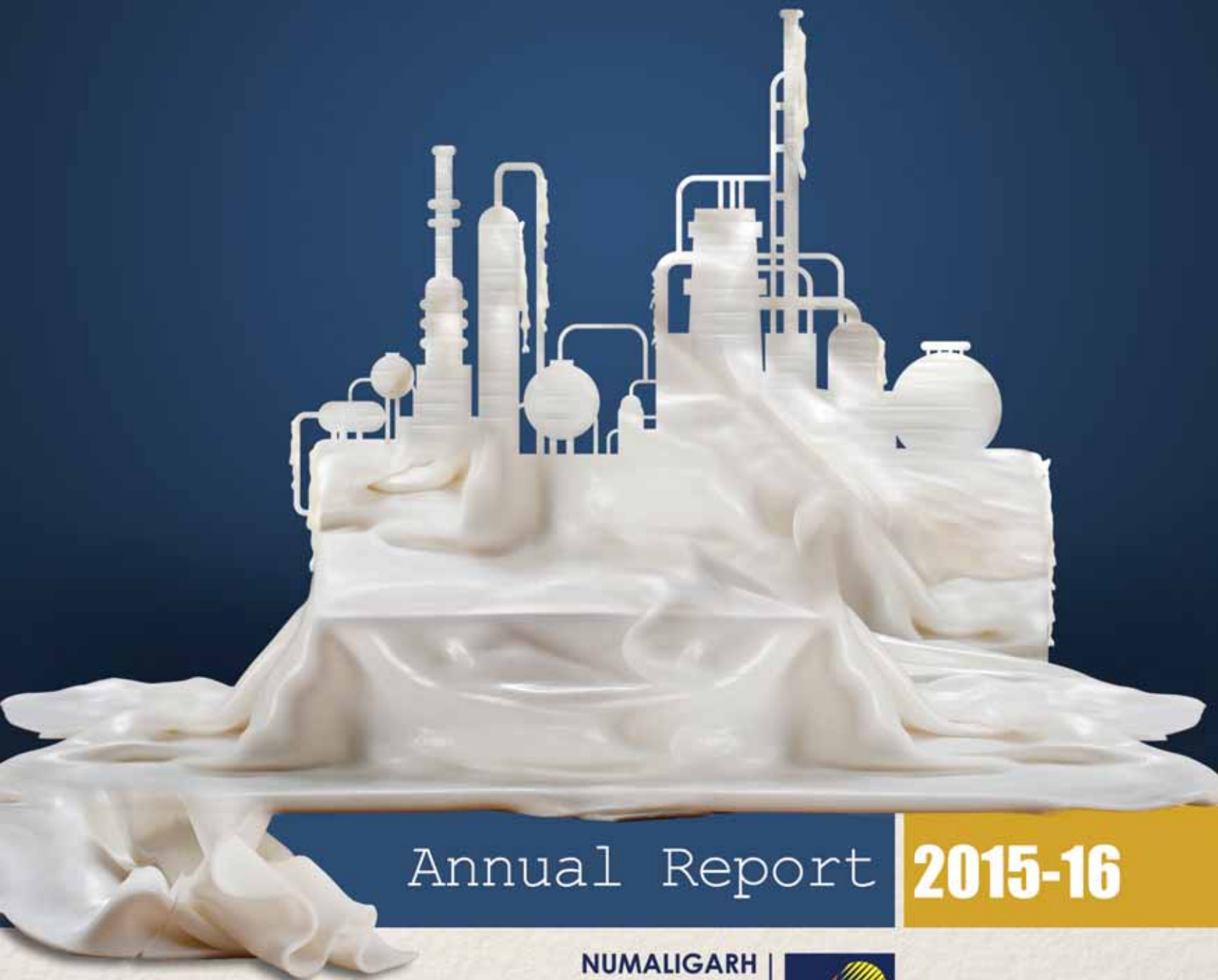


Lighting up a thousand smiles



Annual Report

2015-16

NUMALIGARH
REFINERY
LIMITED

A GOVERNMENT OF INDIA ENTERPRISE

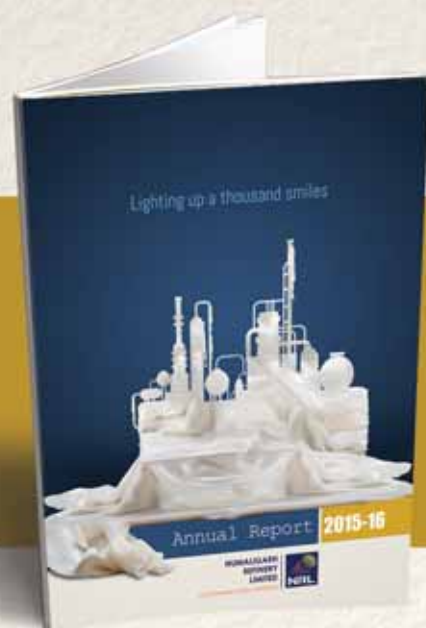


Vision

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

Mission

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



contents

Chairman's Message	2
Board of Directors	4
Management Team	6
Notice to the Members	7
Performance profile	9
Directors' Report	19
Management Discussion and Analysis	37
Annexures to Directors' Report	45
Independent Auditors' Report on Standalone Financial Statements	79
Comments of the C&AG	89
Balance Sheet	90
Statement of Profit & Loss	91
Cash Flow Statement	92
Statement of Significant Accounting policies & Notes to the financial Statements	95
Independent Auditors' Report on the Consolidated Financial Statements	120
Comments of the C&AG	128
Consolidated Balance Sheet	129
Consolidated Statement of Profit & Loss	130
Consolidated Cash Flow Statement	131
Statement of Significant Accounting policies & Notes to the financial Statements	134
Human Resource Accounting	162
Social Accounts	163
Economic Value Added	164



CHAIRMAN'S MESSAGE



Dear Shareowners,

It is my honour and great privilege to present to you the report on the excellent performance of your Company. Continuing the trend of last year's exceptional performance, your Company has once again delivered excellent results in 2015-16. This was possible only due to the relentless efforts of all individuals across the organization.

NRL's net profit during 2015-16 was recorded at ₹1,222.34 crores, the highest ever achieved by the Company registering an increase of 70% over previous year's net profit. The Gross Refining Margin (GRM) continued to be among the best in the industry reflecting the high production efficiency of the refinery. Continuous effort was made during the year to increase production of high margin products. Production of Motor Spirit (MS) was maximized to reach record high of 511 TMT during the year. Commercial production and sale of paraffin wax was also commenced during the year and by end of the financial year, NRL was able to capture a sizeable share of the domestic market.

The refinery processed 2,520 TMT of crude oil in 2015-16 compared to 2,777 TMT in the previous year. Crude processing was lower due to lower receipt of crude during the year. NRL's distillate yield during the year continued to be the highest in the Industry at 90.4% and the energy intensity index (EII) at 96.6 was among the best in the country.

During the year, NRL received the Shreshtha Suraksha Puraskar (Silver Trophy) from the National Safety Council in Group-A (Manufacturing Coke and Refined Petroleum Products) under the manufacturing sector category. Other significant awards included India Today PSU Award for Best Performing PSU (3rd) and Eco Friendly Refinery (3rd) in the Miniratna category.

NRL continued to pursue its identified projects with renewed vigor. NRL's refinery expansion and bio-refinery proposals have been included in the Government of India's "Hydrocarbon Vision 2030 for the North East" giving a boost to NRL's efforts and aspirations. Work on the bio-refinery is progressing well with the term sheet for Joint Venture agreement being signed with M/s Chempolis Oy of Finland. The Indo-Bangla product pipeline is also under inter-Ministerial discussion between the two countries. Implementation of the Hydrotreater Unit (DHDT) is gaining momentum and is targeted to be completed by January 2018.

On Corporate Social Responsibility (CSR), NRL remains committed to create a better and sustainable environment for the society with special emphasis on the weaker section. NRL has taken up a project to set up a Nursing School at Numaligarh as part of its CSR initiative. Besides, NRL conducted skill development programs on candle making, welding, nursing and other vocational trades for educated and unemployed youths in the region.

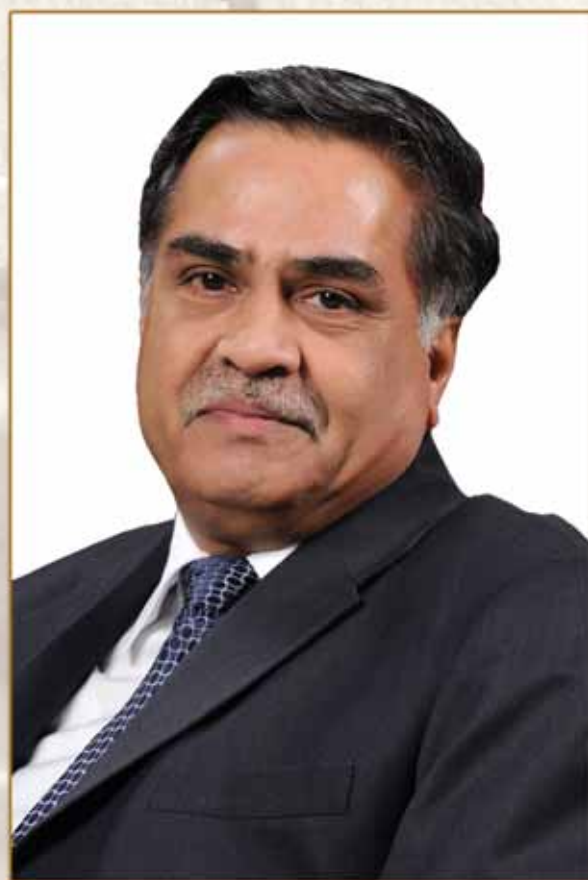
The employees, customers, suppliers, contractors and shareholders have always been at the core of the Company's strength, and have been our partners in progress. With the support and co-operation received from all stake-owners, I am confident that NRL will excel in every endeavor it embarks upon.

Warm regards,



S. Varadarajan
Chairman

Board of Directors



S. Varadarajan
Chairman

Bankers

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

Auditors

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

Refinery Unit

Pankagrang
Numaligarh Refinery Complex
Golaghat District, Assam
Pin – 785699

Registered Office

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

Co-ordination Office

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

Marketing & BD Office

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

Annual Report 2015-16



P. Padmanabhan
Managing Director



S. R. Medhi
Director (Technical)



S. K. Barua
Director (Finance)



L. Rynjah
Director
[End of tenure on 27.06.2016]



B. P. Rao
Director
[End of tenure on 27.06.2016]



R T Jindal
Director



Alok Tripathi
Director
[up to 12.08.2015]



Ms. Sushma Taishete
Director [w.e.f. 4.9.2015
to 12.01.2016]



Nalin Kumar Srivastava
Director
[w.e.f. 13.01.2016]



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

Management Team

Dr. A. K. Ambasht, IFS,	Chief Vigilance Officer
Mr. M. R. Baruah	Sr. GM (Projects)
Mr. A. K. Bhattacharya	Sr. GM (HR)
Mr. B. Ekka	GM (Marketing & BD)
Mr. S. Chakraborty	GM (Maintenance)
Mr. P. K. Barua	GM (Coordination & Finance)
Mr. S. D. Maheshwari	GM (Finance)
Mr. D. Choudhury	GM (Commercial & Legal)
Mr. N. Borthakur	GM (Technical)
Mr. B. J. Phukan	GM (Operation)

Mr. A. Chakravorty	GM (Project)
Mr. A. K. Patra	DGM (Finance)
Mr. G. N. Sarma	DGM (Internal Audit)
Mr. P. K. Baruah	DGM (CSR)
Mr. Gopal Sarma	DGM (HSE)
Mr. H. K. Nath	DGM (Mechanical Maintenance)
Mr. M. K. Pegu	DGM (NRMT)
Mr. G. K. Borah	DGM (Project)
Mr. Sanjay Khanna	DGM (Technical)
Mr. H. K. Sarmah	Company Secretary

Notice to the Members

Notice is hereby given that the 23rd Annual General Meeting of the Members of Numaligarh Refinery Limited will be held at Hotel Brahmaputra Ashok, M. G. Road, Guwahati-781001 on Friday, the 9th September, 2016 at 3.00 P.M. to transact the following Ordinary and Special Business:

A. Ordinary Business

1. To receive, consider and adopt (a) the Audited Financial Statement of the Company for the financial year ended on 31st March, 2016 (b) the Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2016; and the Reports of the Board of Directors and the Statutory Auditors and the Comments of the Comptroller & Auditor General of India thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri P. Padmanabhan, Director (DIN:06807565) who retires by rotation and being eligible, offers himself for re-appointment.

B. Special Business

4. Appointment of Shri Nalin Kumar Srivastava as Director

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder as amended from time to time, Shri Nalin Kumar Srivastava (DIN:06682842), who was appointed by the Board of Directors as an Additional Director on the Board w.e.f. 13th January, 2016 and who holds office upto the date of this 23rd AGM of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for the Office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

5. Approval of Remuneration of the Cost Auditor for the financial year 2016-17

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014 as amended from time to time, appointment of M/s. Subhadra Dutta & Associates, Cost Accountants, Guwahati as the Cost Auditor of the Company for the financial year 2016-17 by the Board of Directors of the Company to conduct the audit of cost records maintained by the Company under Companies (Cost Records and Audit) Rules, 2014 and amendment thereon, at a remuneration of ₹75,000/- plus out of pocket expenses, reimbursement of travel and boarding expenses and payment of service tax at applicable rates etc., be and is hereby ratified and approved.”

By Order of the Board of Directors

Registered Office:

122A, G. S. Road, Christianbasti,
Guwahati- 781005
Date: 9th August, 2016

Sd/-
H. K. Sarmah
Company Secretary

Note:

1. Explanatory statements under Section 102 of the Companies Act, 2013, in respect of the business under item No. 4 & 5 as set out above are annexed hereto.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The Proxy form duly completed should be deposited at the registered office of the Company not less than forty eight hours before commencement of the Meeting.
3. A person shall act as proxy for only 50 members and holding in the aggregate of not more than 10 percent of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.



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

Following are the Explanatory Statements in respect of item No. 4 & 5 of the Special Business indicated in the Notice dated 9th August, 2016.

Item No. 4: Appointment of Shri Nalin Kumar Srivastava as Director

Shri Nalin Kumar Srivastava, Director (Exploration-II), Ministry of Petroleum & Natural Gas, Govt. of India was appointed as Additional Director on the Board of the Company under provisions of Article 85 of the Articles of Association of the Company read with Section 160(1) of the Companies Act, 2013, effective 13th January, 2016 in accordance with the direction of the Government of India.

Shri Nalin Kumar Srivastava, being an Additional Director, holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a Member along with deposit of requisite amount under Section 160 of the Companies Act, 2013. A brief resume of Shri Nalin Kumar Srivastava is provided separately in the Corporate Governance Report enclosed to the Directors' Report. The Board recommends appointment of Shri Nalin Kumar Srivastava as Director of the Company.

Shri Nalin Kumar Srivastava is interested in the Resolution to the extent as it concerns his appointment. None of the Directors or Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in passing of the said Ordinary Resolution.

Item No. 5: Approval of Remuneration of Cost Auditor for the financial year 2016-17

M/s Subhadra Dutta & Associates, Cost Accountants was appointed by the Board as the Cost Auditor of the Company for the year 2016-17 on recommendation of the Audit Committee to conduct the audit of Cost Records at a remuneration of ₹75,000/-plus out of pocket expenses, reimbursement of travel and boarding expenses and payment of service tax at applicable rates.

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

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

By Order of the Board of Directors

Sd/-
H. K. Sarmah
Company Secretary

Registered Office:

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

Date: 9th August, 2016

Performance Profile



Performance Profile

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
1 Crude Oil Processed (TMT) :	2520	2777	2613	2478	2825	2250	2619	2251	2568	2504
2 Capacity Utilisation (%) : [Installed capacity 3000 TMT]	84%	93%	87%	83%	94%	75%	87%	75%	86%	83%
3 Production Quantity (TMT) :	2521	2754	2558	2379	2755	2012	2366	2016	2302	2268
Light Distillates %	21.7%	20.3%	20.5%	19.1%	19.0%	13.8%	15.6%	15.5%	15.2%	14.7%
Middle Distillates %	73.5%	76.2%	76.7%	78.0%	77.3%	82.2%	80.0%	80.3%	80.4%	80.7%
Heavy Ends %	4.8%	3.5%	2.8%	2.9%	3.7%	4.0%	4.4%	4.2%	4.4%	4.6%
4 Refinery Fuel and Loss as % of Crude Processed :	9.64%	9.74%	10.26%	9.33%	9.72%	10.98%	9.85%	10.72%	10.24%	10.53%
5 Market Sales (TMT) :	2,619	2,695	2,550	2,410	2,728	2,137	2,355	2,023	2,391	2,333
6 Manpower (Nos.):	880	878	864	861	851	820	820	789	788	718
7 Sales and Earnings (₹ in Crore) :										
i) Gross Revenue from Operation	11,925.44	10,827.05	9,876.76	8,757.01	14,075.58	8,972.19	7,874.09	8,853.35	8,764.16	7,930.32
ii) Profit Before Depreciation/ Amortisation, Interest & Tax	2,111.09	1,342.37	783.42	520.90	518.15	618.30	512.27	484.02	586.00	840.55
iii) Depreciation and amortisation expense	203.89	172.90	179.01	180.13	173.97	170.17	153.64	147.96	157.62	159.74
iv) Interest	22.48	36.34	41.91	59.40	38.58	29.16	5.14	21.43	23.24	20.56
v) Extraordinary Items	1.86	(1.12)	8.98	12.89	-	-	-	-	-	-
vi) Adjustment for prior period	-	-	(9.13)	5.62	18.14	4.84	(8.22)	(4.96)	(7.96)	77.14
vii) Profit before tax	1,882.86	1,134.25	562.65	262.86	287.46	414.13	361.71	319.59	413.10	583.11
viii) Tax #	660.52	415.94	191.56	118.60	103.76	134.87	129.63	83.95	40.29	14.31
ix) Profit After Tax.	1,222.34	718.31	371.09	144.26	183.70	279.26	232.08	235.64	372.81	568.80
# Includes Deferred Tax provision - ₹ (37.53) crores (Current year) & - ₹ (47.68) crores (Previous year)										
8 What the Company Owned (₹ in Crore):										
i) Gross Fixed Assets (including Capital Work-in- Progress)	4,809.58	4,590.33	4,302.37	3,855.66	3,757.24	3,681.56	3,582.39	3,347.22	3,219.57	3,083.36
ii) Net Fixed Assets (including Capital Work-in-Progress)	2,365.71	2,347.12	2,224.79	1,952.22	2,010.45	2,111.92	2,155.43	2,071.31	2,086.28	2,105.35
iii) Non current assets	54.46	51.48	70.04	75.98	67.62	74.69	-	-	-	-
iv) Net Current Assets (including investments)	2,622.91	2,048.22	1,815.52	1,502.60	1,270.61	870.24	739.87	571.78	520.15	491.03
v) Intangible Assets to the extent not written off	1.48	2.85	5.71	5.66	8.94	7.86	1.76	3.94	4.92	6.89
Total Assets Net (ii+iii+iv)	5,044.56	4,449.67	4,116.06	3,536.46	3,357.62	3,064.71	2,897.06	2,647.03	2,611.35	2,603.27
9 What the Company Owed (₹ in Crore):										
i) Share Capital	735.63	735.63	735.63	735.63	735.63	735.63	735.63	735.63	735.63	735.63
ii) Reserve & Surplus	3,221.92	2,619.35	2,255.20	2,021.81	1,963.62	1,865.42	1,714.41	1,615.02	1,508.47	1,309.34
iii) Miscellaneous Expenditure to the extent not written off	-	-	-	-	-	-	-	-	-	-
iv) Net worth (i)+(ii)-(iii)	3,957.55	3,354.98	2,990.83	2,757.44	2,699.25	2,601.05	2,450.04	2,350.65	2,244.10	2,044.97
v) Borrowings	497.94	668.64	768.30	392.97	283.39	211.92	207.65	50.39	77.62	214.85
vi) Deferred Tax Liability	106.70	144.23	191.91	213.56	203.86	238.47	239.37	245.99	289.63	343.45
vii) Long term liabilities & provisions	482.37	281.82	165.02	172.49	171.12	13.27	-	-	-	-
Total Funds Employed (iv+v+vi)	5,044.56	4,449.67	4,116.06	3,536.46	3,357.62	3,064.71	2,897.06	2,647.03	2,611.35	2,603.27
10 Internal Generation (₹ in Crore)	1,604.28	979.81	542.50	396.72	334.79	467.26	393.27	340.02	476.67	692.92

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
11 Ratios:										
i) Profit before Depreciation/ Amortisation, Interest & Tax as % age of Net Revenue from operations & Other income	20.75%	13.51%	8.42%	6.30%	3.85%	7.80%	7.70%	6.25%	7.90%	12.44%
ii) Profit after Tax as % age of Average Net Worth.	33.43%	22.64%	12.91%	5.29%	6.93%	11.06%	9.67%	10.26%	17.38%	30.45%
iii) Profit after Tax as % age of Share Capital	166.16%	97.65%	50.45%	19.61%	24.97%	37.96%	31.55%	32.03%	50.68%	77.32%
iv) Average Net worth as % age of Share Capital	497%	431%	391%	371%	360%	343%	326%	312%	292%	254%
v) Gross Profit before Depreciation/ Amortisation, Interest & Tax as % age of Average Capital Employed.	53.15%	39.50%	25.07%	17.38%	17.96%	23.93%	21.50%	21.11%	24.61%	35.28%
vi) Profit Before Tax as % age of Average Capital Employed	47.40%	33.38%	18.01%	8.77%	9.96%	16.03%	15.18%	13.94%	17.35%	24.47%
vii) Profit After Tax as % age of Average Capital Employed (ROCE)	30.77%	21.14%	11.88%	4.81%	6.37%	10.81%	9.74%	10.28%	15.66%	23.87%
viii) Long Term Debt Equity Ratio	0.13	0.16	0.18	0.02	0.03	0.04	0.02	0.02	0.03	0.09
12 Earning Per Share (₹)	16.62	9.76	5.04	1.96	2.50	3.80	3.15	3.20	5.07	7.73
13 Book Value Per Share (₹)	53.80	45.61	40.66	37.48	36.69	35.36	33.31	31.96	30.51	27.80
14 SOURCES AND APPLICATION OF FUNDS (₹ In Crore)										
SOURCES OF FUNDS										
OWN :										
Profit after Tax	1,222.34	718.31	371.09	144.26	183.70	279.26	232.08	235.64	372.81	568.80
Depreciation/Amortisation	204.18	172.90	177.24	159.97	179.57	144.76	153.23	144.61	157.26	242.79
Deferred Tax provision	(37.53)	(47.68)	(21.64)	9.69	(34.59)	(0.92)	(6.60)	(43.64)	(53.82)	(52.08)
Investments	90.41	-	-	10.73	-	-	-	0.46	-	2.51
BORROWINGS :										
Loans (Net)	-	-	375.33	109.58	71.47	12.25	157.26	-	-	-
Decrease in Working Capital	-	-	-	-	-	-	-	-	33.88	-
Changes in long term liabilities & provisions	200.55	116.80	-	1.37	157.85	-	-	-	-	-
Changes in Long Term Loans & Advances and Non-Current assets	-	18.56	5.94	-	7.07	-	-	-	-	-
Adjustment on account of retirement / reclassification of assets	2.06	5.57	3.93	99.27	65.43	45.31	1.30	-	22.95	14.42
	1,682.01	984.46	911.89	534.87	630.50	480.66	537.27	337.07	533.08	776.44
APPLICATION OF FUNDS :										
Capital Expenditure	223.34	297.80	450.64	197.69	141.11	148.39	236.49	127.65	159.16	133.72
Adjustment for Misc.Expenditure / Intangible Assets	0.09	0.12	3.14	0.04	3.53	8.18	-	1.03	-	1.79
Dividend	514.94	294.25	117.70	73.56	73.56	110.34	110.34	110.34	147.13	183.91
Tax on distributed profits	104.84	59.91	20.00	12.50	11.93	17.90	18.75	18.75	25.00	31.26
Repayment of Loans (Net)	170.70	99.66	-	-	-	-	-	27.23	137.24	381.34
Investments(Net)	-	197.36	35.48	-	61.22	29.92	-	-	63.00	-
Changes in long term liabilities & provisions	-	-	7.47	-	-	-	-	-	-	-
Increase in Working Capital	665.12	35.36	277.46	242.72	339.15	165.93	168.09	52.07	-	44.42
Changes in Non-Current assets & Provisions	2.98	-	-	8.36	-	-	-	-	-	-
Transitional Provision for Employee Benefit	-	-	-	-	-	-	3.60	-	1.55	-
	1,682.01	984.46	911.89	534.87	630.50	480.66	537.27	337.07	533.08	776.44



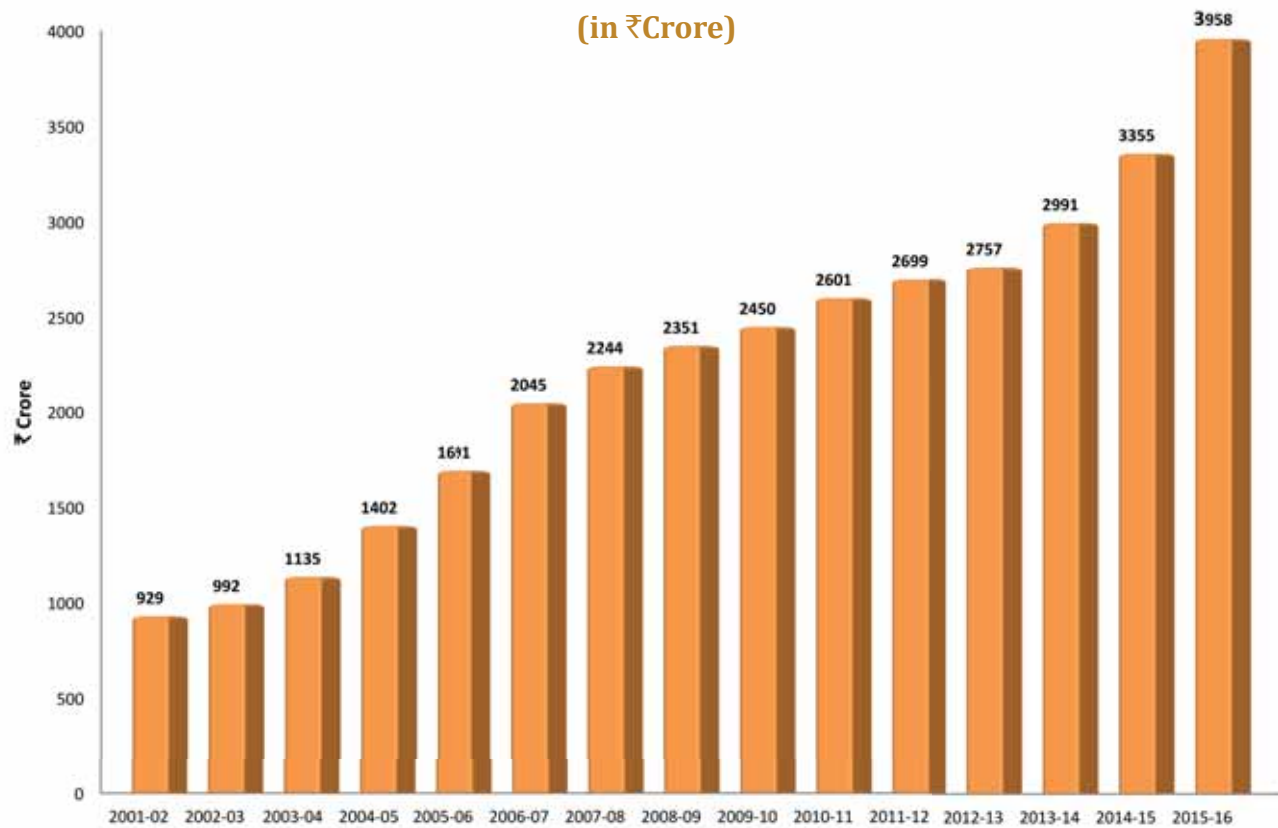
	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
15 Changes in Working Capital (₹ in Crore) :										
A) Current Assets :										
Inventories	(539.69)	248.68	142.28	(807.97)	383.33	82.03	571.63	57.15	100.34	22.95
Trade Receivables	(417.57)	958.52	(428.34)	(93.72)	44.82	643.19	(24.58)	(337.68)	269.18	(57.62)
Cash & Bank Balances	683.20	88.59	962.52	2.51	(201.55)	79.00	(169.35)	(220.01)	121.72	359.41
Loans & Advances, Others	(87.40)	0.76	(108.60)	210.48	9.27	(4.63)	41.36	(18.45)	(7.64)	(65.59)
	(361.46)	1,296.55	567.86	(688.70)	235.87	799.59	419.06	(518.99)	483.60	259.15
Less:										
B) Current Liabilities & Provisions										
Current Liabilities	(865.20)	888.33	279.31	(915.64)	(16.93)	579.74	197.87	(558.03)	557.53	272.73
Provisions	(161.38)	372.86	11.09	(15.78)	(86.35)	53.92	53.10	(13.03)	(40.05)	(58.00)
	(1,026.58)	1,261.19	290.40	(931.42)	(103.28)	633.66	250.97	(571.06)	517.48	214.73
C) Working Capital (A - B)	665.12	35.36	277.46	242.72	339.15	165.93	168.09	52.07	(33.88)	44.42

Value Added

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
HOW VALUE IS GENERATED (₹ in Crore) :										
Value of Production :	9,661.52	10,074.11	9,268.47	7,601.63	13,659.35	7,847.50	7,218.61	7,708.80	7,496.73	6,675.80
Less : Direct Materials Consumed :	6,764.48	7,935.63	7,933.91	6,622.87	12,503.09	7,011.66	6,532.67	7,073.07	6,832.68	5,724.20
Value Added	2,897.04	2,138.48	1,334.56	978.76	1,156.26	835.84	685.94	635.73	664.05	951.60
Add : Other Incomes (including P.Y.A)	140.64	74.90	48.87	64.83	16.55	61.00	55.33	54.58	64.52	(48.62)
Total Value Generated	3,037.68	2,213.38	1,383.43	1,043.59	1,172.81	896.84	741.27	690.31	728.57	902.98
HOW VALUE IS DISTRIBUTED (₹ in Crore) :										
A) Operation :										
Employees' Benefits	185.52	178.60	144.53	129.92	143.28	138.01	104.89	87.42	54.08	48.51
Other Costs	742.93	691.29	455.33	411.28	529.53	144.89	115.89	117.77	79.18	88.55
	928.45	869.89	599.86	541.20	672.81	282.90	220.78	205.19	133.26	137.06
B) Providers of Capital										
Interest on Borrowings	22.48	36.34	41.91	59.40	38.58	29.16	5.14	21.43	23.24	20.56
Dividend	514.94	294.25	117.70	73.56	73.56	110.34	110.34	110.34	147.13	183.91
	537.42	330.59	159.61	132.96	112.14	139.50	115.48	131.77	170.37	204.47
C) Taxation:										
Corporate Tax	698.05	463.62	213.20	108.91	138.35	135.79	136.23	127.59	94.11	66.38
Tax on distributed profits	104.84	59.91	20.00	12.50	11.93	17.90	18.75	18.75	25.00	31.26
	802.89	523.53	233.20	121.41	150.28	153.69	154.98	146.34	119.11	97.64
D) Re-investment in Business										
Depreciation/ Amortisation	203.89	172.90	179.01	180.13	173.97	170.17	153.64	147.96	157.62	159.74
Provision on Investment	-	-	-	-	(0.01)	0.48	-	(3.86)	1.35	2.51
Deferred Tax	(37.53)	(47.68)	(21.64)	9.69	(34.59)	(0.92)	(6.60)	(43.64)	(53.82)	(52.08)
Retained Profit	602.56	364.15	233.39	58.20	98.21	151.02	102.99	106.55	200.68	353.64
	768.92	489.37	390.76	248.02	237.58	320.75	250.03	207.01	305.83	463.81
Total Value Distributed	3,037.68	2,213.38	1,383.43	1,043.59	1,172.81	896.84	741.27	690.31	728.57	902.98

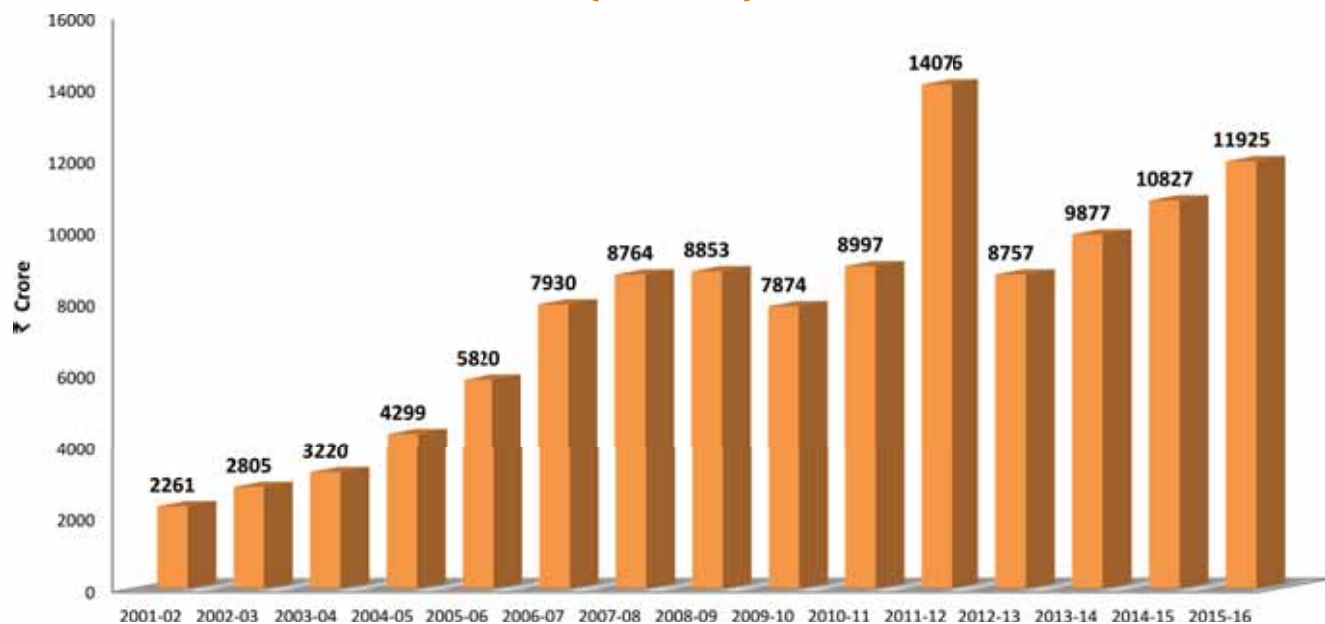
Net Worth CAGR 10.89%

(in ₹Crore)



