

**MEMORANDUM OF UNDERSTANDING (MoU)**

**BETWEEN**

**MOIL LIMITED**

**AND**

**MINISTRY OF STEEL  
GOVT. OF INDIA**

**2017-18**



**MOIL LIMITED  
"MOIL BHAWAN", 1A, KATOL ROAD  
NAGPUR - 440 013**

**MEMORANDUM OF UNDERSTANDING (MoU)**

**BETWEEN**

**MOIL LIMITED**

**AND**

**MINISTRY OF STEEL  
GOVT. OF INDIA**

**2017-18**

## Brief about the CPSE

1	Name of the CPSE		<b>MOIL LIMITED</b>	
2	Status (Please tick): As per DPE guidelines		<b>NONE</b>	
3	Reasons of Sickness, if applicable		<b>-NA-</b>	
4	Whether registered with BIFR, If yes, details		<b>-NA-</b>	
5	Schedule of the CPSE (Please tick)		<b>SCHEDULE - A</b>	
6	Purpose for which CPSE has been setup and the main business now		<b>Extraction and sales of manganse ore</b>	
	Number and Name of subsidiary companies along with amount invested and share in its profit during last five years		<b>-NIL-</b>	
	Year*	Name of subsidiary	Amount invested (Rs.)	Share in its profit (Rs.)
7	2011-12			
	2012-13			
	2013-14			
	2014-15			
	2015-16			
8	Number and Name of Joint Venture companies along with amount invested and share in its profit during last five years		Separate sheet may be attached, if more than one Joint Venture. Information may be separately given in respect of each Joint Venture and aggregated (consolidated) also.	
	Year*	Name of Joint Venture	Amount invested (Rs.)	Share in its profit (Rs.)
	2011-12			
	2012-13			
	2013-14			
	2014-15			
	2015-16			
9	Details of revival plan approved earlier		<b>-NA-</b>	

\*Note: For each succeeding year of MoU, one more year may be added after the MoU 2017-18 and the first year deleted so that total data available is for the past five years.

**MOIL LIMITED**  
**NAGPUR**  
Annex - II

**Mandatory parameters**  
**PART A**

(Applicable to all CPSEs except CPSEs Distributing Government grant)

Sl. No.	Financial Performance Criteria	Unit	Marks	Current Year (Estimated)	Best in 5 years	MoU Target for the year 2017-18					% Improvement*
						Excellent 100%	V.G. @ 80%	Good 60%	Fair 40%	Poor 20%	
1	<b>Turnover</b> Revenue from Operations	Rs. crore	10	989.91	1021.28	1110.00	1060.00	1010.00	960.00	910.00	7.08%
2	<b>Operating Profit/Loss</b> CPSEs with operating profit (Profit/ Surplus before Tax excluding other Income, Extraordinary and Exceptional Items):- Operating profit/ surplus as a percentage of Revenue from operations (net).	%	20	20.86	45.63	34.00	32.00	30.00	29.00	28.00	53.40%
3	<b>Return on investment:</b> Profit Earning CPSEs with no accumulated losses: PAT / Average Net Worth Total (A)	%	20	8.27	17.98	9.50	9.00	8.50	8.00	7.60	8.83%
			50								

\*Improvement would be worked out on very Good Target for MoU year over Current year expected actuals.

**MOIL LIMITED**  
**NAGPUR**  
**Other Parameters**  
(Part-B)

Applicable to all Operating CPSEs except CPSEs in Finance Sector												
Sl. No.	Performance Criteria	Unit	Marks	Current year (Estimate)	Best in 5 years	MoU Target for the year 2017-18						% Improvement*
						Excellent 100%	V.G. 80%	Good 60%	Fair 40%	Poor 20%		
4	Capacity Utilisation/ Production/ Generation/ Transmission, etc.											
	Production of manganese ore	000T	10	1005	1139	1250	1200	1150	1100	1050		19.40%
5	CAPEX	(Rs. Crore)	5	120.74	114.78	205.80	195.51	190.00	180.00	170.00		61.93%
6	Percentages of value of CAPEX contracts/ projects running/ completed during the year without time/ cost overrun to total value of CAPEX contracts running/ completed during the year. (as per Annexure A)	%	5	90	-	100	90	80	70	60		-
7	Inventory of finished goods and work in progress to revenue from operations	No. of days	5	51	13	25	35	45	50	55		31.37%
8	Trade receivables (Net) as number of days of Revenue from Operations (gross)	No. of days	5	91	40	40	60	70	80	90		34.07%
9	Reduction in claims against the Company not acknowledged as debt over previous year (%) on overall basis	%	5	Rs. 27.91 Cr.	Rs. 18.80 Cr.	6	5	4	3	2		-
10	Any other sector specific result-oriented measurable parameters											
	Exploratory drilling project at all mines	Mtrs.	5	5500	6096	6100	5795	5505	5230	4969		5.36%

