

MEMORANDUM OF UNDERSTANDING

2011 - 12

BETWEEN



सत्यमेव जयते

**GOVERNMENT OF INDIA
MINISTRY OF STEEL**

AND



KUDREMUKH

KIOCL LIMITED

MEMORANDUM OF UNDERSTANDING

PREAMBLE

In pursuance of the policy of the Government of India for implementation of the strategy of Memorandum of Understanding for the improvement of the performance of Public Sector Enterprises as indicated by the Department of Public Enterprises, Ministry of Programme Implementation, vide their DO No.1(36)/90-DPE (MOU) dated 10th September 1990, Ministry of Steel and KIOCL Limited hereby agree to a Memorandum of Understanding with the contents set forth below:

PART I MISSION/VISION & OBJECTIVES OF KIOCL

PART II EXERCISE OF ENHANCED AUTONOMY AND DELEGATION OF FINANCIAL POWERS

PART III PERFORMANCE EVALUATION PARAMETERS AND TARGETS

PART IV ASSISTANCE FROM THE GOVERNMENT

PART V ACTION PLAN FOR IMPLEMENTATION AND MONITORING OF THE MOU

PART - I

MISSION/VISION & OBJECTIVES OF KIOCL

MISSION/VISION

To strive to be an efficient organisation, committed to customer and stakeholders satisfaction.

OBJECTIVES

1. To achieve high international standards of quality and productivity by adopting latest technological measures, to strive for constant improvement in product quality through R&D, to maintain quality management system and Environmental standards as per ISO 9001:2008 and ISO 14001:2004 respectively.
2. To enhance stakeholders' satisfaction.
3. To improve performance and to undertake various expansion activities in a time bound manner.
4. To broaden the Customer base to ensure that KIOCL products can reach all consumption centres.
5. To achieve growth and Long term sustenance, identify infrastructural issue and address the same.
6. To improve productivity, capacity utilisation and cost effectiveness through optimising both human and physical resource.
7. To strive for a Zero accident rate by further improving safety practices.
8. To put the idle assets into effective use.
9. To remain socially responsible to the areas surrounding the Company's operations and to make corporate social investment rather than discharging Corporate Social Responsibility as required by statute.

PART II

EXERCISE OF ENHANCED AUTONOMY AND DELEGATION OF FINANCIAL POWERS

All powers available to MOU signing Miniratna Companies will continue to be available with KIOCL Limited.

PART III

PERFORMANCE EVALUATION PARAMETERS AND TARGETS

The past Five years' actual performance data in respect of KIOCL is indicated in Appendix-I. The performance evaluation parameters and the targets set for the year 2011-12 are indicated below:-

Sl.No.	Particulars	Unit	Weight	Performance Rating					Budget Estimate	Budget Estimate	
				Excellent	Very Good	Good	Fair	Poor	2011-12 (BE)	2010-11 (BE)	(RE)
				1	2	3	4	5			
PART-A											
COMMON PARAMETERS											
I STATIC FINANCIAL PARAMETERS											
a) Financial indicators - Profit related ratios											
	i) Gross Margin to Gross Block	%	2	11.27	8.36	6.79	5.02	3.40	6.79	4.41	5.68
	ii) Net Profit to Net Worth	%	10	4.79	3.31	2.49	1.56	0.70	2.49	1.10	1.79
	iii) Gross Profit to Capital employed	%	10	7.28	5.03	3.79	2.38	1.06	3.79	1.68	2.85
b) Financial indicators - size related											
	i) Gross Margin	₹ Crores	8	180.08	133.66	108.46	80.27	54.31	108.46	66.38	86.97
	ii) Gross Sales	₹ Crores	4	3084.65	2776.18	2643.98	2511.78	2386.19	2643.98	1755.14	2000.81
c) Financial returns- Productivity related											
	i) PBDIT to Total Employment	₹ in lakhs	7	12.86	9.55	7.75	5.73	3.88	7.75	4.43	6.21
	ii) Added value to Gross Sales	Ratio	9	(0.01)	(0.02)	(0.03)	(0.05)	(0.06)	(0.03)	(0.07)	(0.05)
II DYNAMIC PARAMETERS											
	a) Percentage of revenue loss due to sale of Pellets below 63% Fe	%	1	0	2	4	6	8	4	-	-

