MEMORANDUM OF UNDERSTANDING (MoU)

BETWEEN

MOIL LIMITED

AND

MINISTRY OF STEEL
GOVT. OF INDIA

2019-20

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

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Annexure-A

Brief about the CPSE

1	Name of the CPSE	**MOIL LIMITED**
2	Status	**MINIRATNA - Category I**
3	Schedule of the CPSE	**SCHEDULE - A**
4	Purpose for which CPSE has been setup and the main business now	**Extraction and sales of manganse ore**
5	Any capital restructuring during 2017-18, 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. 210 crores on 27.03.2018.** **2. Dividend of Rs. 144.31 crores has been paid for FY 2017-18, which is 34.20% of PAT**
6	Whether shares are listed (if yes, name of Stock Exchange and price of the share as on date).	**Yes** **NSE : Rs. 176.70 as on 12.11.2018** **BSE : Rs. 176.70 as on 12.11.2018**
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 manganese ore which is the raw material for manufacturing ferro alloys (an essential input for steel making) and EMD for manufacturing dry batteries. It is presently operating ten mines, six of them in Maharashtra and four in Madhya Pradesh.** **Mining operations at seven of the mines of the company are carried out by underground methods, while opencast mining is carried at the other three mines. Balaghat is the deepest underground manganese mine in Asia. With MOIL's mines having been worked for last many years, mining operations are being undertaken at deeper horizons.** **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 taken up solar power project in its mines having aggregate capacity of 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 ventures have been made with SAIL and RINL. Operation is yet to be started.**

MOIL LIMITED
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Mandatory parameters
PART A

Sl. No.	Financial Performance Criteria	Unit	Marks	Current Year (Estimated)	Best in 5 years	MoU Target for the year 2019-20					% Improvement*
						Excellent	V.G. @	Good	Fair	Poor	
						100%	80%	60%	40%	20%	
1	**Turnover**	Rs. crore	10	1440.00	1318.93	1700.00	1610.00	1540.00	1480.00	1430.00	11.81%
	Revenue from Operations										
2	**Operating Profit/Loss**										
	Operating profit as a percentage of Revenue from operations (net).	%	20	37.00	45.63	40.00	37.00	35.00	33.00	31.00	0.00%
3	**Return on investment:**										
	PAT / Average Net Worth	%	20	15.00	17.29	18.50	17.00	16.00	15.00	14.00	13.33%
	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.

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Other parameters
PART B

Sl. No.	Performance Criteria	Unit	Marks	Current year (Estimate)	Best in 5 years	MoU Target for the year 2019-20					% 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	1301	1201	1500	1475	1375	1300	1250	13.37%
5	**Labour Productivity**										
	Output per manshift (OMS) in mines	Output per Manshift in MT	3	0.90	0.86	0.95	0.90	0.85	0.80	0.75	
6	**Mine Safety**										
	Safety audit of five underground mines of Nagpur and Bhandara districts by an independent agency & taking remedial action in any discrepencies, if any, identified in Audit.	Date	4			Feb 10 2020	Feb 20 2020	Feb 29 2020	Mar 15 2020	Mar 31 2020	
7	Pilot scale production of high grade Electrolytic Manganese Dioxide (EMD) [iron content less than 150 PPM]	Date	3			Jan 01 2020	Feb 01 2020	Feb 15 2020	Feb 29 2020	Mar 15 2020	
8	CAPEX	(Rs. Crore)	5	206	207.04	210.00	200.00	190.00	181.00	172.00	
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	100	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	26	13	20	26	30	34	38	

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

Sl. No.	Performance Criteria	Unit	Marks	Current year	Best in 5 years	MoU Target for the year 2019-20					% Improvement*
				(Estimate)		Excellent	V.G. @	Good	Fair	Poor	
						100%	80%	60%	40%	20%	
11	Trade receivables (Net) as number of days of Revenue from Operations (gross)	No. of days	3	33	40.17	30	33	36	39	42	
12	Any other sector specific result-oriented measurable parameters										
	Exploratory drilling project at all mines	Mtrs.	5	6500	6197	6800	6500	6300	6000	5800	
13	HRM Related Parameters										
(i)	Achievement of HR parameters (as per list in Annexure-1)	Nos.	4			9	8	7	6	5	
(ii)	Conducting mentorship program for Women Employees for work life balance as well as leadership development.	No. of programs	3			5	4	3	2	1	
(iii)	Capability development programs for executives to build their technical & managerial competencies for higher positions with special focus on Web Learning programs.	No. of programs	3			5	4	3	2	1	
	Total (B)		50								

*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

Binoy Kumar

SHRI BINOY KUMAR
SECRETARY
GOVT. OF INDIA

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

Date : 19/5/19.
Place : New Delhi

Annexure-1

MOIL LIMITED
NAGPUR
MoU 2019-20 : Annexure-1

Sl. No.	Performance Criteria	Unit	Target
a.	Continuation of online submission of ACR/APAR in respect of all executives (E0 and above) alongwith compliance of prescribed timelines w.r.t. writing of ACR/APAR	% No. of executives	100
b.	Regular updation of succession plan and its approval by Board of Directors	Date	31.03.2020
c.	Continuation of holding of DPC without delay for executive (E0 and above level)	%	1000
d.	Continues Talent management and career progression by imparting at least one week of at least 10% executives training in Centre of Excellence within India e.g. IITs, IIMs, NITs, ICAI, etc.	% No. of executives	10
e.	Continuation of Online Quarterly Vigilance clearance updation for Senior Executives (E5 and above)	%	100
f.	Implementation of recommendation of consultant in order to achieve next level of People Capability Maturity Model (PCMM) or its equivalent	Date	31.03.2020
g.	Regular updation of 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	31.03.2020
h.	Implementation of recommendations of HR audit	Date	31.03.2020
i.	Review and implementation of employee performance on the lines of FR(56) (J) and submitting a compliance report to Board of Directors at the end of the year	Date	31.03.2020

