

MEMORANDUM OF UNDERSTANDING FY 2020-21

BETWEEN

NUMALIGARH REFINERY LIMITED

AND

BHARAT PETROLEUM CORPORATION LIMITED



NUMALIGARH REFINERY LIMITED



MEMORANDUM OF UNDERSTANDING 2020-21

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Numaligarh Refinery Limited

Brief for the year 2020-21

I. General Information:

Sl.	Particulars	Details									
1.	Name of the CPSE	Numaligarh Refinery Limited									
2.	Date of Receipt of Draft MoU	13.12.2019									
3.	Holding / Subsidiary	Subsidiary of M/s Bharat Petroleum Corporation Limited.									
4.	Status (Maharatna/ Navratna/ Miniratna-I/ Miniratna-II/ None)	Miniratna-I									
5.	Schedule (A/ B/ C/ D/ Unscheduled)	B									
6.	Purpose for which the CPSE was set up and the main business now	NRL was incorporated to set up and operate a petroleum refinery in Numaligarh, Assam as per provisions of the Assam Accord signed between Govt. of India and All Assam Students Union in 1985. The main business of NRL is refining of crude oil and production of petroleum products.									
7.	Whether shares are listed (if yes, name of Stock Exchange and price of the share as on date)	<p>Yes (both in NSE & BSE) / No.</p> <table> <tr> <th>Stock Exchange</th><th>Price as on 31.03.2019</th><th>Price as on 13.02.2020</th></tr> <tr> <td>NSE</td><td>NA</td><td>NA</td></tr> <tr> <td>BSE</td><td>NA</td><td>NA</td></tr> </table>	Stock Exchange	Price as on 31.03.2019	Price as on 13.02.2020	NSE	NA	NA	BSE	NA	NA
Stock Exchange	Price as on 31.03.2019	Price as on 13.02.2020									
NSE	NA	NA									
BSE	NA	NA									
8.	Any business unit added/ hived off or to be added/ hived off and any change in capacity during 2019-20 or proposed during 2020-21 (MoU Year)	No.									
9.	Brief about the Sector in which the CPSE is operating and national & international environment, regulatory environment/ benchmarks, etc.	NRL operates in the downstream oil and gas industry, particularly in petroleum refining. The Company's profitability is dependent on international price of crude oil and petroleum products. Being a North East refinery, NRL's profit is also dependent on 50% excise duty benefit applicable for NE refineries.									
10.	Number and name of Subsidiary companies:	NIL. NRL does not have any subsidiary company.									
11.	Number of Joint Venture / Associate companies	4									
12.	Name of JV companies with details of investment										



Numaligarh Refinery Limited

Sl. No	Name of JV	Date of Incorporation	Equity shares held by NRL	Amount invested by NRL upto FY 2019-20 INR Crore	Other Promoters / Investors	Status
1	Brahmaputra Cracker and Petrochemicals Limited (BCPL) (Associate)	08.01.2007	10%	141.77	GAIL (70%) OIL (10%) Govt. of Assam (10%)	Operative
2	DNP Ltd. (DNPL)	15.06.2007	26%	43.49	AGCL (51%) OIL (23%)	Operative
3	Indradhanush Gas Grid Limited (IGGL)	10.08.2018	20%	67.50	IOCL (20%) ONGC (20%) GAIL (20%) OIL (20%)	Under construction
4	Assam Bio-Refinery Private Limited (ABRPL)	04.06.2018	50%	12.00	Fortum (Netherland) and Chempolis Oy (Finland) (50%)	Under construction