Sl.No.	Particulars	Unit	Weight	Performance Rating					Budget Estimate 2011-12 (BE)	Budget Estimate	
				Excellent	Very Good	Good	Fair	Poor		2010-11	
				1	2	3	4	5		(BE)	(RE)
b) <u>Quality -ISO certification</u>											
	Environmental management System - ISO 14001:2004	Non conformity	1	2	3	4	5	6	4	10	10
c)	Occupational Health & Safety Management System - ISO 18001:2008	Non conformity	1	2	3	4	5	6	4	10	10
d)	Customer satisfaction on a scale of 1000 on indexation method devised by CPSE.	Numbers	2	1000	800	700	600	500	700	600	600
e) <u>Human Resources Management</u>											
i)	Employee Training & motivation										
	1) Executives	Mandays	1	750	725	700	650	600	700	540	540
	2) Non-executives	Mandays	1	2500	2250	2000	1750	1500	2000	2250	2250
ii)	Reward innovation: Issuance of Integrity certificate to employee	Nos.	1	4	3	2	1	0	2	-	-
iii)	Manshift lost per 1 lakh man shift due to IR	Manshift	1	80	90	100	110	120	100	-	-
iv)	Compliance of guidelines on representation of minorities in each selection committees (representation in committee as a percentage of total committees)	% age	1	100	90	80	70	60	80	-	-

Sl.No.	Particulars	Unit	Weight	Performance Rating					Budget Estimate 2011-12 (BE)	Budget Estimate 2010-11	
				Excellent	Very Good	Good	Fair	Poor		(BE)	(RE)
				1	2	3	4	5			
f) R&D for sustained and continuous innovation											
i) Research & Development											
	a) Stabilising the Horizontal Pressure Filters and arriving at strategic decision on installation of further Horizontal Pressure Filters or other wise.	Date	2	30.11.11	31.12.11	31.01.12	29.02.12	31.03.12		No date specified	
	b) Study of recovery of chemical products from the effluents of Captive Power Plant for commercial use.	Date	1	30.11.11	31.12.11	31.01.12	29.02.12	31.03.12		No date specified	
	c) Preperation of DPR for Desilting of Lakhya dam for safety & Environmental reasons and commercial utilisation of the tailings.	Date	1	30.11.11	31.12.11	31.01.12	29.02.12	31.03.12		No date specified	
	d) Expenditure on R&D activities as a percentage of PAT	%	1	5	4	3	2	1	3	- -	
ii) Innovation											
	a) Acquisition of TSPL as a new business strategy	Date	1	31.01.12	15.02.12	29.02.12	15.03.12	31.03.12		No date specified	
	b) E-commerce										
	E-procurement by reverse auction	Percentage of total procurement value	2	80	70	60	50	40		Not specified	