Sl. No.	Performance Criteria	Unit	Marks	Current year (Estimate)	Best in 5 years	MoU Target for the year 2017-18						% Improvement*
						Excellent	V.G.	Good	Fair	Poor		
						100%	80%	60%	40%	20%		
11	HRM Related Parameters											
(i)	On-line submission of ACR/APAR in respect of all executives (E0 and above) along with compliance of prescribed timelines w.r.t. writing of ACR/APAR	% No. of executives	2				100	95	90	85	80	
(ii)	Online quarterly vigilance clearance updation for Senior Executives (E5 and above)	% No. of senior executives	2				100	95	90	85	80	
(iii)	Preparation of succession plan and its approval by Board of Directors	Date	2				30.09.17	15.10.17	31.10.17	15.11.17	30.11.17	
(iv)	Holding of DPC without delay for executive (E0 and above level)	%	2				100	95	90	85	80	
(v)	Talent management and career progression by imparting at least one week training in Centre of Excellence (within India) e.g. IITs, IIMs, NITs, ICAI, etc.	% No. of executives	2				10	9	8	7	6	
	Total (B)		50									

(4)

  
 MS. ARUNA SHARMA  
 SECRETARY  
 GOVT. OF INDIA

  
 M. P. CHAUDHARI  
 CHAIRMAN-CUM-MANAGING DIRECTOR  
 MOIL LIMITED, NAGPUR

Date: 20.06.2017  
 Place: New Delhi

**MOIL LIMITED  
NAGPUR**

**Monitoring Parameter : Capex projects for monitoring during FY 2017-18**

Sr. No.	Name of project	Approved cost (₹ in Cr.)	Completion date	Milestone during 2017-18	Date of completion of milestone during 2017-18	Cost to be incurred during 2017-18 (₹ in Cr.)
1	Sinking of 2nd vertical shaft at Chikla mine	48.70	2018-19	Sinking of vertical shaft upto 160 Mtrs.	31-10-2017	12.00
2	Sinking of 2nd vertical shaft at Munsar mine	51.32	2019-20	Sinking of vertical shaft upto 100 Mtrs.	30-11-2017	8.00
3	Deepening of vertical shaft at Kandri mine	14.82	2018-19	Deepening of vertical shaft upto 50 Mtrs. including raising	30-11-2017	5.00
4	Sinking of new vertical shaft at Ukwa Mine Phase II	77.15	2020-21	Deepening of vertical shaft upto 100 Mtrs.	31-01-2018	10.00
5	Solar power plant project at Munsar mine	27.90	2017-18	Completion of installation of solar power plant ready for grid connection at Munsar mine	31.03.2018	13.90
6	Solar power plant project at Madhya Pradesh mines	33.93	2017-18	Completion of installation of solar power plant ready for grid connection at M. P. mines	31.03.2018	33.93
7	Sinking of large dia high speed vertical shaft at Balaghat mine	265.96	2021-22	Finalisation of tender	31.12.2017	1.00
8	Sinking of large dia high speed vertical shaft at Gumgaon mine	194.92	2021-22	Finalisation of tender	31.12.2017	1.00
<b>Total</b>						<b>84.83</b>

Annex III  
MOIL LIMITED, NAGPUR  
PART A

TREND Analysis

Sl. No.	Financial Performance Criteria	Unit	Target	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
			v/s Actual						
1	Revenue from Operations -Gross	Rs. crore		905.68	975.03	1028.45	831.16	634.60	989.84
	Revenue from Operations -Net		Actual MoU	899.58	967.12	1021.28	823.25	628.74	981.93
2	a. Profit before Tax	Rs. crore		606.63	636.78	769.33	650.57	270.26	461.90
	b. Other Incomes			203.32	235.27	303.32	316.61	252.16	221.13
	c. Extraordinary & Exceptional items			0.00	0.00	0.00	0.00	0.00	0.00
	d. Prior Period Items			0.00	0.00	0.00	0.00	0.00	0.00
	e. Operating Profit/ Loss (a-b+/-c+/-d)		Actual MoU	403.31 663.65	401.51 320.03	466.01 279.86	333.96 310.66	18.10 255.68	240.77 32.00
3	a. PAT	Rs. crore		410.77	431.72	509.56	428.01	172.98	305.83
	b. Net Worth at year end			2441.30	2765.64	3127.33	3381.70	3453.37	2805.35
	c. Average Net worth			2284.80	2603.47	2946.49	3254.52	3417.54	3129.36
	d. PAT/ Net Worth	%	Actual MoU	16.83 19.96	15.61 11.96	16.29 11.01	12.66 11.41	5.01 9.92	10.90 4.50
	e. Paid-up Share Capital	Rs. crore		168.00	168.00	168.00	168.00	168.00	133.19
	f. Gol share	Rs. crore		120.24	120.24	120.24	120.24	120.24	74.87
	g. Reserves and surplus			2273.30	2597.64	2959.33	3213.70	3285.37	2672.16
4	Total Expenses	Rs. crore		502.37	573.52	562.44	497.20	616.50	749.07
5	Total Incomes			1102.90	1202.39	1324.60	1139.86	880.90	1203.06
6	Total expenses/ Total Incomes	%		45.55	47.70	42.46	43.62	69.99	62.26
7	Detail of other incomes								
	a. Interest	Rs. crore		193.84	229.17	249.86	279.77	244.06	185.61
	b. Dividend			0.00	0.00	0.00	0.00	0.00	0.00
	c. Other Incomes			9.48	6.10	53.46	36.84	8.10	35.52
	d. Total			203.32	235.27	303.32	316.61	252.16	221.13
8	a. Cash and Bank Balance and equivalent			2088.42	2276.78	2792.83	2829.89	2850.10	2091.13
	b. Investment in mutual funds			0.00	0.00	0.00	0.00	0.00	0.00
	c. Investment in shares other than subsidiary/ JVs)			0.00	0.00	0.00	0.00	0.00	0.00
	d. Total (a+b+c)			2088.42	2276.78	2792.83	2829.89	2850.10	2091.13
	e. Cash credit/ Overdraft loan/ Short-Term loan			0.00	0.00	0.00	0.00	0.00	0.00
	f. Balance in Current account								
9	Dividend paid/ declared for the year, excluding Dividend Tax			84.00	92.40	126.00	142.80	84.00	146.51