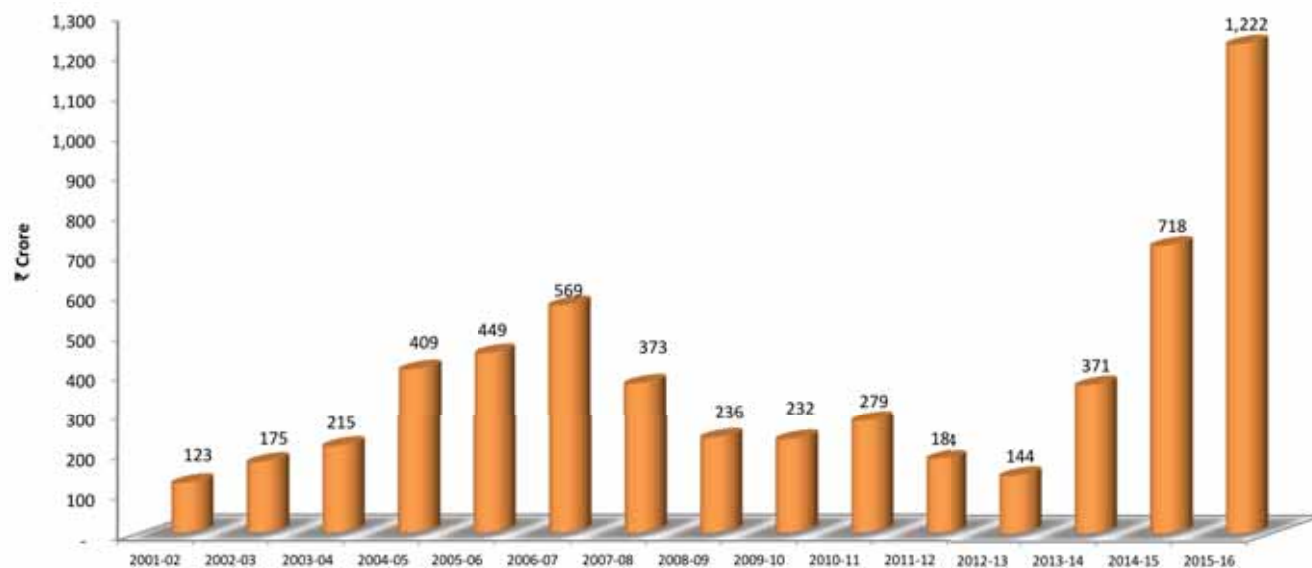
Turnover CAGR 19.62%

(in ₹ Crore)

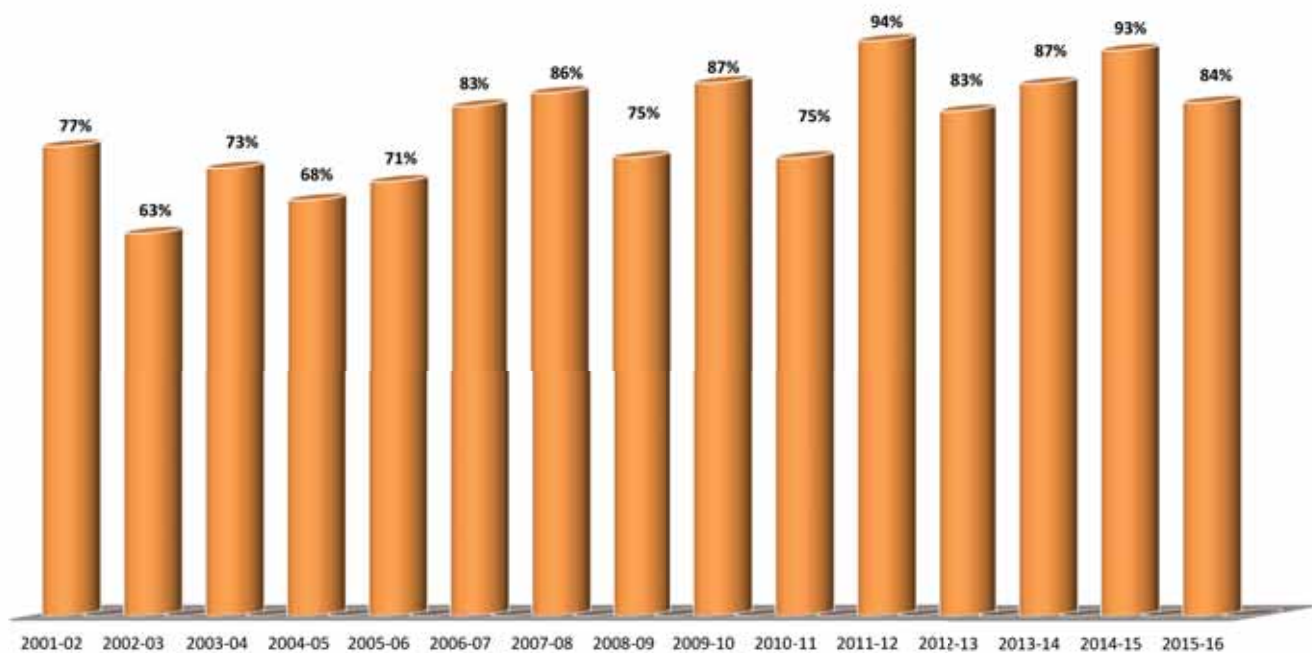




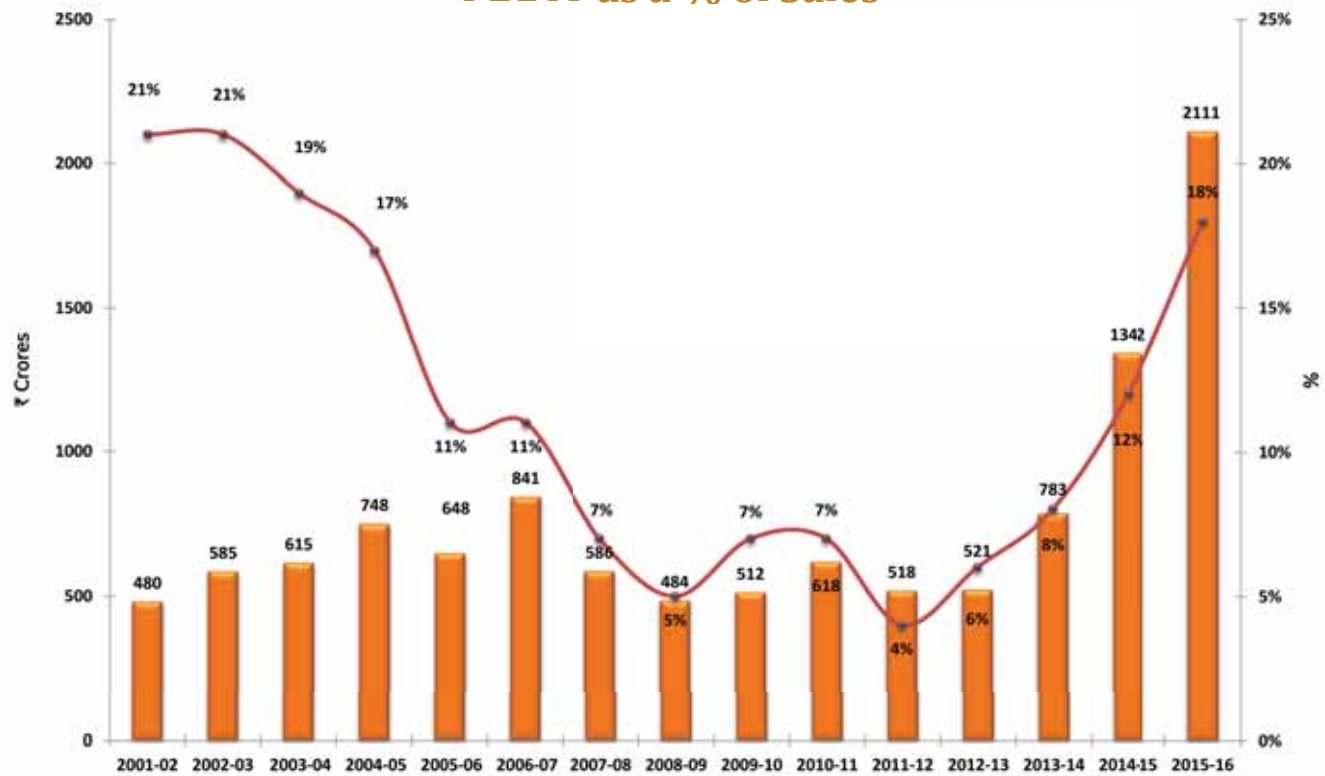
Profit After Tax CAGR 30.71% (in ₹ Crore)



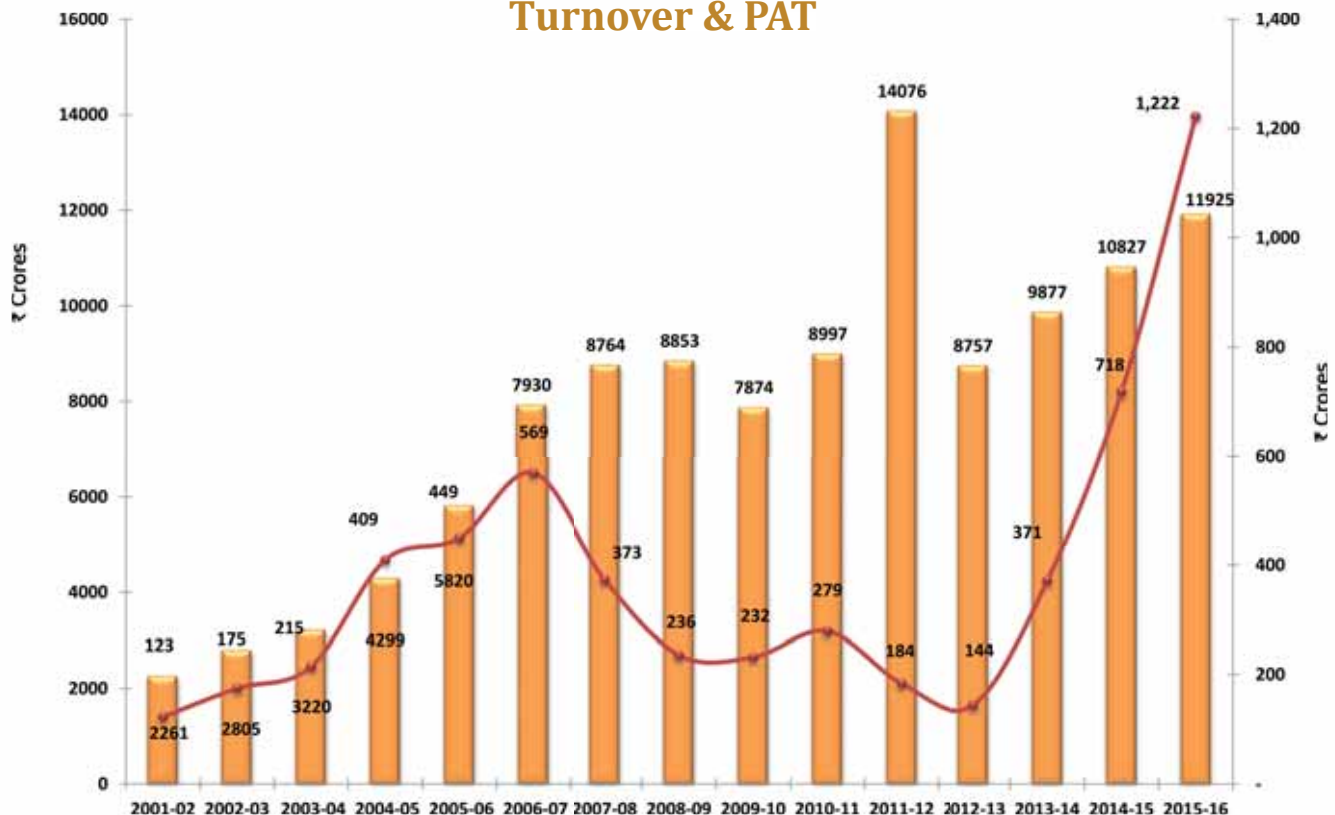
Capacity Utilisation



PBDIT as a % of Sales



Turnover & PAT

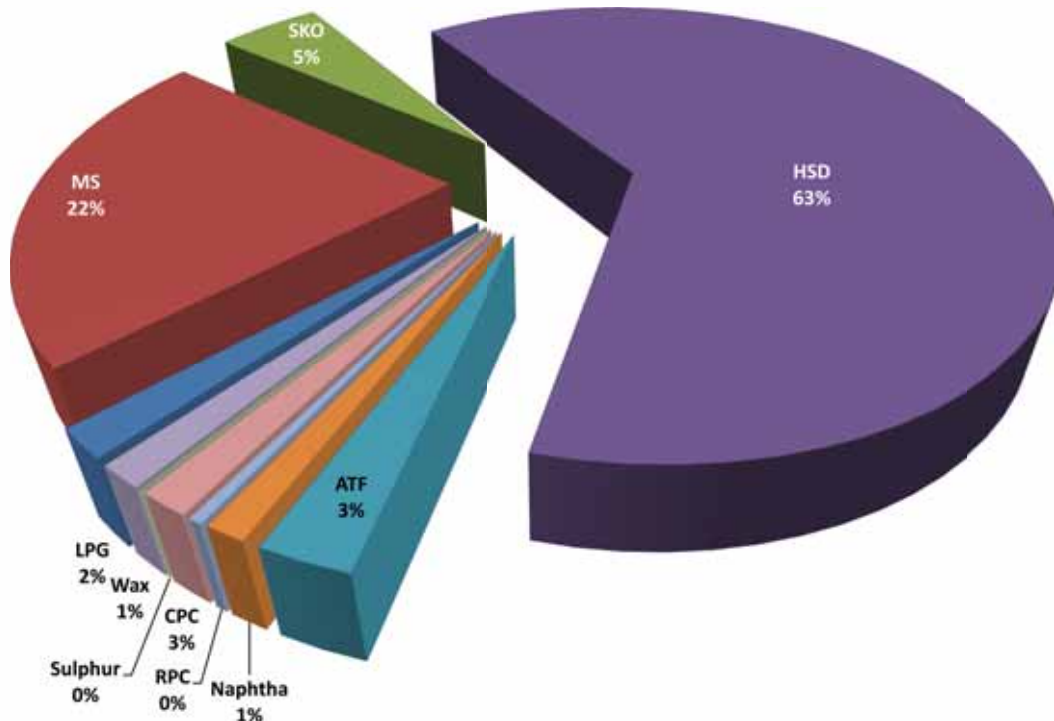




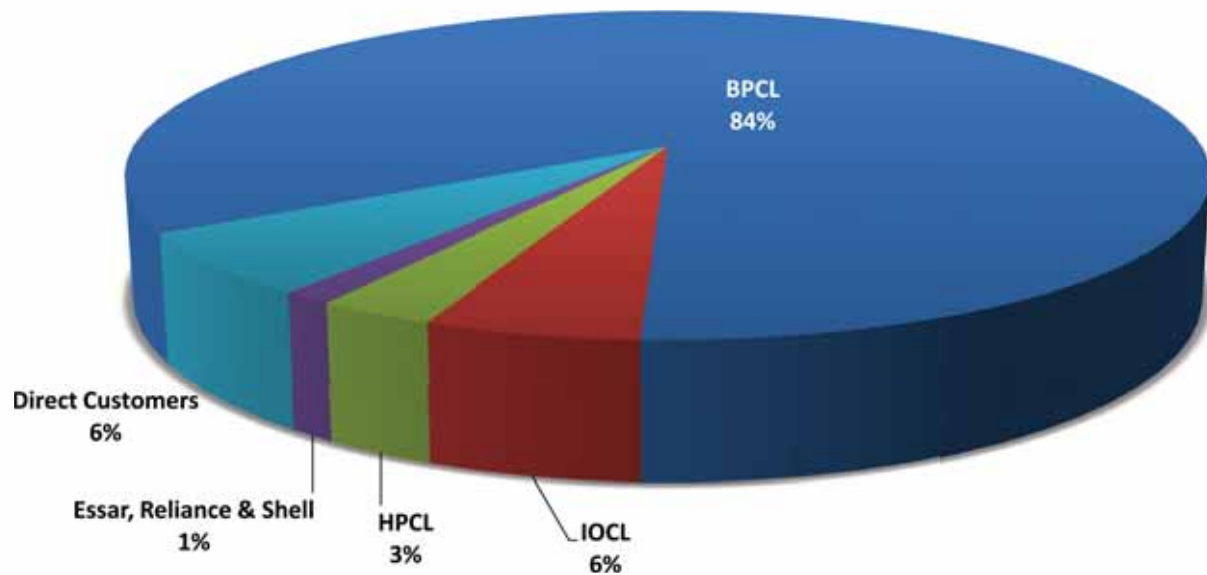
PAT & EPS



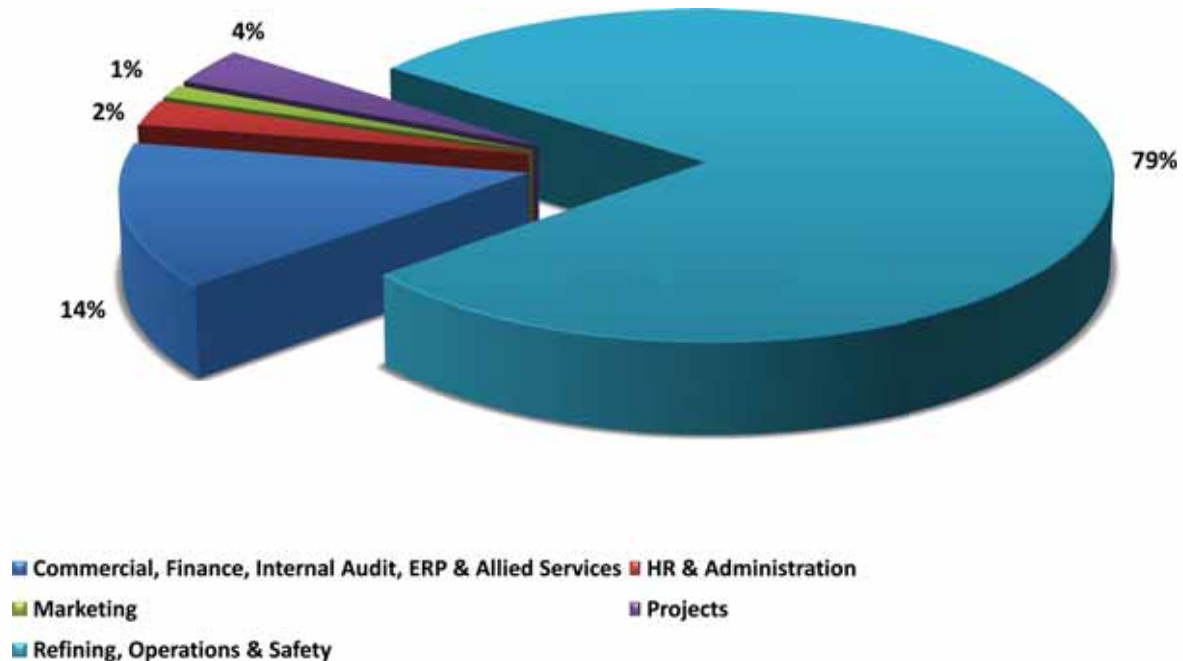
Productwise Sales Pattern



Party-wise Sales

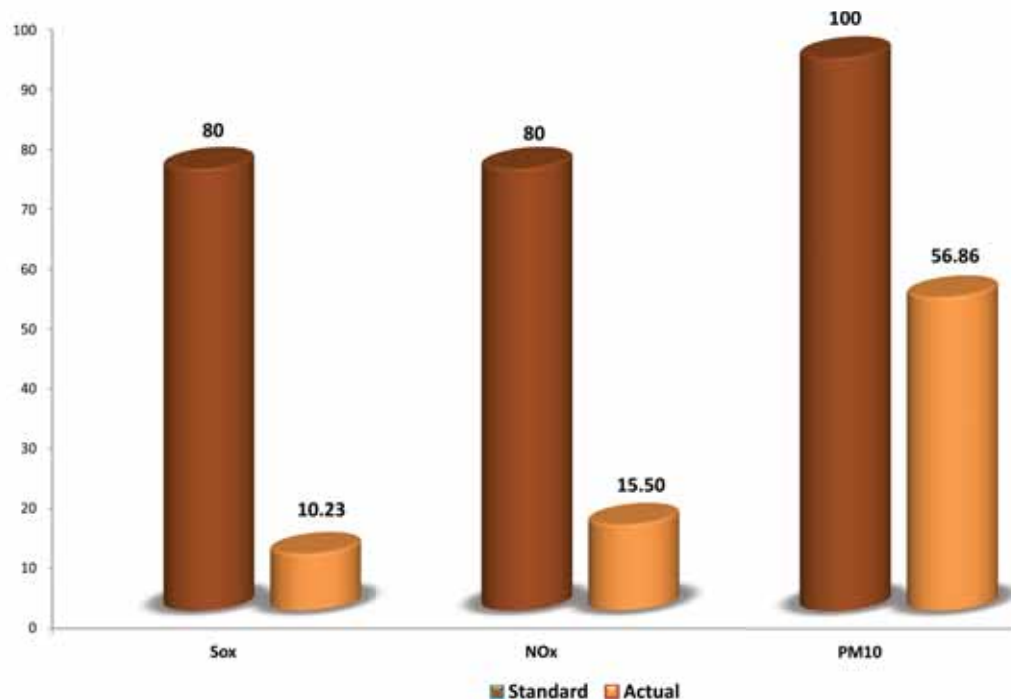


Manpower Function-wise

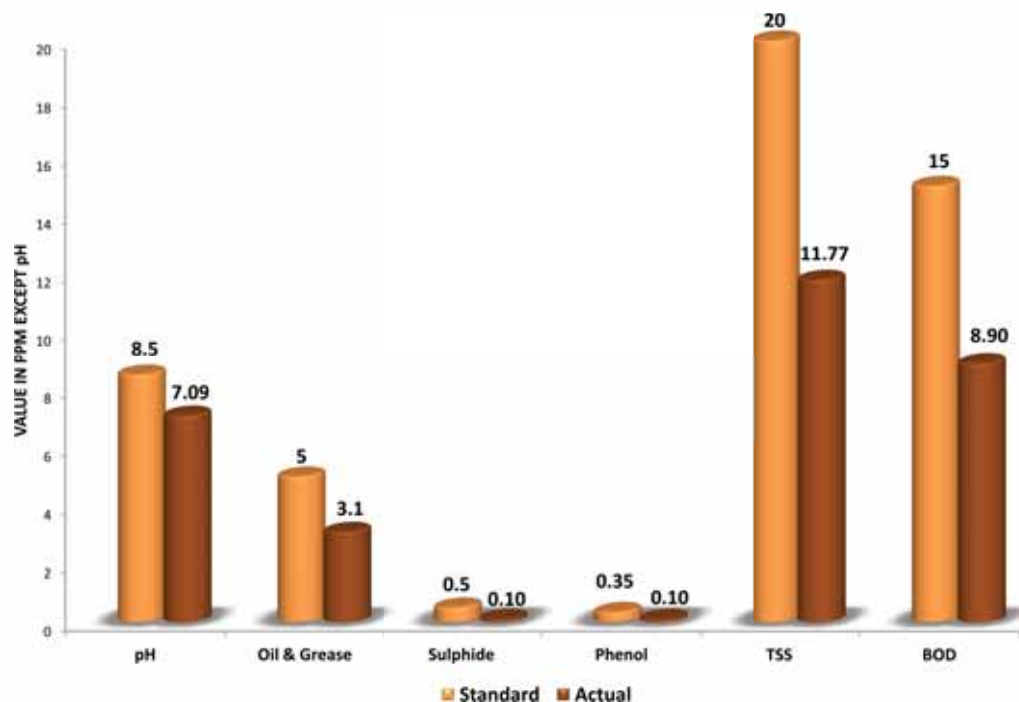




Ambient Air Quality at Numaligarh Refinery Township vis-a-vis National Standards



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



Directors' Report



Directors' Report to Shareholders

Your Directors have pleasure in presenting the 23rd Annual Report of the Company together with audited financial statement for the financial year ended 31st March, 2016.

1. Financial Performance

1.1 Consolidated Results

The consolidated financial results of the Company and its associate for the year 2015-16 compared to that of the previous year are summarized below:

(₹ In Crore)

	2015-16	2014-15
Gross Revenue from Operations	11,925.44	10,827.05
Profit after Tax	1,224.35	719.74
Earnings per share (Rs.)	16.64	9.76
Net Worth	3,963.87	3,359.29

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

- Revenue from Operations increased to ₹11,925.44 crores registering a growth of

10.14% as compared to ₹10,827.05 crores in the previous year.

- Profit after Tax was higher by 70% at ₹1,224.35 crores as compared to ₹ 719.74 crores in the previous year and correspondingly, Earnings Per Share (EPS) for the year also increased by 70% to ₹16.64 per share.
- Net worth of the Company has increased by 18% to ₹3,963.87 crores at the close of the year.

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



Hon'ble Prime Minister of India Shri Narendra Modi dedicates NRL's Wax Plant to the Nation

1.2 Standalone Results

Financial Results

The Company's refining business has continued to deliver record performance registering a growth of 10.14% as compared to the previous year due to better price realization. Record Profit before tax (PBT) of ₹1,882.86 crores was registered by the company in 2015-16 compared to ₹1,134.25 crores in the previous year. Higher profit during the year was mainly on account of better margin realization.

PBT for the year is the highest ever achieved by the company and has increased by 66% vis-a-vis that of the previous year. Profit after Tax (PAT) has also increased by 70% to ₹1,222.34 crores from ₹718.31 crores in the previous year. The Compounded Annual Growth Rate (CAGR) for PAT thus stood at 30.71% as on 31st March, 2016.

The financial results of the Company for the year 2015-16 compared to those of the previous year are summarized below:

(₹. In Crore)

	2015-16	2014-15
Physical Performance		
Crude Throughput (TMT)	2,520	2,777
Sales (TMT)	2,619	2,695
Financial Performance		
Gross Revenue from Operations	11,925.44	10,827.05
Profit before Depreciation & Amortization, Interest and Tax	2,111.09	1,342.37
Interest	22.48	36.34
Depreciation & Amortization expense	203.89	172.90
Profit before extraordinary items and tax	1,884.72	1,133.13
Extraordinary Items	1.86	(1.12)
Prior period items (net)	-	-
Profit before Tax	1,882.86	1,134.25
Provision for Income Tax	698.05	463.62
Provision for Deferred Tax	(37.53)	(47.68)
Profit after Tax	1,222.34	718.31
Balance brought forward from the previous year	0.01	0.01
Amount available for Disposal	1,222.35	718.32
The Directors propose to appropriate this amount as under :		
Towards Dividend:		
Interim Dividend paid	257.47	-
Final (proposed) Dividend	257.47	294.25
Corporate Dividend tax	104.83	59.91
For transfer to General Reserve	602.57	364.15
Balance carried to Balance Sheet	0.01	0.01
Summarized Cash Flow Statement:		
Cash Flows :		
Inflow/(Outflow) from operations	1,211.46	570.97
Inflow/(Outflow) from investing activities	(33.51)	(399.31)
Inflow/(Outflow) from financing activities	(494.75)	(83.07)
Net Increase/(decrease) in cash & cash equivalent	683.20	88.59

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



22nd Annual General Meeting

During 2015-16 the refinery processed 2,520 TMT of crude oil and sold 2,619 TMT of petroleum products. Sales during the year included previous year's stock. The Earning per Share (EPS) for the year 2015-16 stood at ₹16.62 compared to ₹ 9.76 in 2014-15.

1.3 Dividend

Your Directors after taking into account the financial results of the Company during the year and keeping in view the need to maintain strategic investments for a secure future, are pleased to recommend for your approval, a final dividend of 35% (₹3.50 per fully paid equity share of ₹10.00 each) for the year on the paid-up share capital of ₹735.63 crores which is in addition to interim dividend of ₹3.50 per fully paid equity share of ₹10.00 each paid during the year. The Interim Dividend paid and Final Dividend proposed would absorb a sum of ₹514.94 crores and Corporate Dividend Tax would further absorb ₹104.83 crores out of the Company's PAT. The final dividend payout is subject to approval of members at the ensuing Annual General Meeting. The total dividend payout of ₹7.00 per share will be the highest ever since inception of the Company. Post dividend, NRL's net worth as on 31st March, 2016

would increase to ₹3,957.55 crores compared to ₹3,354.98 crores at the end of the previous year.

1.4 Treasury Operations

The Company continued its focused attention towards effective utilization of available surplus funds enabling it to earn an interest/dividend income of ₹105.21 crores during the year at an average rate of return of 7.89% on Surplus Fund invested. Surplus Fund generated during the year was invested in line with Govt. of India guidelines.

During the year, term loan of ₹58.25 crores were repaid. Debt equity ratio at the close of the financial year stood at 0.13.

NRL continued to avail Buyers Credit (a form of Import financing), for working capital financing. In terms of Financial Risk Management Policy, the foreign currency exposures were hedged through derivative instruments and Board has been kept apprised of derivative transactions position on quarterly basis. CRISIL Ltd. has rated the Company at 'A1+' for Short Term Loan facilities and 'AAA/Stable' for Long-Term Loans, which has reduced the overall interest cost besides facilitating optimization of treasury activities. Average borrowing cost during the year stood at 8.31%.

During the year, the Company achieved 99.49% and 99.96% conversion in its e-payment and e-collection mechanisms respectively for making payment and managing receivables.

1.5 Contribution to Exchequer

Your Company has contributed a total of ₹ 2,757.75 crores to the Central Exchequer and ₹ 326.79 crores to the State Exchequers in the form of taxes, duties and dividends compared to ₹ 1175.46 crores and ₹ 249.78 crores respectively in the previous year.

1.6 Cost Control Initiatives

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

1.7 Government Audit Review

The comments of the Comptroller and Auditor General of India (C&AG) under section 143 (6) (b) of the Companies Act 2013 on accounts of the Company (both standalone as well as consolidated accounts) for the year ended 31st March, 2016 are attached with Statutory Auditors' Report as **Annexure**. We are pleased to report that the C&AG has no comments and issued no supplement to Statutory Auditors' report under section 143 (6)(b) of the Companies Act, 2013.

1.8 Consolidated Financial Statement

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

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

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

1.9 Particulars of Investments made & Loans/Guarantees given by the Company

Particulars of investments made and loans/guarantees given by the Company are provided in the standalone financial statement (Please refer to Note 16, 17, 19 and 48 to the standalone financial statement).

1.10 Transactions with Related Parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company has not entered into any contract /arrangement/transaction with related parties which were in conflict with the Company's interest. All related party transactions are negotiated on an arm's length basis, and are intended to further the Company's interests. Relevant information on related party transactions in Form AOC -2 is provided as **Annexure-C** to the Directors' Report.

Your Directors draw attention of the members to Note 38 to the financial statement which sets out related party disclosures.

1.11 Adequacy of Internal Financial Controls with Reference to the Financial Statements

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

The report of the statutory auditor on Internal Financial Controls under Clause (i) of sub-section



3 of section 143 of the Companies Act, 2013 ("the Act") is placed as an Annexure to the Statutory Auditors Report in the printed Annual Accounts of the Company.

1.12 Post balance sheet events

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

1.13 Risk Management

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

2. Physical Performance

Highlights of physical performance during FY 2015-16:

- Distillate yield at 90.4% was highest in industry
- Best ever Specific Energy Consumption (SEC) at 50.4 MBN
- Best ever Energy Intensity Index (EII) at 96.6
- Highest ever MS production at 511 TMT
- Largest manufacturer and marketer of wax in the country with > 50 % share

During 2015-16, Numaligarh Refinery processed 2,520 TMT of crude oil against MoU Excellent target of 2,850 TMT Crude processing during the year was lower due to lower availability of crude oil of 2,478

TMT. Distillate yield (including wax as distillate) during the year was recorded at 90.4%. Energy Intensity Index (EII) at 96.6 was better compared to MoU excellent target of 101. Specific Energy Consumption (SEC) at 50.4 MBN was the best ever achieved by the Company so far. Production of MS during the year was increased to 511 TMT against MoU excellent target of 360 TMT. Production of wax during the year was 23.46 TMT against MoU excellent target of 35 TMT.

