

**Memorandum of
Understanding (MoU)**

MOIL LIMITED

and

**MINISTRY OF STEEL
GOVT. OF INDIA**

2021-22



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



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Brief about the CPSE

1	Name of the CPSE	MOIL LIMITED
2	Status (Please tick): As per DPE guidelines	MINIRATNA - I
3	Schedule of the CPSE (Please tick)	SCHEDULE - A
4	Purpose for which CPSE has been setup and the main business now	Extraction and sales of manganese ore
5	Any capital restructuring during 2019-20, i.e., buy-back of shares, issue of bonus shares, issue of fresh shares, splitting of shares and percentage of PAT given as dividend	1. Buy-back of shares has been completed amounting to Rs. 308.27 Cr. on 16.01.2020 2. Dividend of Rs. 142.39 crores has been paid for FY 2019-20, which is 57.37% of PAT
6	Whether shares are listed (if yes, name of Stock Exchange and price of the share as on date).	Yes NSE : Rs. 150.55 as on 31.03.2021 BSE : Rs. 150.35 as on 31.03.2021
7	Any change in capacity during the year or next year (MoU year)	- NIL -
8	Any business unit hived off or to be hived off or added or to be added during the year or next year (MoU year)	- NIL -
9	Brief about the sector in which the CPSE is operating and national and international environment, regulatory environment, etc.	MOIL is the largest domestic producer of high grade manganese ore which is the raw material for manufacturing ferro alloys (an essential input for steel making) and dioxide ore for manufacturing dry batteries, etc. It is presently operating eleven mines, seven of them in Maharashtra and four in Madhya Pradesh. With MOIL's mines having been worked for last many years, mining operations are being undertaken at deeper horizons. Mining operations at seven of the mines of the company are carried out by underground methods, while opencast mining is carried at the other four mines. Balaghat is the deepest underground manganese mine in Asia. As a diversification measure and in order to meet part of power requirements of Balaghat mine and ferro manganese plant located in Balaghat district (MP), MOIL has set up 4.80 MW wind turbine power generation units at Dewas (MP) during 2006-07. Further, in 2nd phase, 15.20 MW wind turbine power generation units has been set up in 2007-08 and the power generated from this second phase is being sold to Madhya Pradesh state electricity board. MOIL has also installed solar power project in its mines, aggregate capacity of which is 10.50 MW.
10	Details of revival plan if approved	- NIL -
11	Any adverse comment by statutory auditors and its impact on Revenue/Profit/Loss/Assets/Liabilities	- NIL -
12	Whether C&AG supplemented the comments of Statutory Auditor. If not, give details alongwith impact.	- NIL -
13	Number and Name of subsidiary companies along with amount invested and share in its profit during last five years	-NIL-
14	Number and Name of Joint Venture companies along with amount invested and share in its profit during last five years	Two joint venture has been made with SAIL and RINL. Both joint ventures have initiated for windup


MOIL Ltd. (Standalone) - MoU 2021-22						
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	1177.38	1440.67	1479
2.	Asset Turnover Ratio	%	5	37.75	46.19	59.72
3.	EBITDA as a percentage of Revenue	%	10	30.42	48.21	40.41
4.	Return on Net Worth	%	10	6.33	16.11	13.76
5.	Return on Capital Employed	%	5	8.51	23.35	19.35
6.	Trade Receivables as number of days of Revenue from Operations	Number of Days	5	70	33	33
7.	Market capitalization - Share price improvement over BSE Metal Index	%	15			7.5
8.	Production of Manganese Ore	Lakh Tonne	25			14
9.	CAPEX	Rs. Cr.	15			294
10.	CAPEX achievement till end of 3rd quarter	Rs. Cr.	3			264
11.	Expenditure on R&D/ Innovations Initiatives as % of PBT	%	2			2
		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).
- 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.
- In working out achievements for FY 2021-22, quantified qualifications of CAG/ Statutory Auditors to be adjusted in case of overstatement of Revenue/ Profit/ Surplus or understatement of Loss/ Deficit.

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 (Target to be prescribed by the Administrative Ministry)	-1	Confirmation by the administrative Ministry


CMD, MOIL Ltd.

Date - 27/12/2021

Date -


Secretary, Ministry of Steel