Sl.No.	Particulars	Unit	Weight	Performance Rating					Budget Estimate	Budget Estimate	
				Excellent	Very Good	Good	Fair	Poor	2011-12 (BE)	2010-11	(RE)
				1	2	3	4	5		(BE)	(RE)
g) Project implementation											
i)	Finalisation of Joint Venture agreement with Joint Venture partner for setting up of Integrated Steel plant	Date	1	30.09.11	31.10.11	31.12.11	31.01.12	29.02.12		No date specified	
ii)	Formation of JV / finalisation of Tender for setting up of DISP plant.	Date	1	30.11.11	31.12.11	31.01.12	29.02.12	31.03.12		No date specified	
h) Capital Expenditure											
i)	Installation of SILO and associated handling facilities	Date	2	30.06.11	31.07.11	31.08.11	31.10.11	31.12.11		No date specified	
ii)	Installation of Pressure Filters	Date	2	31.09.11	31.10.11	30.11.11	31.12.11	31.01.12		No date specified	
iii)	Technical integration of the Screening system for increasing the through put and productivity,	Date	2	30.09.11	31.10.11	30.11.11	31.12.11	31.01.12		No date specified	
i)	Corporate Social Responsibility (Annexure-I attached)	Percentage of Distributable profits spent during the year.	5	3.50	3.25	3.00	2.50	2.00	3.00	1.50 1.50	
j) Sustainable development											
a)	Project for energy consumption per tonne of Pellets inclusive of grinding, filtration and Pelletisation.	kWh	1.5	73	76	78	82	86	78	80 80	

SI.No.	Particulars	Unit	Weight	Performance Rating					Budget Estimate	Budget Estimate	
				Excellent	Very Good	Good	Fair	Poor	2011-12 (BE)	2010-11	(RE)
				1	2	3	4	5		(BE)	(RE)
	b) Project for finalising the conversion contract for conversion of Iron Ore fines of third party into Pellets -atleast for 0.25 million tonnes.	one	1.5	31.10.11	30.11.11	31.12.11	31.01.12	29.02.12		No date specified	
	c) Training on sustainable development exclusive of training mentioned under HRD	Nos.	2	400	350	300	250	200	300	-	-
	k) Corporate Governance										
	i) Compliance of Corporate Governance as applicable as per Corporate Governance guidelines issued by DPE. (Annexure-II attached)	%	4	100	90	80	70	60	80	-	-
	ii) Date of submission to DPE of completed data-sheet for PE Survey and penalties	Date	1	15.09.11	01.10.11	15.10.11	31.10.11	After 31.10.11		No date specified	
	<u>PART-B</u>										
	<u>SECTOR-SPECIFIC</u>										
	<u>I Survival Strategy</u>										
	a) Getting Ramanadurga mine lease allotted.	Date	2	30.11.11	31.12.11	31.01.12	29.02.12	31.03.12		No date specified	
	b) Award of contract for setting up of Coke Oven Battery at BFU, Mangalore.	Date	2	30.11.11	31.12.11	31.01.12	29.02.12	31.03.12		No date specified	

Sl.No.	Particulars	Unit	Weight	Performance Rating					Budget Estimate	Budget Estimate	
				Excellent	Very Good	Good	Fair	Poor	2011-12 (BE)	2010-11	(RE)
				1	2	3	4	5		(BE)	(RE)
III ENTERPRISE SPECIFIC & EFFICIENCY PARAMETER											
<u>Production</u>											
a)	Pellets	in million tonnes	2	3.500	3.150	3.000	2.850	2.707	3.000	2.780	2.500
<u>Safety</u>											
b)	Mandays lost on account of accidents in Mangalore	No.	1	45	50	56	60	65	56	56	56
c)	Completing due diligence on effective use of Kudremukh assets elsewhere.	date	1	31.01.12	15.02.12	29.02.12	15.03.12	31.03.12	No date specified		
d)	Linkage with Centralised Public Grievances Redressal & monitoring system	date	1	30.06.11	31.07.11	31.08.11	30.09.11	31.10.11	No date specified		

Assumptions:

