore	31-03-2008 Rs. Crore
Non Trade 'Long Term'		
Investment in 7% Oil Companies GOI Special Bonds	64.31	64.31
Less: Provision for Diminution in value in Investment	—	(3.86)
Investment - Short Term		
- UTI Mutual Fund	—	56.76
Contribution towards equity participation in Joint Ventures*		
DNP Limited	27.56	3.40
Total	91.87	120.61

*Refer Note to Accounts Paragraph No. 13 of Schedule Y

Schedule 'F1' - Advance for Investment

	31-03-2009 Rs. Crore	31-03-2008 Rs. Crore
Share Application Money/Advance Towards Equity Shares Pending Allotment		
Brahmaputra Cracker and Polymer Ltd.	32.48	4.20
Total	32.48	4.20

Schedule 'G' - Inventories

(As taken, valued and certified by the Management and valued as per Accounting Policy no. 8)

	31-03-2009 Rs. Crore	31-03-2008 Rs. Crore
Stores and spares	121.73	107.29
Less: Provision for unusable materials	(40.29)	(42.79)
Stores and spares in Transit	7.47	7.76
Raw materials	210.76	185.31
Stock in process	86.84	113.63
Finished products	592.02	550.18
Total	978.53	921.38

Schedule 'H' - Sundry Debtors

(Unsecured, Considered good unless otherwise stated)

	31-03-2009 Rs. Crore	31-03-2008 Rs. Crore	31-03-2009 Rs. Crore	31-03-2009 Rs. Crore
Debts outstanding for a period exceeding six months :				
Considered good	—	0.04		
Considered doubtful	0.33	0.11		
	0.33	0.15		
Less: Provn. for doubtful debtors	0.33	0.11	—	0.04
Other debts			141.89	479.53
Total			141.89	479.57

Schedule 'I' - Cash and Bank Balances

	31-03-2009 Rs. Crore	31-03-2008 Rs. Crore
Cash on Hand	0.02	0.02
Cheque in Hand/Remittance in Transit	0.33	9.18
With Scheduled banks :		
In Term deposit accounts	290.00	500.00
In current accounts	1.67	2.83
Total	292.02	512.03

Schedule 'J' - Other Current Assets

	31-03-2009 Rs. Crore	31-03-2008 Rs. Crore
Interest accrued but not due on Investments	0.28	0.28
Interest accrued but not due on Fixed Deposits (as per Bank certification)	1.49	1.42
Interest accrued on other loans	—	0.04
Total	1.77	1.74

Schedule 'K' - Loans and Advances

(Unsecured, Considered good unless otherwise stated)

	31-03-2009 Rs. Crore	31-03-2008 Rs. Crore	31-03-2009 Rs. Crore	31-03-2008 Rs. Crore
Advances:				
Advances recoverable in cash, or in kind or for value to be received				
Considered good*	17.28	15.43		
Considered doubtful	0.72	1.10		
	<u>18.00</u>	<u>16.53</u>		
Less:Provn. for doubtful Advance	<u>0.72</u>	<u>1.10</u>	17.28	15.43
Loans (Secured) :				
To Employees **			27.69	22.74
(including interest accrued and due thereon, Rs 3.47 crore, Previous Year Rs.2.77 crore)				
Claims :				
Considered good	8.97	9.58		
Considered doubtful	3.06	3.06		
	<u>12.03</u>	<u>12.64</u>		
Less:Provn. for doubtful Claim	<u>3.06</u>	<u>3.06</u>	8.97	9.58
Tax paid				
Advance Tax paid (net of provision)			6.34	20.63
Deposits :				
Excise & Statutory Authorities***			21.95	31.26
Others			9.22	10.29
Total			<u>91.45</u>	<u>109.93</u>

* Includes :

Joint venture companies Rs 0.11 Crores (Rs.0.79 Crores) - Ref sch Y. Paragraph no. 13

** Includes :

Due from Officers : Rs. 15.84 crore (Rs 15.24 crore)

Maximum balances : Rs. 15.84 crore (Rs 15.24 crore)

Due from Directors : Rs.0.19 crore (Rs 0.20 crore)

Maximum balances : Rs 0.20 crore (Rs 0.20 crore)

*** Deposit with Excise includes Rs.13.62 crore (Rs.13.62 crore) regarding Cenvat credit on capital goods withheld by excise department for utilisation and under litigation and service tax deposit under protest Rs.0.32 crore (Rs.0.32 crore).

Schedule 'L' - Liabilities

	31-03-2009	31-03-2008	31-03-2009	31-03-2008
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Current Liabilities :				
Sundry creditors				
Total outstanding dues to Micro, Small & Medium Entreprises	—	—		
Total outstanding dues to creditors other than Micro, Small & Medium Entreprises	<u>536.18</u>	<u>1,100.83</u>	536.18	1,100.83
Advances from Customers			3.35	5.83
Other liabilities			348.60	339.78
Bank Account - Book Overdraft			0.46	0.19
Total			<u>888.59</u>	<u>1,446.63</u>

Schedule 'M' - Provisions

	31-03-2009	31-03-2008
	Rs. Crore	Rs. Crore
Proposed dividend	110.34	147.13
Tax on Distributed Profits	18.75	25.00
Provision for employee benefits	40.55	10.54
Total	<u>169.64</u>	<u>182.67</u>

Schedule 'N' - Sale of Products

	31-03-2009	31-03-2008
	Rs. Crore	Rs. Crore
Sales (Net of Discount and inclusive of NE adjustment)	8,841.81	8,751.50
Terminal Charges from OMCs	11.54	12.66
Total	<u>8,853.35</u>	<u>8,764.16</u>

