

**Memorandum of  
Understanding (MoU)**

**MOIL LIMITED**

*and*

**MINISTRY OF STEEL  
GOVT. OF INDIA**

**2020-21**



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



**MEMORANDUM OF UNDERSTANDING (MoU)**

**BETWEEN**

**MOIL LIMITED**

**AND**

**MINISTRY OF STEEL  
GOVT. OF INDIA**

**2020-21**







## INDEX

Sr. No.	Particulars	Page No.
1	BRIEF ABOUT MOIL (Annexure A)	1
2	PERFORMANCE EVALUATION PARAMETERS AND TARGETS (MoU targets)	2-4
3	TREND ANALYSIS : PART A	5
4	TREND ANALYSIS : PART B	6



## Brief about the CPSE

1	Name of the CPSE	<b>MOIL LIMITED</b>
2	Status (Please tick): As per DPE guidelines	<b>MINIRATNA - I</b>
3	Schedule of the CPSE (Please tick)	<b>SCHEDULE - A</b>
4	Purpose for which CPSE has been setup and the main business now	<b>Extraction and sales of manganese ore</b>
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	<b>1. Buy-back of shares has been completed amounting to Rs. 308.27 Cr. on 16.01.2020</b> <b>2. Dividend of Rs. 142.39 crores has been paid for FY 2019-20, which is 57.37% of PAT</b>
6	Whether shares are listed (if yes, name of Stock Exchange and price of the share as on date).	<b>Yes</b> <b>NSE : Rs. 123.25 as on 05.11.2020</b> <b>BSE : Rs. 123.40 as on 05.11.2020</b>
7	Any change in capacity during the year or next year (MoU year)	<b>- NIL -</b>
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)	<b>- NIL -</b>
9	Brief about the sector in which the CPSE is operating and national and international environment, regulatory environment, etc.	<b>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.</b>  <b>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.</b>  <b>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.</b>
10	Details of revival plan if approved	<b>- NIL -</b>
11	Any adverse comment by statutory auditors and its impact on Revenue/Profit/Loss/Assets/Liabilities	<b>- NIL -</b>
12	Whether C&AG supplemented the comments of Statutory Auditor. If not, give details alongwith impact.	<b>- NIL -</b>
13	Number and Name of subsidiary companies along with amount invested and share in its profit during last five years	<b>-NIL-</b>
14	Number and Name of Joint Venture companies along with amount invested and share in its profit during last five years	<b>Two joint venture has been made with SAIL and RINL. Operation is yet to be started.</b>

**MOIL LIMITED  
NAGPUR**

Annexure-II

**Mandatory parameters  
PART A**

Sl. No.	Financial Performance Criteria	Unit	Marks	FY 2019-20	Best in 5 years	MoU Target for the year 2020-21					% Improvement*
						Excellent	V.G. @	Good	Fair	Poor	
1	<b>Turnover</b> Revenue from Operations	Rs. crore	10	1038.07	1440.67	100%	80%	60%	40%	20%	10.30%
2	<b>Operating Profit/Loss</b> Operating profit as a percentage of Revenue from operations (net).	%	20	15.35	40.57	36.00	15.35	14.00	13.00	12.00	0.00%
3	<b>Return on investment:</b> PAT / Average Net Worth	%	20	8.49	15.90	15.90	8.50	7.50	6.50	5.50	0.12%
	<b>Total (A)</b>		50								

@ : Company's target is set at very good target

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

Note : The assumption of average selling price of manganese ore has been considered as ₹ 8233 per MT.



**MOIL LIMITED  
NAGPUR  
PART B**

Other parameters

Sl. No.	Performance Criteria	Unit	Marks	FY 2019-20	Best in 5 years	MoU Target for the year 2020-21				% Improvement*	
						Excellent 100%	V.G.@ 80%	Good 60%	Fair 40%		Poor 20%
4	<b>Capacity Utilisation/ Production/ Generation/ Transmission, etc.</b>										
	Production of manganese ore	000T	10	1277	1301	1400	1300	1250	1200	1150	1.80%
5	<b>Labour Productivity</b>										
	Output per manshift (OMS) in mines	Output per Manshift	6	1.01	0.93	1.01	0.95	0.91	0.86	0.81	-5.94%
6	<b>Mine Safety</b>										
	Subsidence audit of underground mines of Balaghat district as per the guidelines of MoEF	Date	4			Feb 28 2021	Mar 5 2021	Mar 15 2021	Mar 25 2021	Mar 31 2021	
7	Adoption of process improvements suggested by National Metallurgical Laboratory (NML)/ Institute of Minerals and Materials Technology (IMMT) in Electrolytic Manganese Dioxide plant of MOIL	Date	3			Mar 27 2021	Mar 28 2021	Mar 29 2021	Mar 30 2021	Mar 31 2021	
8	Achievement of CAPEX target of Rs. 380 Crores	%	5			100.00	80.00	75.00	70.00	65.00	
9	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.	%	3			100	95	90	85	80	
10	Number of days of inventory of finished goods and work in progress to revenue from operations (Net)	No. of days	4	51	19	19	47	55	60	65	7.84%
11	Trade receivables (Net) as number of days of Revenue from Operations (gross)	No. of days	4	47	33	33	60	90	100	110	27.66%