- 1) It is assumed that the raw material for production of Pellets will be procured from outside sources.
- 2) M/s NMDC will ear-mark and supply major quantity of Iron Ore Fines required for the Pellet Plant.
- 3) The Railways will allot the required number of rakes for movement of raw material for the Pellet plant.
- 4) Adequate quantity of water is available for the entire operations at Mangalore.
- 5) Capital employed as on 1-4-2012 estimated and used for calculations under different columns of performance matrix is (in ₹ crores) – **Excellent ₹ 2012.84, Very Good – ₹ 1989.00, Good – ₹ 1976.05**, Fair ₹ 1961.58 and Poor ₹ 1948.24
- 6) Net Worth as on 1-4-2012 estimated and used for calculations under different columns of performance matrix is (in ₹ crores) – **Excellent ₹ 2042.87, Very Good – ₹ 2019.03, Good – ₹ 2006.09**, Fair ₹ 1991.61 and Poor ₹ 1978.28
- 7) Absolute value of Gross Block under different columns of performance matrix as on 1.4.2012 is – ₹ 1598.12 crores has been estimated and used for calculation.
- 8) Absolute Value of Gross Profit under different columns of performance Matrix is - (in ₹ crores) – **Excellent – ₹ 146.47, Very Good – ₹ 100.05, Good – ₹ 74.85**, Fair – ₹ 46.66 & Poor - ₹ 20.70.
- 9) Absolute Value of Net Profit (after tax and before Dividend) under different columns of performance Matrix is - (in ₹ crores) - **Excellent – ₹ 97.81, Very Good – ₹ 66.82, Good – ₹ 49.99**, Fair – ₹ 31.16 & Poor - ₹ 13.82.
- 10) The price of Pellets is assumed, on an average, @ US \$ 180 per tonne at an exchange rate of US \$ 1 = ₹ 46.00.

PART IV

COMMITMENTS / ASSISTANCE FROM THE GOVERNMENT

To assist the Company in regard to:

- (a) obtaining Mining Lease for Ramanadurg and other Iron Ore deposits in Karnataka.
- (b) obtaining Mining Lease/Prospecting Licence for Iron Ore Deposits in other States;
- (c) obtaining major quantity of Iron Ore Fines from M/s. NMDC Ltd., for Pellet Plant operation;
- (d) allotment of required number of rakes by Railways for movement of raw material for the Pellet plant.
- (e) Obtaining permission to draw water from the Lakya Dam and Pump through existing arrangement to Mangalore.
- (f) continuance of extension of EOU benefits under Customs and Central Excise for all equipment, spares & consumables for production activities;
- (g) continuance of freedom for arranging shipment of imported consignments directly instead of going through the Ministry of Surface Transport (TRANSCHART);
- (h) any other issues of vital importance to the Company;

by taking up the matter with the appropriate Ministries/Departments of the Government of India/Karnataka, wherever necessary.

PART V

ACTION PLAN FOR IMPLEMENTATION AND MONITORING OF THE MOU

ACTION PLAN FOR IMPLEMENTATION OF THE MOU

1. The Company has drawn-up monthly production plan for Pellets and Pig Iron. Every effort will be made to adhere to this plan.
2. The Company has also prepared a shipment plan in consultation with the offshore/domestic buyers for despatch of Pellets. Efforts will be made to ensure production of required quality and quantity to meet the despatch plan. The Company will be in touch with buyers regularly to ensure timely nomination of ships.
3. Every effort will be made for conservation of energy to adhere to the Targets.
4. The Company is making lot of efforts in the area of maintaining pollution free environment and preservation of ecology. These efforts will be intensified.
5. The Company has drawn up short & long term action plans for its future operations. Actual implementation of these plans will largely depend on extraneous factors and assistance from the State Government and the Administrative Ministry. Notwithstanding this, the Company will put in vigorous efforts to make these plans a reality.
6. In terms of the directives of the Hon'ble Supreme Court, the Company has stopped mining at Kudremukh w.e.f. 31st December, 2005. The Pellet Plant at Mangalore is now being run from Iron

Ore sourced from NMDC and elsewhere. In order to achieve the production target of the Pellet Plant, it is necessary to procure Ore from outside source. The Company is planning to procure Iron Ore Fines from M/s NMDC and elsewhere for Pellet Plant operation. This has to materialise in order to achieve the targeted production of 3.5 million tonnes of Pellets at 'Excellent' level.