Schedule 'O' - Miscellaneous Income

	31-03-2009 Rs. Crore	31-03-2008 Rs. Crore
Interest on bank deposits and others		
Bank Deposits	24.24	31.42
Others	0.96	0.90
Income Tax Refund	2.16	-
Income from Investment		
Short Term	9.73	3.22
Dividend from Mutual Funds	2.01	-
Long Term		
Interest on Investment (7% GOI Oil Bond)	4.50	4.51
Other income	7.41	15.33
Provision on Stores written back	(0.12)	0.72
Exchange Fluctuations Gain/(Loss) (net)	(1.28)	0.46
Total	<u>49.61</u>	<u>56.56</u>

Schedule 'P' - Increase/(Decrease) In Inventory

	31-03-2009 Rs. Crore	31-03-2008 Rs. Crore
Value of closing stock of		
Finished goods	592.02	550.17
Stock in process	86.84	113.63
	<u>678.86</u>	<u>663.80</u>
Less :		
Value of opening stock of		
Finished goods	550.17	501.83
Stock in process	113.63	87.95
	<u>663.80</u>	<u>589.78</u>
Total	<u>15.06</u>	<u>74.02</u>

Schedule 'Q' - Raw Materials Consumed

	31-03-2009 Rs. Crore	31-03-2008 Rs. Crore
Opening Stock	185.31	183.88
Add : Purchases	7,061.52	6,821.56
	<u>7,246.83</u>	<u>7,005.44</u>
Less : Closing Stock	210.76	185.31
Raw Material Consumed	<u><u>7,036.07</u></u>	<u><u>6,820.13</u></u>

Schedule 'R' - Consumption of Stores, Spares and Materials

	31-03-2009 Rs. Crore	31-03-2008 Rs. Crore
Stores, spares and materials	60.37	21.75
Less : Charged to other revenue accounts	23.40	10.62
Total	<u><u>36.97</u></u>	<u><u>11.13</u></u>

Schedule 'S' - Power and Fuel

	31-03-2009 Rs. Crore	31-03-2008 Rs. Crore
Power and Fuel	196.29	231.17
Less : Consumption of fuel out of own production	(196.26)	(229.74)
Total	<u><u>0.03</u></u>	<u><u>1.43</u></u>

Schedule 'T' - Employees' Remuneration and Other Benefits

	31-03-2009 Rs. Crore	31-03-2008 Rs. Crore
Salaries and wages	68.32	40.48
Contribution to provident fund and other funds	3.37	3.06
Contribution to gratuity fund	4.37	0.15
Welfare expenses	11.36	10.40
Total	<u><u>87.42</u></u>	<u><u>54.09</u></u>

Schedule 'U' - Interest

	31-03-2009 Rs. Crore	31-03-2008 Rs. Crore
On Fixed Loans	3.26	6.38
On Working Capital	1.66	14.07
On Delayed Payments	16.51	2.79
Total	<u><u>21.43</u></u>	<u><u>23.24</u></u>

Schedule 'V' - Other Operating and Administration Expenses

	31-03-2009 Rs. Crore	31-03-2008 Rs. Crore
Repairs and maintenance :		
Machinery	35.76	13.08
Building	0.28	0.29
Others	30.56	20.01
	<u>66.60</u>	<u>33.38</u>
Insurance	4.07	4.73
Rent	5.61	4.02
Rates and taxes	0.39	0.55
Charity & donation	4.23	3.71
Remuneration to Auditors	0.03	0.05
Utilities	2.02	0.61
Facility hire charges	0.96	1.91
Travelling and conveyance	10.94	10.00
Telephone, Telex, Cables, Postage etc.	0.90	0.83
Loss on sale / write off of Fixed Assets (net)	0.06	0.05
Other expenses	19.49	17.28
Total	<u>115.30</u>	<u>77.12</u>

Schedule 'W' - Prior Period Expenses (Income) (Net)

	31-03-2009 Rs. Crore	31-03-2008 Rs. Crore
Sale of products	—	0.59
Purchase for resale	—	(0.41)
Raw materials consumed	(1.78)	(9.09)
Consumption of Stores	—	(1.83)
Employee Cost - Post Retirement Medical Benefit	—	0.87
Other operating and administration expenses	(0.37)	1.90
Depreciation	(2.81)	—
Total	<u>(4.96)</u>	<u>(7.97)</u>

Schedule X: Statement of Significant Accounting Policies

1. Accounting Convention

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles and the mandatory Accounting Standards issued by The Institute of Chartered Accountants of India and the relevant provisions of The Companies Act, 1956. Revenues are generally recognised on accrual system of accounting except where otherwise stated.

2. Use of Estimate

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statement and notes thereto. Differences between estimates and actual are recognised in the period in which they materialise.

3. Fixed Assets

3.1 Land

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

3.2 Fixed Assets other than Land

3.2.1 Fixed assets are stated at original cost and are inclusive of all expenses to bring them to a state of use.

3.2.2 Expenditure on assets, other than plant and machinery, not exceeding Rs.1000/- each is charged to revenue.

3.2.3 Machinery spares that can be used in connection with an item of fixed asset and their use is expected to be irregular are capitalized and are depreciated along with related machinery. Subsequent replacement of such spares is charged to revenue.

3.3 Expenditure during construction period

Construction period expenses exclusively attributable to projects are capitalised. Indirect expenses of the project group are allocated to capital facilities costing Rs. 5 crores and above.

3.4 Intangible Assets

3.4.1 Expenditure incurred for creating / acquiring intangible assets of Rs. 0.5 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 assets start providing the economic benefit.

3.4.2 In other cases, the expenditure including those on software are charged to revenue in the year the expenditure is incurred.

4. Impairment of Assets

The carrying values of fixed assets of identified cash generating units (CGU), are reviewed for impairment at each Balance Sheet date. When events or changes in circumstances indicate that the carrying values may not be recoverable and the carrying values exceed the estimated recoverable amount, the assets of the CGU are written down to the recoverable amount and the impairment losses are recognised in the profit and loss account. The recoverable amount is the greater of net selling price and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

5. Borrowing Costs

Borrowing costs attributable to acquisition, construction or production of qualifying asset are capitalised as part of the cost of that asset, till the month in which such asset is capitalised. Other borrowing costs are recognised as expense in the period in which these are incurred.