NRL's total production during 2015-16 was 2,521 TMT which included 1,388 TMT of BS-III grade HSD, 264 TMT BS-IV HSD, 461 TMT BS-III MS and 50 TMT BS-IV MS. Production also includes 46 TMT of LPG, 67 TMT of ATF, 134 TMT of SKO, 30 TMT of RPC, 66 TMT of CPC, 3 TMT of Sulfur and 23 TMT of paraffin wax. Total evacuation from the refinery was 2,579 TMT which included pipeline transfer of 1,745 TMT to Siliguri Marketing Terminal, rail dispatch of 153 TMT and road dispatch of 681 TMT.

3. Safety Management

During the year, safety training was imparted to 4,944 contract workmen, 254 Central Industrial Security Force (CISF) & Security Staff, 425 POL drivers and 421 NRL employees. To spread public awareness on safety, 8 programs were conducted in the neighbouring villages of the refinery and 13 programs were conducted for contract workmen.



NRL wins Safety Awards

A safety theme was selected for each month and discussions were held on the topic among workmen and employees to enhance awareness.

The Fire Service Fortnight, Road Safety Week, National Safety Week was observed with active participation of employees, CISF personnel, security staff, contractors, workers, nearby public and school students.

NRL rehearses its emergency preparedness by conducting mock drills on minor fire, major fire, onsite disaster and offsite disaster on a regular and planned manner. During 2015-16, 13 minor fire, 4 major fire, 4 onsite disaster mock drills and 1 offsite disaster mock drills were conducted as planned.

NRL received the SHRESHTHA SURAKSHA PURASKAR-2015 (Silver Trophy) from National Safety Council in Group-A (Manufacturing Coke and Refined Petroleum products) under the manufacturing sector category.

During the year, one Loss Time Accident (LTA) incident took place in the refinery involving an employee. Since that incident, 231 days of Loss Time Accident (LTA) free operation has been achieved till 31.03.2016. Corresponding LTA free man-hours as on 31.03.2016 was 1.27 million.

With regard to liquidation of External Safety Audit (ESA) points pertaining to ESA 2013 (OISD), as on 31.03.2016, 117 audit points have been liquidated out of the total 128 recommendations.

4. Occupational Health

The Occupational Health Centre (OHC) inside the refinery is well equipped with diagnostic and treatment facilities. During 2015-16, periodic health checkups were conducted on 624 employees and 364 contract workers against corresponding figures of 630 and 305 during the previous year. Health Monitoring Software has been implemented in the OHC. No occupational health disease has been detected so far.



The newly formed VK NRL Nursing School Trust

During the year, Health Monitoring Software has been implemented in the OHC and First Aid Training was provided to 140 employees of the Refinery. OHC organizes regular awareness programmes in Refinery and Township covering occupational health, first aid, transportation of victims, nutrition, hygiene, etc. among its employees, workers and township residents. Health check-up camps were also organized with assistance from VK-NRL Hospital.

5. Environment and Ecology

NRL has adopted advance and comprehensive methods towards pollution control and environment protection. In its quest for environmental excellence, 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.

The environmental parameters including quality and quantity of treated effluent, stack emission, ambient air quality and noise level were regularly monitored to ensure that the same are within permissible limits of latest applicable standards. Hazardous oily wastes were disposed off as per Hazardous Wastes (Management, Handling and Trans-boundary Movement) Rules, 2008. In an effort towards controlling fugitive emission and vapour loss, phase-wise installation of double seals in 19 floating roof tanks were completed. Real-time emission data has been successfully transmitted to CPCB server as per the CPCB directives.



Greentech Environment Gold Award

As a part of observation of 'World Environment Day', awareness programs were conducted to spread awareness on environmental protection amongst employees and people living in neighbourhood of the refinery. The 'Climate Change Awareness Week' was also observed from 25.10.2015 to 01.11.2015 to generate awareness and to emphasize the need of diminution of climate change and preservation of environment amongst the masses.

All requirements of the Environmental Management System 14001:2004 were complied during the year.

In recognition to its efforts on Environment Management, NRL received the Greentech Environment Excellence Awards 2015-16 in Gold Category.

6. Marketing Performance

Highlights of Marketing Performance in 2015-16:

- Highest ever MS sale at 499 TMT registering a growth of 36%
- Successfully launched NRL's Wax in domestic market, achieved highest market share by end of FY 15-16
- Paraffin wax exported to Nepal
- Sale of Nitrogen commenced during the year

Your Company has recorded a sales volume of 2,619 TMT in 2015-16 compared to 2,695 TMT in previous year. Sale volume was lower due to lower crude throughput resulting in lower product availability. However, MS sales at 499 TMT grew by 36% compared to 367 TMT in the previous year. HSD sale volume was 1,712 TMT compared to 1,816 TMT in 2014-15, marking a decline of 6%. Direct Sales, as percentage of total sales, was 6.24%. Sale within North East (NE) increased to 725 TMT (28% of total sale) compared to 655 TMT (24% of total sale) in the previous year. On a year-on-year basis, NE sale volume registered a growth of 11% during the year. Sale of CPC during the year was 69.2 TMT against production of 65.9 TMT which corresponds to 105% CPC sale as percentage of production.

7. Projects

7.1 Plan project

Projects commissioned recently

A) Wax Project

The Wax project of NRL was successfully commissioned in March, 2015 within the approved cost of ₹676 crores. Commissioning of the plant has enabled production of 50 TMT of Paraffin wax per annum and has facilitated import substitution of the product. The project was implemented using indigenous technology in the Solvent De-oiling Unit (SDU) which was jointly developed by EIL, IIP Dehradun and NRL, thus contributing to the 'Make In India' campaign. The Wax Plant was dedicated to the Nation by Hon'ble Prime Minister of India on 5th February, 2016 at Dibrugarh, Assam

Projects under implementation

B) DHD T Project

NRL is implementing a project to install a 0.7 MMTPA capacity Diesel Hydrotreater Unit (DHD T) for production of BS IV/VI grade HSD at 100% capacity utilisation of the refinery. The project is

being implemented in compliance with the Auto Fuel Vision Policy 2025 of the country. As on 31.03.2016, overall progress of the project reached 12.3% and 25 milestones were achieved against total 61 milestones for the project. Against approved cost of ₹1,031.37 crores; total expenditure in the project up to 31.03.2016 was ₹41.49 crores. The project is targeted to be completed by January, 2018.

Future Projects

C) Refinery Expansion

In order to meet growing demand of petroleum product in Eastern India and to achieve economic scale of operation, NRL has planned to increase refining capacity from 3 to 9 MMTPA by installing a new train of process units at its existing refinery premises at Numaligarh. The expansion proposal also includes construction of (i) a crude pipeline from Paradip port in Odisha to Numaligarh covering a distance of around 1,398 kilometer for transportation of imported crude and (ii) a product pipeline from Numaligarh to Siliguri of around 650 kilometer. Detailed Feasibility Report (DFR) for the refinery expansion project has been completed by EIL and financial feasibility study was carried out by SBICAP. The cost involved in the project is estimated to be in the range of ₹22,788 crores. The Board of Directors of both NRL and its holding

company BPCL has accorded in-principle approval for pursuing the project and has recommended to seek financial assistance from the Government. NRL's refinery expansion proposal is currently under consideration at the Ministry of Petroleum and Natural Gas (MoPNG) for financial assistance and investment approval.

D) Bio Refinery

NRL plans to set up a Bio-refinery at Numaligarh, Assam for production of fuel grade ethanol from bamboo which is locally available in abundance in the North East region. The technology for the Bio-refinery will be provided by M/s Chempolis Oy of Finland which enables selective fractionation of ligno-cellulosic biomass to produce ethanol and other platform chemicals, viz. acetic acid and furfural alcohol. The proposed Bio-refinery is a pioneering effort which will use this new technology for the first time in the country in a commercial scale. Successful implementation of this project will lead to opportunities for setting up more plants in the region where raw material is available in abundance. The Bio-refinery is planned to be set up through a Joint Venture company with 50:50 equity participation of NRL and Chempolis Oy & associates. The estimated project cost is ₹950 crores. The plant shall have capacity to process 300 TMT of Bamboo (Bone Dry) and shall produce



Term Sheet signed with Chempolis Oy, Finland for Bio-Refinery



Interactive session on 'North East Hydrocarbon Vision 2030' organized by NRL

49 TMT of Ethanol together with associated platform chemicals. NRL Board has accorded in-principle approval for the project. Term sheet for the joint venture has been signed between NRL and Chempolis Oy. Joint venture agreement is currently under finalisation.

E) India Bangladesh product pipeline

NRL is pursuing a project for construction of a 135 km long Indo-Bangla Product pipeline from Siliguri in India to Parbatipur in Bangladesh. Construction of the pipeline will facilitate sustained supply of 1 MMT of HSD per annum to Bangladesh. NRL has signed a MoU with Bangladesh Petroleum Corporation (BPC) to form a joint venture company for implementing the pipeline project. Route survey, field survey and DFR have been completed for the pipeline. The cost estimated for implementing the project is ₹321 crores. Discussions with Bangladesh authorities are in progress to finalise terms of product buy & sale agreement and implementation methodology of the project.

7.2 Non –Plan Projects

Mounded bullet for LPG storage: The major scheme under implementation against the Company's Non-Plan (Additional Facility) capital expenditure budget is the installation of Mounded bullets for LPG storage which is being implemented at an approved cost of ₹122.10 crores. As on 31.03.2016, overall progress in the project has reached 21% and 16 milestones have been achieved. Total expenditure in the project up to 31.03.2016 was ₹3.50 crores. The project is targeted to be completed by September 2017.

Other major Non-Plan schemes include CDU/VDU internal column revamping, MS/HSD tanks at SMT, Up-rating of Gas Turbine Generator, Corporate Office building at Guwahati, preheat train temperature improvement at CDU/VDU. During the year, the Non-Plan project for up-rating of Gas Turbine Generator -1 was successfully commissioned. The scheme for up-rating of the second Gas Turbine Generator has been taken up in the financial year 2016-17.



NRL Wax dispatched to Kenya

7.3 Capital Expenditure against Plan and Non-Plan Projects

During 2015-16, total capital expenditure incurred against Plan and Non-Plan projects was ₹239.31 crores against BE of ₹230.00 crores. Out of the above, expenditure against Plan projects was ₹70.27 crores while Non-Plan projects was ₹ 169.04 crores.

8. Investment in Joint Venture Companies

Brahmaputra Cracker and Polymer Limited (BCPL): NRL has 10% equity participation in the joint venture company Brahmaputra Cracker and Polymer Limited which has implemented the Assam Gas Cracker Project (the first ever Petrochemical project in North East India) in Dibrugarh district of Assam. GAIL (India) Limited is the main promoter having 70% of equity participation and the rest 30% is equally shared by Oil India Ltd (OIL), Numaligarh Refinery Limited (NRL) and Government of Assam. Up to 31st March, 2016, NRL had contributed ₹126.90 crores towards equity in this joint venture. The Project which is located in Dibrugarh District, Assam has commissioned on 2nd January, 2016 and dedicated to Nation by Hon'ble Prime Minister of India on 5th February, 2016.



Hon'ble Minister of State for Petroleum and Natural Gas (I/C) Shri Dharmendra Pradhan flagging off the Goodwill Rake to Bangladesh

DNP Limited: DNP Limited is a Joint Venture Company between Assam Gas Company Limited (AGCL), Oil India Limited (OIL) and Numaligarh Refinery Limited (NRL) and was incorporated on 15th June, 2007 with an authorized share capital of ₹170.00 crores. As on 31st March, 2016, the paid up share capital of DNP Limited was ₹167.25 crores. The present shareholding of the Company as on 31st March 2016 stands at AGCL (51%), NRL (26%) and OIL (23%). The registered office of the Company is at Guwahati, Assam with its operational headquarters at AGCL, Duliajan.

The main object of DNP Limited is transportation of natural gas through a natural gas pipeline having a design capacity of 1.2 MMSCUM of natural gas per day from Madhuban at Duliajan to NRL. During 2015-16, the Company transported 222.91 MMSCUM of natural gas as against 242.11 MMSCUM

of natural gas in 2014-15, thus registering a decline of 7.93%.

DNP Limited achieved Gross Revenue from Operations of ₹62.62 crores for the financial year ending 31st March, 2016 as compared to ₹66.03 crores in the previous year. The Company's profit after tax for the year stood at ₹9.57 crores as against profit of ₹6.70 crores in the previous year. Earnings per Share (EPS) for the year 2015-16 stood at ₹0.57 compared to ₹0.40 in 2014-15. The Board of Directors of DNP Limited has recommended a dividend of ₹0.17 per share of ₹10.00 each for 2015-16 as compared to ₹0.11 per share of ₹10.00 in 2014-15.

9. Procurement from MSME

Public Procurement Policy for Micro and Small Enterprises (MSEs) is implemented for non-

hydrocarbon goods and services. During Financial Year 2015-16, procurement of indigenous non-hydrocarbon goods and services amounted to ₹422.20 crores out of which total procurement from MSEs was ₹91.32 crores. The target set for the year towards procurement of goods and services from MSEs as percentage of non-hydrocarbon goods and services was 20% against which the actual performance was 21.63%. Benefits under MSE Policy like Issue of Tender Sets free of cost, Exemption from payment of Earnest Money Deposit and Price Preference Policy are already implemented in the organization.

10. Implementation of Official Language

Implementation of the official language, Hindi, was pursued actively at NRL under provisions of the Official Language Act, 1963 and the Official Language Rules, 1976. Hindi training and workshops were periodically organized for the employees. Incentive schemes for encouraging employees to use Hindi in official correspondences continued to be implemented. A sum of ₹2.40 lakh was given to 156 employees as cash incentive during the financial year 2015-16. Events like 'Hindi Divas' and 'Hindi Week' were celebrated w.e.f. 14.09.2015 to 21.09.2015 with active participation from employees and their families. A Hindi Hasya Kavi Sammelan was organized on 31.10.2015 at the Community Centre, NRL Township. The 6th (Sixth)



Hindi Week celebration at NRL Guwahati Office

issue of the Hindi Magazine "Prayas" was also brought out during the financial year 2015-16. The Company's in-house journal 'Rodali' continued to incorporate a Hindi section.

11. RTI Act

Systems have been put in place to ensure timely and rational replies to RTI petitions received by the Company. In addition to Monthly Progress Report submission to the Ministry of Petroleum and Natural Gas, online quarterly returns are uploaded in RTI Annual Return Information system. Provisions of the RTI Act 2005 are regularly discussed in various internal forums in order to encourage proper record keeping and promote transparency and accountability in day to day working. In addition to mandatory disclosures as per Section 4(I)(b) of RTI Act, 2005, updated information related to the Company is made available in the Company's website www.nrl.co.in for easy access and flow of information to the citizens of India.

12. Vigilance

Vigilance Department aims at facilitating the growth of the organizations through quality control of procedures and systems. It augments the process of correct decision making by the management, primarily by putting appropriate preventive vigilance mechanisms in place, leading to better efficacy and efficiency.

During the year, Routine and Surprise Inspections including scrutiny of award of contracts, witnessing tests at construction sites, CTE Type inspections, Vigilance awareness programs for employees were conducted. Investigation of complaints have been carried out and suitable recommendations have been made to the management.

Vigilance Awareness Week, 2015 has been observed at all locations of the Company in a befitting manner with the active participation of employees and other stake holders from 26th October to 31st October,



2015 in line with directives from Central Vigilance Commission and the theme was “Preventive Vigilance as a tool of Good Governance”. Events were organized for various stakeholders including students of nearby schools wherein several awareness programmes such as Slogan writing, Essay writing, Debate Competition, Extempore Speech, Group discussion, and interactive seminars were held to generate awareness. During the year, an edition of the annual newsletter titled “Chaitanya” containing various articles on vigilance was also published.

13. Integrated Information Systems (IIS)

A state of art virtualized hardware infrastructure has been put in place in the NRL Datacenter. This has helped in delivering uninterrupted IT services in a more flexible manner due to enhanced performance, scalability, redundancy and aggregated computing. Virtualization's efficient pooling of resources has enabled to create an on-demand, elastic, self-managing virtual infrastructure that can be allocated dynamically as a service. Significant IT-enabled initiatives were launched in the year enabling business changes and facilitating cross functional interaction and Governance.

Customer portal has been launched based on which customer can view business transaction with NRL over internet. Further they can online reconcile their accounts, give feedback and log complaints. This

will bring better transparency in the transaction handling with the customers.

Indents from OMC customers are received over internet and manual indent has been eliminated. This has enhanced the integrity of transactions with the customer.

Digitally signed invoice solution for sales ex-NRMT was successfully implemented which will eliminate the requirement of retaining the invoices in physical form. This new system will replace manually signed hard-copy invoices issued using pre-printed stationery in multiple copies and also do away the non-essential printing. Customers will be enabled to access and download required information from the electronically stored database and the same will also be available to Central Excise and Tax Department.

Considering sales volume of ₹11000 Crores annually, above electronic invoicing process will reduce printing of 6,95,000 pages annually, equivalent to 4.3 Tons of paper, resulting in saving of approximately 103 numbers of trees per year

e-Governance

Corporate website www.nrl.co.in has been redesigned incorporating latest 'Guidelines for Indian Government Websites' which has made our website visitor friendly and accessible to person with physical disability.

An internet facing application “eNiyukti” has been released through NRL website to facilitate receiving of applications associated with recruitment as a part of e-governance initiative.

E-permit system has been implemented for issuing permits for Hot/Cold jobs inside Refinery and Marketing Terminal. This has transformed the permit system from manual to electronic mode and has helped in improving the job safety system.

New functionalities like SMS and email generation has been incorporated in the e-Gate Pass system.



Visitors have been greatly benefitted from the system due to less time taken in issuing visitor pass.

To ensure transparent information sharing with vendors along with improvement in the internal processes, new features have been incorporated in Bill Tracking System. Provision for online Feedback from vendors has been incorporated for the vendors to share their experience with NRL.

SAP System has been timely configured for incorporating latest Government directives and guidelines associated with taxes etc. This has enabled timely release of payments to vendors.

During the year 2015-16, 93 % of your company's totals sales transactions and payment processing was routed through secured B2B channel and e-payment mode through payment gateway. It aptly reflects our penchant for excellence in ICT (Information and Communications technology) initiatives for business consolidation.

Social Media Presence

Leveraging on Digital Media for organizational growth has become inevitable in the present times. The power of social media cannot be underestimated for it transcends professional, geographical, social and other defined boundaries. With the above in mind, NRL launched its official Facebook Page and Twitter handle during the year, extending further its domain in digital space. The social media platforms are being utilized to inform, engage, clarify, gauge and act on perceptions about the company and generally endeavor to perpetuate the ethos that the company stands for.

14. Certification and Awards

NRL continues to be certified under ISO 9001 on quality, ISO 14001 on environment management, OHSAS 18001 on occupational health and safety, ISO 27001 on information security management system and ISO 50001 on energy management system.



"GRIHA" award to NRL

Your Company was conferred with the following awards during 2015-16:

- **SHRESHTHA SURAKSHA PURASKAR** (Silver Trophy) by the National Safety Council in Group-A (Manufacturing Coke and Refined Petroleum products) under the manufacturing sector category. The award was given based on NRL's outstanding performance during the three-year assessment period of 2012, 2013 and 2014.
- Greentech Environment Excellence Awards 2015-16 in Gold Category.
- "GRIHA" (Green Rating for integrated Habitat Assessment) award for exemplary demonstration of site management by "GRIHA" council for our Corporate Office Building at Guwahati.
- 3rd best performing PSU, 3rd most eco-friendly refinery, 5th best in R&D, Innovation and 5th best in global presence in Miniratna Category at the India Today PSU Awards 2015.

15. Conservation of Energy, Technology Absorption

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



MoU signed with BPCL for 2016-17

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

16. Foreign Exchange Earnings and Outgo

The Company earned foreign exchange of ₹5.79 crores on export of Diesel to Bangladesh during 2015-16. Foreign exchange outgo during the year was ₹491.11 crores mainly on account of purchase of materials, know-how, professional consultancy fees, travelling, etc.

17. Memorandum of Understanding

Your Company has been achieving 'Excellent' performance rating consistently since signing of the first Memorandum of Understanding (MoU). Based on our self evaluation of performance against MoU 2015-16, the Company is expected to qualify in 'Excellent' category.

18. Particulars of Employees and Related Disclosures

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

appointment and other matters are not provided under Section 178(3) of the Companies Act, 2013.

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

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

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

19. Board Evaluation

As per MCA Notification dated 5th June, 2015, provisions of section 134(3)(p) shall not apply, in case the Directors are evaluated by the Ministry, which is administratively in charge of the Company



NRL pays dividend to BPCL



as per its own evaluation methodology. As NRL is a Government Company, the above provisions are not applicable.

20. Corporate Governance

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

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

21. Audit Committee

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

22. Number of Meetings of the Board

Total six meetings of the Board of Directors were held during the year 2015-16, the details of which are given in the Corporate Governance Report that forms part of this Report.

23. Extract of Annual Return

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

24. Statutory Auditors

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

Kolkata-700001 was appointed as Statutory Auditors of the Company for the year 2015-16 by the Comptroller & Auditor General of India under the provisions of Section 139 of the Companies Act, 2013. They will hold office till the conclusion of the ensuing Annual General Meeting. The Auditors' Report does not contain any qualification, reservation or adverse remark.

25. Cost Auditors

M/s. Subhadra Dutta & Associates, Cost Accountants, Guwahati was appointed as the Cost Auditor of the Company for the year 2014-15 in accordance with the provisions of Section 148(3) of the Companies Act, 2013. Cost Audit Report for the year 2014-15 was filed with the Ministry of Corporate Affairs on 29th September, 2015 in XBRL Format as per requirements of the Companies (Cost Records and Audit) Rules, 2014 i.e. within the due date.

The same Cost Auditor has been appointed for the year 2015-16. The Cost Auditor, shall within a period of 180 days from the closure of the financial year, forward the Cost Audit Report and the Company is required to file the Cost Audit Report within 30 days of receipt of the same. Necessary action will be initiated to file the Cost Audit Report 2015-16 within stipulated time.

26. Secretarial Auditor

The Board has appointed M/s Biman Debnath & Associates, Company Secretaries, Guwahati to conduct the Secretarial Audit for the year 2015-16 pursuant to Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of managerial Personnel) Rules 2014. The Secretarial Audit Report for the financial year ended 31st March, 2016 is annexed herewith as part of **Annexure-B** i.e. Corporate Governance Report. The said report does not contain any qualification, reservation or adverse remark.

27. Declaration by Independent Directors

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

As per the declaration given and noted by the Board of Directors, none of the Independent Directors was disqualified to be appointed as Independent Director of the Company as on 31st March, 2016.

28. Directors Responsibility Statement

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

- (a) In the preparation of the Annual Accounts for the year ended 31st March, 2016, the applicable accounting standards had been followed and there are no material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2016 and the profit and loss of the company for the year ended on that date;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The Directors have prepared the annual accounts on a 'going concern' basis;
- (e) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.


29. Directors and Key Managerial Personnel

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

During the year, Shri Alok Tripathi, erstwhile Director, representing Govt. of India had resigned from the Board of the Company with effect from 12th August, 2015. The Directors have placed on record their appreciation of the valuable contributions made and guidance given by him for the development and progress of the Company's business.

Ms. Sushma Taishete, who was appointed as Additional Director w.e.f. 4th September, 2015 had resigned from the Board w.e.f. 12th January, 2016 on withdrawal her nomination by Govt. of India. The Directors have placed on record their appreciation of the valuable contributions made and guidance given by Ms. Sushma Taishete for the development and progress of the Company's business during her tenure.

On completion of 3 years tenure on 27th June, 2016, Shri L. Rynjah and Shri B. P. Rao, Independent Directors have demitted from the office of Director of the Company w.e.f. 28th June, 2016. The Directors have placed on record their appreciation of the valuable contributions made and guidance given by Shri L. Rynjah during his tenure as Director and Chairman of (i) Nomination and Remuneration Committee ; (ii) CSR and Sustainability Committee and as Member of the Audit Committee and by Shri B.P. Rao during his tenure as Director and Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee.



Shri Nalin Kumar Srivastava, Director (Exploration-II), Ministry of Petroleum & Natural Gas, Govt. of India was appointed as Additional Director w.e.f. 13th January, 2016. As he has been appointed as Additional Director, he will hold office till the ensuing Annual General Meeting. Notice under Section 160 of the Companies Act, 2013 has been received from a Member proposing his name for appointment as Director at the ensuing Annual General Meeting.

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

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

30. Acknowledgement

Your Directors wish to place on record their deep sense of appreciation to all the employees for achieving outstanding performance in all areas of operations and are confident that they will continue to contribute their best towards scaling new heights.

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

Your Directors place on record their appreciation to NRL's valued customers, dealers, contractors and suppliers for their continued support and patronage. Your Directors also express their sincere thanks to all shareowners of the Company, viz. M/s Bharat Petroleum Corporation Limited, M/s Oil India Limited and Government of Assam for reposing their confidence and continued support to the management.

For and on behalf of Board of Directors

Sd/-

S. Varadarajan
Chairman

Mumbai

Dated: 9th August, 2016



Management Discussion and Analysis Report

Industry Structure and Developments

The International Monetary Fund (IMF), in its World Economic Outlook (WEO) has indicated that global economic recovery will continue, but at an ever slowing and increasingly fragile pace. Global economic growth for 2016 is estimated at a modest 3.2% which is projected to strengthen in 2017 and beyond, primarily driven by emerging markets and developing economies. In 2016, advance economies are projected to grow at 1.9%, whereas the emerging market and developing economies are projected to grow at 4.1%. Among BRIC nations, India and China are projected to grow at 7.5% and 6.5% respectively, while Brazil and Russia are projected to be in recession.

Major macroeconomic factors such as the slowdown and rebalancing in China, decline in commodity prices, especially for oil, declining capital flows to emerging markets etc. are affecting economic prospects differentially across countries and regions. Political issues such as the 'Brexit' in the United Kingdom pose uncertainty which can have a severe regional and global impact.

In the context of Indian economy, growth is projected to remain strong. Private consumption will be boosted by expected large increases in public wages and declining inflation. Affordable oil prices have increased consumption and have also resulted in growth in sales of motor vehicles.

Energy trends

Global energy trends are in a transition phase. Rapid technological advances and productivity gains have increased abundance of global energy supplies. Within fossil fuels, the US shale oil revolution had significantly increased 'technically-recoverable' oil and gas resources. The technological advances in the non-fossil fuels are arguably even more striking; particularly those within the realm of renewable energy led by solar and wind power. The pledge and determination demonstrated at the COP21 meeting in Paris are likely to lead to policies aimed at shifting the fuel mix to cleaner, lower-carbon fuels.

Global energy demand grew by only 1.0% in 2015 mainly due to weak economic growth in the energy-intensive energy sectors, mostly in developed economies. Despite the weakness in energy



DHDT Unit construction in progress



demand, oil demand grew by 1.9 mb/d (1.9%), buoyed by the fall in prices. On supply side, the impact of low oil price was felt most immediately within US tight oil. On an overall basis, investment in oil and gas related projects are estimated to have fallen by around \$160 billion in 2015. Lower levels of investment will inevitably detract from future supply growth.

World oil demand growth for 2016 is projected to be around 1.20 mb/d and demand to average at 94.18 mb/d. As reported by the Organization of the Petroleum Exporting Countries (OPEC), Other Asia, led by India, is anticipated to be the main contributor to oil demand growth in 2016. Growth in transportation fuels, supported by increased vehicle sales and the low oil price environment, are expected to provide the required impetus for growth in oil demand.

From refining perspective, increase in crude supplies and fall in prices led to a good year for refiners. Refining margins were high during the year. Product demand was diverge which was reflected by gasoline cracks reaching record highs, whereas gasoil cracks fell back. The strength in margins encouraged refiners to increase product stocks during the year.

Crude oil prices have recovered in recent months. The average price of ICE Brent reached \$ 48 per bbl in May'16 compared to \$32 per bbl in Jan'16. The increase in crude oil prices were supported by strong gasoline consumption in the US, supply disruptions, accelerated decline in US crude oil output and forecasts for a sharp fall in non-OPEC oil supply in 2016. The excess supply in market is expected to ease over the coming quarters, which has already started with decline in US commercial crude stocks.

The average price for Indian crude basket came down to \$46 per bbl in 2015-16 from \$84 per bbl in the previous year. In Jan'16, price of Indian crude basket price came down to as low as \$28 per bbl. The average price for this fiscal is expected to be higher than last year due to rebalancing of supply and demand.

With regard to the Indian refining industry, against the country's refining capacity of 215 MMTPA at the beginning of the year, crude processed during 2015-16 was 233 MMT. Post commissioning of IOCL's Paradip refinery during the year, total refining capacity of the country has increased to 230 MMTPA. Total production of petroleum products during 2015-16 amounted to 231 MMT. Crude oil import during the year was 203 MMT and net product export was 32 MMT.

Lower prices helped growth in consumption of petroleum products in the country during the year. Overall growth for all products was recorded at 10.9%. Petroleum coke, for a second year, registered the highest growth at 25.9%, followed by Naphtha at 20.9%. MS growth was recorded at 14.5% and Bitumen at 14.6%. ATF, LPG and HSD recorded growth of 8.7%, 8.6% and 7.5% respectively. SKO and Lubes & Greases registered negative growth.

Strengths

The Company's net worth has progressively risen to the level of ₹3,958 crores, with reserves and surplus at ₹3,222 crores. Besides, NRL's credit worthiness has been rated by CRISIL as "AAA/Stable (Reaffirmed)" under long term ratings. The financial profile of the Company together with a dedicated team of human talent provides a decent base to take up major projects for growth and sustenance.



Wax production in progress



In terms of production efficiency, NRL has the highest distillate yield in the industry and its Energy Intensity Index (EII) is among the best.

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

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

Weaknesses

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

of crude processed. Location of the refinery in a product surplus zone is another weakness for the Company as majority of products are required to be evacuated to far flung locations incurring under recoveries in freight and CST sales.

Opportunities

During the first year of commercial production of Paraffin wax, NRL has been able to capture highest market share in the country. There is opportunity for exporting wax to neighboring countries like Nepal, Bangladesh and Myanmar. NRL has already exported few consignments of Paraffin wax to Nepal and Kenya. Being a major supplier of POL product to BPCL in eastern part of the country and there being projected growth in demand, there is opportunity to expand NRL's refinery capacity by sourcing incremental crude through imports, for which a cross-country pipeline can be constructed. In this regard, NRL is actively pursuing the proposal for refinery expansion from 3 to 9 MMTPA. Post expansion, surplus product available can be



exported to Bangladesh, Myanmar and Nepal. In North East, bamboo grows in abundance which can be used for production of fuel grade ethanol for blending into petrol in line with National Ethanol Blending program. This gives an opportunity to pursue the bio-refinery project at Numaligarh.

Threats

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

Product-wise Performance

NRL's total production during 2015-16 was 2,521 TMT against 2,754 TMT in the previous year. Total production was lower compared to previous year due to lower crude receipt by the refinery. Production included 1,388 TMT and 264 TMT of HSD in BS III and IV grades respectively besides 461 TMT and 50 TMT of MS in BS III and IV grades respectively. Production also comprised 46 TMT LPG, 67 TMT ATF, 134 TMT SKO, 30 TMT RPC, 66 TMT CPC, 23 TMT Wax and 3 TMT Sulphur. Production of Petrochemical Grade Naphtha was 12 TMT and Fuel Grade Naphtha was negative 23 TMT due to conversion to other high value products.



Best CSR Excellence Award 2016 received by NRL

Outlook

The outlook for 2016-17 is positive in spite of signs of contraction forecasted in refining margins. Gasoline cracks are expected to be lower compared to previous year due to build up of product stock.

In other products, NRL has already established itself as a leading Paraffin Wax producer in India and has attained highest market share in the country by end of last fiscal. Few consignments were also exported. New potential markets for exporting NRL's wax is being explored in 2016-17.

Major challenge for the Company lies in production of BS IV grade HSD at 100% capacity utilization of its refinery from April 2017, which is the timeline stipulated in the Auto Fuel Vision Policy. Towards this, NRL is implementing a project to install a Diesel Hydrotreater (DHDT) at Numaligarh which is expected to be completed by January 2018.

The refinery expansion project is presently under review at the administrative ministry. The project completion timeline is 4 years from the date of obtaining investment approval.

The bio-refinery project is proposed to be implemented through a Joint Venture company for which Term Sheet has been signed. The JV agreement is under finalisation and is expected shortly.

Risks and Concerns

Risks and associated concerns for 2016-17 continue to be primarily associated with supplies of crude oil and natural gas. Major concern for the Company is meeting the timeline of April 2017 for production of BS-IV HSD at 100% capacity.

Internal Control Systems and their adequacy

The Company has well established and adequate control mechanism with IT enabled services across the organization. The Company is committed to review business activities on a continuous basis to



Safety Awareness Programme

identify potential threats on sustainability to the organization's functioning and profitability, and take appropriate mitigating measures.

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

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

Financial Performance with respect to operational performance

During 2015-16, the refinery processed 2,520 TMT of crude oil, which corresponds to a capacity utilisation of 84%. Crude throughput in 2015-16 was lower compared to previous year's 2,777 TMT due to lower crude receipt of 2,478 TMT by the refinery. Distillate yield excluding wax was 89.90% compared to 90.69% of previous year. As per revised methodology of CHT, distillate including wax as distillate was 90.4%. Energy Intensity Index (EII) during 2015-16 was 96.6, which was among the

best in the industry. MS production during the year was maximized to achieve highest ever production of 511 TMT.

