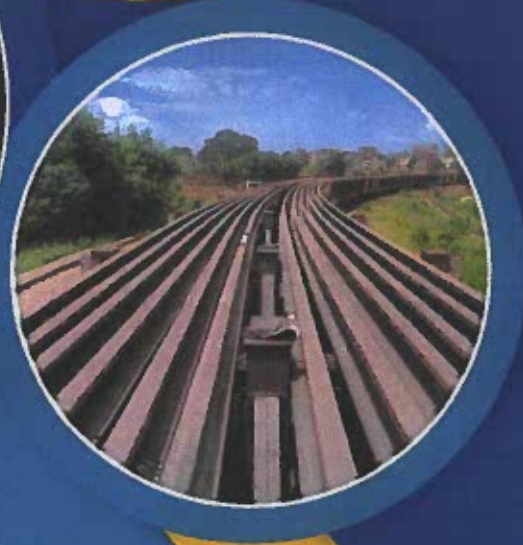




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Azadi Ka
Amrit Mahotsav



Memorandum of Understanding (2021-22)
between
Ministry of Steel
and
Steel Authority of India Limited

STEEL AUTHORITY OF INDIA LIMITED

MOU BETWEEN SAIL AND MINISTRY OF STEEL FOR THE YEAR 2021-22

MOU PARAMETERS

S.No	Name of Parameter	Unit	Weightage	Estimates for (2020-21)	Best of Legacy performance	Target 2021-22
1	Revenue from Operations	Rs. In Cr.	5	69114	69114	78684
2	Asset Turnover Ratio	%	5	58.68	58.68	58.68
3	EBITDA as a percentage of Revenue	%	10	20.27	20.27	20.41
4	Return on Net Worth	%	10	9.73	9.73	10.57
5	Return on Capital Employed	%	5	15.39	15.39	15.39
6	Trade Receivables as number of days of Revenue from Operations	Number of Days	5	38	21	21
7	Production of Iron and Steel	MT	20	15.19	15.72	17.29
8	Market capitalization - Share price improvement over BSE Metal Index	%	15			10
9	CAPEX	Rs. Cr.	10			8000
10	CAPEX achievement till end of 3rd quarter	Rs. Cr.	3			7200
11	Expenditure on R&D/ Innovations Initiatives as % of PBT	%	2			2
12	Increase in Exports over previous year	%	10			18.44
		Total	100			

Notes:

- The targets are based on audited accounts for the FY-2020-21.
- Vision provided by the Administrative Ministry is also considered for Benchmarking.
- CAPEX targets of CPSEs – as per Budget Document of Union Govt. (Statement 26).
- Target for Expenditure on R&D/ Innovations Initiatives is based on PBT of FY 2021-22 and achievement to be confirmed based on Annual Report of CPSE for FY 2021-22.
- Proportionate marks for achievement of 50% to 100% Targets - Applicable to all except for parameter on CAPEX achievement by 3rd Quarter.
- No marks for achievement below 50.00% of Targets.

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Compliance parameters for 2021-22			
S.No.	Parameter	Marks	Source/ Verification
1.	25% of Total Procurement From GeM portal: (Procurement of goods and services through GeM portal during the year as per GeM) / (Total procurement of goods and services during the previous year as per Sambandh portal) *100	-2	Administrative Ministry on the basis of GeM portal and Sambandh portal
2.	DPE guidelines on select matters i) Pay Revision guidelines and review of profitability of CPSEs for pay revision ii) Expenditure Management Economy Measures and Rationalisation of Expenditure iii) Guidelines on Accessible India Campaign (Sugamya Bharat Abhiyan) iv) Guidelines on implementation of the Apprenticeship Act, 1961 v) Guidelines issued from time to time on CSR expenditure by CPSEs.	-2	Administrative Ministry on the basis of CAG Reports etc.
3.	Compliance of provisions in the Companies Act, 2013 (or SEBI (LODR) regulations in case of listed entities) on Corporate Governance such as: (i) Composition of Board of Directors (ii) Board Committees (Audit Committee etc.) (iii) Holding Board Meetings (iv) Related Party Transaction (v) Disclosures and Transparency	-3	Administrative Ministry on the basis of CAG/ Statutory/ Secretarial Auditor Report(s)
4.	Target as given by DIPAM/ NITI Aayog: i. Dividend Payout ii. Assets Monetization Milestones iii. Specific disinvestment Milestones	-2	Administrative Ministry on the basis of confirmation from DIPAM/ NITI Aayog
5.	Procurement and timely payment to Micro Small and Medium Enterprises (25% of Procurement of goods or services through MSEs (including 4% from SC/ST MSEs and 3% from Women MSEs) during the year as per Sambandh Portal)/ (Total procurement of goods and services during the year as per Sambandh Portal)	-2	Administrative Ministry on the basis of Sambandh portal
6.	Steps and initiative taken for Health & Safety improvement of Human Resources in CPSEs :Reduction by 10% in Mandays lost due to Injury over previous year *	-1	Confirmation by the administrative Ministry

* Mandays lost due to injury is calculated as per IS 3786:1983 (reaffirmed 2002). This figure for the year 2020-21 is 88868 mandays.



(Soma Mondal)

Chairman, Steel Authority of India Limited



(P. K. Tripathi)

Secretary to GOI, Ministry of Steel



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड
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