

MEMORANDUM OF UNDERSTANDING (MoU)

BETWEEN

MOIL LIMITED

AND

**MINISTRY OF STEEL
GOVT. OF INDIA**

2018-19



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

MEMORANDUM OF UNDERSTANDING (MoU)

BETWEEN

MOIL LIMITED

AND

**MINISTRY OF STEEL
GOVT. OF INDIA**

2018-19

Brief about the CPSE

1	Name of the CPSE		MOIL LIMITED	
2	Status (Please tick): As per DPE guidelines		MINIRATNA - 1	
3	Reasons of Sickness, if applicable		-NA-	
4	Whether registered with BIFR, If yes, details		-NA-	
5	Schedule of the CPSE (Please tick)		SCHEDULE - A	
6	Purpose for which CPSE has been setup and the main business now		Extraction and sales of manganese ore	
	Number and Name of subsidiary companies along with amount invested and share in its profit during last five years		-NIL-	
	Year*	Name of subsidiary	Amount invested (Rs.)	Share in its profit (Rs.)
7	2012-13			
	2013-14			
	2014-15			
	2015-16			
	2016-17			
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.)
	2012-13			
	2013-14			
	2014-15			
	2015-16			
	2016-17			
9	Details of revival plan approved earlier		-NA-	

*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 2018-19					% Improvement*
						Excellent 100%	V.G.@ 80%	Good 60%	Fair 40%	Poor 20%	
1	Turnover Revenue from Operations	Rs. crore	10	1200.00	1021.28	1400.00	1300.00	1250.00	1200.00	1150.00	8.33%
2	Operating Profit/Loss Operating profit as a percentage of Revenue from operations (net).	%	20	33.10	45.63	36.00	34.00	32.00	30.00	29.00	2.72%
3	Return on investment: PAT / Average Net Worth	%	20	11.55	17.29	14.00	13.00	12.00	11.00	10.00	12.55%
	Total (A)		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.

**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 2018-19					% Improvement*
						Excellent	V.G. @	Good	Fair	Poor	
						100%	80%	60%	40%	20%	
4	Capacity Utilisation/ Production/ Generation/ Transmission, etc.										
	Production of manganese ore	000T	10	1200	1139	1375	1325	1250	1200	1150	10.42%
5	Completion of R&D for reduction of lead content from 550 PPM to less than 150 PPM in EMD	Date	4			31 Jul 2018	31 Aug 2018	30 Sep 2018	31 Oct 2018	30 Nov 2018	
6	CAPEX	(Rs. Crore)	3	206.21	120.74	200.00	190.00	180.00	170.00	160.00	
7	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	-	100	90	80	70	60	-
8	Number of days of inventory of finished goods and work in progress to revenue from operations (Net)	No. of days	5	58.4	13.14	45	55	60	65	70	5.82%
9	Trade receivables (Net) as number of days of Revenue from Operations (gross)	No. of days	5	88.24	40.17	60	75	80	85	90	15.00%
10	Reduction in claims against the Company not acknowledged as debt over previous year (%) on overall basis	%	5			5.00	3.00	2.00	1.00	0.50	-
11	Any other sector specific result-oriented measurable parameters										
	Exploratory drilling project at all mines	Mtrs.	5	5795	6096	6500	6000	5800	5600	5400	3.54%


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

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%		
12	HRM Related Parameters											
(i)	Assessment of level in line with People Capability Maturity Model (PCMM) or its equivalent in the CPSE & placing the matter before the Board for taking a decision whether to go for upgradation in level and, if yes, getting the approval for the timelines from the Board and if no, justifiable reason to be recorded in the Board Resolution	Date	3			01 Dec 2018	01 Jan 2019	01 Feb 2019	01 Mar 2019	31 Mar 2019		
(ii)	Online Human Resource Management System (HRMS) Implementation (consisting of online employee data administration, employee self-service, exit procedure, talent management, etc.) and its integration with finance	Date	4			01 Dec 2018	01 Jan 2019	01 Feb 2019	01 Mar 2019	31 Mar 2019		
(iii)	HR Audit and decision of the Board on recommendations of audit.	Date	3			01 Feb 2019	15 Feb 2019	01 Mar 2019	10 Mar 2019	31 Mar 2019		
	Total (B)		50									