Note: Trend would be given for actual figures for preceding five years (audited) and estimates of current year i.e. previous year to the year in respect of which targets are being negotiated.



Annex III  
MOIL LIMITED, NAGPUR  
PART B  
TREND Analysis

Sl. No.	Financial Performance Criteria	Unit	Target	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
			v/s Actual						
1	Installed Capacity in respect of each product								
2	Capacity Utilisation in respect of Manganese ore	000 T	Actual	1071	1139	1135	1139	1032	1005
			MoU	1150	1150	1125	1125	1140	1035
3	Contribution of each product in sales	%							
4	New orders received during the year	Rs. crore	Actual	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA
5	Exports as a percentage of Revenue from operations	%	Actual	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA
6	Development or Revenue from new products or product with new features		Actual	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA
7	Production efficiency parameters		Actual	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA
8	Completion of milestone of clients orders/ agreements	%	Actual	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA
9	R&D, Innovation, Technology up-gradation parameter		Actual	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA
10	Market share	%	Actual	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA
11	CAPEX		Actual	51.68	56.93	85.46	114.78	119.65	120.74
			MoU	107.00	208.00	207.63	192.05	127.47	132.53
12	CAPEX contracts/ projects running/ completed without time/ cost overrun to total value of CAPEX	%	Actual	48.30	27.37	41.16	59.77	93.87	91.10
			MoU	NA	NA	NA	NA	NA	NA
13	Inventory of finished goods and work in progress	Rs. crore		71.20	42.97	36.78	132.38	122.17	145.37
14	Inventory of finished goods and work in progress to RO(Net)	%	Actual	7.91	4.44	3.60	16.08	19.43	14.80
			MoU	NA	NA	NA	NA	NA	NA
15	Inventory of finished goods of more than one year	Rs. crore	Actual	NA	NA	NA	NA	NA	NA
16	Inventory of finished goods of more than one year as a percentage of RO	%	Actual	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA
17	Trade Receivables (net)	Rs. crore	Actual	99.33	288.10	113.18	107.24	142.05	241.25
			MoU	NA	NA	NA	NA	NA	NA
18	Trade receivables (Net) as number of days of RO(gross)	Days	Actual	40	108	40	47	82	89
			MoU	NA	NA	NA	NA	NA	NA
Claims against the Company not acknowledged raised by:									
19	Central Government Departments	Rs. crore		41.41	13.90	10.72	16.44	16.98	16.15
	State Governments/ Local Authorities			0.93	0.93	0.86	0.86	0.86	0.86
	CPSEs			1.43	1.41	1.59	2.05	2.18	0.98
	Others			3.58	4.47	5.63	6.78	9.09	10.27
	Total			Actual	47.35	20.71	18.80	26.13	29.11
			MoU	NA	NA	NA	NA	NA	NA
20	Loans disbursed/ Total Funds Available		Actual	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA
21	Overdue loans/ Total loans (Net)		Actual	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA
22	NPA/ Total loans (Net)		Actual	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA
23	Cost of raising funds as compared to similarly rated		Actual	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA
24	Return (share of profit/loss) on Investment in Joint Ventures	%	Actual	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA
25	Any other result-oriented parameters taken for target		Actual	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA

Note: Trend would be given for actual figures for preceding five years (audited) and estimates of current year i.e. previous year to the year in respect of which targets are being negotiated  
**RO: Revenue from Operations.**