6. Depreciation / Amortisation

- 6.1 Depreciation on fixed assets is provided on Straight Line Method, at rates prescribed under schedule XIV to the Companies Act, 1956. Additions to fixed assets during the year are being depreciated on pro- rata basis from the beginning of the month in which such Assets are capitalised.
- 6.2 Individual assets costing not more than Rs. 5000/- each are depreciated fully in the year of capitalisation.
- 6.3 Assets not owned by the Company are amortised over a period of five years from the year of capitalisation.
- 6.4 Computer equipments and peripherals and mobile phones are depreciated over a period of four years. Furniture provided at the residence of management staff is depreciated over a period of seven years.
- 6.5 Cost of leasehold land (other than perpetual lease) are amortised during the lease periods.

7. Investment

- 7.1 Current investments are valued at lower of cost or fair market value.
- 7.2 Long Term investments are valued at cost and provision for diminution in value, thereof is made, wherever such diminution is other than temporary.

8. Inventory

- 8.1 Raw materials and Intermediates are valued at cost.

Cost is determined as follows:

- 8.1.1 Raw materials on weighted average cost.
- 8.1.2 Intermediate Stocks at raw material cost plus cost of conversion. In case of decline in price of raw materials and realisable value of the finished products, raw materials and intermediates are valued at net realisable value.

- 8.2** Finished products are valued at weighted average cost or net realisable value inclusive of NE Excise duty benefit, whichever is lower.
- 8.3** 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 valued at Rs. Nil.

9. Cenvat

Cenvat credit of Excise Duty on eligible material is recognised on receipt of such materials and Cenvat credit of Service Tax is recognised on payment of Service Tax to the Service Provider.

10. Claims and Provisions

Claims on/surrenders to Petroleum Planning and Analysis Cell, Government of India are booked on in principle acceptance thereof on the basis of available instructions / clarifications subject to final adjustments after pool audit. Other claims are booked when there is a reasonable certainty of recovery. Provisions, as appropriate, are made based on merits.

11. Sales

Sales are net of trade discounts and include, inter-alia, North East excise duty benefit, excise duties/claims from Petroleum Planning and Analysis Cell, Government of India and other elements allowed by the Government from time to time.

12. Classification of Income/Expenses

- 12.1** Expenditure on Research, other than capital expenditure, is charged to revenue in the year of incurrence of expenditure.
- 12.2** Income / expenditure up to Rs 0.05 crores in each case pertaining to prior years is charged to the current year.
- 12.3** Prepaid expenses up to Rs.0.10 lakhs in each case, are charged to revenue as and when incurred.
- 12.4** Known liabilities for expenses, are provided for only if, the amount exceeds Rs 0.10 lakhs in each case.
- 12.5** Deposits placed with Government agencies/local authorities which are perennial in nature are charged to revenue.
- 12.6** Income from sale of scrap is accounted for on realisation.

13. Employee Benefits

- 13.1** Contribution to Provident Fund is charged to revenue.
- 13.2** Liability towards gratuity is paid to a Fund maintained by LIC and administered through a separate trust set up by the Company. Difference between the fund balance and the accrued liability, determined using the projected unit credit method of actuarial valuation as at the year end, is charged to revenue.

13.3 Other employee benefits e.g. leave encashment, post retirement medical benefits, resettlement benefits, long service awards etc. are provided using the projected unit credit method of actuarial valuation at the year end and are provided for in the accounts.

13.4 Other long term / short term employee benefits e.g. Leave fare assistance, medical benefits etc. are provided for in the accounts based on estimates by the management.

14. Duties on Bonded Stocks

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.

15. Foreign Currency Transactions

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

15.2 Assets & Liabilities/monetary items carried at historical cost denominated in foreign currency are converted at exchange rates prevailing at the year end. Any gain/loss arising out of such conversion is charged to revenue.

16. Government Grants

Government grants in the nature of promoters' contribution are credited to Capital Reserve and treated as part of shareholders' fund.

17. Provisions, Contingent Liabilities and Capital Commitments

17.1 Provisions are recognised when there is present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

17.2 Disclosure for a contingent liability is made when there is a possible obligation that may, but probably will not, require an outflow of resources.

17.3 Capital Commitments and Contingent liabilities are considered where the value exceed Rs.0.01 crores in each case.

17.4 Show cause notices issued by various Government authorities are considered as Contingent liabilities only when converted into demand.

18. Taxes on Income

18.1 Provision for current tax including the fringe benefit tax is made in accordance with the provisions of the Income Tax Act, 1961 and rules thereunder.

18.2 Deferred Tax on account of timing difference between taxable income and accounting income is provided considering the tax rates and tax laws enacted or substantively enacted by the Balance Sheet date.

Schedule Y: Notes Forming Part of Accounts

- 1) Capital Reserve represents grant of Rs.100.00 crores received from the Government of India during the project period.
- 2) Provision for taxation for the financial year 2008-09 amounting to Rs. 126.69 crores (previous year Rs. 93.34 crores which was after set off of MAT credit available in that year) has been made as per normal provisions of the Income Tax Act and includes Rs. 0.28 crores towards wealth tax (previous year Rs. 0.21 crores).
- 3) Fringe Benefit Tax for the current year has been provided in the accounts in accordance with the provisions of the Income Tax Act and rules there-under.
- 4) As per the requirement of the Accounting Standard 22 on "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India the net deferred tax liability charged to profit during the year is (Rs.43.64) crore [previous year (Rs.53.82) crore]. The year end position of Deferred Tax Liability and Asset is given below:

	(Rs. in Crore)	
	2008-09	2007-08
a) DEFERRED TAX LIABILITY		
Difference of Book Depreciation & Tax Depreciation	3,31.78	3,38.92
b) DEFERRED TAX ASSETS		
Difference in write offs under Companies Act and Income Tax Act	0.10	0.19
Disallowed U/S 43B of Income Tax Act' 1961	80.99	43.06
Others including retirement benefits	4.70	6.04
Total	85.79	49.29
NET DEFERRED TAX LIABILITY	245.99	289.63