MONITORING OF THE MOU

1. Half-yearly Review Meetings will be held at Government level to monitor performance.
2. KIOCL shall submit to the Ministry quarterly reports on performance monitored against the targets indicated in this MOU.
3. The Board of Directors of KIOCL, at every meeting, shall monitor the performance of the Company against the targets indicated in this MOU.
4. Significant variations (+/-) in items like International prices of Pellets, exchange rate which have material bearing on sales of the Company may be considered at the time of evaluation of MoU performance.



(PK Misra)

Secretary to the Govt. of India
Ministry of Steel



(K Ranganath)

Chairman-cum-Managing Director
KIOCL Limited

New Delhi, dated: 11th March, 2011

TRENDS OF CPSE'S PERFORMANCE ON FINANCIAL PARAMETERS FOR THE LAST FIVE YEARS

Sl. No.	Particulars	Unit	2006-07		2007-08		2008-09		2009-10		2010-11			2011-12				
			MOU targets	Actual achievements	MOU targets	Actual achievements excluding BF Unit	MOU targets	Actual achievement	MOU targets Good	Actuals	MOU targets Good	Actual upto Sept 10	RE for 2010-11	MOU Targets-Excellent	MOU Targets-Very Good	MOU Targets-Good	MOU Targets-Fair	MOU Targets-Poor
(1)	(2)	(3)	(4)		(5)		(6)		(7)		(8)			(9)	(10)	(11)	(12)	(13)
	Production																	
	Concentrate	Mil tonnes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Pellets	Mil tonnes	3.050	0.630	2.600	1.927	2.850	1.316	2.650	1.273	2.780	1.000	2.500	3.500	3.150	3.000	2.850	2.707
	Pig Iron	Mil tonnes	-	-	-	-	0.196	0.118	0.170	0.062	0.100	-	-	-	-	-	-	-
	Gross Sales	₹ crore	1127.87	267.44	1006.63	1173.85	1948.10	1228.98	1948.10	992.72	1755.14	760.87	2,000.81	3,084.65	2,776.18	2,643.98	2,511.78	2,386.19
	Gross Margin	₹ crore	276.17	32.26	78.14	192.95	169.97	62.25	195.69	-134.64	66.38	56.36	86.97	180.08	133.66	108.46	80.27	54.31
	Profit before tax	₹ crore	251.07	19.94	52.79	155.91	128.30	24.18	147.79	-194.95	31.48	38.70	53.39	146.47	100.05	74.85	46.66	20.70
	Gross Block	₹ crore	1144.18	1186.07	1211.70	1186.68	1500.07	1502.64	1560.14	1503.12	1506.64	1507.12	1,528.12	1,598.12	1,598.12	1,598.12	1,598.12	1,598.12
