

MEMORANDUM OF UNDERSTANDING

2015 - 16

BETWEEN



सत्यमेव जयते

**GOVERNMENT OF INDIA
MINISTRY OF STEEL**

&



KIOCL LIMITED

(A Government of India Enterprise)



MEMORANDUM OF UNDERSTANDING

KIOCL Limited and Ministry of Steel (MoS) agreed to enter into Memorandum of Understanding (MoU) for the year 2015-16.

The MoU contains the following parts:

PART I : Vision, Mission & Objectives of KIOCL Limited.

PART II : Exercise of enhanced Autonomy and delegation of Financial Powers.

PART III : Performance Evaluation Parameters and Targets.

PART IV : Facilitation/Assistance from the Government.

PART V : Action Plan for Implementation and Monitoring of the MoU.

PART - I



VISION, MISSION & OBJECTIVES OF KIOCL LIMITED

Vision

To emerge as a world class mining company with the highest international standards of quality, productivity, technological & environmental excellence and also as a leader in Beneficiation & Pelletisation Industry in India and establish a global credence.

Mission

- a) Lasting relations with customers and Vendors to ensure smooth supply chain based on trust and mutual benefits.
- b) Business with ethics & integrity.
- c) To thrive to improve the socio economic condition in the neighborhood of Company's production center.
- d) Continuous learning.
- e) Adaptability to Technology and changing Global Scenario.
- f) Growth, recognition and reward for employees.

Objectives

- a) Growth through expansion and diversification.
- b) Explore new markets and segments.
- c) Be competitive through cost reduction by change in processes.
- d) Open new vistas of business by creating diversified Business Units.
- e) To continue to invest in the capacity building of personnel for improving the knowledge, skill & attitude.
- f) To ensure customers' satisfaction by providing prompt and efficient dealing with customers and other business associates.

PART II



EXERCISE OF ENHANCED AUTONOMY AND DELEGATION OF FINANCIAL POWERS

All powers available to MoU signing Miniratna Companies will continue to be available with KIOCL Limited.

PART - III

The Past Five years' actual performance data alongwith projections for next two years in respect of KIOCL Limited is indicated in Appendix-I. Information on the non-financial targets for the last Two years and expected achievements in the next Two years is enclosed at Appendix-II. The Performance evaluation parameters and the targets set for the year 2015-16 are indicated below :-

Sl. No.	Evaluation Criteria	Unit	Weight	MOU Target					Documentary Evidence and source/origin of documents
				Excellent (5)	Very Good (4)	Good (3)	Fair (2)	Poor (1)	
1	<u>Static/Financial Parameters</u>								
	Mandatory Parameters (sr no (i)-(iii)								
(i)	Growth/Size/Activity								
a)	Sales Turnover, excluding interest and other income	Rs. in Crores	15	1632.50	1551.25	1470.00	1388.75	1307.50	Annual Report
b)	Gross Operating Margin	Rs. in Crores	15	49.24	40.22	31.43	22.89	14.60	Annual Report/ Cost Sheet of Pellet Plant Unit duly certified by Director (F)
(ii)	<u>Profitability</u>								
a)	PAT/Net worth	%	6	2.67	2.40	2.14	1.89	1.64	Annual Report
b)	EBIT/Avg. Capital Employed	%	6	3.92	3.53	3.15	2.77	2.41	Annual Report
(iii)	<u>Costs and Output Efficiency</u>								
a)	% Reduction in contingent liability during 2015-16	%	8	3.00	2.50	2.00	1.50	1.00	Annual Report
Sub-total (1)								50	