Sl. No.	Performance Criteria	Unit	Marks	FY 2019-20	Best in 5 years	MoU Target for the year 2020-21					% Improvement*	
						Excellent	V.G.@	Good	Fair	Poor		
												100%
12	Any other sector specific result-oriented measurable parameters											
	Exploratory drilling project at all mines	Mtrs.	6	7205	6505	7500	7205	6500	6124	5764		0.00%
13	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 2019-20	%	5			25	20	15	10	5		
	<b>Total (B)</b>		<b>50</b>									

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

@ : Company's target is set at very good target

**Declaration**

- (1) 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.
- (2) 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.
- (3) 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.
- (4) Targets approved by IMC along with estimated figure provided by CPSE as recorded in minutes of IMC meeting.



**SHRI PRADIP KUMAR TRIPATHI**  
SECRETARY  
GOVT. OF INDIA



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

Date :

Place :

## MOIL LIMITED, NAGPUR

## PART A

## TREND Analysis

Sl. No.	Financial Performance Criteria	Unit	Target v/s Actual	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20		
									Actual upto Sept'19	Actual	
1	Revenue from Operations -Gross	Rs. crore	Actual	831.16	634.60	989.84	1323.46	1440.67	533.18	1038.07	
	Revenue from Operations -Net			823.25	628.74	981.93	1318.93	1440.67	533.18	1038.07	
			MoU	858.00	820.00	615.00	1060.00	1300.00	1610.00	1610.00	
2	a. Profit before Tax	Rs. crore	Actual	650.57	270.26	461.90	647.92	719.75	244.55	340.49	
	b. Other Incomes		Actual	316.61	252.16	221.13	177.72	190.81	101.96	181.11	
	c. Extraordinary & Exceptional items			0.00	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	0.00	
	e. Operating Profit/ Loss (a-b+/-c+/-d)			Actual	333.96	18.10	240.77	470.20	528.94	142.59	159.38
				MoU	NA	NA	32.00	32.00	34.00	37.00	37.00
	Operating Profit	%		40.57	2.88	24.52	35.65	36.71	26.74	15.35	
3	a. PAT	Rs. crore	Actual	428.01	172.98	305.83	421.99	473.89	179.29	248.22	
	b. Net Worth at year end			3381.70	3453.37	2805.35	2799.20	3082.71	3157.47	2763.38	
	c. Average Net worth			3254.52	3417.54	3129.36	2802.28	2940.96	3120.09	2923.05	
	d. PAT/ Average Net Worth	%	Actual	13.15	5.06	9.77	15.06	16.11	5.75	8.49	
			MoU	11.41	9.92	4.50	9.00	13.00	17.00	17.00	
	e. Paid-up Share Capital	Rs. crore		168.00	168.00	133.19	257.61	257.61	257.61	237.33	
	f. GoI share	Rs. crore		120.24	120.24	74.87	144.29	144.29	144.29	127.78	
g. Reserves and surplus			3213.70	3285.37	2672.16	2541.59	2825.10	2899.86	2526.05		
4	Total Expenses	Rs. crore		497.20	616.50	749.07	853.26	911.73	390.59	878.69	
5	Total Incomes			1147.77	886.76	1210.97	1501.18	1631.48	635.14	1219.18	
6	Total expenses/ Total Incomes	%		43.32	69.52	61.86	56.84	55.88	61.50	72.07	
7	Detail of other incomes										
	a. Interest	Rs. crore		279.77	244.06	185.61	160.92	174.39	94.12	158.40	
	b. Dividend			0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	c. Other Incomes			36.84	8.10	35.52	16.80	16.42	7.84	22.71	
	d. Total			316.61	252.16	221.13	177.72	190.81	101.96	181.11	
8	a. Cash and Bank Balance and equivalent	Rs. crore		2829.89	2850.10	2091.13	2139.13	2261.92	2260.95	1828.15	
	b. Investment in mutual funds			0.00	0.00	0.00	23.30	114.52	199.09	7.02	
	c. Investment in shares other than subsidiary/ JVs)			0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	d. Total (a+b+c)			2829.89	2850.10	2091.13	2162.43	2376.44	2460.04	1835.17	
	e. Cash credit/ Overdraft loan/ Short-Term loan			0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	f. Balance in Current account			15.78	21.51	33.58	1.85	0.40	0.57	44.28	
9	Dividend paid/ declared for the year, excluding Dividend Tax			142.80	84.00	146.51	144.31	154.57	0.00	142.39	