	Less: Depreciation &DRE	₹ crore	546.99	995.97	1029.50	1016.62	1186.08	1150.57	1202.49	1180.88	1214.66	1195.33	1,214.46	1,241.66	1,241.66	1,241.66	1,241.66	1,241.66
	Net Block	₹ crore	597.19	190.10	182.20	170.06	313.99	352.07	357.65	322.24	291.98	308.59	313.66	356.46	356.46	356.46	356.46	356.46
	Share capital of CPSE	₹ crore	634.51	634.51	634.51	634.51	634.51	634.51	634.51	634.51	634.51	634.51	634.51	634.51	634.51	634.51	634.51	634.51
	Reserves & Surplus of CPSE	₹ crore	1495.59	1443.21	1328.01	1468.30	1463.27	1483.50	1597.19	1306.23	1254.01	1325.83	1,333.22	1,408.45	1,384.61	1,371.67	1,357.19	1,343.86
	Less:Capital reserve	₹ crore	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	-	0.09	0.09	0.09	0.09	0.09	0.09	0.09
	Less:DRE/Pre acquisition loss	₹ crore	-	16.68	-	16.34	-	12.27	-	12.83	-	-	6.41	-	-	-	-	-
	Less: Profit & Loss A/c	₹ crore	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Net Worth of CPSE	₹ crore	2130.01	2060.95	1962.43	2086.38	2097.69	2105.65	2231.61	1927.82	1888.52	1960.25	1,961.23	2,042.87	2,019.03	2,006.09	1,991.61	1,978.28
	Investment	₹ crore	-	-	-	-	630.00	-	300.00	-	-	-	-	-	-	-	-	-
	Sundry Debtors/Sales	₹ crore	98.42	32.16	83.89	102.68	18.63	8.13	187.50	36.61	73.13	29.89	80.96	128.53	115.67	110.17	104.66	99.42
	Inventory	₹ crore	95.00	190.21	110.00	181.29	281.26	647.07	290.80	224.85	385.39	305.85	431.02	454.34	454.34	454.34	454.34	454.34
	Others	₹ crore	2112.00	2409.30	1359.76	1483.67	1621.40	1311.23	1239.29	1543.62	1239.41	1541.62	1,541.62	1,543.62	1,543.62	1,543.62	1,543.62	1,543.62
	Total Current Assets	₹ crore	2305.42	2631.67	1553.65	1767.64	1921.29	1966.43	1717.59	1805.08	1697.93	1877.37	2,053.61	2,126.49	2,113.64	2,108.13	2,102.62	2,097.39
	Total Current Liabilities	₹ crore	706.96	795.60	900.00	252.99	919.00	227.73	333.31	233.54	114.81	340.15	494.08	470.11	481.10	488.54	497.51	505.61
	Net Current Assets	₹ crore	1598.46	1836.07	653.65	1514.65	1002.29	1738.70	1384.28	1571.54	1583.12	1537.22	1,559.53	1,656.38	1,632.54	1,619.59	1,605.11	1,591.78
	Capital employed(Net block+Net CA)	₹ crore	2195.65	2026.17	835.85	1684.71	1316.28	2090.77	1741.93	1893.78	1875.10	1845.81	1,873.19	2,012.84	1,989.00	1,976.05	1,961.58	1,948.24