Sl. No.	Evaluation Criteria	Unit	Weight	MOU Target					Documentary Evidence and source/origin of documents
				Excellent (5)	Very Good (4)	Good (3)	Fair (2)	Poor (1)	
2	<u>Dynamic/non-financial Parameters</u>								
(i)	<u>Research & Development</u>								
	Study on effect of addition of Mill scales on physical properties of pellets	Date of Completion	2	30.11.2015	31.12.2015	31.01.2016	29.02.2016	31.03.2016	R&D Report/ Certificate by Director (P&P)
(ii)	<u>Initiatives for Growth</u>								
a)	Production of Pellets	in Million Tons	4	2.00	1.90	1.80	1.70	1.60	Annual Report
b)	Despatch of Pellets	in Million Tons	4	2.00	1.90	1.80	1.70	1.60	Annual Report
c)	Finalization of New Corporate plan	Date of completion	5	30.09.2015	31.10.2015	30.11.2015	31.12.2015	31.01.2016	Corporate Plan / Board Minutes
d)	Exploration of New Markets in MENA Countries	Date of Completion	2	30.11.2015	31.12.2015	31.01.2016	29.02.2016	31.03.2016	Certificate by Director(C)
(iii)	<u>Project Management & implementation</u>								
a)	Commencement of exploration for mining of Block No.2, Hombalagatta & Hosahalli mining lease in Tumkur District, Karnataka	Date	3	30.11.2015	31.12.2015	31.01.2016	29.02.2016	31.03.2016	DMG/ State Forest Department
b)	CAPEX (Capital outlay of ₹ 27 crores for the year 2015-16) – Annexure A	Rs. in Crores	2	27	23	19	15	11	Self Certification

Sl. No.	Evaluation Criteria	Unit	Weight	MOU Target					Documentary Evidence and source/origin of documents
				Excellent (5)	Very Good (4)	Good (3)	Fair (2)	Poor (1)	
(iv)	Productivity and Internal Processes								
a)	% of customer satisfaction conducted in house amongst the empanelled customers	%	3	80	70	60	50	40	Certificate by Director(C)
b)	Increase in productivity of pellets in terms of metric tonne/man day	%	4	3	2.5	2	1.5	1	Certificate by Director (P&P)
c)	Energy consumption per tonne of pellet inclusive of grinding, filtration and pelletisation	kWh	3	60	61	62	63	64	Annual Report
d)	Specific consumption of Furnace oil	Ltrs/Ton	3	15	15.5	16	16.5	17	Certificate by Director (P&P)
(v)	Technology, Quality, Innovative Practices								
a)	Registration of Kudremukh brand & Monogram under Trade Mark Act, 1999.	Date of Completion	2	30.11.2015	31.12.2015	31.01.2016	29.02.2016	31.03.2016	Copy of Registration Certificate
b)	Integrated Management System comprising of QMS, EMS & OHSAS	No. of Non Conformity	3	1	2	3	4	5	Certificate by Director(P&P)
(vi)	Human Resource Management								
a)	% actualisation of Training Plan & Training Days per employee per year	% fulfillment & Days / per employee per year	2	3 Mandays	2.75 Mandays	2.50 Mandays	2.25 Mandays	< 2.25 Mandays	Certificate by Director(F)
b)	Rationalisation of manpower as on 01.04.15	%	3	4%	3%	2%	1%	< 1%	Certificate by Director(F)

Sl. No.	Evaluation Criteria	Unit	Weight	MOU Target					Documentary Evidence and source/origin of documents
				Excellent (5)	Very Good (4)	Good (3)	Fair (2)	Poor (1)	
3	Sector Specific Parameter/ Enterprise specific parameter								
a)	Procurement of iron ore fines from Overseas source	in lactons	1	2.00	1.90	1.80	1.70	1.60	Certificate by Director(C)
b)	Overall reduction in cost of production over previous year	%	2	5	4	3	2	1	Certificate by Director (P&P)
c)	% of Loss of Mandays on account of accidents in Plant at Mangalore (Total Mandays 938 x 100 = 93800 Mandays)	%	1	0.04	0.05	0.06	0.07	0.08	Report submitted to Factory Inspector about accident occurred during the month/year.
d)	Increase in share of electric energy consumption from alternate economical sources (Energy Exchange)	%	1	8	6	4	2	0	Certificate by Director(P&P)
Sub-total (2+3)			50						
Total (1+2+3)			100						