- 5) As per information available with the company no amounts are outstanding for payment for more than 30 days against supplies made by undertakings categorised as Micro, Small & Medium Enterprises under Micro, Small & Medium Enterprises Development Act, 2006.
- 6) The company is operating under a single segment, i.e., downstream petroleum sector (Refining and Marketing). As such there is no other reportable segment as defined by the Accounting Standard-17- Segment Reporting issued by The Institute of Chartered Accountants of India.
- 7) Purchases of Crude Oil from Oil India Limited (OIL) and Oil and Natural Gas Corporation Limited (ONGC) have been accounted for as per the new Benchmark price of crude oil in the financial year 2008-09 provisionally based on the direction received from Ministry of Petroleum & Natural Gas (MOP&NG) vide Letter No: P-20012/11/2006-PP dt.01.05.2009 for implementation of the pricing formula recommended by the Consultant appointed by Petroleum Planning &

Analysis Cell (PPAC) and its report submitted to the PPAC/MOP&NG for the seven varieties of Assam Crude.

The new Benchmark price for Assam crude oil has been made effective from 01.04.2008 for the North-East Refineries and accordingly the company based on the pricing formula submitted by the consultant for the seven varieties of Assam crude has reduced the purchase price for crude oil purchased from OIL/ONGC by an amount of Rs.288.78 crores which has reduced the cost of raw material consumption during the year by Rs. 297.76 crores having the effect on the net result for the year by the like amount.

The Ministry has also directed the North-East Refineries to bear the burden of Sales Tax and Pipeline Transportation Charges for the financial year 2008-09 in line with the practice adopted during the financial year 2006-07 and 2007-08 and accordingly the company has provided for an amount of Rs.282.99 crores (previous year Rs.366.73 crores which includes Rs.95.68 crores relating to financial year 2006-07) towards sales tax and pipeline transportation charges payable to OIL/ONGC for the financial year 2008-09.

- 8) a) Write back of carried forward liabilities from pre SAP period amounting to Rs.13.82 Crores by reducing the costs of respective projects and consequent write back of Depreciation on respective assets from the period of capitalization has the effect of increase of profit for the year by Rs. 7.19 Crores including Prior Period depreciation of Rs.2.81 Crores (Net).
- b) Payments/Provisions of Rs.8.90 Crores towards Project Capitalisation in pre SAP period pursuant to Hon'ble Supreme Court Order (which was included in Contingent Liabilities in earlier years) have the effect of increasing the cost of Project/ Assets by the said amount and consequent charging of depreciation on such enhanced cost of assets with effect from the period of capitalization has the effect of decrease in profit for the year by Rs.3.53 Crores.
- c) Payments/ Provisions of Rs. 15.97Crores towards interest, pursuant to above mentioned Hon'ble Supreme Court Order, have been charged to current year's Profit and Loss Account which has the effect of reduction of profit for the year by the like amount.
- 9) To augment crude availability of the four refineries in Assam, Ravva crude was brought in to Bongaigaon Refinery and Petrochemicals Limited (BRPL) and the transportation cost and other incidentals thereof was to be shared by all four refineries as per the directive of MOP&NG. The company's share of the transportation cost and other incidentals thereof has been included in crude price and also considered for valuation of stock.
- 10) The company has numerous transactions with other oil companies, which are reconciled on an ongoing basis and are subject to confirmation. Adjustment, if any, arising there from are not likely to be material.
- 11) The company follows open item system of maintaining customer accounts included in "Sundry Debtors". The transactions continue to appear in the customer accounts till such time the same are matched and cleared. This is an ongoing process. The clearance of such open items is not likely to have a material impact on the outstanding or classification in the accounts.

- 12) In accordance with the disclosure requirements of AS-26, details of intangible asset of the company as on 31-03-2009 are furnished below :

(Rs. in Crores)

Intangible Assets	Gross Amount		Amortisation Amount		Net Amount	
	01.04.08	31.03.09	01.04.08	31.03.09	01.04.08	31.03.09
1) SAP implementation Costs	8.34	8.34	4.40	1.66	3.94	2.28
1) SAP License for Upgradation	—	1.03	—	0.05	—	0.98
2) Process License (Axens)	1.51	1.51	0.53	0.30	0.98	0.68

- 13) In compliance with AS -27 “Financial Reporting of Interest in Joint Ventures” the required information is as under :

(Rs. in Crores)

Name of the Company Expenses	Participating Interest	Amount Invested (Ref Schedule F/F1)	Preliminary (Ref Schedule K)
a) DNP Ltd	26%	27.56 (3.40)	0.11 (0.79)
b) Brahmaputra Cracker & Polymer Ltd.	10%	32.48 (4.20)	0.00 (0.006)

- 14) An amount of Rs. 143.10 crore (Previous year Rs. 165.24 crore) has been charged to Profit & Loss Account towards under recovery of CST on petroleum products moved out of the state of Assam.

- 15) a) Provision towards revision of Pay Scales amounting to Rs. 17.53 crores (Previous years Rs.4.57 crores) is made in accordance with the Pay Revision Committee’s recommendation as per guidelines received from Department of Public Enterprises.

- b) Pending finalisation of Long Term Settlement in respect of revision of wages of workmen, provision has been made in the accounts to the extent of Rs. 3.18 crores (Previous year NIL) as the actual liability is not ascertainable.

- c) In addition to above there has been revision in certain allowances and the amount of Rs 0.94 crores has been provided for in the books of account.

Consequent to above the profit for the year has been reduced by Rs.21.65 crores.