Sales during the year was recorded at 2,618 TMT compared to 2,695 TMT in 2014-15. Sale volume was lower due to lower crude throughput. Gross Refinery Margin (GRM) during the year was recorded at \$8.06 per bbl compared \$9.46 per bbl. GRM and excise duty benefit during the year was \$23.68 per bbl compared to \$16.67 per bbl in 2014-15. Consequent to such high margins and excellent physical performance, the Company registered highest ever profit before tax of ₹1,882.86 Crores during the year. The Earning per Share (EPS) for the year 2015-16 stood at ₹16.62 compared to ₹9.76 in 2014-15.

The Company posted revenue from operations of ₹10,031.44 Crores registering a growth of 1.71% as compared to ₹9,862.42 Crores in the previous year. Profit before tax (PBT) increased by 66% to ₹1,882.86 Crores from ₹1,134.25 crores in the previous year mainly on account of higher margins. Consequently, highest ever Profit after tax (PAT) was recorded during 2015-16 at ₹ 1,222.34 crores, marking an increase of 70.17% from ₹718.31 crores in the previous year.

Human Resources

Your Company is committed to operational excellence and increased productivity through optimum utilization of human resources. The company

recognizes the need for strategic and customer centric HR initiatives through development of HR strategy aligned to the overall organizational goal. It has continued to enable its employees to work in a conducive environment, leveraging technology to ease its operations.

The manpower strength of NRL as on 31st March 2016 was 878, as detailed below:

Group	Total	SC	ST	OBC	PWD	Minorities	Female
A	436	53	33	107	3	17	35
B	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C	440	36	63	146	16	30	9
D	2	2	0	Nil	Nil	Nil	Nil
Total	878	91	96	253	19	47	44

Developmental Training

The Training and Development department continued to play a critical role in imparting training and skill development at Numaligarh Refinery Limited for both management and non management staff. During the year 2,452 mandays of training were imparted to employees towards developmental training. Eleven programmes on leadership development with the objective of developing critical mass of leaders were organized. Seven mid level officers were sponsored for the first time to Post Graduate Executive Management (PGEM) course at SP Jain Institute of Management and Research, Mumbai during the year for enhancing managerial skills. Man-days for training on project



NRL in-house journal 'Rodali' received 2nd Prize in SCOPE Corporate Communication Excellence Award

and risk management were 53 and 45 respectively. Training on DCU and on Laboratory Test Methods of DCU was given to foreign nationals from M/s ORPIC, Oman at our Refinery.

SC/ST Employees

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

Reservation and other welfare measures for SC/ST

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

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

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

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

Persons with Disabilities

NRL providing reservation and concessions to the Persons with Disabilities, accordingly 3% of the

vacancies in Group A posts and 3% of total Posts in Group C & D are reserved for PWD candidates. The nos. of posts reserved for PWDs and their actual placement are as below:

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

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

Gender-friendly work place

Your company has provided a gender friendly work place with equal opportunity for men and women. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is in force to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints therewith or incidental thereto.

NRL's internal Complaints Committee has been reconstituted as per provisions of the Act to make it more pro-active and functional. During the year 2015-16, no complaints of sexual harassment has been received.

Communication to Employees

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

Industrial Relations

Industrial relations were cordial and harmonious throughout 2015-16. Issues with various groups and agencies were amicably resolved facilitating smooth conduct of business during the year.

Corporate Social Responsibility and Sustainability

NRL's CSR programs are based on baseline surveys and are aimed at improving the socio-economic status of weaker section of the society. Focus of NRL's CSR lies in the surrounding areas of the refinery at Numaligarh, Assam and at Siliguri in West Bengal, where its marketing terminal is located. Over the years, NRL has been trying to bring positive change to the lives of more and more people through CSR activities. Every year, new CSR programs are being identified to reach out to a larger section of the society and make a visible impact to their lives. NRL's increasing efforts on CSR is reflected in its CSR spending which has grown by many folds in the last few years. During 2015-16, NRL CSR expenditure has increased to ₹11.57 crores, registering a growth of 52% over previous years CSR spending of ₹7.62 crores.



Farmers were provided with fertilizers under CSR

Highlights of CSR and Sustainability activities during 2015-16 are-

- To promote the nationwide campaign on Skill India and under the Company's flagship project "Uttoron", NRL provided skill development trainings on cutting and sewing (20 girls),



sponsored nursing courses (14 girls), welding (24 students), Agarbatti manufacturing, computer application & mobile repairing (40 Persons with Disabilities).

- To promote academic excellence and motivate students for higher learning, scholarships were awarded to 271 girl students under the scheme 'Prerona', 448 students securing first division in class X and XII examinations under the scheme 'Gyandeep' and teachers from 37 schools from the surrounding area were rewarded for their role in improving the standard of education.
- Three villages, which did not have access to electricity, were electrified by providing solar home lighting system (SHLS). Total 136 households have been benefitted from this initiative.
- 35 kilometres of village roads, comprising 20 different road segments in the surrounding area of the refinery were upgraded from katchha to gravel road.
- Twelve free eye screening cum cataract detection camps were conducted in Golaghat district through Lions Eye Hospital. A total of 2,467 patients were screened, 371 cataract patients were operated and 693 were provided with spectacles. Also, free eye screening camps were conducted in 30 schools where 4,913 students were screened and 287 students were provided with spectacles.
- Under NRL's healthcare project "Niramoy", 287 mobile medical camps were conducted in villages through VK NRL

Hospital covering 16,943 patients. In addition, a free surgery camp was also organized for poor and needy patients in Tirap district of Arunachal Pradesh under the multi dimensional service project of Vivekananda Kendra - 'Arunjyoti'.

- Under the scheme "Parichannatta", 80 low cost toilets were provided to BPL households of nearby villages.
- As part of the ongoing nationwide 'Swacchh Bharat Mission', awareness campaign on health, hygiene, cleanliness and sanitation were conducted among school children covering 20 schools. 101 toilet blocks constructed earlier were inspected for proper maintenance and assistance provided for fixing of tiles work in 50 toilet block constructed through Govt of Assam (SSA) in Sivasagar district.

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



Annexures to Directors' Report





Annexure –A

Efforts made by NRL with regard to conservation of energy, technology absorption which are required to be furnished under section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014.

A. Conservation of energy

a) Energy conservation measures taken

As a part of NRL's continual effort towards energy conservation, the following ENCON schemes were implemented during 2015-16:

1. Installation of plate type heat exchanger (air pre-heater) in HGU flue gas duct.
2. CDU/VDU column internal modification for yield/energy optimization.
3. Replacement of catalyst in RB-02 of Isomerization Unit.
4. Replacement of old trays with High Capacity Tray in HCU fractionators' kero zone.
5. Emissivity coating for controlled thermal radiative and convective heat transfer from the Furnace surface and tubes of Process units.
6. Up-rating of GTG-1 for augmentation of capacity (4-5MW).
7. Replacement of metallic blades with E-FRP blades in all the air fin fan coolers of the Process Units
8. Installation of Ultrasonic Activator in CDU/VDU in upstream of crude booster pump
9. Use of FO additive program post successful trial run with resulted fuel savings.
10. Modification in DCU by diversion of Slop as Quench instead of SRGO as quench. This has enabled reduction in slop generation.
11. HP steam header pressure reduction from 41kg/cm² to 39.0 kg/cm² resulting in savings of fuel.
12. Energy management system implementation in Electrical metering system. Online energy consumption is now available in desktop in micro level for any critical equipment.
13. Diversion of the Stabilizer off gas ex -CDU to DCU off-gas compressor to recover the LPG component from fuel gas.

b) Other energy saving schemes adding to continual benefit

1. Steam traps dynamic analysis and monitoring.
2. Regular monitoring of passing of all valves connected with flare system by Acoustic Leak Detector throughout the year under LDAR program.
Also fugitive emission survey for detecting and rectifying any minor leak from valve glands, flanges etc. is being carried out on a regular basis throughout the year by using Gas Measuring Instrument (GMI) under the same program.
3. Use of new chemical in CPP boiler replacing the earlier used chemicals to reduce boiler blow down.
4. Increased Reliability with installation of Prognost Online monitoring system for Off-Gas and Make-up Gas Compressor of HCU. There has been increase in productivity, safety and reduction of unplanned outages & maintenance cost.
5. Continuous operation of APC in DCU, HCU and H2U.

c) Energy conservation measures planned

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

1. Up-rating of GTG-2 to improve the heat rate and reduce fuel consumption
2. Condensate recovery scheme in HCU, DCU and SRB, CPP
3. Routing of Boiler Blow-down ex HGU & HCU to Cooling tower as make-up
4. Electrical system drive audit for efficiency improvement study for all motors
5. Hardware modification to improve pre-heat temperature in CDU/VDU
6. Identification of potential areas for use of Solar Power and implementation.
7. CDU plate type exchanger replacing glass air pre-heater in APH section of CDU/VDU heater.
8. H₂ recovery from (VV-13) sour off-gas by diverting to PSA instead of putting in FG header post H₂S stripping in SRU. Feasibility study initiated
9. Stripped water ex SWS as Desalter wash water make-up instead of DMW.

B. Technology Absorption

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

The Wax project of NRL was commissioned in 2014-15 with technology from Engineers India Limited (Solvent De-Oiling Unit) and M/s Axens, France (Wax Hydro-finishing Unit). Commercial operation of the Wax plant has since commenced.

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

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

Since commissioning of Wax plant, NRL has emerged as the largest wax producing unit in the country. Wax, being a high value product, has contributed towards higher margins for the refinery. Besides, wax production by NRL is expected to result in import substitution of paraffin wax of around USD 60 million per annum.

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

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

a) Technology imported	Year
Wax Hydro-finishing Unit	2011-12
Flare Gas Recovery System	2014-15
Diesel Hydrotreater Unit	2015-16

b) Technology absorbed

Wax Hydro-finishing Unit	2014-15
--------------------------	---------

The Flare Gas Recovery System and the Diesel Hydrotreater Unit are currently under implementation.



C. Research & Development

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

1. Ultrasonic Activator installation at NRL:

- Ultrasonic activator was successfully installed and commissioned in CDU/VDU unit in the month of Sept'2015. A performance trial run was carried out on Jan'2016 for about 24hrs. One more trial run will be carried out shortly for a longer period with higher crude throughput for evaluating the benefit.

2. Development of indigenous Isomerisation catalyst for NRL, in collaboration with Corporate R&D Center (CRDC), BPCL

- The R&D initiative on indigenous Isomerization catalyst development is an ongoing process where considerable progress has been made. Trials of various formulations are under progress for fixing of Chloride to Alumina Support. Bench-scale plant model has been setup at CRDC for testing. This would be followed by plant-trial proposed to be done at NRL.

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

1. Ultrasonic Activator: It is envisaged that Ultrasonic Activator will reduce energy consumption due to change in viscosity of the crude stream going to furnace as well as achieving desired distillation at reduced temperature. Additionally, marginal increase in distillate yield is expected.
2. Indigenous Isomerisation Catalyst: The indigenous isomerization catalyst, once developed would be manufactured from third party manufacturers in India. Successful implementation of this R&D scheme will lead to increase indigenous capabilities for manufacturing such items which are presently procured from foreign manufacturers. Besides reducing dependency on foreign vendors, this initiative will give fillip to the Make-In-India mission of the Government.

Annexure –B

Report on Corporate Governance

1. Company's philosophy on Code of Corporate Governance

Good Corporate Governance results in corporate excellence by ensuring that the powers vested in the executive management are used with care and responsibility to deliver sustained and long term value to its stakeholders. In NRL, our endeavour is to adopt best governance practices, which in our view are critical to ensure optimization of returns and satisfaction levels accruing to all the stakeholders. The interest of all stakeholders including shareholders, employees, customers and the Government exchequer are given paramount importance while taking commercial decisions. The Company has been sharing various information with the stakeholders from time to time through Press release, Annual Reports and through NRL web site, etc. Being a non- listed entity, disclosures required to be made under clause 49 of the Listing Agreement pertaining to Corporate Governance is not applicable to the Company. However, as a good corporate governance practice and as per Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE) in May, 2010, the Company has been complying with the stipulations contained therein to the extent applicable. Relevant information on areas covered under Corporate Governance disclosures during the financial year 2015-16 are furnished below:

2. Board of Directors

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

As on 31st March, 2016, the Board of NRL comprised of three Whole Time Directors including the Managing Director, two Independent Directors, one Part-time (Ex-Officio) Director from Govt. of India and two Part-time (Ex-Officio) Directors from Promoters, namely, BPCL (one) and Govt. of Assam (one).

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

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

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

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

Board Meetings :

Six Board Meetings were held during the financial year 2015-2016 on the following dates:-

22 nd May, 2015	13 th July, 2015	10 th August, 2015	4 th September, 2015
2 nd November, 2015	11 th February, 2016		



Particulars of Directors including their attendance at Board/ Shareholders' Meeting during the financial year 2015-16:

Sl. No.	Name of the Directors	Academic Qualifications	Date of joining as Director of the Company	Attendance out of 6 Board Meetings held during the year and percentage thereof		Attendance at the last Annual General Meeting	Details of Directorship held in other Companies
				No. of Meetings Attended	%		
(a)	Whole Time Directors :						
1.	Shri P. Padmanabhan Managing Director	BE (Chemical Engineering) from NIT, Trichy	01.04.2014	6	100	Attended	Director: BCPL
2.	Shri S. R. Medhi Director (Technical)	B. Tech and MBA (IIMA)	04.11.2011	6	100	Attended.	Nil
3.	Shri S. K. Barua Director(Finance)	A.I.C.W.A and LLB	01.05.2013	6	100	Attended	Director: DNP Ltd.
(b)	Part-time (Ex-Officio)						
1.	Shri S. Varadarajan, Chairman & Managing Director Bharat Petroleum Corporation Ltd. Mumbai-400001	A.C.A & A.I.C.W.A	12.10.2013	6	100	Attended	C&MD: 1. BPCL Chairman: 1. BORL 2. MBPL Director: 1. BPRL 2. PLL
2.	Shri R. T. Jindal, IAS Addl. Chief Secretary to the Govt. of Assam, Handloom & Textiles and Mines and Minerals etc. Dispur, Guwahati-781006	M.Sc (Chemistry) from Punjab Agricultural University	02.7.2012	1	17	Absent	Chairman: 1. DNP Ltd. MD: 1. AHECL Director: 1. AGCL 2. ATPO
3.	Shri Alok Tripathi Director (LPG) Ministry of Petroleum & Natural Gas, Govt. of India, New Delhi-110001 [up to 12.08.2015]	B.Tech and M.Tech from IIT, Kanpur	26.08.2013	1	33	Absent	N.A.
4.	Shri S. K. Srivastava Chairman & Managing Director Oil India Limited Noida, Uttar Pradesh [up to 30.06.2015]	B.Sc (Hons) and M.Sc (Geology) from Lucknow University	26.7.2012	1	-	N.A.	N.A.
5.	Ms. Sushma Taishete Jt. Secretary (D& MC) Ministry of Petroleum & Natural Gas, Shastri Bhawan New Delhi-110001 [up to 12.01.2016]	M.Sc. in Microbiology and Diploma in Clinical analysis	04.09.2015	1	100	N.A.	N.A.

Sl. No.	Name of the Directors	Academic Qualifications	Date of joining as Director of the Company	Attendance out of 6 Board Meetings held during the year and percentage thereof		Attendance at the last Annual General Meeting	Details of Directorship held in other Companies
				No. of Meetings Attended	%		
6.	Shri Nalin Kumar Srivastava Director (Exploration-II) Ministry of Petroleum & Natural Gas Shastri Bhawan, New Delhi - 110001	B.Tech. (Mechanical) and M.Tech (Industrial Engineering) from NIIE, Mumbai; MBA in Finance and A.I.C.W.A	13.01.2016	1	100	N.A.	NIL
C.	Part-Time (Non-Official)/ Independent Director						
1.	Shri L. Rynjah, IAS (Retd) Former Adviser to the Planning Commission, Govt. of India New Delhi	M.Sc. in Mathematics	28.06.2013	5	83	Absent	Nil
2.	Shri B. P. Rao Sr. Partner, M/s. B. P. Rao & Co., Chartered Accountant Bangalore	FCA	28.06.2013	6	100	Attended	Director 1.RCPL 2.BgSe PSL 3. BEML Ltd
3.	Dr. A. K. Ghoshal Professor, Department of Chemical Engineering & Dean, Academic Affairs, Indian Institute of Technology Guwahati [up to 10.04.2015]	M.Tech and Ph.D in Chemical Engineering from IIT, Kharagpur	28.06.2013	—	—	—	Nil

AGCL: Assam Gas Company Limited; **AHECL:** Assam Hydrocarbon & Energy Co. Limited; **AIIDCL:** Assam Industrial Infrastructure Development Corporation Ltd; **ATPO:** Assam Trade Promotion Orgn.; **BCPL:** Brahmaputra Cracker And Polymer Limited; **BEML:** Bharat Earth Movers Limited; **BgSe PSL:** BgSe Properties and Securities Ltd. **BORL:** Bharat Oman Refineries Ltd; **BPCL:** Bharat Petroleum Corporation Ltd; **BPRL:** Bharat PetroResources Limited; **MBPL:** Matrix Bharat Pte Ltd; **PLL:** Petronet LNG Ltd; **RCPL:** Reliance Computers Pvt. Limited.

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

3. Audit Committee

The Audit Committee of the Board is constituted in accordance with the provisions of section 177 of the Companies Act, 2013 read with the guidelines on Corporate Governance for CPSEs issued by DPE. The Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, remuneration of Statutory Auditors, appointment and remuneration of Cost Auditors, performance of Internal Auditor and its compliance with the legal and regulatory requirements etc. The quorum for the meetings of the Committee is two members or 1/3rd of the members of the Audit Committee whichever is higher.

As on 31st March, 2016, the Audit Committee was represented by Shri B.P.Rao, Independent Director as Chairman, Shri L. Rynjah, Independent Director and Shri S.R. Medhi, Director (Technical) as Members. All the members possess the requisite knowledge of Finance and Accounting for effective functioning of the Audit Committee. The Company Secretary acts as the Secretary of the Committee. Director (Finance), BPCL



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

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

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

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

During the financial year 2015-16, seven meetings of the Audit Committee were held on the following dates:

22 nd May, 2015	13 th July, 2015	10 th August, 2015	3 rd September, 2015	2 nd November, 15
9 th December, 2015	11 th February, 2016			

Attendance at the Audit Committee Meetings during the financial year 2015-16:

Name of the members	No of Meetings attended	% age thereof [out of 7 nos. meeting held]	Attendance at the last Annual General Meeting
Shri B. P. Rao, Chairman	7	100	Attended
Shri L. Rynjah [w.e.f. 22.05.2015]	5	83	Absent
Shri S. R. Medhi	7	100	Attended

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

4. Nomination and Remuneration Committee

NRL has a 'Nomination and Remuneration Committee' to examine, review and recommend proposals to the Board relating to perquisites and benefits payable to the employees of the Company within the parameters of Guidelines issued by the Government of India.

In accordance with the provisions of section 178 of the Companies Act 2013, the Nomination and Remuneration Committee was reconstituted by the Board in its meeting held on 10th August, 2015. As on 31st March, 2016, the Nomination and Remuneration Committee was represented by Shri L. Rynjah, Independent Director as Chairman, Shri B. P. Rao, Independent Director and Shri R. T. Jindal, Director as Members.

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

During the financial year 2015-16, one meeting of the 'Nomination and Remuneration Committee' was held on 2nd November, 2015 where all the Members and Permanent Invitees were present

5. Remuneration to Directors

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



Details of remuneration paid/payable to the Whole-time Directors during the financial year 2015-2016 are given below:

Name of Directors	All elements of remuneration package of the Directors i.e. salary, benefits, bonuses, pension etc. (In ₹.)	Details of fixed component, Performance Related Pay (PRP) (In ₹.)	Other benefits (In ₹.)	Service Contracts, notice period, severance fees.
Shri P. Padmanabhan Managing Director	56,06,788.00	Fixed Com : 28,44,620.00 PRP : 19,72,320.00	7,89,848.00	Appointed for a period five years w.e.f. 01-04-2014 or till the date of his superannuation whichever is earlier. Present contract shall expire on 31.10.2017. Notice period: Three months
Shri S. R. Medhi Director (Technical)	48,23,031.00	Fixed Com: 31,53,652.00 PRP : 14,02,695.00	2,66,684.00	Initially appointed for a period five years w.e.f. 04-11-2011 which was subsequently extended by the Govt. till the date his superannuation i.e. upto 31.01.2017. Notice period: Three months.
Shri S. K. Barua Director (Finance)	49,60,175.00	Fixed Com: 30,50,080.00 PRP : 13,50,000.00	5,60,095.00	Appointed for a period of five years w.e.f. 01-05-2013. Present contract shall expire on 30-04-2018. Notice period: Three months

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

Name of Director	Sitting Fees(₹)
Shri L. Rynjah	2,30,000.00
Shri B.P. Rao	2,70,000.00

6. Investors Grievance Committee

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

7. Annual/Extra Ordinary General Meetings

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

	Date and Time of the Meetings	Venue
20 th Annual General Meeting	6 th September, 2013 at 3.00 P.M.	Hotel Brahmaputra Ashok, M.G. Road, Guwahati-781001
21 st Annual General Meeting	12 th September, 2014 at 3.00 P.M.	Hotel Brahmaputra Ashok, M.G. Road, Guwahati-781001
22 nd Annual General Meeting	4 th September, 2015 at 3.00 P.M.	Hotel Brahmaputra Ashok, M.G. Road, Guwahati-781001

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

c) Postal Ballot:

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

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

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

i) Shri P. Padmanabhan

Shri P. Padmanabhan, assumed the charge of the post of Managing Director, NRL w.e.f. 1.4.2014 as per intention of the Government of India. He is a Chemical Engineer from NIT, Trichy with over 37 years of experience. As a head of the organisation, he played an important role towards reduction in fuel and loss, conservation of energy, improvement in distillate yield, optimization of product mix and improving results against techno-economic parameters. Under his leadership, the proposal for capacity enhancement of NRL's existing refinery from 3MMTPA to 9 MMTPA has made substantial progress which is presently under active consideration of the Government. He has spearheaded the initiative of setting up a world class bio refinery in Numaligarh to produce ethanol with locally available cellulosic bamboo biomass as its feedstock. He is also actively involved in initiative of exporting NRL Wax to Nepal and Kenya.


Shri Padmanabhan was one of the task force members chosen by the Ministry of Petroleum & Natural Gas for preparing the NE Hydrocarbon Vision 2030 – Document. Subsequently, he was also selected as one of the key members by the Ministry for its implementation.

Shri Padmanabhan was appointed by the shareholders in the 21st Annual General Meeting held on 12th September, 2014. He is liable to retire by rotation and being eligible, offers himself for re-appointment.

ii) Shri Nalin Kumar Srivastava

Shri Nalin Kumar Srivastava, Director (Exploration-II), Ministry of Petroleum & Natural Gas, Govt. of India was appointed as Additional Director on the Board of the Company w.e.f. 13th January, 2016 under Article 85 of the Articles of Association of the Company read with Section 160(1) of the Companies Act, 2013.

Shri Srivastava joined Indian Civil Accounts Service in 2001. He did his M.Tech. in Mechanical Engineering and Masters in the Industrial Engineering from National Institute of Industrial Engineering, Mumbai. He also did his MBA in Finance and is a certified Cost and Works Accountant from ICWAI. He did his specialization in the area of Auditing in general and IT Auditing in particular. He is a Certified Internal Auditor and Certified Government Auditing Professional from Institute of Internal Auditors, Florida; Certified Information System



Auditor and Certified Information Security Manager from ISACA, USA; Certified Fraud Examiner from Association of Certified Fraud Examiners, USA. Prior to joining his present assignment, he worked in the Ministry of Home Affairs, Deptt. of Personnel and Training, Central Board of Direct Taxes, Central Pension Accounting Offices etc.

Being an Additional Director, he will hold office up to the date of the ensuing Annual General Meeting. The Company has received a Notice under section 163 of the Companies Act, 2013 from a member proposing his name as a Director of the Company.

9. Disclosures and compliance

- a. There was no transaction of material nature with Directors or the Management or their relatives having potential conflict with the interest of the Company at large.
- b. There was no instances of non-compliance of any provisions of Law, guidelines issued by any regulatory authorities as well as no penalties was imposed on the Company during the last three years.
- c. An expenditure amounting to ₹11.57 Crores was spent on CSR & Sustainability activities during the year.
- e. During the year, no expenses was incurred which are personal in nature and incurred for the Board of Directors and Top Management.
- d. Administrative and office expenses as a percentage of total expenses was 3% during the year.
- e. The Company has a Whistle Blower Mechanism as per which the Public Interest Disclosure and protection of informer (PIDPI) Resolution No.89 of Government of India is being followed.
- f. A mechanism for Risk Management is in place to identify and mitigate construction phase, financial, operational and other risks.
- g. There are no qualifications in the Auditors' Report on the financial statements to the shareholders of the Company.
- h. During the year under review, there was no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

The Company has a Code of Business Conduct and Ethics for the Board members and the Senior Management Personnel and all the members of the Board and Senior Management personnel have affirmed compliance of the Code of Conduct for the financial ended on 31st March, 2016.

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

11. Means of communication of Financial Performance

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

12. Management Discussion & Analysis Report

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

13. General information to shareholders:

a.

Number of AGM	23 rd Annual General Meeting
Date and Time	9 th September, 2016 at 3.00 P.M.
Venue	Hotel Brahmaputra Ashok, M. G. Road, Guwahati- 781001
Dividend payment	The Board has recommended final Dividend @ ₹3.50 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.

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

d. Registrars & Share Transfer Agents:

M/s. Data Software Research Co. Pvt. Limited
 19, Pycrofts Garden Road
 Off. Haddows Road, Nungambakkam
 Chennai - 600006
 Ph: +91-44-28213738/ 28214487
 Fax: +91-44-28214636
 Email: dsr cmd@vsnl.com

e. Share Transfer System:

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

f. Shareholding Pattern as on 31-03-2016.

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

g. Plant location:

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

h. Address for correspondence:

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



To,
The Members
M/s Numaligarh Refinery Ltd.
122A, G. S. Road, Christianbasti
Guwahati-781005, Assam

Compliance of Corporate Governance Conditions

I have examined the compliance of conditions of Corporate Governance by **M/s. NUMALIGARH REFINERY LTD**, (a Non-Listed PSU) for the year ended **31st March, 2016** as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE), Government of India, in May, 2010.

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

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

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

For **BIMAN DEBNATH & ASSOCIATES**
Company Secretaries

Sd/-
Biman Debnath
Proprietor
FCS No.: 6717
C P No.: 5857
Date: 12/07/2016
Place: Guwahati

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2016

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

To,
The Members,
M/s Numaligarh Refinery Limited,
CIN: U11202AS1993GOI003893
122A, G. S. Road, Christianbasti,
Guwahati-781005, Assam

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

Based on my verification of Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2016** according to the provisions of:

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

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

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

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

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



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

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

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

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

1. *The Company has not properly complied with the provisions of Section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 regarding the appointment of Women Director during the financial year under review as there was a woman director in the Company from 4th day of September, 2015 till 12th day of January, 2016 only.*

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

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

As informed and apprised by the Management of the Company, the Company had informed the Independent Directors for holding a separate meeting of the Independent Directors but the same was not convened during the financial year ending on 31st March, 2016.

I further report that:

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **BIMAN DEBNATH & ASSOCIATES**
Company Secretaries

Sd/-

Biman Debnath

Proprietor

FCS No.: 6717

C P No.: 5857

Date: 12/07/2016

Place: Guwahati

Annexure-C

FORM NO. AOC -2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL

2. Details of contracts or arrangements or transactions at Arm's length basis :

Name (s) of the related party & nature of relationship	Nature of contracts /arrangements / transaction	Duration of the contracts / arrangements / transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
Bharat Petroleum Corporation Limited (Holding Company)	Sale of product	Ongoing transaction	Sale of products by NRL to BPCL at Refinery Transfer price - ₹10,417.29 crores during the year	Not applicable	Nil
Oil India Limited (Substantial Holding)	Crude purchase & transportation charges	Ongoing transaction	Purchase of crude by NRL from OIL at market price - ₹3,933.45 crores	Not applicable	Nil
Oil India Limited (Substantial Holding)	Natural Gas Purchase	Ongoing transaction	Purchase of natural gas by NRL from OIL at market price - ₹261.14 crores	Not applicable	Nil
Oil India Limited (Substantial Holding)	Pipe Line Freight for transport of products	Ongoing transaction	Pipeline Transportation charges paid by NRL to OIL for finished goods transportation - ₹164.16 crores	Not applicable	Nil
DNP Limited (Joint Venture)	Natural Gas Transportation	Ongoing transaction	Pipeline Transportation charges paid by NRL to DNP Ltd. for natural gas transportation - ₹70.28 crores	Not applicable	Nil
Bharat Petroleum Corporation Limited (Holding Company)	Availing of services	Ongoing transaction	Charges for various services provided by BPCL to NRL - ₹11.46 crores during the year	Not applicable	Nil
Bharat Petroleum Corporation Limited (Holding Company)	Rendering of services	Ongoing transaction	Fees for Training on DCU by M/s ORPIC operators and engineers - ₹0.64 crores during the year	Not applicable	Nil
Bharat Petroleum Corporation Limited (Holding Company)	Lube Oil Purchase	Ongoing transaction	Purchase of Lube oil by NRL from BPCL at market rate - ₹2.05 crores during the year	Not applicable	Nil
Oil India Limited (Substantial Holding)	Charges for Facilities availed by OIL at NRL	Ongoing transaction	Charges received by NRL from OIL for various facilities provided by NRL to OIL - ₹4.92 crores	Not applicable	Nil
Oil India Limited (Substantial Holding)	Rental on Supply of 2 Mbps bandwidth	Ongoing transaction	Charges paid by NRL to OIL for rental of bandwidth - ₹0.05 crores	Not applicable	Nil
Oil India Limited (Substantial Holding)	Sale of product	Ongoing transaction	Sale of HSD by NRL to OIL at market price - ₹0.35 crores during the year	Not applicable	Nil

Annexure-D

Statement showing the total number of employees and the number of Scheduled Castes & Scheduled Tribes amongst them as on 01.01.2016

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	398	50	12.56	32	8.04	-
Lowest rung of Group-A (02)	Permanent	35	3	8.57	1	2.86	-
Total		433	53	12.24	33	7.62	-
Group - B	Permanent	-	-	-	-	-	-
Group - C	Permanent	440	35	7.95	63	14.32	-
Group - D (Excluding Sweepers)	Permanent	2	2	100	0	0	-
Group - D (Sweepers)	Nil	-	-	-	-	-	-
Total		875	90	10.29	96	10.97	

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

(a) Position as on 1.1.2016

Grades of the Service including Scale of Pay		Groups	Total no. of Posts	Total No. of Employees	Employees belong to		
Grades	Scale of Pay (Under revision)				Other Community	SC	ST
1	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	NON-SUPERVISORY EMPLOYEES						
I	₹ 9000-15300	D	2	2	0	2	0
II	₹ 9700-16800	C	10	10	5	0	5
III	₹ 10350-31200	C	7	7	5	0	2
IV	₹ 10900-31500	C	10	10	8	0	2
V	₹ 11400-32500	C	31	31	28	1	2
VI	₹ 12200-33500	C	87	87	61	14	12
VII	₹ 12450-35500	C	40	40	34	1	5
VIII	₹ 13150-45000	C	102	102	78	9	15
IX	₹ 20000-48000	C	153	153	123	10	20
	SUPERVISORY EMPLOYEES						
02	₹ 20600-46500	A	35	35	31	3	1
A	₹ 24900-50500	A	55	55	43	7	5
B	₹ 29100-54500	A	118	118	99	11	8
C	₹ 32900-58000	A	54	54	26	19	9
D	₹ 36600-62000	A	78	78	66	7	5
E	₹ 43200-66000	A	55	55	50	4	1
F	₹ 51300-73000	A	21	21	16	2	3
G	₹ 51300-73000	A	9	9	8	0	1
H	₹ 51300-73000	A	8	8	8	0	0

Statement showing the Number of Reserved vacancies filled by Members of Scheduled Castes & Scheduled Tribes during the year 2015-16.

Class of Posts	Total No. of Vacancies		Scheduled Castes						Scheduled Tribes						Remarks
	Notified	Filled	No. of Vacancies reserved	No. of SC	No. of SCs	No. of SCs candidates	No. of reservation lapsed	No. of Vacancies reserved	No. of STs	No. of STs vacancies	No. of STs	No. of reservations lapsed			
			Out of Col.2	Out of Col. 3	Candidates appointed	Vacancies carried forward	Appointed against vacancies reserved for SCs in the 3 rd year of carry forward	After carrying forward for three years	Out of Col 2	Out of Col 3	candidates appointed	carried forward from the previous year.	candidates appointed against vacancies reserved for STs in the 3 rd year of carry forward	After carrying forward for three years.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Posts filled by Direct Recruitment															
Group A	2	1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Other than lowest rung of Group-A	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Lowest rung of Group-A	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Group B	NIL	NIL	Filled by promotion by selection.												
Group C	6	5	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Group D (Excluding Sweepers)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Group D (Sweepers)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Posts filled by Promotion *	No promotions have taken place which attracts reservation.														
Group A															
Other than lowest rung of Group-A															
Lowest rung of Group-A															
Group- B	No promotions have taken place which attracts reservation.														
Group C	No promotions have taken place which attracts reservation.														
Group-D (Excluding Sweepers)	No promotions have taken place which attracts reservation.														

* Reservation is not applicable for promotion in Group 'A', 'C' & 'D' posts.