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

## MOIL LIMITED, NAGPUR

## PART B

## TREND Analysis

Sl. No.	Financial Performance Criteria	Unit	Target v/s Actual	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	
									Actual upto Sept'19	Actual
1	Installed Capacity in respect of each product									
2	Capacity Utilisation in respect of Manganese ore	000 T	Actual	1139	1032	1005	1201	1301	579	1277
			MoU	1125	1140	1035	1200	1325	1475	1475
3	Contribution of each product in sales	%		NA	NA	NA	NA	NA	NA	NA
4	New orders received during the year	Rs. crore	Actual	NA	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA	NA
5	Exports as a percentage of Revenue from operations	%	Actual	NA	NA	NA	NA	NA	NA	NA
			MoU	NA	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	NA
			MoU	NA	NA	NA	NA	NA	NA	NA
7	Production efficiency parameters		Actual	NA	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA	NA
8	Completion of milestone of clients orders/ agreements	%	Actual	NA	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA	NA
9	R&D, Innovation, Technology up-gradation parameter		Actual	NA	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA	NA
10	Market share	%	Actual	NA	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA	NA
11	CAPEX		Actual	114.78	119.65	120.74	207.04	208.30	74.04	243.85
			MoU	192.05	127.47	132.53	195.51	190.00	200.00	200.00
12	CAPEX contracts/ projects running/ completed without time/ cost overrun to total value of CAPEX	%	Actual	59.77	93.87	91.10	100.00	100.00	37.02	100.00
			MoU	NA	NA	90.00	90.00	90.00	90.00	90.00
13	Inventory of finished goods and work in progress	Rs. crore		132.38	145.37	97.12	75.93	76.76	143.74	145.07
	Revenue from Operations (Net)	Rs. crore	Actual	823.25	628.74	981.93	1318.93	1440.67	533.18	1038.07
14	Inventory of finished goods and work in progress to RO(Net)	Days	Actual	59	84	36	21	19	98	51
			MoU	NA	NA	110	35	55	26	26
15	Inventory of finished goods of more than one year	Rs. crore	Actual	NA	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	NA
			MoU	NA	NA	NA	NA	NA	NA	NA
17	Trade Receivables (net)	Rs. crore	Actual	107.24	142.05	241.25	190.02	131.85	108.28	134.04
			MoU	NA	NA	NA	NA	NA	NA	NA
18	Trade receivables (Net) as number of days of RO(gross)	Days	Actual	47	82	89	52	33	74	47
			MoU	NA	NA	22	60	75	33	33
	Claims against the Company not acknowledged raised by:									
19	Central Government Departments	Rs. crore		15.69	16.15	161.34	22.52	NA	NA	NA
	State Governments/ Local Authorities			1.61	1.69	1.82	1.93	NA	NA	NA
	CPSEs			2.05	2.18	0.98	0.93	NA	NA	NA
	Others			6.78	9.09	10.24	10.56	NA	NA	NA
	Total			Actual	26.13	29.11	174.38	35.94	NA	NA
			MoU	NA	NA	NA	NA	NA	NA	NA
20	Loans disbursed/ Total Funds Available		Actual	NA	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA	NA
21	Overdue loans/ Total loans (Net)		Actual	NA	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA	NA
22	NPA/ Total loans (Net)		Actual	NA	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA	NA
23	Cost of raising funds as compared to similarly rated		Actual	NA	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA	NA
24	Return (share of profit/loss) on Investment in Joint Ventures	%	Actual	NA	NA	NA	NA	NA	NA	NA
			MoU	NA	NA	NA	NA	NA	NA	NA
25	Any other result-oriented parameters taken for target setting: Exploratory drilling project at all mines	Mtrs		6096	5633	6110	6197	6505	3063	7205
			MoU	4900	4900	5000	5795	6000	6500	6500

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

RO: Revenue from Operations.