- d) Provisions on account of employee benefits in terms of AS-15 (Revised) issued by The Institute of Chartered Accountants of India have been made based on

- i) Actuarial valuation for all long term benefits viz. Gratuity , Post Retirement Medical Benefit, Leave encashment, Long service awards and Resettlement benefits

- ii) Actual / fair estimation basis by the Management for all known short term employee benefits viz. Leave Fare Assistance, Employers contribution to Provident Fund, Medical reimbursement, uniform allowance, self lease house rent and maintenance, house rent allowance, car maintenance reimbursements etc.
- 16) As per guidelines issued by The Institute of Chartered Accountants of India under AS-28 "Impairment of Assets", the company has assessed the recoverable amount of the relevant assets and found that no impairment exists in relation to its assets as on 31st March, 2009.
- 17) i) Rentals are expensed with reference to lease terms and other considerations. Moreover, rentals pertaining to the period up to the date of commissioning of the assets are capitalised.
- ii) The company has taken operating lease of product tanks from Bharat Petroleum Corporation Limited for eleven month's duration with renewable option and lease rent amounting to Rs. 0.38 crore (previous years.1.72 crore) has been debited to Profit and Loss Account. The future minimum lease payment is as under :

(Rs.in Crore)

	2008-09	2007-08
Not later than one year	0.38	1.06
Later than one year and not later than five years	0.83*	4.34
Later than five years	Nil	6.73

* Tanks are likely to be de-leased by 01.04.2011.

- 18) Recovery made from Whole time Directors during the year for use of Company's car is Rs 0.001 crore (Previous year Rs.0.001 crore).
- 19) Earning per share (Face value Rupees 10/- each)

Profit after tax (Rs.in crore)	235.64	372.81
Average number of equity shares	735,631,544	735,631,544
Basic and Diluted Earning per share (Rupees)	3.20	5.07

- 20) Previous year's comparative figures have been regrouped wherever necessary.

21. Disclosure as per requirement of Accounting Standard 15 (Revised):

a) Reconciliation of balances of Defined Benefit Obligations

(Rs. in crores)

	Gratuity	Leave Encash- ment	Long Service Award	Post Retire- ment Medical	Resettle- ment Allow- ance
	Funded	Non Funded	Non Funded	Non Funded	Non Funded
Defined Obligations at the beginning of the year	4.6814	7.9597	1.0715	2.0186	0.8200
Interest Cost	0.3841	0.6495	0.0931	0.1752	0.0709
Current Service Cost	0.5347	0.9386	0.1399	0.2026	0.0917
Benefits paid	(0.5320)	(0.9872)	(0.0019)	(0.0107)	(0.0090)
Actuarial (Gains)/ Losses on obligations	0.8014	1.6258	0.1807	0.3863	0.0031
Defined Obligations at the end of the year	5.8696	10.1864	1.4833	2.7720	0.9767

b) Reconciliation of balances of Fair Value of Plan Assets in respect of Gratuity Fund

(Rs. in crores)

Fair Value at the beginning of the year	1.5379
Actual return on Plan assets	0.0835 (Expected Return - Rs. 0.1342 crores less Actuarial losses- Rs 0.0507 crores)
Contribution by employer	0.3568
Benefits paid	(0.5320)
Fair Value of Plan Assets at the end of the year	1.4462

c) Amount recognised in Balance Sheet (a-b)

d) Amount recognised in P&L Account

Current Service Cost	0.5347	0.9386	0.1399	0.2026	0.0917
Interest Cost	0.3841	0.6495	0.0931	0.1752	0.0709
Expected Return on Plan Assets	-0.1342				
Actuarial (Gains)/ Losses	0.8521	1.6258	0.1807	0.3863	0.0031
Expenses for the period	1.6367	3.2139	0.4137	0.7641	0.1657

e) Major Actuarial Assumptions

Discount Rate	8.4%	8.4%	8.4%	8.4%	8.4%
Salary Escalation / Inflation	5.0%	5.0%	5%	0%	5.0%
Expected Return on Plan Assets	9.30%	-	-	-	-

- i) The estimate for future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors
- ii) The expected return on plan assets over the accounting period, based on an assumed rate of return as shown above.

f) Details of Investment pattern for Gratuity Fund as on 31/3/09

Category of Asset	%
Government of India Asset	
Corporate Bonds	
Special Deposit Scheme	
State Government	
Others (LIC)	24.64
Total	24.64

- g) As per our best estimate, Rs 0.368 crores is expected to be paid to the Gratuity Fund as contribution in the year 2009-10.

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

		(Rs. in crores)
Change in Liability : 1% increase	(0.4434) 1% decrease	0.5717
in Discount Rate	in Discount Rate	

22. Capital Commitments and Contingent Liabilities

	31.3.2009 Rs. in Crore	31.3.2008 Rs. in Crore
I. Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net off Advance)	266.32	179.11
II. Contingent Liabilities		
(a) In respect of taxation matters of prior years		
i) Excise Duty matters	205.48	200.26
ii) Service Tax matters	1.44	1.39
iii) Sales Tax matters	37.06	0.00
iv) Income Tax matters	2.23	0.23
v) Liability if any, on pending assessments of Central / State sales tax is unascertainable including ' C ' forms pending for collection)		
(b) Other Matters :		
Claims against the Company not acknowledged as debts :		
i) Claim by contractors Arbitration cases/other extra claims on capital account	98.43	76.24
ii) Land matters	0.00	0.00
iii) In respect of Foreign Letter of Credit	21.42	40.12
iv) In respect of Outstanding Bank Guarantee	85.75	1.42
v) Others	2.35	15.52
23. Director's Remuneration		
Salary and allowances	0.29	0.22
Contributions to Provident Fund and other funds	0.03	0.02
Other benefits	0.22	0.17
	0.54	0.41
24. Remuneration to Auditors		
(a) Audit fees	0.02	0.03
(b) Fees for other services-certification	0.00	0.01
(c) Reimbursement of out of pocket expenses	0.01	0.01
	0.03	0.05

25. Remuneration to Cost Auditors

	31.3.2009	31.3.2008
	Rs. in Crore	Rs. in Crore
(a) Audit fees	0.01	0.01
(b) Fees for other services-certification.	0.00	0.00
(c) Reimbursement of out of pocket expenses	0.00	0.00
	<u>0.01</u>	<u>0.01</u>

26. Licensed Capacity, Installed Capacity (as certified by the Management) in respect of goods manufactured

	Licensed Capacity	Installed Capacity	Quantity (MT) Actual Production
(1) Crude throughput	NA	3,000,000	2,251,446
	NA	(3,000,000)	(2,568,652)
(2) Production			
Light distillates	—	—	311,640
	—	—	(349,189)
Middle distillates	—	—	1,619,496
	—	—	(1,851,369)
Others	—	—	84,684
	—	—	(101,034)

* The installed capacity is based on processing of neat Assam Crude.