Sl. No.	Particulars	Unit	2006-07		2007-08		2008-09		2009-10		2010-11			2011-12				
			MOU targets	Actual achievements	MOU targets	Actual achievements excluding BF Unit	MOU targets	Actual achievement	MOU targets Good	Actuals	MOU targets Good	Actual upto Sept 10	RE for 2010-11	MOU Targets-Excellent	MOU Targets-Very Good	MOU Targets-Good	MOU Targets-Fair	MOU Targets-Poor
(1)	(2)	(3)	(4)		(5)		(6)		(7)		(8)			(9)	(10)	(11)	(12)	(13)
	Total Debt(Loan funds)	₹ crore	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Assets (net block+net CA+Loan funds)	₹ crore	2195.65	2026.17	835.85	1684.71	1316.28	2090.77	1741.93	1893.78	1875.10	1845.81	1,873.19	2,012.84	1,989.00	1,976.05	1,961.58	1,948.24
	No of employees of CPSE	Nos	1200	1582	1000	1642	1400	1617	1642	1362	1500	1362	1,400	1,400	1,400	1,400	1,400	1,400
	Dividend paid (incl dividend tax)	₹ crore	-	-	-	25.31	-	7.42	-	-	-	5.99	8.73	22.59	15.43	11.54	7.19	3.19
	Add Value (Gross Margin less Capital recovery factor 10%)	₹ crore	56.60	-170.36	-5.45	24.48	38.34	-146.83	21.50	-324.02	-121.13	-128.22	-100.35	-21.20	-65.24	-89.14	-115.89	-140.51
	RATIO																	
	Debt/Equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Return on Net worth	% age	7.82	0.67	1.78	5.16	4.04	1.05	4.37	-9.20	1.10	1.10	1.79	4.79	3.31	2.49	1.56	0.70
	PBDIT/Total employment of CPSE	₹ lacs	23.01	2.04	7.81	11.75	12.14	3.85	11.92	-9.89	4.43	4.14	6.21	12.86	9.55	7.75	5.73	3.88
	Gross Profit/Capital Employed	% age	11.44	0.03	6.36	9.48	9.81	0.90	8.48	-9.72	1.68	1.68	2.85	7.28	5.03	3.79	2.38	1.06
	Net Profit/Net Worth	% age	7.82	0.67	1.78	5.16	4.04	1.05	4.37	-9.20	1.10	1.10	1.79	4.79	3.31	2.49	1.56	0.70
	Working of Gross Margin																	
	Net Profit	₹ crore	166.56	13.77	35.02	107.56	84.69	22.01	97.56	-177.27	20.78	25.60	35.24	97.81	66.82	49.99	31.16	13.82
	Tax	₹ crore	84.51	6.17	17.77	48.35	43.61	2.17	50.23	-17.68	10.70	13.11	18.15	48.65	33.23	24.86	15.50	6.88
	Net profit before tax	₹ crore	251.07	19.94	52.79	155.91	128.30	24.18	147.79	-194.95	31.48	38.70	53.39	146.47	100.05	74.85	46.66	20.70
	Add Prior period	₹ crore	-	-19.55	-	3.72	-	-5.42	-	-0.24	-	-	-	-	-	-	-	-
	Add Extra ordinary items	₹ crore	-	-	-	-	-	-	-	11.06	-	-	-	-	-	-	-	-
	Profit before prior period	₹ crore	251.07	0.39	52.79	159.63	128.30	18.76	147.79	-184.13	31.48	38.70	53.39	146.47	100.05	74.85	46.66	20.70
	Add Interest	₹ crore	0.10	0.15	0.35	0.11	0.86	0.02	-	-	-	-	-	-	-	-	-	-
	Gross Profit	₹ crore	251.17	0.54	53.14	159.74	129.16	18.78	147.79	-184.13	31.48	38.70	53.39	146.47	100.05	74.85	46.66	20.70
	Add Depreciation	₹ crore	25.00	26.16	25.00	25.16	40.81	31.20	47.90	30.81	34.90	17.66	27.17	27.20	27.20	27.20	27.20	27.20
	Misc expenditure written off	₹ crore	-	5.56	-	8.05	-	12.27	-	18.68	-	3.21	6.41	6.41	6.41	6.41	6.41	6.41
	Gross Margin before interest, depreciation & Misc expenditure written off	₹ crore	276.17	32.26	78.14	192.95	169.97	62.25	195.69	-134.64	66.38	59.57	86.97	180.08	133.66	108.46	80.27	54.31