FORM AOC-1

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

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

PART "A": Subsidiaries : NIL

Part "B": Associates and Joint Ventures

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

Name of associates/Joint Ventures	DNP Limited	BCPL
1. Latest audited Balance Sheet Date	31 st March 2016	31 st March 2016
2. Shares of Associate/Joint Ventures held by the company on the year end		
• No. of Equity Shares	43490000	126900010
• Amount of Investment in Associates/Joint Venture	₹ 43.49 crores	₹ 126.90 crores
• Extend of Holding %	26	10
3. Description of how there is significant influence	There is significant influence due to percentage (%) of Share Capital.	There is no significant influence due to percentage (%) of Share Capital.
4. Reason why the associate/joint venture is not consolidated		Refer Note -1
5. Net worth attributable to shareholding as per latest audited Balance Sheet	₹ 49.81 crores	
6. Profit/Loss for the year		
i. Considered in Consolidation	₹ 2.49 crores	
ii. Not Considered in Consolidation	₹ 0.48 crores	

1. Names of associates or joint ventures which are yet to commence operations – Nil

2. Names of associates or joint ventures which have been liquidated or sold during the year – Nil

Note 1: Brahmaputra Cracker and Polymer Ltd is a Joint Venture Company where NRL is holding 10% Equity. However considering that the operation of BCPL as on date is not substantial and its impact of consolidation is not expected to be material the same has not been considered for consolidation.

As per our report of even date

For Ghoshal & Ghosal

Chartered Accountants

Firm Registration No.304013E

Sd/-

CA. P.K. Mitra

Partner

Membership No. 050716

For and on behalf of the Board of Directors

Sd/-

P. Padmanabhan
Managing Director

Sd/-

S.K. Barua
Director (Finance)

Sd/-

H. K. Sarmah
Company Secretary

Place: New Delhi

Date : 11/05/2016

Place: New Delhi

Date : 11/05/2016

Annexure-F

FORM NO. MGT 9

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

EXTRACT OF ANNUAL RETURN

For the Financial Year ended on 31st March, 2016

I REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	MS	Group 192; sub-class: 19201	22.3%
2	High Speed Diesel (HSD)	Group 192; sub-class: 19201	63.58%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

No. of Companies for which information is being filled 2

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



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2015)				No. of Shares held at the end of the year (31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.-GoA	Nil	9,08,21,337	9,08,21,337	12.35%	-	9,08,21,337	9,08,21,337	12.35%	NO CHANGE
d) Bodies Corp.-BPCL	-	45,35,45,964	45,35,45,964	61.65%	Nil	45,35,45,964	45,35,45,964	61.65%	NO CHANGE
e) Banks / FI	Nil	-	-	-	-	-	-	-	-
f) Any other: Nominee of Promoters (7 Nos. from BPCL/Govt. of Assam)									
1. Prafulla Chandra Sarma (Nominee of Govt. of Assam (GOA))	-	7	7	-	Nil	7	7	-	-
2. Bharat Petroleum Corporation Ltd (BPCL) jointly with Ramaswamy Rajamani	-	1	1	-	-	1	1	-	-
3. BPCL jointly with R. P. Natekar	-	8	8	-	-	8	8	-	-
4. BPCL jointly with P. Balasubramanian	-	8	8	-	-	-	-	-	-
5. BPCL jointly with B. K. Datta	-	8	8	-	-	8	8	-	-
6. BPCL jointly with K. Balasubramanian	-	1	1	-	-	1	1	-	-
7. S. K. Agrawal jointly with BPCL	-	8	8	-	-	8	8	-	-
(2) Foreign									
a) NRI - Individual/	-	-	-	-	-	-	-	-	-
b) Other - Individual/	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	54,43,67,342	54,43,67,342	74%	-	54,43,67,342	54,43,67,342	74%	NO CHANGE
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2015)				No. of Shares held at the end of the year (31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) State Govt(s)		-	-	-	-	-	-	-	-
e) Venture Capital Funds		-	-	-	-	-	-	-	-
f) Insurance Companies		-	-	-	-	-	-	-	-
g) FIs		-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds		-	-	-	-	-	-	-	-
i) Others (specify)									
Oil India Limited	19,12,64,202	Nil	19,12,64,202	26%	19,12,64,202	-	19,12,64,202	26%	NO CHANGE
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian - Oil India Ltd.	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	19,12,64,202	Nil	19,12,64,202	26%	19,12,64,202	-	19,12,64,202	26%	NO CHANGE
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	19,12,64,202	54,43,67,342	73,56,31,544	100%	19,12,64,202	54,43,67,342	73,56,31,544	100%	NO CHANGE

ii Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Bharat Petroleum Corporation Limited (BPCL)	45,35,45,964	62%	-	45,35,45,964	62%	-	NO CHANGE
2	Governor of Assam	9,08,21,337	12%	-	9,08,21,337	12%	-	NO CHANGE
4	Nominees of Promoters i.e. BPCL & Govt. of Assam	41	Negligible	-	41	Negligible	-	NO CHANGE
	TOTAL	54,43,67,347	74%	-	54,43,67,342	74%	-	-

iii Change in Promoters' Shareholding: No changes during the financial year 2015-16.

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

v Shareholding of Directors and Key Managerial Personnel: NIL

V INDEBTEDNESS

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

Indebtedness at the beginning of the financial year 2015-16	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	527,68,10,000.00	165,61,27,804.91	Nil	693,29,37,804.91
ii) Interest due but not paid	--	--	Nil	--
iii) Interest accrued but not due	34,80,539.28	14,11,868.90	Nil	48,92,408.18
Total (i+ii+iii)	528,02,90,539.28	165,75,39,673.81	-	693,78,30,213.09
Change in Indebtedness during the financial year 2015-16				
* Addition	43,63,19,229.94	61,04,35,569.92	Nil	104,67,54,799.86
* Reduction	73,32,25,002.71	226,79,75,243.72	Nil	300,12,00,246.43
Net Change	(29,69,05,772.78)	(165,75,39,673.81)	Nil	(195,44,45,446.59)
Indebtedness at the end of the financial year 2015-16				
i) Principal Amount	497,93,21,099.73	-	Nil	497,93,21,099.73
ii) Interest due but not paid	-	-	Nil	-
iii) Interest accrued but not due	40,63,666.77	-	-	40,63,666.77
Total (i+ii+iii)	498,33,84,766.50	-	-	498,33,84,766.50

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		P. Padmanabhan	S. R. Medhi	S K Barua	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48,16,940.00	45,56,347.00	44,00,080.00	1,37,73,367.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7,89,848.00	2,66,684.00	5,60,095.00	16,16,627.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	56,06,788.00	48,23,031.00	49,60,175.00	1,53,89,994.00
	Ceiling as per the Act	₹134 Crs (approx) being 11% of the Net Profit as per Section 197 & 198 of Companies Act,2013			

Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		A	B	
1	Independent Directors	L Rynjah	B P Rao	
	Fee for attending Board / Board Sub-committee meetings	2,30,000.00	2,70,000.00	5,00,000.00
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	2,30,000.00	2,70,000.00	5,00,000.00
2	Other Non-Executive Directors	NIL		
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	NIL	NIL	NIL
	Total (B)=(1+2)	2,30,000.00	2,70,000.00	5,00,000.00
	Total Managerial Remuneration			
	Overall Ceiling as per the Act	Not Applicable		



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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO	H K Sarmah, Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		33,13,032.00	33,13,032.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		3,27,936.00	3,27,936
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-
2	Stock Option		-	-
3	Sweat Equity		-	-
4	Commission		-	-
	- as % of profit		-	-
	- others, specify...		-	-
5	Others, please specify		-	-
	Total		36,40,968.00	36,40,968.00

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

Annexure-G

Corporate Social Responsibility and Sustainability

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

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

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

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

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

Based on the average net profits of the Company for the last three financial years, total amount to be spent on CSR during the year 2015-16 was ₹1324.43 lakhs against which actual amount spent was ₹1157.55 lakhs. Balance amount of ₹166.88 crores which has already been committed would be spent in the financial year 2016-17.

Details of NRL's CSR and Sustainability expenditures during 2015-16 are enclosed at **Appendix to Annexure 'G'**.

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

For & on behalf of CSR & Sustainability Committee

Sd/-
(L. Rynjah)
Chairman

Sd/-
(S.R. Medhi)
Director (Technical)

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

Appendix to Annexure-G

Details of CSR & sustainability activities executed during the year 2015-16

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered./ Revelant section of schedule VII in which the project is covered (Note)	Project or programs(1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency (NGO/ Trust/Scciety /State Govt/ Directly by CPSE)
1	Conducting Base line survey within 5KM radius of refinery and an impact assessment study of Major CSR initiatives of NRL during last 5 years.	Social Welfare (Item No. (iii) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	5.27	5.27	5.27	NGO
2	Promotion of Livelihood through cultivation of mushroom covering 10 SHG of adjoining villages of Refinery	Skill Development and Livelihood (Item No. (ii) of Schedule-VII) / Contribution to SC/ST/OBC/ Minorities/Women funds (Item No. (viii) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	4.99	3.66	3.66	Directly by CPSE
3	Providing assistance to farmers of nearby localities for traditional & alternate farming by way of providing fertilizers, seeds, tractorization support etc.	Poverty Alleviation (Item No. (i) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	22.24	20.25	20.25	State Govt
4	Livelihood and Sanitation programme at Flood affected ST village Boraikhowa	Contribution to SC/ ST/OBC/Minorities/ Women funds (Item No. (viii) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	16.56	4	4	Society
5	Project "Swanirbhar" -Promotion of livelihood to 11 nos SHG & 7 nos entrepreneurs for sugarcane cultivation, goatery, piggery, diary farming, pisciculture, candle making unit, Steel fabrication unit, DTP centre, furniture unit, promoting tourism etc.	Skill Development and Livelihood (Item No. (ii) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	23.14	18.99	18.99	Society
6	Promotion of Livelihood of women through assistance to local weaving units for yarn, improved looms,sewing machines etc.	Skill Development and Livelihood (Item No. (ii) of Schedule-VII) / Contribution to SC/ST/OBC/ Minorities/Women funds (Item No. (viii) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	12.41	10.74	10.74	Directly by CPSE

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered./ Revelant section of schedule VII in which the project is covered (Note)	Project or programs(1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency (NGO/ Trust/Scociety /State Govt/ Directly by CPSE)
7	Providing assistance to farmers for agri farm equipments	Skill Development and Livelihood (Item No. (ii) of Schedule-VII)/ Poverty Alleviation (Item No. (i) of Schedule-VII)	Siliguri, West Bengal and Within 10KM radius of Refinery, Golaghat Assam	9.4	9	9	Directly by CPSE
8	Project "Uttoron"- providing skill development training to unemployed youths and persons with disabilities	Skill Development and Livelihood (Item No. (ii) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	83.69	62.02	62.02	Directly by CPSE
9	Lease Rental and developemental charge for plot of Land for CFC at NRL	Skill Development and Livelihood (Item No. (ii) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	49.46	49.46	49.46	Directly by CPSE
10	Providing 136 Solar home lighting system (SHLS) to BPL Household in 3 nos un Electrified Villages within 10 KM radius of Refinery	Social Welfare (Item No. (iii) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	23.1	18.48	18.48	Directly by CPSE
11	Providing facilities to nearby schools like electrification, desk-benches and repair & redistribution of old desk benches	Education (Item No. (ii) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	5.75	5.6	5.6	Directly by CPSE
12	Construction of new school building / classroom in 3 nos. schools	Education (Item No. (ii) of Schedule-VII)	Within Assam	75.86	49.64	49.64	Directly by CPSE
13	Repair & renovation of 32 nos. of nearby schools such as Building, Boundary wall,Auditorium, Toilet block, roof etc.	Education (Item No. (ii) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	143.57	122.63	122.63	Directly by CPSE
14	Organized 4 nos of Training programmes for High School teachers of Golaghat District on TLM with special emphasis on Mathematics, English and Science.	Education (Item No. (ii) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	4.97	4.90	4.90	Directly by CPSE
15	Supporting various educational institutes for organizing Technical workshop, Seminar, debating, Quiz etc.	Education (Item No. (ii) of Schedule-VII)	Within Assam	1.55	1.55	1.55	Directly by CPSE



Sl. No.	CSR Project or activity identified	Sector in which the Project is covered./ Revelant section of schedule VII in which the project is covered (Note)	Project or programs(1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency (NGO/ Trust/Scociety /State Govt/ Directly by CPSE)
16	Renewal of digital Literacy curriculum at Letekujan Tea Estate in association with IRDIS, Guwahati	Education (Item No. (ii) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	9.25	8.5	8.5	NGO
17	Financial support for organizing a programme to felicitate and honour the rank holders of HSLC, High Madrasa & HSSLC examination-2015	Education (Item No. (ii) of Schedule-VII)	Within Assam	9.9	9.9	9.9	Directly by CPSE
18	Promotion of Education by providing award of scholarship to the students under scheme "Gyandeeep", "Prerona" "Dornacharya", Special Scholarship, SSG Merit Scholarship & MCM scholarship.	Education (Item No. (ii) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	97.36	97.16	97.16	Directly by CPSE
19	Financial support to students of economically weaker section of the society and physically challenged students to pursue quality education	Education (Item No. (ii) of Schedule-VII)	Within Assam	7	5.16	5.16	Directly by CPSE
20	Distribution of Test Paper among HSLC appearing students during 2015-16	Education (Item No. (ii) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	6.75	6.75	6.75	Directly by CPSE
21	Converting 50% illiterates (800 persons) to literates in 4 villages in the vicinity of Refinery	Education (Item No. (ii) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	6.26	2.08	2.08	Directly by CPSE
22	Providing quality education through setting up library in 10 high schools under project "Library for all".	Education (Item No. (ii) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	24	23.48	23.48	Directly by CPSE
23	Distribution of School bag in 45 nos of nearby schools.	Education (Item No. (ii) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	16.41	16.42	16.42	Directly by CPSE
24	Providing items for road safety like reflective tape, barricading tape, road barrier, barricading cone as road safety measure	Social Welfare (Item No. (iii) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	2.96	2.75	2.75	Directly by CPSE

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered./ Revelant section of schedule VII in which the project is covered (Note)	Project or programs(1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency (NGO/ Trust/Scociety /State Govt/ Directly by CPSE)
25	Development of 2 nos. nearby village-Gandhigaon & Napathar Notun Gaon as Model Village special emphasis on developement of road infrastructure, electrification/ Solar energy, cleanliness and sanitation.	Rural Development (Item No. (x) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	78.92	30.24	30.24	Directly by CPSE
26	Providing electrification in 5 nearby villages through APDCL under Deposit Work	Rural Development (Item No. (x) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	35.14	16.38	16.38	State Govt
27	Providing water supply facility under Project "Jeevandhara" byreviving existing piped water scheme at Letekujan and repair & renovation of existing 13 nos. ringwells in nearby villages	Drinking Water Supply (Item No. (i) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	32.99	11.9	11.9	State Govt
28	Providing 60 nos. search lights in villages in and around refinery for protection against elephant infringement	Forest and Environment, Animal Welfare etc. (Item No. (iv) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	1.95	1.7	1.7	Directly by CPSE
29	Development of rural infrastructure like construction of waiting shed, boundary wall in crematorium & kabarthan, repair& renovation of community halls etc. in villages nearby the refinery	Social Welfare (Item No. (iii) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	22.59	15.18	15.18	Society
30	Supply & installation of LED based Digital traffic signal at Golaghat Town	Social Welfare (Item No. (iii) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	21.99	21.99	21.99	Directly by CPSE
31	Developement of Village Road	Rural Development (Item No. (x) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	97.35	80.69	80.69	Society
32	Project "Dishtri" - Free Eye screening cum cataract detection programme through Lions Eye Hospital and also to screen students covering 20 schools.	Health Care (Item No. (i) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	11.23	11.23	11.23	Trust



Sl. No.	CSR Project or activity identified	Sector in which the Project is covered./ Revelant section of schedule VII in which the project is covered (Note)	Project or programs(1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency (NGO/ Trust/Scociety /State Govt/ Directly by CPSE)
33	"Niramoy" a project that organizes routine free mobile medical camp in the villages in the vicinity of NRL in collaboration with VK NRL Hospital. Each medical camp covers a cluster of villages.	Health Care (Item No. (i) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	40.78	36.79	36.79	Directly by CPSE
34	Assistance provided for treatment of critical ailment to persons from economically weaker section of the society.	Health Care (Item No. (i) of Schedule-VII)	Within Assam	15.00	13.86	13.86	Directly by CPSE
35	"Paricchannata" a scheme to construct 100 nos of Low Cost Sanitary toilet for BPL household to ensure better health and Hygine including elimination of open defecation.	Sanitation (Item No. (i) of Schedule-VII of the Companies Act, 2013)	Within 10KM radius of Refinery, Golaghat Assam	22.43	17.05	17.05	Directly by CPSE
36	"NRL Helping Hand" A scheme that support differently abled people by way of providing aid and appliances, supporting rehabilitation and to providing food, facilities, medical assistance etc.	Health Care (Item No. (i) of Schedule-VII)	Within Assam	38.25	29.2	29.2	Directly by CPSE
37	Providing 3 nos. ambulance to cater to needs of nearby villages and 1 no. animal ambulance for rescue animal at Assam State Zoo.	Health Care (Item No. (i) of Schedule-VII)	Within Assam	42.8	32.61	32.61	Directly by CPSE
38	Fin support for construction of Old Age Home at Dibrugarh and a Hospice for treating/ Counselling terminally ill patient at Jorhat.	Health Care (Item No. (i) of Schedule-VII)	Within Assam	6.6	6.6	6.6	Directly by CPSE
39	Construction of Common Toilet facility for public use in Silghat Jetty Nagaon	Sanitation (Item No. (i) of Schedule-VII of the Companies Act, 2013)	Within Assam	3.76	1.5	1.5	Society

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered./ Relevent section of schedule VII in which the project is covered (Note)	Project or programs(1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency (NGO/ Trust/Scociety /State Govt/ Directly by CPSE)
40	Organizing three nos. of veterinary vaccination camp in and around refinery	Forest and Environment, Animal Welfare etc. (Item No. (iv) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	1.00	1.00	1.00	Directly by CPSE
41	Relief & rehabilitation of flood affected people	Social Welfare (Item No. (iii) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	77.81	77.02	77.02	Directly by CPSE
42	Providing support for environment protection through awareness programmes, tree plantation, waste paper recycling etc.	Forest and Environment, Animal Welfare etc. (Item No. (iv) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	5.32	3.06	3.06	Directly by CPSE
43	Supply , Installation and commissioning of 2 nos of fully autamated invessel organic waste converter system	Forest and Environment, Animal Welfare etc. (Item No. (iv) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	23.87	22.30	22.30	Directly by CPSE
44	Organizing Campaigns in 20 nos. schools to promote awareness on Cleanliness and sanitation under Swachh Bharat Mission	Sanitation (Item No. (i) of Schedule-VII of the Companies Act, 2013)	Within 10KM radius of Refinery, Golaghat Assam	5.36	5.36	5.36	Directly by CPSE
45	"Swacchh Vidyalaya Abhiyan" A project to construct 102 toilets and maintain toilets at schools in Assam	Sanitation (Item No. (i) of Schedule-VII of the Companies Act, 2013)	Within 10KM radius of Refinery, Golaghat Assam	70.00	67.71	67.71	Directly by CPSE
46	Promotion of awareness on preventive healthcare, sanitation, safe drinking water, promotion of gender equality, women empowerment through display of do & don't in local publications, advt in magazine & buying space in public function	Sanitation (Item No. (i) of Schedule-VII of the Companies Act, 2013)	Within Assam	6.7	4.05	4.05	Directly by CPSE
47	Financial support to various organizations for Promotion of art, culture & Literature of Assam	Art and Culture, public libraries (Item No. (v) of Schedule-VII)	Within Assam	16.45	16.45	16.45	Directly by CPSE
48	Financial support to variuos organizations for Promoting sports events including rural sports	Sports (Item No. (vii) of Schedule-VII)	Within Assam	4.3	3.8	3.8	Directly by CPSE



Sl. No.	CSR Project or activity identified	Sector in which the Project is covered./ Revelant section of schedule VII in which the project is covered (Note)	Project or programs(1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency (NGO/ Trust/Scociety /State Govt/ Directly by CPSE)
49	Financial support towards conducting 12th South Asian Games at Guwahati & Shillong	Sports (Item No. (vii) of Schedule-VII)	Within Assam	10.00	10.00	10.00	Directly by CPSE
50	Financial support for coaching at Table Tennis Coaching Centre , Golaghat and Badminton coaching centre at Furkating Indoor Stadiuim under project "Khel Prashikshan"	Sports (Item No. (vii) of Schedule-VII)	Within Assam	4.45	3.5	3.5	Directly by CPSE
51	Financial support for conducting awareness camps on health & family welfare in Dibrugarh and Legal awarenes in villages of Golaghat district	Social Welfare (Item No. (iii) of Schedule-VII)	Within Assam	3.00	1.75	1.75	Directly by CPSE
52	Providing financial support for repair/ renovation of 7 nos. local cultural clubs for promotion of local art & culture.	Art and Culture, public libraries (Item No. (v) of Schedule-VII)	Within 10KM radius of Refinery, Golaghat Assam	33.36	26.91	26.91	Society
53	Operation and maintenance of football academy at Numaligarh under project "Khel Prakshishan"	Sports (Item No. (vii) of Schedule-VII)	Within Assam	21.00	20.38	20.38	Directly by CPSE
54	Overheads			10.00	8.95	8.95	Directly by CPSE
Total				1426.25	1157.55	1157.55	

Independent Auditors' Report

(Standalone)





Independent Auditors' Report

To
The Members of
Numaligarh Refinery Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **NUMALIGARH REFINERY LIMITED** ("The Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, Cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory information.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation of this Standalone financial statements that give a true and fair view of the financial position, financial performance and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rules 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

Opinion

In our Opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the act in the manner so required and give a

true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March 2016 and its profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, to the extent applicable, we give in the Annexure-I a statement on the matters specified in the paragraph 3 and 4 of the Order.
- 2) As required by Section 143(3) of the Act, we report that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the statement of Profit & Loss and the Cash Flow statement dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion, the standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) Provisions of Section 164 (2) of the Act regarding director's disqualification is not applicable vide notification F. No. 1/2/2014-CL. V dated 5th June, 2015 of Ministry of Corporate Affairs.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on the financial position in its financial statements -Ref. Note 48 to the financial statements.
 - ii) The Company is not required to make provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts, -Ref. Note 49(c) to the financial statements;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

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

Sd/-
CA. P.K. MITRA
Partner
Membership No. 050716
Place: New Delhi
Date : 11th May 2016

Annexures to Independent Auditors' Report (Standalone)



Annexure-I to Independent Auditors' Report

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2016, we report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) The fixed assets of the Company have been physically verified by the management in a phased manner designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the programme, of verification the Equipments, appliances & end user devices (TV, Refrigerator, AC, Office Equipment, Mechanical Equipments, Instrumentation Equipments, Mobile Phone, PC etc.) have been physically verified by the management during the year and the discrepancies noticed between book records and physical inventory, though not significant, have been duly adjusted in the books of account.
- (c) Title deeds of Immovable Property are held in the name of the Company except Freehold land measuring 209.35 Acres whose mutation is still pending. Gross block & net block of the above land as per Fixed Asset Register as on 31.03.2016 is not readily ascertainable.
- ii. As explained to us physical verification of inventories of Finished Goods, Raw Materials and Stores and Spares except those lying with contractors / third parties has been conducted at reasonable intervals by the management. The discrepancies noticed on physical verification of inventory as compared with book records were not material considering the size of the company and the nature of its business and the same have been properly dealt with in the books of accounts.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. As informed in respect of loans, investments, guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. The Company has not accepted any deposits from public.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of Cost Records under Sec. 148(1) of the Companies Act, 2013 and we are of the opinion that, prima facie, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the same.
- vii. (a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues to the appropriate authorities.
According to the information and explanations given to us, no arrears of outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the records of the Company and the information and explanations given to us, the following are the details of disputed dues of Income Tax or Sales Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax as on 31th March, 2016:



Name of the Statute	Nature of Dues	Period to which the amount relates	Amount (₹ in Crore)	Forum where Dispute is Pending
The C. Excise Act, 1944 (Excise Duty including Penalty and Interest)	Adoption of lower Transaction Value for OMCs -IOC/HPC/IBP on HSD & MS other than BPCL.	2002-2004	104.78	Deptt.'s appeal against favorable order to NRL is pending before CESTAT, Kolkata
	Disallowing Cenvat Credit of Refinery Project	2002-2003	60.14	CESTAT Kolkata
	Adoption of lower transaction value on sales to Oil Marketing Companies (other than BPCL)	2005-2009	0.65	CESTAT Kolkata
	Interest on Erroneous AED Refund	2000-2001	73.16	CESTAT Kolkata
The Finance Act relating to Service Tax	levy of ST on License Fee Recovery (LFR) received from Retail Outlet Dealers	2006-2010	0.35	Commissioner of Central Excise (Appeal) Guwahati
Sales tax	Revision of Assessment Order on Input Tax Credit	2007-2008	5.08	Commissioner Appeal Chandigarh Tribunal
Chandigarh Taxation Tribunal				
Chandigarh Taxation Tribunal	Revision of Assessment Order on Input Tax Credit	2008-2009	2.37	Commissioner Appeal Chandigarh Tribunal
West Bengal Value Added Tax Act'2003	Demand against suppressed sale	2010-2011	18.87	West Bengal Taxation Tribunal
West Bengal Value Added Tax Act'2003	Demand for submission of lesser value of 'C' Forms	2011-2012	0.11	Additional Commissioner (Appeal)
Entry Tax	Non-payment of Entry Tax on Naphtha import into West Bengal for further export by BPCL and import of SKO (PDS) for Interstate sale	2012-2013	9.92	West Bengal Commercial Taxes
The Assam Entry Tax Act				

- viii. Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans to any financial institution, bank, Government or dues to debenture holders.
- ix. The company has not raised moneys by way of initial public offer or further public offer (including debt instrument) and according to the information and explanations given to us, the term loans were applied for the purpose for which those are raised.
- x. According to the information and explanations given to us, and representation obtained from the management, no fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- xi. The Company being a Government Company is exempted from the applicability of the provisions of Section 197 read with Schedule V of the Companies Act, 2013 vide notification F. No.1/2/2014-CL.V dated 5 th June, 2015 of Ministry of Corporate Affairs.

- xii. Since the Company is not a Nidhi Company, provisions of clause (xii) of the Order are not applicable.
- xiii. All transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013. However, no disclosure is required in the Financial Statements as per Accounting Standard 18 as the company is a State Controlled Enterprise.
- xiv. The Company has not made any preferential allotment for private placement of shares or fully or partly convertible debentures during the year under review.
- xv. According to the information and explanations given to us the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Sd/-
CA. P.K. MITRA
Partner
Membership No. 050716
Place: New Delhi
Date : 11th May 2016



Annexure-II to Independent Auditors' Report

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

Sl. No.	Directions	Remarks
1.	Whether the company has clear title/ lease deeds for freehold and leasehold respectively ? If not please state the area of freehold and leasehold land for which title deeds are not available ?	The company has clear title deed of freehold and leasehold land except for 209.35 Acres of Freehold Land for whose mutation is still pending.
2.	Whether there are any cases of waiver/ write off of debts/loans/interest etc. if yes, the reasons there for and amount involved.	There is no case of waiver/write off of debts/loans/ interest etc. during the year.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Government or other authorities.	As informed by the management and based on records examined, the Company maintains proper records for the inventories lying with third parties. As informed by the management and based on records examined, the company has not received any gift/grant(s) from Government or other authorities.

To The Members of Numaligarh Refinery Limited

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

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

We have audited the internal financial controls over financial reporting of Numaligarh Refinery Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
CA. P.K. MITRA
Partner
Membership No. 050716
Place: New Delhi
Date : 11th May 2016

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NUMALIGARH REFINERY LIMITED FOR THE YEAR ENDED 31 MARCH, 2016

The preparation of financial statements of Numaligarh Refinery Limited for the year ended 31st March, 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 11 May, 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Numaligarh Refinery Limited for the year ended 31 March, 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

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

Sd/-

Praveer Kumar

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

Place : Kolkata
Dated: 11th July, 2016

Balance Sheet as at 31st March, 2016

₹ in Crores

	Note No.	31-03-2016	31-03-2015
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	735.63	735.63
Reserves and Surplus	4	3,221.92	2,619.35
Total Shareholders' funds		3,957.55	3,354.98
Non Current Liabilities			
Long-Term Borrowings	5	497.50	503.03
Deferred tax liabilities (net)	6	106.70	144.23
Other Long-Term Liabilities	7	2.00	2.46
Long-Term Provisions	8	480.37	279.36
Total Non-current liabilities		1,086.57	929.08
Current Liabilities			
Short-Term Borrowings	9	0.44	165.61
Trade Payables	10	724.06	1,578.88
Other Current Liabilities	11	313.79	324.17
Short-Term Provisions	12	389.22	550.60
Total current liabilities		1,427.51	2,619.26
Total Equity and Liabilities		6,471.63	6,903.32
Assets			
Non Current Assets			
Fixed Assets			
Tangible Assets	13	2,070.06	1,922.37
Intangible Assets	14	1.48	2.85
Capital work-in-progress	15	295.65	424.75
Non Current Investment	16	170.39	170.39
Long-Term Loans and Advances	17	54.46	51.48
Other Non-Current Assets	18	-	-
Total Non-Current Assets		2,592.04	2,571.84
Current Assets			
Current Investments	19	146.39	236.80
Inventories	20	1,058.82	1,598.51
Trade Receivables	21	819.31	1,236.88
Cash & Cash equivalents	22	1,736.94	1,053.74
Short-Term Loans and Advances	23	66.58	163.17
Other Current Assets	24	51.55	42.38
Total Current Assets		3,879.59	4,331.48
Total Assets		6,471.63	6,903.32
Significant accounting policies	2		
Notes to Financial Statement	3-54		

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

As per our report of even date

For Ghoshal & Ghosal

Chartered Accountants

Firm Registration No.304013E

Sd/-

CA. P.K. Mitra

Partner

Membership No. 050716

For and on behalf of the Board of Directors

Sd/-

P. Padmanabhan

Managing Director

Sd/-

S.K. Barua

Director (Finance)

Sd/-

H. K. Sarmah
Company Secretary

Place: New Delhi

Date : 11th May, 2016

Place: New Delhi

Date : 11th May, 2016

Statement of Profit and Loss for the year ended 31st March, 2016

		₹ in Crores	
	Note No.	31-03-2016	31-03-2015
Revenue			
Revenue from operations	25	10,031.44	9,862.42
Other income	26	142.50	73.78
Total revenue		10,173.94	9,936.20
Expenses			
Cost of material consumed	27	6,529.73	7,704.88
Changes in inventories of finished goods and work in progress	28	369.92	(211.69)
Employee benefits expenses	29	185.52	178.60
Finance costs	30	22.48	36.34
Depreciation and amortisation expense	13 & 14	203.89	172.90
Other expenses	31	977.68	922.04
Total Expenses		8,289.22	8,803.07
Profit before exceptional and extraordinary items and tax		1,884.72	1,133.13
Exceptional items		-	-
Profit before extraordinary items and tax		1,884.72	1,133.13
Extraordinary Items	32	1.86	(1.12)
Prior period items (net)	33	-	-
Profit Before Tax		1,882.86	1,134.25
Tax Expense			
Current tax	34	702.07	438.11
Deferred Tax	6	(37.53)	(47.68)
Short/(excess) provision for Taxation in earlier years provided for		(4.02)	25.51
Profit /(Loss) for the year		1,222.34	718.31
Earnings per equity share (in ₹):			
Basic and Diluted Earning per share (Face value ₹ 10)	35	16.62	9.76
Significant accounting policies	2		
Notes to Financial Statement	3-54		
The accompanying notes are an integral part of these financial statements.			

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

Place: New Delhi
Date : 11th May, 2016

For and on behalf of the Board of Directors

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

Sd/-
H. K. Sarmah
Company Secretary

Place: New Delhi
Date : 11th May, 2016

Cash Flow Statement for the year ended 31st March, 2016

₹ in Crores

	31-03-2016	31-03-2015
A Cash Flow from Operating Activities		
Net Profit before taxation, prior period and extraordinary item	1,884.72	1,133.13
<i>Adjustments for :</i>		
Depreciation and amortisation expense	203.89	172.90
Interest expenditure	22.48	41.73
(Profit) / Loss on Sale/Write Off of tangible assets (net)	0.55	1.69
Foreign Exchange Fluctuations	1.77	1.27
Income from Investments	(0.48)	-
Dividend Income	(16.58)	(13.56)
Interest Income	(90.85)	(46.82)
Other Non-Cash items	215.03	(16.02)
Operating Profit before Working Capital Changes	2,220.53	1,274.33
<i>(Invested in) / Generated from:</i>		
Trade receivables	417.57	(958.52)
Other receivables	97.45	(0.74)
Inventories	539.70	(248.68)
Current Liabilities & Provisions	(1,304.04)	825.62
Cash generated from Operations	1,971.21	892.01
Income Tax and Interest thereon (net of refund)	(757.89)	(322.15)
Cash generated from Operations before extraordinary items	1,213.32	569.85
Prior period items (net)	-	-
Extraordinary Items	1.86	1.12
Non-Cash items		-
Net Cash from Operating Activities	1,211.46	570.97

₹ in Crores

	31-03-2016	31-03-2015
B Cash Flows from Investing Activities		
Purchase of tangible assets / capital work in progress	(219.54)	(279.18)
Purchase of intangible assets	(0.08)	(0.13)
Sale of tangible assets	-	0.13
Investment in Associate Companies	-	(13.61)
Purchase of / Accretion to Investments (MFs)	90.41	(183.75)
Sale of Investments	-	-
Income from Investment	0.48	-
Dividend Received	16.58	13.56
Long Term Loans and Advances	(2.98)	16.85
Interest Received	81.62	46.82
Net Cash from Investing Activities	(33.51)	(399.31)
C Cash Flows from Financing Activities		
Long term Borrowings	28.07	82.74
Repayment of Long-term loans/borrowings	(33.60)	(88.71)
Net Increase/Decrease(-) in other borrowings	-	-
Other Long Term Liabilities	(0.46)	-
Other Long Term Provisions	201.01	116.80
Interest paid	(20.87)	(54.93)
Dividend Paid	(551.72)	(117.70)
Corporate Dividend Tax	(112.33)	(20.00)
Realised (loss)/gain of Foreign Exchange Difference	(4.86)	(1.27)
Net Cash used in Financing Activities	(494.76)	(83.07)
D Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	683.20	88.59



₹ in Crores

Cash and Cash equivalents	31-03-2016	31-03-2015
E. Cash & Cash Equivalents at beginning of Period		
Cash/cheques in Hand	0.01	0.01
Cash at Bank	33.73	0.14
Remittance in transit	0.00	-
Fixed Deposits with Banks	1,020.00	965.00
	1,053.74	965.15
F. Cash & Cash Equivalents at end of Period		
Cash/cheques in Hand	0.01	0.01
Cash at Bank	2.93	33.73
Remittance in transit	-	-
Fixed Deposits with Banks	1,734.00	1,020.00
Cash and Cash Equivalents as restated	1,736.94	1,053.74
Net change in Cash and Cash equivalents	683.20	88.59

- 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.
- In Part-A of Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.
- "Other Non-Cash items" comprise of provisions for Stores and Consumables, provision for Claims and provision for Investments and write back of Provisions.