27. Raw materials consumed

	Quantity MT	(2008-09) Value Rs. in Crore
Crude Oil	2,251,446	6,909.27
	(2,568,652)	(6,731.76)
Others	23,807	126.80
	(21,312)	(88.36)
Total	<u>2,275,253</u>	<u>7,036.07</u>
	<u>(2,589,964)</u>	<u>(6,820.12)</u>

28. Finished goods sold and stocked

(2008-09)

Petroleum Products	Opening Stock		Production	Sales		Closing Stock	
	(MT)	(Rs./Crore)		(MT)	(Rs./Crore)	(MT)	(Rs./Crore)
Light Distillates							
LPG	1,273	4.43	42,754	43,535	153.73	492	1.24
Naphtha	43,074	129.31	3,247	13,391	56.87	32,930	91.01
MS *	17,634	96.81	265,639	260,541	1,418.81	22,733	89.86
Sub Total	61,981	230.55	311,640	317,466	1,629.41	56,155	182.11
Previous Year	(73,440)	(234.42)	(349,189)	(360,648)	(17,268.13)	(61,981)	(2,305.54)
Middle Distillates							
ATF	6,235	23.56	35,136	37,825	178.20	3,545	9.06
SKO	18,594	58.34	196,364	198,058	802.93	16,901	35.18
HSD ***	49,514	205.89	1,387,995	1,305,711	5,778.74	131,799	335.08
Sub Total	74,343	287.79	1,619,496	1,541,594	6,759.87	152,245	379.32
Previous Year	(73,275)	(231.45)	(1,851,369)	(1,850,301)	(66,496.50)	(74,343)	(2,877.91)
Others							
RPC	17,193	16.04	28,832	34,731	51.60	11,295	12.20
Sulphur	25	0.00	3,048	2,848	1.10	225	0.05
CPC	9,341	15.78	52,803	51,142	110.22	11,002	18.32
Sub Total	26,559	31.82	84,684	88,721	162.92	22,522	30.57
Previous Year	(39,623)	(35.95)	(101,034)	(114,098)	(1,306.68)	(26,559)	(318.24)
Grand Total	162,884	550.17	2,015,820	1,947,782	8,552.20	230,922	592.00
Grand Total							
Previous year	(186,339)	(501.83)	(2,301,592)	(2,325,047)	(8,507.13)	(162,884)	(550.17)

* MS production includes blending of Naphtha - 39280 MT (33657 MT) with MTBE & Py Gas - 23807MT (21312 MT)

* Closing stock of MS includes 3.45 MT (7.07 MT) lying at depot.

** Closing stock of HSD includes 47537.16 MT (6196.29 MT) lying at depot and in transit.

**** HSD and MS sales include 30.15 MT (980.60 MT) and 0.75 MT (669.15 MT), respectively on account of stock/transit loss & own consumption

29. Finished Goods Purchased and Sold

(2008-09)

Particulars	HSD		MS	
	QTY (MT)	(Rs. in crore)	QTY (MT)	(Rs. in crore)
Purchase	65,847	307.46	9,318	57.91
	(61,365)	(267.11)	(6,553)	(41.76)
Sales	65,847	245.83	9,318	55.31
	(61,365)	(219.50)	(6,553)	(37.53)

30. Value of imports calculated on C.I.F. basis

	2008-09 Rs. in Crore	2007-08 Rs. in Crore
(a) Raw Materials	32.50	24.41
(b) Capital goods	22.48	39.30
(c) Components and spare parts (including chemicals and catalysts)	21.13	21.61

31. Expenditure in foreign currency (on cash basis)

(a) Purchase of products	76.26	44.64
(b) Know-how	3.12	1.75
(c) Professional Consultancy Fees	1.36	1.40
(d) Other matters		
i) Travelling	0.10	0.11
ii) Others	0.03	0.08

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

	Imported		Indigenous		Total
	Rs. in Crore	%	Rs. in Crore	%	Rs. in Crore
Crude Oil	Nil	Nil	6,909.27	100.00	6,909.27
	(Nil)	(Nil)	(6,731.76)	(100.00)	(6,731.76)
Others	40.68	32.08	86.12	67.92	126.80
	(25.87)	(29.28)	(62.49)	(70.72)	(88.36)
Stores/Spare parts and Components (including chemicals & catalysts)	6.28	16.98	30.69	83.02	36.97
	(3.84)	(34.48)	(7.29)	(65.52)	(11.13)

33. Earnings in foreign exchange

2008-09 Rs. in Crore	2007-08 Rs. in Crore
NIL	NIL

34. Research and Development

	2008-09 Rs. in Crore	2007-08 Rs. in Crore
(a) Revenue expenditure	NIL	NIL
(b) Capital expenditure	NIL	NIL

35. Statutory information pursuant to Part-IV of Schedule-VI to the Companies Act, 1956

Balance Sheet Abstract and Companies General Business Profile

I. Registration Details

State Code **2**

Registration No. **02-03893 of 1993-94**

Balance Sheet Date **31** **03** **2009**
Date Month Year

II. Capital raised during the year (Rs. Lakhs)

Public Issue	Right Issue
N I L	N I L
Bonus Issue	Private Placement
N I L	N I L

III Position of Mobilisation and Deployment of Funds (Rs. Crore)

Total Liabilities	Total Assets
3705.26	3705.26

Sources of Funds :

(Excluding deferred tax liability)

Paid-up Capital	Reserves & Surplus
735.63	1615.02
Secured Loans	Unsecured Loans
2.38	48.01

Application of Funds :

Net Fixed Assets	Investments
2075.25 *	124.35 **
Net Current Assets	Misc. Expenditure
447.43	NIL
Accumulated losses	
N I L	

* Includes Capital work-in-progress & Intangible Assets.