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



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



DR. ARUNA SHARMA
SECRETARY
GOVT. OF INDIA

Date: 26.04.2018
Place: New Delhi

Annex III
MOIL LIMITED, NAGPUR
PART A

TREND Analysis

Sl. No.	Financial Performance Criteria	Unit	Target v/s Actual	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	
									Actual upto Sept'17	Estimated
1	Revenue from Operations -Gross	Rs. crore		975.03	1028.45	831.16	634.60	989.84	626.10	1112.24
	Revenue from Operations -Net		Actual MoU	967.12	1021.28	823.25	628.74	981.93	621.57	1112.24
2	a. Profit before Tax	Rs. crore		636.78	769.33	650.57	270.26	461.90	292.49	508.12
	b. Other Incomes			235.27	303.32	316.61	252.16	221.13	84.71	140.00
	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 MoU	401.51 320.03	466.01 279.86	333.96 310.66	18.10 255.68	240.77 32.00	207.78	368.12
	Operating Profit	%		41.52	45.63	40.57	2.88	24.52	33.43	33.10
3	a. PAT	Rs. crore		431.72	509.56	428.01	172.98	305.83	191.89	332.27
	b. Net Worth at year end			2765.64	3127.33	3381.70	3453.37	2805.35	2896.80	3140.34
	c. Average Net worth			2603.47	2946.49	3254.52	3417.54	3129.36	2851.08	2972.85
	d. PAT/ Average Net Worth	%	Actual	16.58	17.29	13.15	5.06	9.77	6.73	11.18
			MoU	11.96	11.01	11.41	9.92	4.50		
	e. Paid-up Share Capital	Rs. crore		168.00	168.00	168.00	168.00	133.19	133.19	266.38
	f. GoI share	Rs. crore		120.24	120.24	120.24	120.24	74.87	74.87	149.73
g. Reserves and surplus			2597.64	2959.33	3213.70	3285.37	2672.16	2763.61	2873.96	
4	Total Expenses	Rs. crore		573.52	562.44	497.20	616.50	749.07	418.32	744.12
5	Total Incomes			1202.39	1324.60	1139.86	880.90	1203.06	706.28	1252.24
6	Total expenses/ Total Incomes	%		47.70	42.46	43.62	69.99	62.26	59.23	59.42
7	Detail of other incomes									
	a. Interest	Rs. crore		229.17	249.86	279.77	244.06	185.61	81.51	140.00
	b. Dividend			0.00	0.00	0.00	0.00	0.00	0.00	0.00
	c. Other Incomes			6.10	53.46	36.84	8.10	35.52	3.20	4.65
	d. Total			235.27	303.32	316.61	252.16	221.13	84.71	144.65
8	a. Cash and Bank Balance and equivalent			2276.78	2792.83	2829.89	2850.10	2091.13	2425.23	2400.00
	b. Investment in mutual funds			0.00	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	0.00
	d. Total (a+b+c)			2276.78	2792.83	2829.89	2850.10	2091.13	2425.23	2400.00
	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									
9	Dividend paid/ declared for the year, excluding Dividend Tax			92.40	126.00	142.80	84.00	146.51	57.57	99.68

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 v/s Actual	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	
									Actual upto Sept'17	Estimated
1	Installed Capacity in respect of each product									
2	Capacity Utilisation in respect of Manganese ore	000 T	Actual	1139	1135	1139	1032	1005	515	1200
			MoU	1150	1125	1125	1140	1035	538	1200
3	Contribution of each product in sales	%								
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	56.93	85.46	114.78	119.65	120.74	58.17	200.00
			MoU	208.00	207.63	192.05	127.47	132.53	53.70	195.51
12	CAPEX contracts/ projects running/ completed without time/ cost overrun to total value of CAPEX	%	Actual	27.37	41.16	59.77	93.87	91.10	108.32	102.30
			MoU	NA	NA	NA	NA	NA	NA	NA
13	Inventory of finished goods and work in progress	Rs. crore		42.97	36.78	132.38	145.37	97.12	96.97	177.96
	Revenue from Operations (Gross)	Rs. crore	Actual	975.03	1028.45	831.16	634.60	989.84	626.10	1112.24
14	Inventory of finished goods and work in progress to RO(Gross)	%	Actual	4.41	3.58	15.93	22.91	9.81	15.49	16.00
			MoU	NA	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	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	288.10	113.18	107.24	142.05	241.25	150.26	268.88
			MoU	NA	NA	NA	NA	NA	NA	NA
18	Trade receivables (Net) as number of days of RO(gross)	Days	Actual	108	40	47	82	89	88	88
			MoU	NA	NA	NA	NA	NA	NA	NA
	Claims against the Company not acknowledged raised by:									
19	Central Government Departments	Rs. crore		13.90	10.72	16.44	16.98	16.15	NA	NA
	State Governments/ Local Authorities			0.93	0.86	0.86	0.86	0.86	NA	NA
	CPSEs			1.41	1.59	2.05	2.18	0.98	NA	NA
	Others			4.47	5.63	6.78	9.09	10.27	NA	NA
	Total		Actual	20.71	18.80	26.13	29.11	28.26	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		Actual	5573	5743	6096	5633	6110	2673	5938
			MoU	NA	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.