NUMALIGARH REFINERY LIMITED
MOU 2020-21 : Parameters and Targets


Sl. No.	Parameter	Unit	Marks	2019-20 (Actual)	Best in 5 Years'	MoU Target for the Year 2020-21				
						Excellent	V.G.	Good	Fair	Poor
	PART A - Mandatory Parameters									
1	Revenue from Operations (Net of Excise Duty)	Rs. Crore	10	12081	16155	12250	10800	10400	10000	9500
2	Operating Profit as percentage of Revenue from operations (Net)	%	20	14.84	24.70	24.00	20.00	18.00	17.00	16.50
3	PAT as percentage of Average Net Worth	%	20	25.83	45.38	45.0	39.0	35.0	32.0	31.0
	PART B - Other Parameters									
4	Crude Throughput	TMT	10	2383	2900	2900	2550	2450	2350	2250
5	CAPEX	Rs. Crore	10	529	529	949	771	671	571	471
6	Percentage value of CAPEX contracts / projects running / completed during the year without time / cost over run to total value of CAPEX contracts running / completed during the year	%	3	-	-	100	95	90	85	80
7	Reduction in Specific Energy Consumption (MBN) over previous year	%	3	-	-	0.5	0.4	0.3	0.2	0.1
8	Improvement in Distillate Yield over previous year	%	3	-	-	3.66	2.46	1.86	1.25	0.25
9	Improvement in Volumetric Expansion Index over previous year	%	2	-	-	1.0	0.7	0.5	0.2	0.1
10	Reduction in Specific Fresh Water consumption over previous year	%	2	-	-	1.0	0.8	0.6	0.4	0.2
11	LPG Bottling	TMT	3	46	51	55	54	53	52	51
12	Reduction in Claims against the Company not acknowledged as debt - Overall	%	3	-	-	20	18	16	14	12
13	Progress of 2G Ethanol project (implemented by JV Company ABRPL): Overall physical progress as on 31.03.2021	%	3	9.3	-	30	25	20	18	15
14	MoU parameter related to GeM: Percentage of procurement of goods and services through GeM portal to total procurement of goods and services during the previous year i.e. FY 19-20	%	5	-	-	25	20	15	10	5
15	Asset Monetization:									
a	Preparation of assets monetization plan (AMP)	Date	1	-	-	15.11.20	22.11.20	28.11.20	05.12.20	12.12.20
b	Approval of assets monetization plan from DIPAM	Date	1	-	-	01.01.21	07.01.21	14.01.21	21.01.21	28.01.21
c	Achievement of milestone approved for the year 20-21 by DIPAM in approved assets monetization plan	Date	1	-	-	31.03.21	-	-	-	-
	TOTAL MARKS		100							

Price variation formula:

Revised Target for Revenue from Operations (RO)	Target of RO (1+ Exchange Variation x 1.12334%+ Crude Oil Variation x 1.10179%)
Exchange Variation	Variation from Rs. 76/USD
Crude Price Variation	Variation from Crude price of \$40/bbl

Para 5, 6 and 7 of the Minutes of IMC meeting held on 11.09.2020

- In working out achievements for the year, quantified qualifications of CAG/ Statutory Auditors would be adjusted in case of overstatement of Revenue / Profit / Surplus or understatement of Loss / Deficit, in addition to the negative marks prescribed in MoU guidelines.
- Adjustment would be made in the targets in case of improvement in actual performance over the estimated performance in the base year (2019-20) as per MoU Guidelines.
- It was agreed that targets decided are unconditional and no offset will be allowed on any ground. Further, evaluation would be subject to compliance of Additional Eligibility criteria as contained in MoU Guidelines.


(S.K. Barua)
Managing Director
Numaligarh Refinery Limited


(K. Padmakar)
Chairman & Managing Director & Director (HR)
Bharat Petroleum Corporation Limited

MoU 2020-21: Additional Eligibility Criteria

1. Additional eligibility criteria as per para 14.2 of the guideline:

Score and rating as per para 14.1 would be subject to fulfilling following criteria failing which aggregate MoU score would be reduced by 1 mark for each instance of non-compliance of subject to maximum of 5 marks and the rating would be modified accordingly:

- i. Compliance provisions of the Companies Act 2013 or the relevant Act under which they have been regulated (To the extent compliances are within the ambit of CPSEs)
- ii. In case of listed CPSEs, compliance of provisions of Listing Agreement (To the extent compliances are within the ambit of CPSEs)
- iii. Compliance of DPE guidelines having financial implications
- iv. No adverse observations by CAG on Annual Accounts pointing out misappropriation of funds of any amount or Overstatement of profit/surplus/assets or understatement of /deficit/liabilities amounting to 5% of Revenue from Operation.
- v. Holding of AGM without seeking extension of time
- vi. Submission of draft MoU / MoU evaluation through administrative ministry / department of DPE by prescribed date
- vii. Signing of MoU as prescribed without deviation from minutes of the IMC meeting
- viii. Compliance of Public Procurement Policy for Micro and Small Enterprises issued by M/o Micro and Small and Medium Enterprises
- ix. Compliance of DPE guidelines issued from time to time for CSR Expenditure by CPSEs
- x. Compliance of DPE guidelines on Digital India
- xi. Compliance of DPE guidelines on any policy, issued from time to time, and prescribed specifically in this regard.

Compliance of each of additional eligibility criteria has to be confirmed /certified by Board of Directors by way of resolution.