Annex III
MOIL LIMITED, NAGPUR
PART A
TREND Analysis

Sl. No.	Financial Performance Criteria	Unit	Target v/s Actual	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 Actual upto Sept'18	2018-19 Estimated
1	Revenue from Operations -Gross	Rs. crore	Actual	1028.45	831.16	634.60	989.84	1323.46	671.30	1346.56
	Revenue from Operations -Net			1021.28	823.25	628.74	981.93	1318.93	671.30	1346.56
			MoU							
2	a. Profit before Tax	Rs. crore	Actual	769.33	650.57	270.26	461.90	647.92	345.39	644.53
	b. Other Incomes		Actual	303.32	316.61	252.16	221.13	177.72	92.55	160.00
	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	466.01	333.96	18.10	240.77	470.20	252.84	484.53
			MoU				32.00	32.00	40.00	40.00
	Operating Profit	%		45.63	40.57	2.88	24.52	35.65	37.66	35.98
3	a. PAT	Rs. crore	Actual	509.56	428.01	172.98	305.83	421.99	218.54	451.80
	b. Net Worth at year end			3127.33	3381.70	3453.37	2805.35	2799.20	2928.65	3000.00
	c. Average Net worth			2946.49	3254.52	3417.54	3129.36	2802.28	2863.93	2899.60
	d. PAT/ Average Net Worth	%	Actual	17.29	13.15	5.06	9.77	15.06	7.63	15.58
			MoU	11.01	11.41	9.92	4.50	9.00	13.00	13.00
	e. Paid-up Share Capital	Rs. crore		168.00	168.00	168.00	133.19	257.61	257.61	257.61
	f. GoI share	Rs. crore		120.24	120.24	120.24	74.87	144.29	144.29	144.29
	g. Reserves and surplus			2959.33	3213.70	3285.37	2672.16	2541.59	2671.04	2742.39
4	Total Expenses	Rs. crore		562.44	497.20	616.50	749.07	853.26	418.46	862.03
5	Total Incomes			1324.60	1139.86	880.90	1203.06	1496.65	763.85	1506.56
6	Total expenses/ Total Incomes	%		42.46	43.62	69.99	62.26	57.01	54.78	57.22
7	Detail of other incomes									
	a. Interest	Rs. crore		249.86	279.77	244.06	185.61	160.92	84.77	160.00
	b. Dividend			0.00	0.00	0.00	0.00	0.00	0.00	0.00
	c. Other Incomes			53.46	36.84	8.10	35.52	16.80	7.78	4.65
	d. Total			303.32	316.61	252.16	221.13	177.72	92.55	164.65
8	a. Cash and Bank Balance and equivalent	Rs. crore		2792.83	2829.89	2850.10	2091.13	2139.13	2329.39	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)			2792.83	2829.89	2850.10	2091.13	2139.13	2329.39	2400.00
	e. Cash credit/ Over-draft loan/ Short-Term loan			0.00	0.00	0.00	0.00	0.00	0.00	0.00
	f. Balance in Current account	Rs. crore		12.57	15.78	21.51	33.58	1.85	0.97	1.00
9	Dividend paid/ declared for the year, excluding Dividend Tax			126.00	142.80	84.00	146.51	144.31	0.00	150.00

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	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	
									Actual upto Sept'18	Estimated
1	Installed Capacity in respect of each product									
2	Capacity Utilisation in respect of Manganese ore	000 T	Actual	1135	1139	1032	1005	1201	698	1375
			MoU	1125	1125	1140	1035	1200	1325	1325
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	85.46	114.78	119.65	120.74	207.04	84.71	201.89
			MoU	207.63	192.05	127.47	132.53	195.51	190.00	190.00
12	CAPEX contracts/ projects running/ completed without time/ cost overrun to total value of CAPEX	%	Actual	41.16	59.77	93.87	91.10	100.00	44.58	100.00
			MoU	NA	NA	NA	NA	NA	NA	NA
13	Inventory of finished goods and work in progress	Rs. crore		36.78	132.38	145.37	97.12	84.34	84.52	158.74
	Revenue from Operations (Net)	Rs. crore	Actual	1021.28	823.25	628.74	981.93	1318.93	671.30	1346.56
14	Inventory of finished goods and work in progress to RO(Net)	Days	Actual	13.14	58.69	84.39	36.10	23.34	45.96	43.03
			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	113.18	107.24	142.05	241.25	190.02	125.13	251.00
			MoU	NA	NA	NA	NA	NA	NA	NA
18	Trade receivables (Net) as number of days of RO(gross)	Days	Actual	40	47	82	89	52	68	68
			MoU	NA	NA	NA	NA	NA	75	75
	Claims against the Company not acknowledged raised by:									
19	Central Government Departments	Rs. crore		10.72	16.44	16.98	16.15	16.15	NA	NA
	State Governments/ Local Authorities			0.86	0.86	0.86	0.86	0.86	NA	NA
	CPSEs			1.59	2.05	2.18	0.98	0.93	NA	NA
	Others			5.63	6.78	9.09	10.27	10.56	NA	NA
	Total		Actual	18.80	26.13	29.11	28.26	28.50	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	Actual	5743	6096	5633	6110	6197	3780	6000
			MoU	NA	NA	NA	NA	NA	5800	5800

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**.