** Includes advance towards Equity Shares pending allotment.

IV. Performance of Company (Rs. Crore)

Turnover	Total Expenditure
8902.96*	8583.37
Profit/Loss Before Tax	Profit/Loss After Tax
319.59	235.64
Earning per Share in Rs.	Dividend rate %
3.20	15%

* includes miscellaneous income.

V. Generic Names of Principal Products/Services of Company

Item Code No. (ITC Code)	: 2710
Product Description	: P E T R O L E U M P R O D U C T S

Note :

ITC code of products as per Indian Trade Classification based on harmonised commodity description and coding system by Ministry of Commerce, Directorate General of Commercial Intelligence & Statistics.

The schedules referred to above form an integral part of Accounts.

For and on behalf of the Board of Directors

As per our report of even date

Sd/-
B.K. Das
 Managing Director

 Sd/-
H.K. Sarmah
 Company Secretary
 Mumbai
 Date : 14th May, 2009

Sd/-
Nilmoni Bhakta
 Director (Finance)

Sd/-
T.N. Chakrabarti
 Partner, M. No. 10610

 for and on behalf of
P K Mitra & Co.
 Chartered Accountants
 Mumbai
 Date : 14th May, 2009

Cash flow statement for the year ended 31st March 2009

	Notes	2008-09	(Rs.in Crore) 2007-08
A Cash Flow from Operating Activities			
Net Profit Before tax & prior period items		314.63	405.13
<i>Adjustments for :</i>			
Depreciation		145.94	155.66
Interest expenditure		3.26	6.38
(Profit) / Loss on Sale/Write Off of fixed assets(net)		(0.02)	0.05
Income from Investments		(38.47)	(39.16)
Dividend Received		(2.01)	—
Interest Income		(3.12)	(0.90)
Other Non-Cash items	Note 4	(6.77)	(0.02)
Operating Profit before Working Capital Changes		413.44	527.14
<i>Invested in:</i>			
Trade receivables		337.46	(269.30)
Other receivables		4.82	(1.17)
Inventories		(54.65)	(99.61)
Current Liabilities & Provisions		(528.03)	561.11
Cash generated from Operations		173.04	718.17
Income Taxes paid (net of Refund)		(113.30)	(84.94)
Cash flow before Prior Period Items		59.74	633.23
Prior Period Items		4.96	7.97
Net Cash from Operating Activities		64.70	641.20

	Notes	2008-09	(Rs.in Crore) 2007-08
B Cash Flows from Investing Activities			
Purchase of fixed assets		(128.14)	(136.63)
Purchase of intangible assets		(1.03)	—
Adjustments on account of retirement/ reclassifications of fixed assets		(2.82)	—
Intangible Assets written off in the Balance Sheet		2.01	1.97
Sale of fixed assets		—	—
Investment in Joint Venture Companies		(52.45)	(7.59)
Investment in Subsidiary Companies		—	—
Purchase of/ Accretion to Investments		—	(56.77)
Sale of Investments		56.77	—
Income from Investment		38.44	37.45
Dividend Received		2.01	—
Interest Received		3.12	0.87
Net Cash from Investing Activities		<u>(82.09)</u>	<u>(160.70)</u>

	Notes	2008-09	(Rs.in Crore) 2007-08
C Cash Flows from Financing Activities			
Issue of Equity Share Capital		—	—
Accretion to Reserves on account of amalgamation		—	—
Long term Borrowings		—	—
Repayment of Long-term loans/borrowings		(27.98)	(102.98)
Net Increase/Decrease(-) in other borrowings		0.75	(34.06)
Interest paid		(3.26)	(6.58)
Dividend Paid		(147.13)	(183.91)
Corporate Dividend Tax		(25.00)	(31.25)
Net Cash used in Financing Activities		(202.62)	(358.78)
D Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)			
		(220.01)	121.72
E Cash & Cash Equivalents at beginning of Period			
	Note 1	512.03	390.31
F Cash & Cash Equivalents at end of Period (D+E)			
	Note 1	292.02	512.03

Notes to the Cash Flow Statement

1. Cash and Cash Equivalents

Cash and cash equivalents consist of cash and cheques on hand and balances with banks and investments in short term deposit accounts. Cash and cash equivalents included in the Cash Flow Statement comprise the following Balance Sheet amounts :

	For the FY 2008-07	For the FY 2007-08
Cash and Cash equivalents as at 31st March '09 / 31st March '08		
Cash/cheques in Hand	0.02	0.02
Cash at Bank	2.83	5.29

	For the FY 2008-09	For the FY 2007-08
Remittance in transit	9.18	—
Fixed Deposits with Banks	500.00	385.00
	<u>512.03</u>	<u>390.31</u>
Cash/cheques in Hand	0.02	0.02
Cash at Bank	1.67	2.83
Remittance in transit	0.33	9.18
Fixed Deposits with Banks	290.00	500.00
Cash and Cash Equivalents as restated	292.02	512.03
Net change in Cash and Cash equivalents	<u>(220.01)</u>	<u>121.72</u>

2. The Cash Flow Statement is prepared in accordance with the format included in Accounting Standard 3 prescribed by the Institute of Chartered Accountants of India.
3. 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.
4. "Other Non-Cash items" comprise of provisions for Stores and Consumables, provision for Claims and provision for Investments and write back of Provisions.