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

Place: New Delhi
Date : 11th May 2016

For and on behalf of the Board of Directors

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

Sd/-
H. K. Sarmah
Company Secretary

Place: New Delhi
Date : 11th May 2016

Notes to Financial Statements for the year ended 31st March, 2016

1. Corporate Information

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

2. Statement of Significant Accounting Policies

2.1 Basis for Preparation

The Company has prepared financial statements in accordance with Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified).

2.2 Use of Estimates

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

2.3 Fixed Assets

2.3.1 Tangible Assets

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

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

2.3.1.3 Plant & Machinery used in the Refinery operations are capitalized attaching the components identified. Other assets are identified for componentization subject to a minimum thresh hold limit of ₹ 5 crores.

2.3.1.4 Fixed Bed Catalyst used in the process of Refinery operations has been identified as a separate asset and is being capitalized and depreciated over its useful life from the date it is put to use.

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

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

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

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

2.3.2 Intangible Assets

2.3.2.1 Intangible assets are carried at cost less accumulated amortization.

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

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



Notes to Financial Statements

2.4 Impairment of Assets

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

2.5 Borrowing Costs

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

2.6 Depreciation

2.6.1 Depreciation on fixed assets is provided over the useful life of the assets prescribed under Schedule II of the Companies Act, 2013, up to 95% of the cost of the asset. Identified 'Components' are depreciated over their technically assessed useful lives. The carrying amount of the existing assets for which the useful life is NIL has been charged off to Profit and Loss after retaining 5% residual value.

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

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

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

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

2.7 Investments

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

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

2.8. Inventory

2.8.1 Inventories are stated at cost or net realizable value, whichever is lower. Cost of inventories comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis and are determined on the following basis:

- a) Crude oil and finished products are determined on First in First out basis.
- b) The cost of Stock-in-process is determined at raw material cost plus cost of conversion.

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

2.8.3 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 provided for in full so as to value them at ₹ Nil. Regular stores are provided for at a rate of 2%.

Notes to Financial Statements

2.9 Revenue Recognition

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

2.10 Classification of Income / Expenses

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

2.11 Employee Benefits

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

2.12 Duties on Bonded Stocks

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

2.13 Foreign Currency Transactions & Derivative Transactions

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



Notes to Financial Statements

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

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

2.14 Government Grants

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

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

2.15 Provisions, Contingent Liabilities and Capital Commitments

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

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

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

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

2.16 Taxes on Income

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

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

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

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

2.17 Earnings per share

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

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

Notes to Financial Statements

3 Share Capital

₹ in Crores

	31-03-2016	31-03-2015
Equity Shares		
Authorised		
100,00,00,000 Equity Shares of ₹10 each	1,000.00	1,000.00
	1,000.00	1,000.00
Issued, subscribed and paid-up		
73,56,31,544 fully paid Equity Shares of ₹10 each	735.63	735.63
	735.63	735.63

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

	31-03-2016		31-03-2015	
Equity Shares	Number	₹ crores	Number	₹ crores
Shares outstanding at the beginning of the year	73,56,31,544	735.63	73,56,31,544	735.63
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	73,56,31,544	735.63	73,56,31,544	735.63

b. Terms/rights attached to equity shares

The company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

c. Shares held by holding company

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

	31-03-2016	31-03-2015
₹ in Crores		
Bharat Petroleum Corporation Limited (with nominees)		
45,35,45,998 (previous year 45,35,45,998) equity shares of ₹10 each fully paid	453.55	453.55

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

	31-03-2016		31-03-2015	
Name of Shareholder	Number	% of Holding	Number	% of Holding
Bharat Petroleum Corporation Limited	45,35,45,964	61.65%	45,35,45,964	61.65%
Oil India Limited	19,12,64,202	26.00%	19,12,64,202	26.00%
Governor of Assam	9,08,21,337	12.35%	9,08,21,337	12.35%

Notes to Financial Statements

4 Reserves and Surplus

₹ in Crores

	31-03-2016	31-03-2015
Capital Reserve		
As per last Account	100.00	100.00
	100.00	100.00
General Reserve		
As per last Account	2,519.34	2,155.19
Add: Transfer from Statement of Profit & Loss	602.57	364.15
	3,121.91	2,519.34
Surplus/ (deficit) in the statement of profit and loss		
As per last Account	0.01	0.01
Add: profit/(loss) for the year	1,222.34	718.31
Less: Interim Dividend paid	(257.47)	-
Less: Proposed Dividend	(257.47)	(294.25)
Less: Corporate Dividend Tax	(104.83)	(59.91)
Less: Transfer to General Reserve	(602.57)	(364.15)
	0.01	0.01
	3,221.92	2,619.35

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

5 Long-term Borrowings

₹ in Crores

	31-03-2016	31-03-2015
Term Loans		
From Banks		
Secured (External Commercial Borrowings)	497.50	469.43
From Oil Industry Development Board		
Secured	-	33.60
	497.50	503.03

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

Notes to Financial Statements

6 Deferred Tax Liabilities (Net)

As per requirement of the Accounting Standard 22 - "Accounting for Taxes on Income" the net tax liability recognised to the Statement of Profit and Loss during the year is ₹ (37.53) crores [previous period ₹ (47.68) crores]. The period end position of Deferred Tax Liability and Asset is as under:

	₹ in Crores	
	31-03-2016	31-03-2015
Deferred Tax Liability		
Difference of Book Depreciation & Tax Depreciation	321.88	285.49
Deferred Tax Assets		
Disallowance u/s 43B of Income Tax Act, 1961	186.42	72.45
Others including retirement benefits	28.76	68.81
Total	215.18	141.26
Net Deferred Tax Liability	106.70	144.23

7 Other Long-Term Liabilities

	₹ in Crores	
	31-03-2016	31-03-2015
Security and Earnest Money Deposits	2.00	2.46
	2.00	2.46

8 Long-Term Provisions

	₹ in Crores	
	31-03-2016	31-03-2015
Provision for employee benefits:		
Long Service Award	3.66	7.30
Resettlement Allowance	2.41	2.12
Contingencies for probable obligations (refer note 45)	474.30	269.94
	480.37	279.36

Notes to Financial Statements

9 Short-term Borrowings

₹ in Crores

	31-03-2016	31-03-2015
Loans repayable on demand		
From banks		
Secured (Cash Credit)	0.44	-
Un-Secured (Overdraft)	-	1.08
Un-Secured (Foreign Currency Loans)	-	164.53
	0.44	165.61

Cash Credit from State Bank of India carries interest @ 9.30% p.a. The loan is repayable on demand. The loan is secured by hypothecation of current assets i.e. stocks of raw material, finished goods, semi-finished goods and book debts and second charge on Plant & Machinery and other Fixed Assets of the company.

10 Trade Payables

₹ in Crores

	31-03-2016	31-03-2015
Due to micro and small enterprises	2.96	0.65
Due to others	721.10	1,578.23
	724.06	1,578.88

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

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

Notes to Financial Statements

11 Other Current Liabilities

	₹ in Crores	
	31-03-2016	31-03-2015
Current maturities of long term debt	-	24.65
Advances from Customers	3.62	3.62
Interest Accrued but not due on borrowings	0.41	0.49
Sales Tax, Entry Tax, Excise, Customs etc.	225.77	212.15
Employee related liabilities	15.51	14.97
Deposits from customers	4.18	3.83
Other deposits and retentions	64.15	61.67
Other Payables	0.15	2.79
	313.79	324.17

12 Short-Term Provisions

	₹ in Crores	
	31-03-2016	31-03-2015
a Provision for employee benefits		
Leave Encashment	44.47	39.85
Pension	2.96	2.96
Other defined benefits		
Long Service Award	0.37	0.12
Resettlement Allowance	0.13	0.05
Post Retirement Medical Benefit	3.39	1.22
Other Short-term Employee Benefits	3.48	8.70
	54.80	52.90
b Other Provisions		
Provision for Taxation (net of Tax paid)	24.53	143.54
Proposed Dividend	257.47	294.25
Corporate Dividend Tax on Proposed Dividend	52.42	59.91
	334.42	497.70
	389.22	550.60

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

Notes to Financial Statements

13 Tangible Assets

₹ in Crores

	Gross Block/Cost			Depreciation			Net Block		
	As at	Addition	Deductions on account of Retirement/ Reclassifications	As at	As at	Addition	Deductions on account of Retirement/ Reclassifications	As at	As at
	01-04-15			31-03-16	01-04-15			31-03-16	31-03-15
	(1)	(2)	(3)	(4)=(1+2-3)	(5)	(6)	(7)	(8)=(5+6-7)	(10)=(1-5)
LAND									
i) Land Freehold	31.86	0.36	-	32.22	-	0.00	-	-	31.86
ii) Land Leasehold	0.16	0.00	-	0.16	0.09	0.00	-	0.09	0.07
BUILDINGS									
i) RCC Frame Structure (other than factory)	134.56	1.19	(0.07)	135.68	24.90	2.86	-	27.76	109.66
ii) Non RCC Frame Structure (other than factory)	5.27	1.03	-	6.30	0.79	0.29	-	1.08	4.48
iii) FACTORY	295.55	1.45	-	297.00	60.25	12.84	-	73.09	235.30
iv) Fences, Wells and Tube Wells	0.60	0.41	-	1.01	0.51	0.11	-	0.62	0.09
v) Others (Temporary Structures)	1.54	0.85	-	2.39	1.45	0.24	-	1.69	0.09
BRIDGE, CULVERTS, BUNKERS ETC.									
ROADS									
i) Carpeted Roads-RCC	13.46	2.75	(0.06)	16.15	9.31	0.84	-	10.15	4.15
ii) Carpeted Roads-Other than RCC	34.45	0.45	(0.18)	34.72	31.54	0.67	-	32.21	2.91
iii) Non Capreted Road	6.32	0.00	-	6.32	6.00	0.00	-	6.00	0.32
PLANT & MACHINERY									
i) CONTINUOUS PROCESS PLANT/Refineries	2,692.23	247.53	(0.41)	2939.35	1,492.14	131.55	-	1,623.69	1,200.08
ii) Plant and Machinery-Other than Continous Process Plant	212.11	26.84	(0.02)	238.93	114.08	23.14	-	137.22	98.03
iii) Storage Tanks & Related Equipments	239.39	24.48	(1.97)	261.90	183.30	2.04	-	185.34	56.09
iv) Plant & Machinery (Captive Power Plants)	270.03	23.68	(0.09)	293.62	189.01	2.76	-	191.77	81.02
v) Plant & Machinery Used in Medical and Surgical	4.70	0.42	-	5.12	1.95	0.33	-	2.28	2.75
vi) Heavy Lift Equipment	17.80	0.00	-	17.80	15.54	0.14	-	15.68	2.26
RAILWAY SIDING									
FURNITURE									
i) FURNITURE - GENERAL	8.55	0.71	(0.01)	9.25	5.38	0.74	-	6.12	3.17
ii) FURNITURE - Others	2.69	0.44	-	3.13	0.91	0.43	-	1.34	1.78
iii) FOH-to Employees	3.60	0.72	(0.43)	3.89	1.23	0.49	(0.38)	1.34	2.37
OFFICE EQUIPMENTS									
i) Office Equipments-General	17.17	2.31	(0.56)	18.92	10.27	3.42	(0.56)	13.13	6.90
ii) Mobile on Hire-to Employees	0.09	0.05	(0.06)	0.08	0.08	0.01	(0.06)	0.03	0.01
COMPUTERS AND DATA PROCESSING UNITS									
	-	0.00	-	-	-	0.00	-	-	-

13 Tangible Assets (contd.)

	Gross Block/Cost			Depreciation			Net Block	
	As at	Addition	Deductions on account of Retirement/Reclassifications	As at	Addition	Deductions on account of Retirement/Reclassifications	As at	As at
	01-04-15			31-03-16	01-04-15		31-03-16	31-03-15
i) Servers and Network	15.51	4.65	(0.01)	20.15	12.11	1.69	13.80	6.35
ii) End User Devices-Desktop, Laptops, Printers etc.	10.02	0.66	(0.71)	9.97	7.72	1.19	8.25	1.72
iii) PC on Hire-To-Employees	0.95	0.37	(0.22)	1.10	0.52	0.24	0.55	0.55
ELECTRICAL EQUIPMENTS	49.59	6.83	(0.25)	56.17	29.37	4.43	33.68	22.49
LABORATORY EQUIPMENT	15.09	2.11	(0.05)	17.15	8.97	0.87	9.84	7.31
VEHICLES	-	0.00	-	-	-	0.00	-	-
i) Motor cycles, scooters & other mopeds	0.16	0.01	-	0.17	0.04	0.02	0.06	0.11
ii) Motor buses, motor lorries, motor cars and motor taxis	1.01	0.44	(0.13)	1.32	0.20	0.16	0.29	1.03
iii) Trucks / heavy vehicles, harvesting combines	3.82	1.63	-	5.45	2.38	0.38	2.76	2.69
iv) Electrically operated vehicles	-	1.15	-	1.15	-	0.12	0.12	1.03
Total	4,165.58	353.72	(5.37)	4,513.93	2,243.21	202.72	(2.06)	2,443.87
<i>Previous Year Figures</i>	<i>3,696.02</i>	<i>475.13</i>	<i>(5.57)</i>	<i>4,165.58</i>	<i>2,077.58</i>	<i>169.94</i>	<i>(4.31)</i>	<i>1,922.37</i>

a) Total freehold land held by NRL is 1442.33 acres (1433.61 acres) which includes 209.35 acres (452.01 acres) of land for which the process of registration is on. Out of the total freehold land 289.18 acres (289.18 acres) is disputed i.e under litigation.

b) Additions to Gross Block includes capitalisation of borrowing costs of ₹ 1.27 crores (₹ 9.27 crores).

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

- ₹3.40 crores (₹ 1.40 crores) on account of Write off of Physical Verification discrepancies.
- ₹ 1.97 crores (₹ 4.17 crores) on account sale retirement, deletions and reclassifications.

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

- Charged to Profit & Loss Account ₹ 202.43 crores (₹ 169.51 crores) which includes an amount of ₹ 91.86 crores on account of additional depreciation provided for due to componentization of assets w.e.f. 1st April 2015 in line with amendment dated August 29, 2014 notified by the MCA.
 - Charged to project expenses ₹ 0.29 crores (₹ 0.43 crores)
 - Depreciation on assets given to employees has been charged as per company policy based on life of the asset envisaged as per the buy-back scheme and not as per Schedules II of Companies Act 2013. The impact of this deviation results in higher depreciation by an amount of ₹ 0.09 crores (₹ 0.10 crores) for the year.
 - Assets costing up to ₹ 5000 are depreciated fully in the year of purchase/capitalisation as per company's accounting policy and are not as per the rates prescribed by Schedule II of Companies Act 2013. The impact of this deviation results in higher depreciation by an amount of ₹ 0.14 crores (₹ 0.20 crores) for the year.
- e) Deduction from Depreciation (Column 7) includes :
- Withdrawal of depreciation of ₹ 1.96 crores (₹ 3.39 crores) on account sale, deletions, retirement & reclassification.
 - ₹ 0.10 crore (₹ 0.92 Crore) on account of Write off of Physical Verification discrepancies.

Notes to Financial Statements

14 Intangible Assets

₹ in Crores

	Gross Block/Cost				Amortisation				Net Block	
	As at	Addition	Disposal/ adjustments	As at	As at	Addition	Disposal/ adjustments	As at	As at	As at
	01-04-15			31-03-16	01-04-15			31-03-16	31-03-16	31-03-15
Computer Software	8.33	-	-	8.33	8.33	-	-	8.33	-	-
(SAP Implementation cost)										
Computer Software	3.62	0.09	-	3.71	2.53	0.74	-	3.27	0.44	1.09
(Aspen PIMS)										-
Licenses - SAP Upgradation	13.95	-	-	13.95	12.19	0.72	-	12.91	1.04	1.76
(For SAP upgradation, Process plants, etc)										
Total	25.90	0.09	-	25.99	23.05	1.46	-	24.51	1.48	2.85
<i>Previous Year Figures</i>	<i>25.77</i>	<i>0.13</i>	<i>-</i>	<i>25.90</i>	<i>20.07</i>	<i>2.98</i>	<i>-</i>	<i>23.05</i>	<i>2.85</i>	<i>5.71</i>

Amortisation for the year includes:

(i) Charged to the Statement of Profit & Loss ₹1.46 Crores (₹2.98 Crores)

15 Capital work-in-progress

₹ in Crores

	31-03-2016	31-03-2015
Work-in-progress	249.31	409.84
Assets held for sale	2.79	1.69
Less : Provision for Capital Losses	(2.79)	(0.47)
	249.31	411.06
Capital Stores	38.67	1.32
Capital goods in transit	0.73	4.61
	288.71	416.99
Construction period expenses pending allocation		-
Opening balance	7.76	23.69
Add: Expenditure during the year		
Establishment charges	6.19	4.43
Depreciation	0.29	0.43
Finance Cost	29.46	13.20
	43.70	41.75
Less : Allocated to assets during the year	36.76	33.99
Closing balance	6.94	7.76
Total	295.65	424.75

Notes to Financial Statements

16 Non Current Investment

		₹ in Crores	
	Number of Shares	Face Value ₹	
			31-03-2016
			31-03-2015
Trade Investment (valued at cost unless stated otherwise)			
Investments in Equity Instruments (Unquoted)			
Brahmaputra Cracker and Polymer Ltd.	126,900,010	10	126.90
			126.90
Investments in associates			
DNP Limited	43,490,000	10	43.49
			43.49
Other Investments			-
			-
			170.39
			170.39

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

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

17 Long-Term Loans and Advances

(Unsecured, considered good unless otherwise stated)

		₹ in Crores	
		31-03-2016	31-03-2015
Capital Advances		5.72	2.30
Security Deposits		2.59	3.95
Loans and advances to employees (secured)		46.04	45.06
Other Loans and advances			
Considered good		0.11	0.17
		54.46	51.48

Advances considered good are the interest free advances given to employees on foreign tour for meeting basic travel requirements.

18 Other Non-Current Assets

(Unsecured, considered good unless otherwise stated)

		₹ in Crores	
		31-03-2016	31-03-2015
Non Current Bank Balances		-	-
Long Term Trade Receivables		-	-

19 Current Investments

		₹ in Crores	
		31-03-2016	31-03-2015
Investments in Mutual Funds (Non-Trade, Quoted)		146.39	236.80
(Valued at lower of cost or fair value)			
		146.39	236.80



Notes to Financial Statements

20 Inventories

(refer note 2.8 for valuation policy)

₹ in Crores

	31-03-2016	31-03-2015
Raw materials	110.21	280.90
Stock in process	59.77	47.04
Finished products	807.85	1,190.50
Stores and spares	177.58	167.91
Less: Provision for losses	(98.41)	(90.13)
Stores and spares in Transit	1.82	2.29
	1,058.82	1,598.51

21 Trade Receivables

₹ in Crores

	31-03-2016	31-03-2015
Unsecured		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	0.85	0.85
Considered doubtful	-	0.11
Provision for doubtful receivables	-	(0.11)
	0.85	0.85
Other receivables		
Considered good	818.46	1,236.03
Considered doubtful	-	-
	818.46	1,236.03
	819.31	1,236.88

22 Cash & Cash equivalents

₹ in Crores

	31-03-2016	31-03-2015
Cash & Cash Equivalents		
Balances with bank		
On current accounts	2.84	33.64
Deposits with original maturity of less than three months	1,734.00	1,020.00
Other earmarked balances with bank	0.09	0.09
Cash on hand	0.01	0.01
	1,736.94	1,053.74

Notes to Financial Statements

23 Short-Term Loans and Advances

(Unsecured, considered good unless otherwise stated)

₹ in Crores

	31-03-2016	31-03-2015
Security Deposits	3.46	1.34
Loans and advances to employees (secured)	4.73	4.41
Other loans and advances		
Considered good	1.90	4.83
Considered doubtful	1.58	1.56
Less: Provision for doubtful advances	(1.58)	(1.56)
Prepaid expenses	0.46	0.64
Claims Receivable		
Considered good	21.30	59.73
Considered doubtful	2.04	2.04
Less: Provision for doubtful claims	(2.04)	(2.04)
Deposits with Customs, Excise, etc.(net)	27.07	26.19
Advance Income Tax (net of provision for taxation)	7.66	66.03
	66.58	163.17

24 Other Current Assets

₹ in Crores

	31-03-2016	31-03-2015
Interest accrued but not due on Bank Deposits	23.04	13.81
Unamortised premium on forward contract	-	1.29
Other Receivables	27.57	26.80
Gratuity	0.69	0.48
Gold Coin	0.25	-
	51.55	42.38

Gold coin: The company has 133 nos of gold coins which consists of 100 nos. of 5 gm coins, 32 nos. of 10 gm coins and 1 no. of 20 gm coins. The same has been valued at cost or net realizable value, whichever is lower

25 Revenue from operations

₹ in Crores

	31-03-2016	31-03-2015
a) Sale of Products (Gross)	11,922.97	10,823.41
b) Other Operating Revenue	2.47	3.64
	11,925.44	10,827.05
c) Less: Excise Duty	(1,894.00)	(964.63)
	10,031.44	9,862.42

Notes to Financial Statements

26 Other Income

	₹ in Crores	
	31-03-2016	31-03-2015
Interest Income		
On Bank Deposits	88.63	43.00
On Current Investments	-	-
Others	2.22	3.09
Dividend Income		
On Current Investments	16.58	13.25
On Long term Investments	0.48	0.31
Net gain/(loss) on sale of investment	-	-
Other non-operating income	34.03	12.02
Write back of liabilities/provisions no longer required	0.56	0.64
Foreign Exchange Fluctuations (net)	-	1.47
	142.50	73.78

27 Cost of material consumed

	₹ in Crores	
	31-03-2016	31-03-2015
Opening Stock	280.90	257.70
Add : Purchases	6,359.04	7,728.08
	6,639.94	7,985.78
Less : Closing Stock	110.21	280.90
Cost of material consumed	6,529.73	7,704.88
Details of raw material consumed		
Crude Oil	5,803.64	7,008.45
MTBE, Reformate, Py. Gas & Octane Booster	613.33	562.89
Natural Gas	112.76	133.54
	6,529.73	7,704.88

Notes to Financial Statements

28 Changes in inventories of finished goods and work in progress

₹ in Crores

	31-03-2016	31-03-2015
Value of closing stock of		
Finished goods	807.85	1,190.50
Stock in process	59.77	47.04
	867.62	1,237.54
Less:		
Value of opening stock of		
Finished goods	1,190.50	961.63
Stock in process	47.04	64.22
	1,237.54	1,025.85
	(369.92)	211.69

29 Employee benefits expenses

₹ in Crores

	31-03-2016	31-03-2015
Salaries and wages	109.66	105.04
Contribution to provident fund and other funds	21.12	20.07
Contribution to gratuity fund	(0.21)	3.29
Bonus	13.82	14.04
Leave Encashment	9.84	12.56
Welfare expenses	31.29	23.60
	185.52	178.60

30 Finance costs

₹ in Crores

	31-03-2016	31-03-2015
Interest expense on loans	14.40	7.85
Interest expense others	1.42	7.77
Other borrowing costs	0.19	0.15
Applicable net loss on foreign currency transactions and translations	6.47	20.57
	22.48	36.34



Notes to Financial Statements

31 Other expenses

₹ in Crores

	31-03-2016	31-03-2015
Power and Fuel	234.26	220.51
Less: Consumption of fuel out of own production	(22.19)	(16.42)
Power and Fuel (net)	212.07	204.09
Consumption of stores, spares and materials	22.68	26.66
Rent	2.64	3.49
Other Duties and taxes	111.76	87.11
Transportation	172.14	214.49
Repairs to buildings	0.01	0.67
Repairs to machinery	46.43	41.10
Repairs others	74.08	50.36
Insurance	8.69	7.22
Rates and taxes, excluding taxes on income	0.53	1.48
Payment to Auditor as Auditor	0.07	0.07
Payment to Auditor for other services	0.01	0.02
Payment to Auditor for reimbursement of expenses	0.01	0.01
Utilities	4.50	4.70
Facility hire charges	4.11	6.83
Travelling and conveyance	16.65	15.06
Communication expenses	1.07	0.51
Others	42.92	43.54
Increase/(Decrease) in Excise Duty on inventory differential	28.06	61.88
Loss on sale/write off of Fixed Assets (net)	0.55	1.69
Loss on sale of Stores (net)	0.19	5.74
Foreign Exchange Fluctuations (net)	1.77	2.74
Provision for Stores	8.28	8.68
Provision for Doubtful Debts, Advances and Claims	0.30	0.50
Provision Against Capital Work in Progress	2.09	-
Provision for Litigation cases	204.36	125.41
Expenses on CSR activities	11.51	7.79
Charity and donation	0.20	0.20
	977.68	922.04

Notes to Financial Statements

32 Extraordinary items

₹ in Crores

	31-03-2016	31-03-2015
Loss on account of fire	1.86	(1.12)
	1.86	(1.12)

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

33 Prior period items (net)

₹ in Crores

	31-03-2016	31-03-2015
Consumption of Stores	-	-
Employee Cost - Post Retirement Medical Benefit	-	-
Other operating and administration expenses	-	-
Depreciation and amortisation expense	-	-
	-	-

- 34** Provision for taxation for the period Apr-Mar 2016 amounting to ₹ 702.07 crores (corresponding period Apr-Mar 2015 ₹ 438.11 crores) has been made as per normal provisions of the Income Tax Act.

35 Earnings per equity share

₹ in Crores

	31-03-2016	31-03-2015
Face value ₹10/- each		
Net Profit as per Profit and Loss account available to Equity Shareholders	1,222.34	718.31
Weighted average number of Equity Shares outstanding during the year	735,631,544	735,631,544
Basic earnings per share (₹)	16.62	9.76
Diluted earnings per share (₹)	16.62	9.76

- 36 Segment Reporting:** The company operates in a single segment-Refining and Marketing activities i.e., downstream petroleum sector. Considering the nature of business and operation, there is no reportable segment (business and/or geographical) in accordance with the requirements of Accounting Standard-17 "Segment Reporting".
- 37 Impairment of Assets:** As per Accounting Standard -28 "Impairment of Assets", the company has assessed the recoverable amount of the relevant assets and found that no impairment exists in relation to its assets as on 31st March 2016.

Notes to Financial Statements

38 Related Party Disclosures as per Accounting Standard 18:

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

Remuneration to Key Managerial Personnel:	31-Mar-16	31-Mar-15
Salary and Allowances	1.38	0.70
Contribution to Provident Fund & other funds	0.15	0.15
Other benefits	0.16	0.38
Total	1.69	1.23

- 39** The company has taken operating lease of product tanks from IMC Limited for 12 - 36 months duration with renewable option and lease rent amounting to ₹ 5.64 crores (previous years ₹ 8.52 crores) which has been debited to the Statement of Profit and Loss. The future minimum lease payment is as under:

	31-Mar-16	31-Mar-15
Not later than one year	8.25	8.98
Later than one year and not later than five years	-	7.74
Later than five years	-	-

- 40** An amount of ₹ 111.76 crores (Previous year ₹ 87.11 crores) has been charged to the Statement of Profit and Loss towards under recovery of Central Sales Tax (CST) on petroleum products.
- 41** The company has numerous transactions with other oil companies, which are reconciled on an ongoing basis and are subject to confirmation.
- 42** Ministry of Petroleum & Natural Gas (MOP & NG) vide letter No: P-20012/16/2008-PP (Vol.II) dated 20th June, 2012 advised Petroleum Planning & Analysis Cell (PPAC) to include Assam Crude Oil quantity supplied to Numaligarh Refinery Ltd. (NRL) for upstream discount due to Bharat Petroleum Corporation Ltd. (BPCL). Accordingly, PPAC on a quarterly basis has intimated the ₹ per bbl crude oil discount rate for the year 2015-16 to be passed on by Oil India Ltd. (OIL) and Oil and Natural Gas Corporation Ltd. (ONGC) to NRL. Accordingly NRL has received upstream crude oil discount amounting to ₹132.14 crores (Previous year ₹3,919.46 crores) from OIL / ONGC which has been subsequently passed on by NRL to BPCL through sale of products.
- 43** Pending finalization of the Crude Oil Sales Agreement (COSA), purchases of Crude Oil from Oil India Limited (OIL) and Oil and Natural Gas Corporation Limited (ONGC) have been accounted for as per the Benchmark price of crude oil in the financial year 2015-16 in line with financial year 2014-15.
- To augment crude availability of north-east refineries, imported crude is brought in to IOCL Bongaigaon Refinery and the transportation cost and other incidentals thereof is being shared by all four North-East (NE) refineries as per mutual agreement. The company's share of the transportation cost and other incidentals thereof has been included in crude cost as well as for valuation of the closing inventory.
- 44** As on 31st March 2016, the Company has a stock of approximately 110 kgs (Previous year 800 kgs) of spent catalyst (scrap), which contains approximately 0.3619 kgs (Previous year approximately 2.632 kgs) of platinum.

Notes to Financial Statements

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

₹ in Crores

Nature	Opening Balance	Additions during the year	Utilisation during the year	Reversal during the year	Closing Balance
Entry Tax	250.89	144.56			395.45
Sales Tax	17.81			0.34	17.47
Excise Duty	1.24	60.14			61.38
Legal Cases	-	-			-
Total	269.94	204.70	-	0.34	474.30
<i>Previous year</i>	<i>154.53</i>	<i>125.41</i>	<i>10.00</i>	<i>-</i>	<i>269.94</i>

Provision for Entry Tax represents an amount of ₹ 194.53 crores towards Assam Entry Tax for the period November 2006 to May 2008, which has been disputed by the Company and a Writ Petition (Civil) has been filed before the Hon'ble Supreme Court of India. Based on the Writ Petition, the Court has directed the Assessing Authority to assess the liability for the aforesaid period which was assessed at ₹ 194.53 crores. The Court vide interim Order dated 04.02.2010 has directed the Company to pay, under protest, to the State a sum of ₹ 50 crores which the Company has deposited under protest to the tax authority. Additions during the year for Entry Tax is for the Interest amount for the period from Nov'06 to Feb 2011 amounting to ₹ 118.52 crores which was not considered earlier (The applicability of Interest from Nov'06 to Feb'2011 was reviewed and based on some recent court judgments and opinion the interest element for this period has been provided for) and interest for the current year amounting to ₹ 26.04 crores.

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

Provision for Excise Duty includes an amount of ₹ 60.04 crores provided for as duty liability on intermingling of SKO with HSD on outward transportation of final products from place of removal.

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

- 46 To reflect the fair value of inventories at the year end, the company has revised its accounting policy relating to valuation of inventory of Crude and Finished products from Weighted Average basis to First-in-First-out (FIFO) basis during the year. This has resulted in reduction in the value of closing inventory of Crude and Finished products by an amount of ₹ 6.16 crores with corresponding reduction in profits for the year.