Self declaration/certification by CPSE

It is hereby certified that the targets and actual achievements in respect of financial parameters have been worked out as per MoU Guidelines by adopting the norms and definitions laid down in MoU Guidelines for the year 2011-12. In case, any deviation is found at the time of appraisal of performance, DPE is free to evaluate as per audited accounts and as per MoU Guidelines. CPSE has no right of claim in this regard.

Authorised Signatory



(K Ranganath)

Chairman-cum-Managing Director

KIOCL Limited

II Block, Koramangala, Bangalore - 560 034

ANNEXURE - I

TEMPLATE FOR CSR REVIEW

List of Broad activities to be covered under CSR

Sl. No.	Name of the Project	Starting date	Completion date	Amount allotted (% of allocation of budget amount)
(1)	(2)	(3)	(4)	(5)
1.	Infrastructural facilities to educational Institutions			20%
2.	Community Development			
	a) Drinking water facility			10%
	b) Roads, Electricity & traffic signalling, Bus shelter, etc.			10%
	c) Sanitation & public health			10%
3.	Promotion of Art, Culture, Sports			20%
4.	Medical /Health care			
	a) Provision of infrastructural facilities			15%
	b) Provision of Medical facility for BPL families/Citizen			05%
5.	Recurring items & others			10%

TABLE

Sl. No.	Item	₹
1.	PAT for the year under review (provisional)	₹ 50.00 crores
2.	CSR expenditure as percentage of PAT	₹ 1.50 crores (@ 3%)
3.	CSR expenditure as percentage of minimum prescribed	As above.
4.	Unspent Balance amount of CSR Budget rolled over to the following year.	Not available
5.	Contribution to CSR HUB as percentage of CSR budget	Nil

- Note : 1. Figures for financial year 2010-11 are provisional and subject to Audit.
2. As 2009-10 was recorded loss, the contribution to CSR during 2010-11 has been kept as ₹ 1.0 crores and balance at 31.3.2011 will be rolled over to 2011-12.

ANNEXURE - II

Format of Quarterly Compliance Report by CPSEs to nodal Administrative Ministries/ Departments under Para 8.3 of DPE's Guidelines on Corporate Governance for CPSEs

Name of the CPSE: KIOCL Limited
Administrative Ministry/Department: Ministry of Steel
Whether listed or unlisted: Listed
Quarter ending on:

S. No.	Activity	CG Guidelines Clause ¹	Status of compliance with the CG guidelines (Yes/No/NA)	Remarks (applicable/not applicable for MoU)
1	2	3	4	5
I	Board of Directors			
1.	Composition of Board	3.1		Applicable
2.	Non-official Directors	3.1		Applicable
3.	Part-time directors compensation and disclosures			Applicable
4.	Number of Board meetings	3.3.1		Applicable
5.	Review of compliance of laws	3.3.3		Applicable
6.	Code of Conduct	3.4		Applicable
7.	Risk management	3.6		Applicable
8.	Training for new Board members	3.7		Applicable
II	Audit Committee			
9.	Constitution of Audit Committee	4.1		Applicable
10.	Audit Committee assigned due role	4.2		Applicable
11.	Audit Committee vested adequate powers	4.3		Applicable
12.	Meetings of Audit Committee	4.4		Applicable
13.	Review of information by Audit Committee	4.5		Applicable
III	Remuneration Committee			
14.	Constitution of remuneration Committee	5.1		Applicable

S. No.	Activity	CG Guidelines Clause1	Status of compliance with the CG guidelines (Yes/No/NA)	Remarks (applicable/not applicable for MoU)
1	2	3	4	5
IV	Subsidiary Companies			
15.	Board of subsidiary companies	6.1		Not Applicable
16.	Review of financial statements of subsidiary by Audit Committee	6.2		Not Applicable
17.	Review of performance of subsidiary by Board	6.3		Not Applicable
18.	Transactions	7.1		Applicable
19.	Accounting Standards	7.2.1		Applicable
20.	Consolidated financial statements	7.2.3		Not Applicable
21.	Segment-wise profit and loss statement	7.2.4		Applicable
22.	Board Disclosures - Risk management	7.3		Applicable
23.	Remuneration of Directors	7.4		Applicable
24.	Management Discussion and Analysis	7.5		Applicable
25.	Disclosures by Senior management	7.5.2		Applicable
V	Report and Compliance			
26.	Report on Corporate Governance	8.1		Applicable
27.	Compliance Certificate	8.2.1		Applicable
28.	Chairman" speech in AGM and annual report	8.2.2		Applicable
29.	Holding of AGM, Adoption of audited accounts and filing of adopted accounts with the Registrar of Companies within the stipulated time.			Applicable
30.	Timely submission of Compliance report	8.3		Applicable

Note: Since KIOCL limited does not have any subsidiary Company, the activities at Sl.No.15, 16, 17 and 20 are not applicable and hence not considered for evaluation purpose.