For and on behalf of Board of Directors

Mumbai
Date : 14th May 2009

Sd/-
B.K. Das
Managing Director

We have audited the above Cash Flow Statement of Numaligarh Refinery Limited for the year ended on 31st March, 2009 prepared by the Company and certify that the Statement has been derived from the Accounts of the Company.

For and on behalf of
P. K. Mitra & Co.
Chartered Accountants

Mumbai
Date : 14th May 2009

Sd/-
T. N. Chakrabarti
Partner
M.No.10610

Human Resource Accounting : 2008-09

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	87	114	46	17	264
Workmen	33	265	74	1	373
Sub Total	120	379	120	18	637
Others					
Executives	26	39	39	16	120
Workmen	1	13	17	1	32
Sub Total	27	52	56	17	152
Grand Total	147	431	176	35	789
Average age 37 Yrs.					

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 4.55% (previous years 5%)

Value of Human Resources

	<i>in Rs Crore</i>				
	2008-09	2007-08	2006-07	2005-06	2004-05
Executives	624.81	652.66	589.34	578.76	456.32
Staff	454.61	490.53	389.39	492.67	449.61
	1,079.42	1,143.19	978.73	1,071.44	905.92

Human Assets vis-à-vis Total Assets

Value of Human Assets	1,079.42	1,143.19	978.73	1,071.44	905.92
Net Fixed Assets	2,071.31	2,086.27	2,105.35	2,226.71	2,176.10
Net Current Assets	447.43	395.35	429.23	384.81	265.19
	3,598.16	3,624.81	3,513.31	3,682.96	3,347.20
Profit before tax	319.59	413.10	583.11	475.63	557.13
Value Added	690.29	728.57	902.98	766.07	842.90

Ratio of

Profit(before tax) to Human Resources	30%	36%	60%	44%	61%
Value Added to Human Resources	64%	64%	92%	71%	93%
Human Resources to Total Resources	30%	32%	28%	29%	27%

Social Accounts 2008-09

(Rs. in Crore)

I. SOCIAL BENEFITS AND COSTS TO EMPLOYEES

a) Social Benefits to Employees

	2008-09	2007-08	2006-07	2005-06	2004-05
1 Welfare facilities-Canteen & Club	5.28	4.62	0.89	2.25	1.21
2 Ex-gratia/Awards	9.07	4.55	7.22	2.45	2.55
3 Medical facilities	6.38	5.13	4.83	3.53	3.76
4 Retirement Benefits	4.42	0.47	0.36	0.31	0.78
5 Interest Concessions	1.72	0.69	0.67	0.67	0.65
6 Training and career development	0.81	1.10	1.06	0.49	0.37
7 Clothing and Uniform	2.35	1.42	1.88	0.46	0.77
8 Holiday Facilities	0.99	1.78	2.85	1.11	3.10
9 Transport Facilities	2.45	2.26	1.82	1.33	1.35
10 Insurance	0.47	0.79	0.62	0.37	0.25
11 Educational Facilities	0.06	0.17	0.30	0.10	0.07
12 Township Costs	3.74	3.04	2.50	2.31	2.18
13 Power Service at Township	0.85	2.09	3.61	2.77	2.02
14 Others	15.08	10.26	7.00	5.99	3.32
Total (a)	53.67	38.37	35.61	24.14	22.37

b) Social Cost to Employees

Extra hours put in by Officers/Workmen	0.79	0.17	0.22	0.33	0.21
Total (b)	0.79	0.17	0.22	0.33	0.21
Net Social Income to Employees (a+b)	52.88	38.20	35.39	23.81	22.16

II. SOCIAL BENEFITS TO COMMUNITY

1 Local Taxes	0.39	0.55	0.44	0.46	0.17
2 Environment Improvements	0.28	0.32	0.28	0.12	0.82
3 Expenditure on Project-Education	1.35	0.85	1.09	0.46	0.39
4 Expenditure on -Agriculture & allied	0.45	0.36	0.32	0.14	0.06
5 Expenditure on -Infrastructure	1.40	1.32	1.18	0.24	0.39
6 Expenditure on -Medical	0.23	0.59	0.20	0.10	0.09
7 Expenditure on -Sports & Culture	0.60	0.39	0.30	0.29	0.12
8 Generation of job potential to local people	6.80	4.98	4.98	4.58	4.31
9 Generation of business	234.07	219.13	222.18	267.11	240.55
Total Social income to community	245.57	228.48	230.98	273.49	246.89

III. SOCIAL COST AND BENEFIT TO THE GENERAL PUBLIC

a) Benefits to the General Public

		(Rs. in Crore)			
	2008-09	2007-08	2006-07	2005-06	2004-05
1 Taxes paid to State Government	326.72	420.80	530.38	504.26	291.54
2 Dividend paid to State Government	18.16	22.71	17.26	15.44	7.99
3 Taxes and Duties paid to Central Government	702.29	851.81	800.65	564.05	532.31
Total (a)	1,047.17	1,295.32	1,348.29	1,083.75	831.84

b) Costs to the General Public

1 Purchase of Power	2.02	0.61	0.33	0.38	0.60
Total (b)	2.02	0.61	0.33	0.38	0.60
Net Social Income to the General Public (a-b)	1,045.15	1,294.70	1,347.96	1,083.37	831.24
Net Social Income to Employees, Community and General Public (I+II+III)	1,343.59	1,561.38	1,614.33	1,380.68	1,100.29

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.

	(Rs. in Crore)	
	2008-09	2007-08
Costs of Capital		
Cost of Equity	4.58%	9.02%
Cost of Debt (net of tax)	3.06%	3.70%
Weighted Average Cost of Capital	4.55%	8.86%
Average Capital Employed	2,288.86	2,375.06
Economic Value Added		
Operating Profits	341.02	436.34
Less : Tax	83.95	40.29
Cost of Capital	104.14	210.43
Economic Value Added	152.93	185.62
Return Ratios		
PAT/Average Capital Employed	10.30%	15.70%
EVA/Average Capital Employed	6.68%	7.82%