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

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

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

Notes to Financial Statements

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

"Other defined benefits: These are :

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

₹ in Crore

Reconciliation of balances of Defined Benefit Obligations	Gratuity Funded		Post Retirement Medical Benefit Funded		Long Service Award Non Funded		Leave Encashment Non Funded		Resettlement Allowance Non Funded	
	31-03-16	31-03-15	31-03-16	31-03-15	31-03-16	31-03-15	31-03-16	31-03-15	31-03-16	31-03-15
Defined Obligations at the beginning of the year	26.92	21.82	20.01	16.21	7.42	6.63	39.85	30.81	2.17	1.73
Interest Cost	2.15	2.03	1.60	1.51	0.59	0.62	3.18	2.87	0.17	0.16
Current Service Cost	0.24	0.20	1.51	1.23	0.53	0.47	0.82	0.67	0.27	0.22
Past Service cost			1.90		-					
(Gain)/Loss on curtailment					(3.88)					
Benefits paid	(0.33)	(0.60)	(0.40)	(0.23)	(0.09)	(0.49)	(5.22)	(3.52)	(0.36)	(0.42)
Actuarial (Gains)/ Losses on obligations	-	3.47	(1.32)	1.29	(0.53)	0.19	5.84	9.02	0.29	0.48
Defined Obligations at the end of the year	28.98	26.92	23.30	20.01	4.04	7.42	44.47	39.85	2.54	2.17

Reconciliation of balances of Fair Value of Plan Assets in respect of Gratuity/ Post Retirement Medical Benefit Fund	31-03-16	31-03-15	31-03-16	31-03-15
Fair Value at the beginning of the year	27.40	25.59	18.80	17.37
Expected Return	2.19	2.38	1.50	1.62
Actuarial Gain/(Losses)	0.41	0.03	0.01	0.04
Actual return on Plan assets				
Contribution by employer	-	-		
Benefits paid	(0.33)	(0.60)	(0.40)	(0.23)
Fair Value of Plan Assets at the end of the year	29.67	27.40	19.91	18.80

Notes to Financial Statements

Reconciliation of balances of Defined Benefit Obligations	Gratuity Funded		Post Retirement Medical Benefit Funded		Long Service Award Non Funded		Leave Encashment Non Funded		Resettlement Allowance Non Funded	
Amount recognised in Balance Sheet										
	(0.69)	(0.48)	3.39	1.22	4.04	7.42	44.47	39.85	2.54	2.17

Amount recognised in the Statement of Profit and Loss										
Current Service Cost	0.24	0.20	1.51	1.23	0.53	0.47	0.82	0.67	0.27	0.22
Past Service cost			1.90							
(Gain)/Loss on curtailment					(3.88)					
Interest Cost	(0.04)	(0.35)	0.10	(0.11)	0.59	0.62	3.18	2.87	0.17	0.16
Expected Return on Plan Assets						-	-	-		
Actuarial (Gains)/ Losses	(0.41)	3.44	(1.34)	1.25	(0.53)	0.19	5.84	9.02	0.29	0.48
Expenses for the period	(0.21)	3.29	2.17	2.37	(3.29)	1.28	9.84	12.56	0.73	0.86

Major Actuarial Assumptions										
Discount Rate	8.04%	7.99%	8.04%	7.99%	8.04%	7.99%	8.04%	7.99%	8.04%	7.99%
Salary Escalation / Inflation	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Attrition Rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Expected Return on Plan Assets	8.04%	7.99%	8.04%	7.99%	-	-	-	-	-	-

Investment pattern for Gratuity Fund	31-03-16	31-03-15	31-03-16	31-03-15
Category of Asset	%	%	%	%
Government of India Asset	-	-	-	-
Corporate Bonds	-	-	-	-
Special Deposit Scheme	-	-	-	-
State Government	-	-	-	-
Others	100	100	100	100
Total	100	100	100	100

As per our best estimate, ₹ Nil crores is expected to be paid to the Gratuity Fund as contribution in the year 2016-17.

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

	31-03-2016	31-03-2015
Change in Liability for : 1% increase in Discount Rate	1.55	1.33
Change in Liability for : 1% decrease in Discount Rate	(1.89)	(1.63)

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

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

Notes to Financial Statements

48 Commitments and Contingent Liabilities:

₹ in Crores

	31-03-2016	31-03-2015
Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net off Advance)	335.27	72.25
Uncalled liability on shares	-	-
Commitments relating to lease arrangements	8.24	16.72
Contingent Liabilities :		
Claims against the Company not acknowledged as debts :		
Claim by contractors Arbitration cases/other extra claims on capital account	112.09	106.29
Land matters	-	-
In respect of taxation matters:		
Excise Duty Matters	238.73	269.23
Service Tax Matters	0.35	2.09
Sales Tax Matters	26.43	29.76
Income Tax Matters	-	-
Entry Tax Matters	9.92	113.51
ESI Matter	1.86	1.86
Guarantees:		
Guarantees in favour of Oil Industry Development Board (OIDB) for long term loans for capital project extended to BCP Ltd. by OIDB.	80.73	52.16

49 Derivative Instruments and unhedged foreign currency exposure:

a. Derivatives outstanding as at the reporting date					
Particulars	Purpose	31-03-2016		31-03-2015	
		USD million	₹ crores	USD million	₹ crores
Forward contracts to buy USD	Hedge of Buyers Credit Loan (Short Term)	Nil	Nil	14.62	91.51
b. Particulars of unhedged foreign currency exposures as at reporting date					
Particulars		USD million	₹ crores	USD million	₹ crores
Buyers Credit Loan (Short Term)		Nil	Nil	11.75	73.51
External Commercial Borrowing		75.00	497.50	75.00	469.43
c. Mark-to-Market losses					
Mark-to-Market losses provided for			-		0.53

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

	31-03-2016	31-03-2015
Raw Materials	473.32	464.32
Components and spare parts	10.40	11.20
Capital goods	2.57	15.53

Notes to Financial Statements

51 Expenditure in foreign currency :

	31-03-2016	31-03-2015
Royalty	-	-
Know-how	9.56	2.42
Professional Consultancy Fees	3.90	0.11
Purchase of products	466.47	471.03
Other matters		
i) Travelling	0.53	0.75
ii) Others	10.65	1.09

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

	Imported		Indigenous		Total
	₹ in Crores	%	₹ in Crores	%	₹ in Crores
Crude Oil	-	-	5,803.64	100.00	5,803.64
	-	-	(7,008.45)	100.00	(7,008.45)
MTBE and Reformate	613.33	100.00	-	-	613.33
	(562.89)	100.00		-	(562.89)
Natural Gas	-	-	112.76	100.00	112.76
	-	-	(133.54)	100.00	(133.54)
Stores/Spare parts and Components (including chemicals & catalysts)	1.73	7.63	20.95	92.37	22.68
	(6.13)	22.99	(20.53)	77.01	(26.66)

53 Earnings in foreign currency (accrual basis)

	31-3-2016	31-3-2015
Exports at F.O.B. Value (USD million)	0.87	Nil

54 Previous year figures

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

Signature to Notes '1' to '54'

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

Place: New Delhi
Date : 11th May 2016

For and on behalf of the Board of Directors

Sd/-
P. Padmanabhan
Managing Director

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

Sd/-
H. K. Sarmah
Company Secretary

Place: New Delhi
Date : 11th May 2016

Independent Auditors' Report

(Consolidated)



Independent Auditors' Report

To
The Members of
Numaligarh Refinery Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of NUMALIGARH REFINERY LIMITED ("The Company") and its associate, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "The Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to



fraud or error. in making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company including its associate as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements / financial information of one associate, whose financial statements / financial information reflect total assets of ₹6.32 crores as at 31st March, 2016. Total revenues has been reduced by ₹0.48 crores (being the adjustment for inter company dividend received during the year) and net cash flows amounting to NIL for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the associate's share of net profit of ₹2.49 crores for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of one associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by an other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid associate, is based solely on the reports of the other auditor.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Company as on 31st March, 2016 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of the Company along with its Associate Company incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its associate- refer note 48 to the consolidated financial statements.
 - ii. Provision is not required to be made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts- refer note 49(c) to the consolidated financial statements.
 - iii. There are no amount which were required to be transferred to the Investor Education and Protection Fund by the Company and its associate company incorporated in India.

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

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

For **GHOSHAL & GHOSAL**
Chartered Accountants

Firm registration No. 304013E

Sd/-

CA. P.K. MITRA

Partner

Membership No. 050716

Place: New Delhi

Date : 11th May 2016

Annexures to Independent Auditors' Report (Consolidated)



Annexure-I to Independent Auditors' Report

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

Sl. No.	Directions	Remarks
1.	Whether the company has clear title/ lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title deeds are not available ?	<p>Numaligarh Refinery Limited:</p> <p>The company has clear title deed of freehold and leasehold land except for 209.35 Acres of Freehold Land for whose mutation is still pending.</p> <p>Associate:</p> <p>The company has prepared the Consolidated Financial Statement as per Equity Method according to AS-23. As per the Audit Report of the Associate which is audited by an other auditor freehold land measuring 16B 4K 16.43Ls. owned by the Associate whose mutation is still pending. As the Financial Statements of the Associate has not been audited by us, we are unable to comment on the issue.</p>
2.	Whether there are any cases of waiver/write off of debts/loans/interest etc. if yes, the reasons there for and amount involved.	<p>Numaligarh Refinery Limited:</p> <p>There is no case of waiver/write off of debts/loans/interest etc. during the year.</p> <p>Associate:</p> <p>The Financial Statements of the Associate has been audited by another auditor whose report is silent on this issue, hence we are unable to comment on the same.</p>
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Government or other authorities.	<p>Numaligarh Refinery Limited:</p> <p>As informed by the management and based on records examined, the Company maintains proper records for the inventories lying with third parties.</p> <p>As informed by the management and based on records examined, the company has not received any gift/grant(s) from Government or other authorities.</p> <p>Associate:</p> <p>The Financial Statements of the Associate has been audited by another auditor whose report is silent on this issue, hence we are unable to comment on the same.</p>



**To
The Members of
Numaligarh Refinery Limited**

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Numaligarh Refinery Limited ("The Company") and its associate which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company and its associate, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one number of associate which is a company incorporated in India, is based on the corresponding reports of the auditor of such company incorporated in India.

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

Sd/-
CA. P.K. MITRA
Partner
Membership No. 050716
Place: New Delhi
Date : 11th May 2016



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NUMALIGARH REFINERY LIMITED FOR THE YEAR ENDED 31 MARCH, 2016

The preparation of consolidated financial statements of Numaligarh Refinery Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act is responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their revised Audit Report dated 11 May 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statements of Numaligarh Refinery Limited for the year ended 31 March, 2016. We conducted a supplementary audit of the financial statements of Numaligarh Refinery Limited and DNP Limited, for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

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

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

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

Place : Kolkata
Dated: 11th July, 2016

Consolidated Balance Sheet as at 31st March, 2016

₹ in Crores

	Note No.	31-03-2016	31-03-2015
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	735.63	735.63
Reserves and Surplus	4	3,228.24	2,623.66
Total Shareholders' funds		3,963.87	3,359.29
Non Current Liabilities			
Long-Term Borrowings	5	497.50	503.03
Deferred tax liabilities (net)	6	106.70	144.23
Other Long-Term Liabilities	7	2.00	2.46
Long-Term Provisions	8	480.37	279.36
Total Non-current liabilities		1,086.57	929.08
Current Liabilities			
Short-Term Borrowings	9	0.44	165.61
Trade Payables	10	724.06	1,578.88
Other Current Liabilities	11	313.79	324.17
Short-Term Provisions	12	389.22	550.60
Total current liabilities		1,427.51	2,619.26
Total Equity and Liabilities		6,477.95	6,907.63
Assets			
Non Current Assets			
Fixed Assets			
Tangible Assets	13	2,070.06	1,922.37
Intangible Assets	14	1.48	2.85
Capital work-in-progress	15	295.65	424.75
Non Current Investment	16	176.71	174.70
Long-Term Loans and Advances	17	54.46	51.48
Other Non-Current Assets	18	-	-
Total Non-Current Assets		2,598.36	2,576.15
Current Assets			
Current Investments	19	146.39	236.80
Inventories	20	1,058.82	1,598.51
Trade Receivables	21	819.31	1,236.88
Cash & Cash equivalents	22	1,736.94	1,053.74
Short-Term Loans and Advances	23	66.58	163.17
Other Current Assets	24	51.55	42.38
Total Current Assets		3,879.59	4,331.48
Total Assets		6,477.95	6,907.63
Significant accounting policies	2		
Notes to Financial Statement	3-55		
The accompanying notes are an integral part of these financial statements.			

As per our report of even date

For Ghoshal & Ghosal

Chartered Accountants

Firm Registration No.304013E

Sd/-

CA. P.K. Mitra

Partner

Membership No. 050716

Place: New Delhi

Date : 11th May 2016

For and on behalf of the Board of Directors

Sd/-

P. Padmanabhan

Managing Director

Sd/-

S.K. Barua

Director (Finance)

Sd/-

H. K. Sarmah
Company Secretary

Place: New Delhi

Date : 11th May 2016

Statement of Consolidated Profit and Loss for the year ended 31st March, 2016

₹ in Crores

	Note No.	31-03-2016	31-03-2015
Revenue			
Revenue from operations	25	10,031.44	9,862.42
Other income	26	142.02	73.47
Total revenue		10,173.46	9,935.89
Expenses			
Cost of material consumed	27	6,529.73	7,704.88
Changes in inventories of finished goods and work in progress	28	369.92	(211.69)
Employee benefits expenses	29	185.52	178.60
Finance costs	30	22.48	36.34
Depreciation and amortisation expense	13 & 14	203.89	172.90
Other expenses	31	977.68	922.04
Total Expenses		8,289.22	8,803.07
Profit before exceptional and extraordinary items and tax		1,884.24	1,132.82
Exceptional items		-	-
Profit before extraordinary items and tax		1,884.24	1,132.82
Extraordinary Items	32	1.86	(1.12)
Prior period items (net)	33	-	-
Profit Before Tax		1,882.38	1,133.94
Tax Expense			
Current tax	34	702.07	438.11
Deferred Tax	6	(37.53)	(47.68)
Short/(excess) provision for Taxation in earlier years provided for		(4.02)	25.51
Profit /(Loss) for the year		1,221.86	718.00
Share of Income from Associate-DNPL		2.49	1.74
Net Profit and Loss for the Group		1,224.35	719.74
Earnings per equity share (in ₹):			
Basic and Diluted Earning per share (Face value ₹10)	35	16.64	9.76
Significant accounting policies	2		
Notes to Financial Statement	3-55		
The accompanying notes are an integral part of these financial statements.			

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

Place: New Delhi
Date : 11th May 2016

For and on behalf of the Board of Directors

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

Sd/-
H. K. Sarmah
Company Secretary

Place: New Delhi
Date : 11th May 2016

Consolidated Cash Flow Statement for the year ended 31st March, 2016

₹ in Crores

	31-03-2016	31-03-2015
A Cash Flow from Operating Activities		
Net Profit Before tax & prior period items and extraordinary item	1,884.24	1,132.82
<i>Adjustments for :</i>		
Depreciation & Amortisation expenses	203.89	172.90
Interest expenditure	22.48	41.73
(Profit) / Loss on Sale/Write Off of fixed assets(net)	0.55	1.69
Foreign Exchange Fluctuation Loss	1.77	1.27
Dividend Received	(16.58)	(13.56)
Interest Income	(90.85)	(46.82)
Other Non-Cash items	215.03	(16.02)
Share of Income from Associate-DNPL	2.49	1.74
Operating Profit before Working Capital Changes	2,223.02	1,275.75
<i>(Invested in) / Generated from:</i>		
Trade receivables	417.57	(958.52)
Other receivables	95.85	(0.74)
Inventories	539.70	(248.68)
Current Liabilities & Provisions	(1,301.80)	825.62
Cash generated from Operations	1,974.34	893.43
Income Tax and Interest thereon (net of Refund)	(757.89)	(322.15)
Cash generated from operation before Extra ordinary Items	1,216.45	571.28
Prior Period Items (Net)	-	-
Extraordinary Items	1.86	(1.12)
Non-Cash items		
Net Cash from Operating Activities	1,214.59	572.40



₹ in Crores

	31-03-2016	31-03-2015
B Cash Flows from Investing Activities		
Purchase of tangible assets / capital work in progress	(192.19)	(279.18)
Purchase of intangible assets	(0.08)	(0.13)
Sale of tangible assets	0.08	0.13
Investment in Associate Companies	(2.01)	(15.04)
Purchase of / Accretion to Investments (MFs)	90.41	(183.75)
Sale of Investments	-	-
Income from Investment		-
Dividend Received	16.58	13.56
Long Term Loans and Advances	(2.98)	16.85
Interest Received	81.62	46.82
Net Cash from Investing Activities	(8.57)	(400.74)
C Cash Flows from Financing Activities		
Long term Borrowings	(0.00)	82.74
Repayment of Long-term loans/borrowings	(33.60)	(88.71)
Net Increase/Decrease(-) in other borrowings	-	-
Other Long Term Liabilities	(0.46)	-
Other Long Term Provisions	201.01	116.80
Interest paid	(20.87)	(54.93)
Dividend Paid	(551.72)	(117.70)
Corporate Dividend Tax	(112.33)	(20.00)
Realised (loss)/gain of Foreign Exchange Difference	(4.86)	(1.27)
Net Cash used in Financing Activities	(522.83)	(83.07)
D Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	683.20	88.59

₹ in Crores

Cash and Cash equivalents	31-03-2016	31-03-2015
<i>E. Cash & Cash Equivalents at beginning of Period</i>		
Cash/cheques in Hand	0.01	0.01
Cash at Bank	33.73	0.14
Remittance in transit	0.00	-
Fixed Deposits with Banks	1,020.00	965.00
	1,053.74	965.15
<i>F. Cash & Cash Equivalents at end of Period</i>		
Cash/cheques in Hand	0.01	0.01
Cash at Bank	2.93	33.73
Remittance in transit	-	-
Fixed Deposits with Banks	1,734.00	1,020.00
Cash and Cash Equivalents as restated	1,736.94	1,053.74
Net change in Cash and Cash equivalents	683.20	88.59

1. The Cash Flow Statement is prepared in accordance with the format included in Accounting Standard 3 as notified by Central Government.
2. Net profit before tax include share of income from associates.
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. The net profit/loss arising due to conversion of current assets/current liabilities, receivables/payables in foreign currency is furnished under the head "Foreign Exchange Fluctuations".
5. "Other Non-Cash items" comprise of provisions for Stores and Consumables, provision for Claims and provision for Investments and write back of Provisions.

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

Place: New Delhi
Date : 11th May 2016

For and on behalf of the Board of Directors

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

Sd/-
H. K. Sarmah
Company Secretary

Place: New Delhi
Date : 11th May 2016



Notes to consolidated Financial Statements for the year ended 31st March, 2016

2. Statement of Significant Accounting Policies

2.1 Basis of Consolidation

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

2.1.1 Basis of Accounting

The Financial Statements of the associate company used in preparation of the Consolidated Financial Statements are drawn up to the same reporting date as that of NRL viz. 31st March 2016.

2.1.2 Principles of Consolidation

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

2.1.2.1 The Financial Statements of NRL and its Associate Company DNPL have been consolidated using the equity method. The unrealized profits or losses resulting from intra group transactions are fully eliminated.

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

2.1.3 The percentage of interest of the Company in its Associates as on 31st March, 2016 is as under:

Associate	Percentage of Interest as on	
	31-03-2016	31-03-2015
DNP Limited	26	26
Joint Venture Company (JVC)		
Brahmaputra Cracker and Polymer Ltd.	10	10

Notes :

i) Brahmaputra Cracker and Polymer Ltd is a Joint Venture Company where NRL is holding 10% Equity. However considering that the operation of BCPL as on date is not substantial and the impact of consolidation is not expected to be material the same has not been considered for consolidation.

2.2 Basis for Preparation

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

2.3 Use of Estimates

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

Notes to consolidated Financial Statements

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

2.4 Fixed Assets

2.4.1 Tangible Assets

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

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

2.4.1.3 Plant & Machinery used in the Refinery operations are capitalized attaching the components identified. Other assets are identified for componentization subject to a minimum threshold limit of ₹5 crores.

2.4.1.4 Fixed Bed Catalyst used in the process of Refinery operations has been identified as a separate asset and is being capitalized and depreciated over its useful life from the date it is put to use.

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

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

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

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

2.4.2 Intangible Assets

2.4.2.1 Intangible assets are carried at cost less accumulated amortization.

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

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

2.5 Impairment of Assets

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

2.6 Borrowing Costs

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



Notes to consolidated Financial Statements

2.7 Depreciation

- 2.7.1** Depreciation on fixed assets is provided over the useful life of the assets prescribed under Schedule II of the Companies Act, 2013, up to 95% of the cost of the asset. Identified 'Components' are depreciated over their technically assessed useful lives. The carrying amount of the existing assets for which the useful life is NIL has been charged off to Profit and Loss.
- 2.7.2** Premium paid for acquiring leasehold land (other than perpetual lease) and leasehold land not exceeding 99 years in case of its Associate DNPL is amortized over the period of lease.
- 2.7.3** Depreciation is charged on addition / deletion on pro-rata monthly basis including the month of addition / deletion.
- 2.7.4** In the following cases Depreciation on assets has not been charged as per Schedule II of the Companies Act 2013
- assets given to the employees are depreciated as per company policy. Whereas no such policy exists in case of its Associate DNPL.
 - assets costing up to ₹ 5,000/- are depreciated fully in the year of its purchase/capitalisation.

2.8 Investments

- 2.8.1** Current investments are valued at lower of cost or fair value determined on an individual investment basis.
- 2.8.2** Long-term investments are valued at cost. Provision for diminution in value is made to recognise a decline, other than of temporary nature, in the value of such investments.

2.9 Inventory

- 2.9.1** Inventories are stated at cost or net realizable value, whichever is lower. Cost of inventories comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis and are determined on the following basis:
- a) Crude oil and finished products are determined on First in First out basis.
 - b) The cost of Stock-in-process is determined at raw material cost plus cost of conversion. No such policy exists in case of its Associate DNPL.
- 2.9.2** The net realizable value of finished goods are based on the inter-company transfer prices (applicable at the location of stock) for sale to oil companies and the final selling prices for sale to other customers.
- 2.9.3** Stock-in-process is valued at raw material cost plus conversion costs as applicable or net realizable value, whichever is lower. No such policy exists in case of its Associate DNPL.
- 2.9.4** Finished products are valued at weighted average cost or net realizable value, whichever is lower. No such policy exists in case of its Associate DNPL.
- 2.9.5** Cost is determined on weighted average basis and comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis. No such policy exists in case of its Associate DNPL.
- 2.9.6** The net realizable value of finished goods is based on the transfer prices (applicable at the location of stock for sale to oil companies) and the final selling prices for sale to other customers. No such policy exists in case of its Associate DNPL.
- 2.9.7** Stores and spares are valued at weighted average cost. Obsolete, slow moving/non- moving stores for 3 years and above and other materials including project materials identified as surplus are provided for in

Notes to consolidated Financial Statements

full so as to value them at ₹ Nil. Regular stores are provided for at a rate of 2%. No such policy for provision exists in case of its Associate DNPL except for project materials identified as surplus which are provided for at a rate of 95% of the value.

2.10 Revenue Recognition

- 2.10.1** Sales represent invoiced value of goods supplied net of trade discounts, and include applicable North East excise duty benefit, excise duty, surcharge and other elements as are allowed to be recovered as part of the price but excludes VAT/Sales Tax. Further, it includes other elements allowed by the Government from time to time. In case of its Associate DNPL, revenue is recognized to the extent that it is probable that the economic benefit will flow to the company and the revenue can be reliably measured and revenue from services rendered is recognized net of Service Tax on performance of service based on agreements/arrangements with the concerned parties.
- 2.10.2** Other claims are booked when there is reasonable certainty of recovery.
- 2.10.3** Income from sale of scrap is accounted for on realization where sufficient risk and rewards are transferred to customers, which is generally on dispatch of goods.
- 2.10.4** Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- 2.10.5** Dividend income is recognized when right to receive is established.
- 2.10.6** Liquidated damages in case of its Associate DNPL are accounted for as and when recovery is affected and the matter is considered settled by the Management. Liquidated damages If settled after capitalisation of the assets and less than ₹0.05 crore in each case are charged to revenue, otherwise adjusted against the cost of the relevant assets.
- 2.10.7** Insurance claim is accounted for on the basis of calms admitted by the insurers by its Associate DNPL.

2.11 Classification of Income / Expenses

- 2.11.1** Expenditure on Research, other than capital expenditure, is charged to revenue in the year in which the expenditure is incurred. No such policy exists in case of its Associate DNPL but expenses are accounted for on accrual basis and provision is made for all known liabilities.
- 2.11.2** Income / expenditure up to ₹0.05 crore and ₹0.01 crore in case of its Associate DNPL in each case pertaining to prior years is charged to the current year.
- 2.11.3** Prepaid expenses up to ₹0.05 crore and ₹0.01 crore in case of its Associate DNPL in each case, are charged to revenue as and when incurred.
- 2.11.4** Deposits placed with Government agencies/local authorities which are perennial in nature are charged to revenue in the year of payment. No such policy exists in case of its Associate DNPL.

2.12 Employee Benefits

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



Notes to consolidated Financial Statements

2.13 Duties on Bonded Stocks

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

2.14 Foreign Currency Transactions & Derivative Transactions

- 2.14.1** Transactions in foreign currency are accounted in the reporting currency at the exchange rate prevailing on the date of transaction.
- 2.14.2** Monetary items denominated in foreign currency are converted at exchange rates prevailing on the date of Balance Sheet.
- 2.14.3** Foreign Exchange differences arising at the time of translation or settlement are recognised as income or expense in the Statement of Profit & Loss either under foreign exchange fluctuation or interest, as the case may be.
- 2.14.4** Foreign exchange differences on long term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset.
- 2.14.5** Premium/discount arising at the inception of the forward exchange contracts to hedge foreign currency risks are amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in Statement of Profit & Loss. No such policy exists in case of its Associate DNPL.
- 2.14.6** Gains / losses arising on settlement of Derivative transactions entered into by the Company to manage the exposures on account of fluctuations in foreign exchange are recognised in the Statement of Profit and Loss. Provision for losses in respect of outstanding contracts as on balance sheet date is made on the basis of mark to market valuations of such contracts. No such policy exists in case of its Associate DNPL.

2.15 Government Grants

- 2.15.1** When the grant relates to an expense item or depreciable fixed assets, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. No such policy exists in case of its Associate DNPL.
- 2.15.2** Government grants in the nature of promoters' contribution or relating to non depreciable assets are credited to Capital Reserve and treated as a part of shareholders' funds.

2.16 Provisions, Contingent Liabilities and Capital Commitments

- 2.16.1** Show cause notices issued by various Government Authorities are not considered as Obligation. When the demand notices are raised against such show cause notices and are disputed by the Company, then they are treated as Obligations. No such policy exists in case of its Associate DNPL.
- 2.16.2** A provision is recognized when an enterprise has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made.
- 2.16.3** Contingent Liabilities irrespective of amount and ₹0.01 crore in case of its Associate DNPL are not recognized but are disclosed in the Notes. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
- 2.16.4** Capital commitments and Contingent liabilities disclosed in each case are in respect of items which exceed ₹0.05 crore and ₹0.01 crore in case of its Associate DNPL.

2.17 Taxes on Income

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

Notes to consolidated Financial Statements

- 2.17.2** Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date.
- 2.17.3** The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However, in respect of unabsorbed depreciation or carry forward losses, the deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realised in future.
- 2.17.4** The carrying amount of deferred tax assets and unrecognised deferred tax assets are reviewed at each balance sheet date.
- 2.18 Earnings per share**
- 2.18.1** Basic earnings per share are calculated by dividing the net profit or loss (after deducting preference dividends, if any, and attributable taxes) for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period.
- 2.18.2** For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

Notes to consolidated Financial Statements

3 Share Capital

₹ in Crores

	31-03-2016	31-03-2015
Equity Shares		
Authorised		
100,00,00,000 Equity Shares of ₹10 each	1,000.00	1,000.00
	1,000.00	1,000.00
Issued, subscribed and paid-up		
73,56,31,544 fully paid Equity Shares of ₹10 each	735.63	735.63
	735.63	735.63

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

	31-03-2016		31-03-2015	
Equity Shares	Number	₹ crores	Number	₹ crores
Shares outstanding at the beginning of the year	73,56,31,544	735.63	73,56,31,544	735.63
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	73,56,31,544	735.63	73,56,31,544	735.63

b. Terms/rights attached to equity shares

The company has only one class of equity shares having par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

c. Shares held by holding company

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

	₹ in Crores	
	31-03-2016	31-03-2015
Bharat Petroleum Corporation Limited (with nominees)		
45,35,45,998 (previous year 45,35,45,998) equity shares of ₹10 each fully paid	453.55	453.55

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

	31-03-2016		31-03-2015	
Name of Shareholder	Number	% of Holding	Number	% of Holding
Bharat Petroleum Corporation Limited	45,35,45,964	61.65%	45,35,45,964	61.65%
Oil India Limited	19,12,64,202	26.00%	19,12,64,202	26.00%
Governor of Assam	9,08,21,337	12.35%	9,08,21,337	12.35%

Notes to consolidated Financial Statements

4 Reserves and Surplus

₹ in Crores

	31-03-2016	31-03-2015
Capital Reserve		
As per last Account	100.00	100.00
	100.00	100.00
General Reserve		
As per last Account	2,523.65	2,155.19
Equity Accounting of Associates-DNPL		2.88
Add: Transfer from Statement of Profit & Loss	604.58	365.58
	3,128.23	2,523.65
Surplus/ (deficit) in the statement of profit and loss		
As per last Account	0.01	0.01
Add: profit/(loss) for the year	1,224.35	719.74
Less: Interim Dividend paid	(257.47)	
Less: Proposed Dividend	(257.47)	(294.25)
Less: Corporate Dividend Tax	(104.83)	(59.91)
Less: Transfer to General Reserve	(604.58)	(365.58)
	0.01	0.01
	3,228.24	2,623.66

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

5 Long-term Borrowings

₹ in Crores

	31-03-2016	31-03-2015
Term Loans		
From Banks		
Secured (External Commercial Borrowings)	497.50	469.43
Unsecured	-	-
From Oil Industry Development Board	-	
Secured	-	33.60
Unsecured	-	-
	497.50	503.03

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

Notes to consolidated Financial Statements

6 Deferred Tax Liabilities (Net)

As per requirement of the Accounting Standard 22 - "Accounting for Taxes on Income" the net tax liability recognised to the Statement of Profit and Loss during the year is ₹ (37.53) crores [previous period ₹ (47.68) crores]. The period end position of Deferred Tax Liability and Asset is as under:

	₹ in Crores	
	31-03-2016	31-03-2015
Deferred Tax Liability		
Difference of Book Depreciation & Tax Depreciation	321.88	285.49
Deferred Tax Assets		
Disallowance u/s 43B of Income Tax Act, 1961	186.42	72.45
Others including retirement benefits	28.76	68.81
Total	215.18	141.26
Net Deferred Tax Liability	106.70	144.23

7 Other Long-Term Liabilities

	₹ in Crores	
	31-03-2016	31-03-2015
Security and Earnest Money Deposits	2.00	2.46
	2.00	2.46

8 Long-Term Provisions

	₹ in Crores	
	31-03-2016	31-03-2015
Provision for employee benefits:		
Long Service Award	3.66	7.30
Resettlement Allowance	2.41	2.12
Contingencies for probable obligations (refer Note 45)	474.30	269.94
	480.37	279.36

Notes to consolidated Financial Statements

9 Short-term Borrowings

₹ in Crores

	31-03-2016	31-03-2015
Loans repayable on demand		
From banks		
Secured (Cash Credit)	0.44	-
Un-Secured (Overdraft)	-	1.08
Un-Secured (Foreign Currency Loans)	-	164.53
	0.44	165.61

Cash Credit from State Bank of India carries interest @ 9.30% p.a. The loan is repayable on demand. The loan is secured by hypothecation of current assets i.e. stocks of raw material, finished goods, semi-finished goods and book debts and second charge on Plant & Machinery and other Fixed Assets of the company.

10 Trade Payables

₹ in Crores

	31-03-2016	31-03-2015
Due to micro and small enterprises	2.96	0.65
Due to others	721.10	1,578.23
	724.06	1,578.88

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

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

Notes to consolidated Financial Statements

11 Other Current Liabilities

	₹ in Crores	
	31-03-2016	31-03-2015
Current maturities of long term debt	-	24.65
Advances from Customers	3.62	3.62
Interest Accrued but not due on borrowings	0.41	0.49
Sales Tax, Entry Tax, Excise, Customs etc.	225.77	212.15
Employee related liabilities	15.51	14.97
Deposits from customers	4.18	3.83
Other deposits and retentions	64.15	61.67
Other Payables	0.15	2.79
	313.79	324.17

12 Short-Term Provisions

	₹ in Crores	
	31-03-2016	31-03-2015
a Provision for employee benefits		
Gratuity	-	-
Leave Encashment	44.47	39.85
Pension	2.96	2.96
Other defined benefits		
Long Service Award	0.37	0.12
Resettlement Allowance	0.13	0.05
Post Retirement Medical Benefit	3.39	1.22
Other Short-term Employee Benefits	3.48	8.70
	54.80	52.90
b Other Provisions		
Provision for Taxation (net of Tax paid)	24.53	143.54
Proposed Dividend	257.47	294.25
Corporate Dividend Tax on Proposed Dividend	52.42	59.91
	334.42	497.70
	389.22	550.60

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

Notes to consolidated Financial Statements

13 Tangible Assets

₹ in Crores

	Gross Block/Cost				Depreciation				Net Block	
	As at		Addition		Deductions on account of Retirement/Reclassifications		Addition		Deductions on account of Retirement/Reclassifications	
	01-04-15		01-04-15		31-03-16		01-04-15		31-03-16	
	(1)	(2)	(3)	(4)=(1+2-3)	(5)	(6)	(7)	(8)=(5+6-7)	(9)=(4-8)	(10)=(1-5)
LAND										
i) Land Freehold	31.86	0.36	-	32.22	-	0.00	-	-	32.22	31.86
ii) Land Leasehold	0.16	0.00	-	0.16	0.09	0.00	-	0.09	0.07	0.07
BUILDINGS										
i) RCC Frame Structure (other than factory)	134.56	1.19	(0.07)	135.68	24.90	2.86	-	27.76	107.92	109.66
ii) Non RCC Frame Structure (other than factory)	5.27	1.03	-	6.30	0.79	0.29	-	1.08	5.22	4.48
iii) FACTORY	295.55	1.45	-	297.00	60.25	12.84	-	73.09	223.91	235.30
iv) Fences, Wells and Tube Wells	0.60	0.41	-	1.01	0.51	0.11	-	0.62	0.39	0.09
v) Others (Temporary Structures)	1.54	0.85	-	2.39	1.45	0.24	-	1.69	0.70	0.09
BRIDGE, CULVERS, BUNKERS ETC.										
ROADS	28.54	0.20	(0.14)	28.60	6.40	1.30	-	7.70	20.90	22.14
i) Carpeted Roads-RCC	13.46	2.75	(0.06)	16.15	9.31	0.84	-	10.15	6.00	4.15
ii) Carpeted Roads-Other than RCC	34.45	0.45	(0.18)	34.72	31.54	0.67	-	32.21	2.51	2.91
iii) Non Carpeted Road	6.32	0.00	-	6.32	6.00	0.00	-	6.00	0.32	0.32
PLANT & MACHINERY										
i) CONTINUOUS PROCESS PLANT/Refineries	2,692.23	247.53	(0.41)	2939.35	1,492.14	131.55	-	1,623.69	1,315.66	1,200.08
ii) Plant and Machinery-Other than Continuous Process Plant	212.11	26.84	(0.02)	238.93	114.08	23.14	-	137.22	101.71	98.03
iii) Storage Tanks & Related Equipments	239.39	24.48	(1.97)	261.90	183.30	2.04	-	185.34	76.56	56.09
iv) Plant & Machinery (Captive Power Plants)	270.03	23.68	(0.09)	293.62	189.01	2.76	-	191.77	101.85	81.02
v) Plant & Machinery Used in Medical and Surgical	4.70	0.42	-	5.12	1.95	0.33	-	2.28	2.84	2.75
vi) Heavy Lift Equipment	17.80	0.00	-	17.80	15.54	0.14	-	15.68	2.12	2.26
RAILWAY SIDING	48.76	0.00	-	48.76	26.77	9.42	-	36.19	12.57	21.99
FURNITURE										
i) FURNITURE - GENERAL	8.55	0.71	(0.01)	9.25	5.38	0.74	-	6.12	3.13	3.17
ii) FURNITURE - Others	2.69	0.44	-	3.13	0.91	0.43	-	1.34	1.79	1.78
iii) FOH-to Employees	3.60	0.72	(0.43)	3.89	1.23	0.49	(0.38)	1.34	2.55	2.37
OFFICE EQUIPMENTS										
i) Office Equipments-General	17.17	2.31	(0.56)	18.92	10.27	3.42	-	13.13	5.79	6.90
ii) Mobile on Hire-to Employees	0.09	0.05	(0.06)	0.08	0.08	0.01	(0.06)	0.03	0.05	0.01

13 Tangible Assets

	Gross Block/Cost			Depreciation			Net Block	
	As at	Addition	Deductions on account of Retirement/Reclassifications	As at	Addition	Deductions on account of Retirement/Reclassifications	As at	As at
	01-04-15			31-03-16	01-04-15		31-03-16	31-03-15
COMPUTERS AND DATA PROCESSING UNITS								
i) Servers and Network	-	0.00	-	-	-	0.00	-	-
ii) End User Devices-Desktop,Laptops,Printers etc	15.51	4.65	(0.01)	20.15	12.11	1.69	13.80	6.35
iii) PC on Hire-To Employees	10.02	0.66	(0.71)	9.97	7.72	1.19	8.25	1.72
ELECTRICAL EQUIPMENTS	0.95	0.37	(0.22)	1.10	0.52	0.24	0.55	0.55
LABORATORY EQUIPMENT	49.59	6.83	(0.25)	56.17	29.37	4.43	33.68	22.49
VEHICLES	15.09	2.11	(0.05)	17.15	8.97	0.87	9.84	7.31
i) Motor Cycles,Scooters & Other Mopeds	-	0.00	-	-	-	0.00	-	-
ii) Motor Buses,Motor Lorries,motor cars and motor taxis	0.16	0.01	-	0.17	0.04	0.02	0.06	0.11
iii) TRUCKS / HEAVY VEHICLES,Harvesting Combines	1.01	0.44	(0.13)	1.32	0.20	0.16	0.29	1.03
iv) Electrically Operated Vehicles	3.82	1.63	-	5.45	2.38	0.38	2.76	2.69
Total	4,165.58	353.72	(5.37)	4,513.93	2,243.21	202.72	2,443.87	1,922.37
<i>Previous Year Figures</i>	<i>3,696.02</i>	<i>475.13</i>	<i>(5.57)</i>	<i>4,165.58</i>	<i>2,077.58</i>	<i>169.94</i>	<i>2,243.21</i>	<i>1,618.44</i>

a) Total freehold land held by NRL is 1442.33 acres (1433.61 acres) which includes 209.35 acres (452.01 acres) of land for which the process of registration is on. Out of the total freehold land 289.18 acres (289.18 acres) is disputed i.e under litigation.

b) Additions to Gross Block includes capitalisation of borrowing costs of ₹ 1.27 crores (₹ 9.27 crores).

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

- ₹ 3.40 crores (₹ 1.40 crores) on account of Write off of Physical Verification discrepancies.
- ₹ 1.97 crores (₹ 4.17 crores) on account sale retirement, deletions and reclassifications.

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

- Charged to Profit & Loss Account ₹ 202.43 crores (₹ 169.51 crores) which includes an amount of ₹ 91.86 crores on account of additional depreciation provided for due to componentization of assets w.e.f. 1st April 2015 in line with amendment dated August 29, 2014 notified by the MCA.
 - Charged to project expenses ₹ 0.29 crores (₹ 0.43 crores)
 - Depreciation on assets given to employees has been charged as per company policy based on life of the asset envisaged as per the buy-back scheme and not as per Schedules II of Companies Act 2013. The impact of this deviation results in higher depreciation by an amount of ₹ 0.09 crores (₹ 0.10 crores) for the year.
 - Assets costing up to ₹ 5000 are depreciated fully in the year of purchase/capitalisation as per company's accounting policy and are not as per the rates prescribed by Schedule II of Companies Act 2013. The impact of this deviation results in higher depreciation by an amount of ₹ 0.14 crores (₹ 0.20 crores) for the year.
- e) Deduction from Depreciation (Column 7) includes :
- Withdrawal of depreciation of ₹ 1.96 crores (₹ 3.39 crores) on account sale, deletions, retirement & reclassification.
 - ₹ 0.10 crore (₹ 0.92 Crore) on account of Write off of Physical Verification discrepancies.

Notes to consolidated Financial Statements

14 Intangible Assets

₹ in Crores

	Gross Block/Cost				Amortisation				Net Block	
	As at	Addition	Disposal/ adjustments	As at	As at	Addition	Disposal/ adjustments	As at	As at	As at
	01-04-15			31-03-16	01-04-15			31-03-16	31-03-16	31-03-15
Computer Software (SAP Implementation cost)	8.33	-	-	8.33	8.33	-	-	8.33	-	-
Computer Software (Aspen PIMS)	3.62	0.09	-	3.71	2.53	0.74	-	3.27	0.44	1.09
Licenses - SAP Upgradation (For SAP upgradation, Process plants, etc)	13.95	-	-	13.95	12.19	0.72	-	12.19	1.04	1.76
Total	25.90	0.09	-	25.99	23.05	1.46	-	24.51	1.48	2.85
<i>Previous Year Figures</i>	<i>25.77</i>	<i>0.13</i>	<i>-</i>	<i>25.90</i>	<i>20.07</i>	<i>2.98</i>	<i>-</i>	<i>23.05</i>	<i>2.85</i>	<i>5.71</i>

Amortisation for the year includes:

(i) Charged to the Statement of Profit & Loss ₹1.46 Crores (₹2.98 Crores)

15 Capital work-in-progress

₹ in Crores

	31-03-2016	31-03-2015
Work-in-progress	249.31	409.84
Assets held for sale	2.79	1.69
Less : Provision for Capital Losses	(2.79)	(0.47)
	249.31	411.06
Capital Stores	38.67	1.32
Capital goods in transit	0.73	4.61
	288.71	416.99
Construction period expenses pending allocation		-
Opening balance	7.76	23.69
Add: Expenditure during the year		
Establishment charges	6.19	4.43
Depreciation	0.29	0.43
Finance Cost	29.46	13.20
	43.70	41.75
Less : Allocated to assets during the year	36.76	33.99
Closing balance	6.94	7.76
Total	295.65	424.75



Notes to consolidated Financial Statements

16 Non Current Investment

					₹ in Crores	
	Number of Shares	Face Value ₹			31-03-2016	31-03-2015
Trade Investment (valued at cost unless stated otherwise)						
Investments in Equity Instruments (Unquoted)						
Brahmaputra Cracker and Polymer Ltd.	126,900,010	10			126.90	126.90
Investments in associates						
DNP Limited	43,490,000	10	43.49	43.49	43.49	43.49
Share of Income from Associate			6.32	4.31	6.32	4.31
					49.81	47.80
					176.71	174.70

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

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

17 Long-Term Loans and Advances

(Unsecured, considered good unless otherwise stated)

	₹ in Crores	
	31-03-2016	31-03-2015
Capital Advances	5.72	2.30
Security Deposits	2.59	3.95
Loans and advances to employees (secured)	46.04	45.06
Other Loans and advances		
Considered good	0.11	0.17
	54.46	51.48

Advances considered good are the interest free advances given to employees on foreign tour for meeting basic travel requirements

18 Other Non-Current Assets

(Unsecured, considered good unless otherwise stated)

	₹ in Crores	
	31-03-2016	31-03-2015
Non Current Bank Balances	-	-
Long Term Trade Receivables	-	-

Notes to consolidated Financial Statements

19 Current Investments

₹ in Crores

	31-03-2016	31-03-2015
Investments in Mutual Funds (Non-Trade, Quoted)	146.39	236.80
(Valued at lower of cost or fair value)		
	146.39	236.80

20 Inventories

(refer note 2.8 for valuation policy)

₹ in Crores

	31-03-2016	31-03-2015
Raw materials	110.21	280.90
Stock in process	59.77	47.04
Finished products	807.85	1,190.50
Stores and spares	177.58	167.91
Less:Provision for losses	(98.41)	(90.13)
Stores and spares in Transit	1.82	2.29
	1,058.82	1,598.51

21 Trade Receivables

₹ in Crores

	31-03-2016	31-03-2015
Unsecured		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	0.85	0.85
Considered doubtful	-	0.11
Provision for doubtful receivables	-	(0.11)
	0.85	0.85
Other receivables		
Considered good	818.46	1,236.03
Considered doubtful	-	-
	818.46	1,236.03
	819.31	1,236.88



Notes to consolidated Financial Statements

22 Cash & Cash Equivalents

₹ in Crores

	31-03-2016	31-03-2015
Cash & Cash Equivalents		
Balances with bank		
On current accounts	2.84	33.64
Deposits with original maturity of less than one year	1,734.00	1,020.00
Other earmarked balances with bank	0.09	0.09
Cash on hand	0.01	0.01
	1,736.94	1,053.74

23 Short-Term Loans and Advances

(Unsecured, considered good unless otherwise stated)

₹ in Crores

	31-03-2016	31-03-2015
Security Deposits	3.46	1.34
Loans and advances to employees (secured)	4.73	4.41
Other loans and advances		
Considered good	1.90	4.83
Considered doubtful	1.58	1.56
Less: Provision for doubtful advances	(1.58)	(1.56)
Prepaid expenses	0.46	0.64
Claims Receivable		
Considered good	21.30	59.73
Considered doubtful	2.04	2.04
Less: Provision for doubtful claims	(2.04)	(2.04)
Deposits with Customs, Excise, etc.(net)	27.07	26.19
Advance Income Tax (net of provision for taxation)	7.66	66.03
	66.58	163.17

Notes to consolidated Financial Statements

24 Other Current Assets

	₹ in Crores	
	31-03-2016	31-03-2015
Interest accrued but not due on Bank Deposits	23.04	13.81
Unamortised premium on forward contract	-	1.29
Other Receivables	27.57	26.80
Gratuity	0.69	0.48
Gold Coins	0.25	-
	51.55	42.38

Gold coin: The company has 133 nos of gold coins which consists of 100 nos. of 5 gm coins, 32 nos. of 10 gm coins and 1 no. of 20 gm coins. The same has been valued at cost or net realizable value, whichever is lower.

25 Revenue from operations (Gross)

	₹ in Crores	
	31-03-2016	31-03-2015
a) Sale of Products (Gross)	11,922.97	10,823.41
b) Other Operating Revenue	2.47	3.64
	11,925.44	10,827.05
c) Less: Excise Duty	(1,894.00)	(964.63)
	10,031.44	9,862.42

26 Other Income

	₹ in Crores	
	31-03-2016	31-03-15
Interest Income		
On Bank Deposits	88.63	43.00
On Current Investments	-	-
Others	2.22	3.09
Dividend Income		
On Current Investments	16.58	13.25
Net gain/(loss) on sale of investment	-	-
Other non-operating income	34.03	12.02
Write back of liabilities/provisions no longer required	0.56	0.64
Foreign Exchange Fluctuations (net)	-	1.47
	142.02	73.47



Notes to consolidated Financial Statements

27 Cost of material consumed

	₹ in Crores	
	31-03-2016	31-03-2015
Opening Stock	280.90	257.70
Add : Purchases	6,359.04	7,728.08
	6,639.94	7,985.78
Less : Closing Stock	110.21	280.90
Cost of material consumed	6,529.73	7,704.88
Details of raw material consumed		
Crude Oil	5,803.64	7,008.45
MTBE,Reformate,Py.Gas & Octane Booster	613.33	562.89
Natural Gas	112.76	133.54
	6,529.73	7,704.88

28 Changes in inventories of finished goods and work in progress

	₹ in Crores	
	31-03-2016	31-03-2015
Value of closing stock of		
Finished goods	807.85	1,190.50
Stock in process	59.77	47.04
	867.62	1,237.54
Less:		
Value of opening stock of		
Finished goods	1,190.50	961.63
Stock in process	47.04	64.22
	1,237.54	1,025.85
	(369.92)	211.69

29 Employee benefits expenses

	₹ in Crores	
	31-03-2016	31-03-2015
Salaries and wages	109.66	105.04
Contribution to provident fund and other funds	21.12	20.07
Contribution to gratuity fund	(0.21)	3.29
Bonus	13.82	14.04
Leave Encashment	9.84	12.56
Welfare expenses	31.29	23.60
	185.52	178.60

Notes to consolidated Financial Statements

30 Finance costs

₹ in Crores

	31-03-2016	31-03-2015
Interest expense on loans	14.40	7.85
Interest expense others	1.42	7.77
Other borrowing costs	0.19	0.15
Applicable net loss on foreign currency transactions and translations	6.47	20.57
	22.48	36.34

31 Other expenses

₹ in Crores

	31-03-2016	31-03-2015
Power and Fuel	234.26	220.51
Less: Consumption of fuel out of own production	(22.19)	(16.42)
Power and Fuel (net)	212.07	204.09
Consumption of stores, spares and materials	22.68	26.66
Rent	2.64	3.49
Other Duties and taxes	111.76	87.11
Transportation	172.14	214.49
Repairs to buildings	0.01	0.67
Repairs to machinery	46.43	41.10
Repairs others	74.08	50.36
Insurance	8.69	7.22
Rates and taxes, excluding taxes on income	0.53	1.48
Payment to Auditor as Auditor	0.07	0.07
Payment to Auditor for other services	0.01	0.02
Payment to Auditor for reimbursement of expenses	0.01	0.01
Utilities	4.50	4.70
Facility hire charges	4.11	6.83
Travelling and conveyance	16.65	15.06
Communication expenses	1.07	0.51
Others	42.92	43.54
Increase/(Decrease) in Excise Duty on inventory differential	28.06	61.88
Loss on sale/write off of Fixed Assets (net)	0.55	1.69
Loss on sale of Stores (net)	0.19	5.74
Foreign Exchange Fluctuations (net)	1.77	2.74
Provision for Stores	8.28	8.68
Provision for Doubtful Debts, Advances and Claims	0.30	0.50
Provision Against Capital Work in Progress	2.09	-
Provision for Litigation cases	204.36	125.41
Expenses on CSR activities	11.51	7.79
Charity and donation	0.20	0.20
	977.68	922.04



Notes to consolidated Financial Statements

32 Extraordinary Items

₹ in Crores

	31-03-2016	31-03-2015
Loss on account of fire	1.86	(1.12)
	1.86	(1.12)

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

33 Prior period items (net)

₹ in Crores

	31-03-2016	31-03-2015
Consumption of Stores	-	-
Employee Cost - Post Retirement Medical Benefit	-	-
Other operating and administration expenses	-	-
Depreciation and amortisation expense	-	-
	-	-

- 34** Provision for taxation for the period Apr-Mar 2016 amounting to ₹ 702.07 crores (corresponding period Apr-Mar 2015 ₹ 438.11 crores) has been made as per normal provisions of the Income Tax Act.

35 Earnings per equity share

₹ in Crores

	31-03-2016	31-03-2015
Face value ₹ 10/- each		
Net Profit as per Profit and Loss account available to Equity Shareholders	1,224.35	719.74
Weighted average number of Equity Shares outstanding during the year	735,631,544	735,631,544
Basic earnings per share (₹)	16.64	9.78
Diluted earnings per share (₹)	16.64	9.78

- 36 Segment Reporting:** The company operates in a single segment-Refining and Marketing activities i.e., downstream petroleum sector. Considering the nature of business and operation, there is no reportable segment (business and/or geographical) in accordance with the requirements of Accounting Standard-17 "Segment Reporting".
- 37 Impairment of Assets:** As per Accounting Standard -28 "Impairment of Assets", the company has assessed the recoverable amount of the relevant assets and found that no impairment exists in relation to its assets as on 31st March 2016.

Notes to consolidated Financial Statements

38 Related Party Disclosures as per Accounting Standard 18:

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

Remuneration to Key Managerial Personnel:	31-Mar-16	31-Mar-15
Salary and Allowances	1.38	0.70
Contribution to Provident Fund & other funds	0.15	0.15
Other benefits	0.16	0.38
Total	1.69	1.23

- 39** The company has taken operating lease of product tanks from IMC Limited for 12 - 36 months duration with renewable option and lease rent amounting to ₹ 5.64 crores (previous years ₹ 8.52 crores) which has been debited to the Statement of Profit and Loss. The future minimum lease payment is as under:

	31-Mar-16	31-Mar-15
Not later than one year	8.25	8.98
Later than one year and not later than five years	-	7.74
Later than five years	-	-

- 40** An amount of ₹ 111.76 crores (Previous year ₹ 87.11 crores) has been charged to the Statement of Profit and Loss towards under recovery of Central Sales Tax (CST) on petroleum products.
- 41** The company has numerous transactions with other oil companies, which are reconciled on an ongoing basis and are subject to confirmation.
- 42** Ministry of Petroleum & Natural Gas (MOP & NG) vide letter No: P-20012/16/2008-PP (Vol.II) dated 20th June 2012 advised Petroleum Planning & Analysis Cell (PPAC) to include Assam Crude Oil quantity supplied to Numaligarh Refinery Ltd. (NRL) for upstream discount due to Bharat Petroleum Corporation Ltd. (BPCL). Accordingly, PPAC on a quarterly basis has intimated the ₹per bbl crude oil discount rate for the year 2015-16 to be passed on by Oil India Ltd. (OIL) and Oil and Natural Gas Corporation Ltd. (ONGC) to NRL. Accordingly NRL has received upstream crude oil discount amounting to ₹132.14 crores (Previous year ₹3,919.46 crores) from OIL / ONGC which has been subsequently passed on by NRL to BPCL through sale of products.
- 43** Pending finalization of the Crude Oil Sales Agreement (COSA), purchases of Crude Oil from Oil India Limited (OIL) and Oil and Natural Gas Corporation Limited (ONGC) have been accounted for as per the Benchmark price of crude oil in the financial year 2015-16 in line with financial year 2014-15.

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



Notes to consolidated Financial Statements

44 As on 31st March 2016, the Company has a stock of approximately 110 kgs (Previous year 800 kgs) of spent catalyst (scrap), which contains approximately 0.3619 kgs (Previous year approximately 2.632 kgs) of platinum.

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

₹ in Crores

Nature	Opening Balance	Additions during the year	Utilisation during the year	Reversal during the year	Closing Balance
Entry Tax	250.89	144.56			395.45
Sales Tax	17.81			0.34	17.47
Excise Duty	1.24	60.14			61.38
Legal Cases	-	-			-
Total	269.94	204.70	-	0.34	474.30
<i>Previous year</i>	<i>154.53</i>	<i>125.41</i>	<i>10.00</i>	<i>-</i>	<i>269.94</i>

Provision for Entry Tax represents an amount of ₹ 194.53 crores towards Assam Entry Tax for the period November 2006 to May 2008, which has been disputed by the Company and a Writ Petition (Civil) has been filed before the Hon'ble Supreme Court of India. Based on the Writ Petition, the Court has directed the Assessing Authority to assess the liability for the aforesaid period which was assessed at ₹ 194.53 crores. The Court vide interim Order dated 04.02.2010 has directed the Company to pay, under protest, to the State a sum of ₹ 50 crores which the Company has deposited under protest to the tax authority. Additions during the year for Entry Tax is for the Interest amount for the period from Nov'06 to Feb 2011 amounting to ₹118.52 crores which was not considered earlier (The applicability of Interest from Nov'06 to Feb'2011 was reviewed and based on some recent court judgments and opinion the interest element for this period has been provided for) and interest for the current year amounting to ₹ 26.04 crores.

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

Provision for Excise Duty includes an amount of ₹60.04 crores provided for as duty liability on intermingling of SKO with HSD on outward transportation of final products from place of removal.

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

46 To reflect the fair value of inventories at the year end, the company has revised its accounting policy relating to valuation of inventory of Crude and Finished products from Weighted Average basis to First-in-First-out (FIFO) basis during the year. This has resulted in reduction in the value of closing inventory of Crude and Finished products by an amount of ₹6.16 crores with corresponding reduction in profits for the year.

Notes to consolidated Financial Statements

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

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

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

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

"Other defined benefits: These are :

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

₹ in Crore

Reconciliation of balances of Defined Benefit Obligations	Gratuity Funded		Post Retirement Medical Benefit Funded		Long Service Award Non Funded		Leave Encashment Non Funded		Resettlement Allowance Non Funded	
	31-03-16	31-03-15	31-03-16	31-03-15	31-03-16	31-03-15	31-03-16	31-03-15	31-03-16	31-03-15
Defined Obligations at the beginning of the year	26.92	21.82	20.01	16.21	7.42	6.63	39.85	30.81	2.17	1.73
Interest Cost	2.15	2.03	1.60	1.51	0.59	0.62	3.18	2.87	0.17	0.16
Current Service Cost	0.24	0.20	1.51	1.23	0.53	0.47	0.82	0.67	0.27	0.22
Past Service cost			1.90		-					
(Gain)/Loss on curtailment					(3.88)					
Benefits paid	(0.33)	(0.60)	(0.40)	(0.23)	(0.09)	(0.49)	(5.22)	(3.52)	(0.36)	(0.42)
Actuarial (Gains)/ Losses on obligations	-	3.47	(1.32)	1.29	(0.53)	0.19	5.84	9.02	0.29	0.48
Defined Obligations at the end of the year	28.98	26.92	23.30	20.01	4.04	7.42	44.47	39.85	2.54	2.17

Notes to consolidated Financial Statements

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

	31-03-16	31-03-15	31-03-16	31-03-15
Fair Value at the beginning of the year	27.40	25.59	18.80	17.37
Expected Return	2.19	2.38	1.50	1.62
Actuarial Gain/(Losses)	0.41	0.03	0.01	0.04
Actual return on Plan assets				
Contribution by employer	-	-		
Benefits paid	(0.33)	(0.60)	(0.40)	(0.23)
Fair Value of Plan Assets at the end of the year	29.67	27.40	19.91	18.80

Amount recognised in Balance Sheet	(0.69)	(0.48)	3.39	1.22	4.04	7.42	44.47	39.85	2.54	2.17
---	---------------	---------------	-------------	-------------	-------------	-------------	--------------	--------------	-------------	-------------

Amount recognised in the Statement of Profit and Loss

Current Service Cost	0.24	0.20	1.51	1.23	0.53	0.47	0.82	0.67	0.27	0.22
Past Service cost			1.90							
(Gain)/Loss on curtailment					(3.88)					
Interest Cost	(0.04)	(0.35)	0.10	(0.11)	0.59	0.62	3.18	2.87	0.17	0.16
Expected Return on Plan Assets						-	-	-		
Actuarial (Gains)/ Losses	(0.41)	3.44	(1.34)	1.25	(0.53)	0.19	5.84	9.02	0.29	0.48
Expenses for the period	(0.21)	3.29	2.17	2.37	(3.29)	1.28	9.84	12.56	0.73	0.86

Major Actuarial Assumptions

Discount Rate	8.04%	7.99%	8.04%	7.99%	8.04%	7.99%	8.04%	7.99%	8.04%	7.99%
Salary Escalation / Inflation	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Attrition Rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Expected Return on Plan Assets	8.04%	7.99%	8.04%	7.99%	-	-	-	-	-	-

Investment pattern for Gratuity Fund	31-03-16	31-03-15	31-03-16	31-03-15
Category of Asset	%	%	%	%
Government of India Asset	-	-	-	-
Corporate Bonds	-	-	-	-
Special Deposit Scheme	-	-	-	-
State Government	-	-	-	-
Others	100	100	100	100
Total	100	100	100	100

As per our best estimate, ₹ Nil crores is expected to be paid to the Gratuity Fund as contribution in the year 2016-17.

Notes to consolidated Financial Statements

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

	31-03-2016	31-03-2015
Change in Liability for : 1% increase in Discount Rate	1.55	1.33
Change in Liability for : 1% decrease in Discount Rate	(1.89)	(1.63)

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

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

48 Commitments and Contingent Liabilities:

₹ in Crores

	31-03-2016	31-03-2015
Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net off Advance)	335.27	72.25
Commitments relating to lease arrangements	8.24	16.72
Contingent Liabilities :		
Claims against the Company not acknowledged as debts :		
Claim by contractors Arbitration cases/other extra claims on capital account	112.09	106.29
Land matters	-	-
In respect of taxation matters:		
Excise Duty Matters	238.73	269.23
Service Tax Matters	0.35	2.09
Sales Tax Matters	26.43	29.76
Income Tax Matters	-	-
Entry Tax Matters	9.92	113.51
ESI Matter	1.86	1.86
Guarantees:		
Guarantees in favour of Oil Industry Development Board (OIDB) for long term loans for capital project extended to BCP Ltd. by OIDB.	80.73	52.16

Notes to consolidated Financial Statements

49 Derivative Instruments and unhedged foreign currency exposure:

a. Derivatives outstanding as at the reporting date					
Particulars	Purpose	31-03-2016		31-03-2015	
		USD million	₹ crores	USD million	₹ crores
Forward contracts to buy USD	Hedge of Buyers Credit Loan (Short Term)	Nil	Nil	14.62	91.51
b. Particulars of unhedged foreign currency exposures as at reporting date					
Particulars		USD million	₹ crores	USD million	₹ crores
Buyers Credit Loan (Short Term)		Nil	Nil	11.75	73.51
External Commercial Borrowing		75.00	497.50	75.00	469.43
c. Mark-to-Market losses					
Mark-to-Market losses provided for			-		0.53

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

	31-03-2016	31-03-2015
Raw Materials	473.32	464.32
Components and spare parts	10.40	11.20
Capital goods	2.57	15.53

51 Expenditure in foreign currency :

	31-03-2016	31-03-2015
Royalty	-	-
Know-how	9.56	2.42
Professional Consultancy Fees	3.90	0.11
Purchase of products	466.47	471.03
Other matters		
i) Travelling	0.53	0.75
ii) Others	10.65	1.09

Human Resource Accounting

Human resources is being considered by NRL as the key to the organisation's success. Development of human resources is a continuous process and gets the top priority to meet new challenges. The value of human assets who are committed to achieve excellence in all fronts is being recognised by NRL. The Human Resource profile, as given in the table below, shows that NRL is a youthful Company.

Category	Age				Total
	20-30	30-40	40-50	Over 50	
Technical					
Executives	43	110	113	38	304
Workmen	34	89	275	20	418
Sub Total	77	199	388	58	722
Others					
Executives	2	39	52	20	113
Workmen	3	7	29	3	42
Sub Total	5	46	81	23	155
Grand Total	82	245	469	81	877
Average age 42 Years					

The human resources have been valued by adopting Lev and Schwartz model with the following assumptions :

- (I) Continuity of present pattern of employee compensation, both direct and indirect.
- (ii) Continuity in career growth as per present policy of the company.
- (iii) The future earnings have been discounted at the cost of capital of 8.04% (previous year 7.36%)

Value of Human Resources

	in ₹ Crore				
	2015-16	2014-15	2013-14	2012-13	2011-12
Executives	1194.25	1168.04	1,788.66	1,731.22	1,659.65
Workmen	967.77	655.71	977.95	999.98	1,037.57
	2,162.01	1,823.75	2,766.61	2,731.20	2,697.22
Human Assets vis-à-vis Total Assets					
Value of Human Assets	2,162.01	1,823.75	2,766.61	2,731.20	2,697.22
Net Fixed Assets	2365.71	2347.12	2,224.79	1,952.22	2,010.45
Net Current Assets	2306.13	1641.03	1,605.69	1,328.25	1,085.53
	6,833.85	5,811.90	6,597.09	6,011.67	5,793.20
Profit before tax	1882.86	1134.25	562.65	262.86	287.46
Value Added	3037.68	2213.38	1,383.43	1,043.59	1,172.81
Ratio of :					
Profit(before tax) to Human Resources	87%	62%	20%	10%	11%
Value Added to Human Resources	141%	121%	50%	38%	43%
Human Resources to Total Resources	32%	31%	42%	45%	47%

Social Accounts

in ₹ Crore

	2015-16	2014-15	2013-14	2012-13	2011-12
I. SOCIAL BENEFITS AND COSTS TO EMPLOYEES					
a) Social Benefits to Employees					
1 Welfare facilities	14.63	10.17	7.58	7.35	7.92
2 Ex-gratia/Awards	13.82	14.04	14.13	9.98	10.49
3 Medical facilities	19.15	13.63	12.39	11.89	10.78
4 Retirement Benefits	11.29	16.10	6.32	12.00	25.33
5 Interest Concessions			-	-	0.87
6 Training and career development	1.34	1.08	0.89	0.70	0.62
7 Clothing and Uniform	-	0.40	0.03	0.31	-
8 Holiday Facilities	5.16	3.20	3.00	3.06	4.90
9 Transport Facilities	4.60	4.04	3.59	3.82	3.48
10 Insurance	1.20	1.01	1.04	0.88	0.65
11 Educational Facilities	1.00	0.89	0.75	1.42	1.74
12 Township Costs	4.01	4.01	4.42	4.61	5.10
13 Power Service at Township	-	-	0.93	0.93	0.94
14 Others	32.50	31.92	24.66	20.86	19.79
Total (a)	108.70	100.49	79.73	77.81	92.61
b) Social Cost to Employees :					
1 Out of pocket expenses surrendered	1.15	1.63	1.49	1.67	0.99
Total (b)	1.15	1.63	1.49	1.67	0.99
Net Social Income to Employees (a-b)	107.55	98.86	78.24	76.14	91.62
II SOCIAL BENEFITS TO COMMUNITY					
1 Local Taxes	0.53	0.94	0.33	0.60	0.66
2 Environment Improvements	0.42	0.59	0.69	1.24	1.10
3 Expenditure on Project-Education	2.18	2.18	1.11	1.18	1.69
4 Expenditure on -Agriculture & allied	0.58	0.58	0.74	0.61	0.72
5 Expenditure on -Infrastructure	1.48	1.48	0.78	1.89	2.00
6 Expenditure on -Medical	2.47	2.47	0.96	0.55	0.53
7 Expenditure on -Sports & Culture	0.91	0.91	1.70	1.28	0.93
8 Generation of job potential to local people	16.57	16.57	12.95	12.53	7.58
9 Generation of business	404.74	436.18	387.71	389.45	368.77
Total Social income to community	429.88	461.90	406.97	409.33	383.98



₹ in Crores

	2015-16	2014-15	2013-14	2012-13	2011-12
III SOCIAL COST AND BENEFIT TO THE GENERAL PUBLIC					
a) Benefits to the General Public					
1 Taxes paid to State Government	258.68	235.26	234.79	270.74	542.49
2 Dividend paid to State Government	68.12	14.53	9.08	9.08	13.43
3 Taxes and Duties paid to Central Government	2,757.75	1,175.46	890.35	748.34	859.60
Total (a)	3,084.55	1,425.25	1,134.22	1,028.16	1,415.52
b) Costs to the General Public :					
1 Purchase of Power	4.48	4.70	4.38	4.49	3.37
Total (b)	4.48	4.70	4.38	4.49	3.37
Net Social Income to the General Public (a-b)	3080.07	1,420.55	1,129.84	1,023.67	1,412.15
Net Social Income to Employees, Community and General Public (I+II+III)	3617.50	1,981.31	1,615.05	1,509.14	1,887.75

Economic Value Added

Economic value added measures the profitability of a company after taking into account the cost of capital. It is post-tax return on capital employed (adjusted for the tax shield on debt) less the cost of capital employed.

₹ in Crores

	2015-16	2014-15
Cost of Capital		
Cost of Equity	15.36%	10.94%
Cost of Debt (net of tax)	5.42%	4.33%
Weighted Average Cost of Capital	14.25%	10.08%
Average Capital Employed	3,971.96	3,398.05
Economic Value Added		
Operating Profits	1,905.34	1,170.59
Less: Tax	660.52	415.94
Cost of Capital	566.00	342.52
Economic Value Added	678.82	412.13
Return Ratios		
PAT/Average Capital Employed	30.77%	21.14%
EVA/Average Capital Employed	17.09%	12.13%