Assumptions:

1. It is assumed that the raw material for production of Pellets will be procured from outside sources.
2. M/s NMDC will ear-mark and supply major quantity of Iron Ore Fines required for Pellet Plant.
3. The Railways will allot the required number of rakes for movement of raw materials for the Pellet Plant.
4. Adequate quantity of water is available for the entire operations at Mangalore.
5. Net Worth as on 01.04.2016 estimated used for calculations under different columns of performance matrix is (in ₹ Crores) – **Excellent ₹ 2192.22, Very Good ₹ 2187.68, Good ₹ 2183.27**, Fair ₹ 2178.98, Poor ₹ 2174.81.
6. Absolute value of Net Block under different columns of performance matrix as on 01.04.2016 is ₹ 226.65 Crores has been estimated and used for calculation.
7. Absolute value of Gross Profit under different columns of performance matrix is (in ₹ Crores) – **Excellent ₹ 129.49, Very Good ₹ 120.47, Good ₹ 111.68**, Fair ₹ 103.14, Poor ₹ 94.85
8. Absolute value of Net Profit (after Tax and before Dividend) under different columns of performance matrix is (in ₹ Crores) – **Excellent ₹ 58.55, Very Good ₹ 52.58, Good ₹ 46.77**, Fair ₹ 41.13, Poor ₹ 35.65.
9. It is assumed to dispatch a total quantity of 1.800 million tons of Pellets, out of 1.800 million tons, 1.000 million tons assumed to be export sale and 0.800 million tons in domestic market.
10. The Net Sales Realisation (NSR) is assumed on an average @ ₹ 7750/T for domestic sales and ₹ 8500/T for export sales.
11. It is assumed that total employee as on 01.04.2015 will be 938.



KUDREMUKH

ANNEXURE A

CAPITAL BUDGET 2014-15 (REVISED) AND BUDGET ESTIMATE FOR 2015-16

(₹ in Crores)

Sl. No.	Name of the Scheme	Estimated Project Cost	Budget Estimate 2014-15	Revised Estimate 2014-15	Budget Estimate 2015-16
A	Continuing Projects				
1.	Coke Oven Plant including CPP	452.00	-	-	1.00
2.	Development of Permanent Railway siding at Mangalore	130.00	1.00	1.00	1.00
3.	Construction of Bulk Material handling facility	173.00	1.00	1.00	1.00
4.	Development of Chicknayakanhalli & other mines	200.00	3.00	-	1.00
5.	Development of Ramandurg mines	900.00	-	-	-
	Total (A)		5.00	2.00	4.00
B	New Projects				
1.	Eco-tourism Development at Kudremukh	243.00	1.00	-	2.00
2.	Activities relating to scouting etc. and development of mineral deposit including coal under suitable mechanism for commercial exploitation in India	9.00	-	-	1.00
3.	Activities relating to scouting etc. and development of mineral deposit including coal under suitable mechanism for commercial exploitation abroad	22.00	-	-	1.00
4.	Setting up of 2 MTPA Pellet Plant and matching capacity beneficiation plant through JV with SAIL, NMDC, OMDC, RINL etc.	-	-	-	1.00
5.	Setting up of E-Commerce facility	1.00	-	-	1.00
6.	Setting up of Solar Power plants in India	18.00	-	-	1.00
7.	Development of Ananthapuramu plant & setting up of Pelletisation and Beneficiation Plant at Ananthapuramu	-	30.00	1.00	5.00
8.	Setting up of R&D and Training Centre at Obhadenahalli Industrial Area, Doddaballapura, Bangalore Rural Dist	26.00	-	6.50	5.00
9.	Setting up of 2 MTPA Pellet Plant on BOO basis at Bokaro Steel Plant of M/s SAIL	1,000.00	-	1.00	1.00
	Total (B)		31.00	8.50	18.00



ANNEXURE A

CAPITAL BUDGET 2014-15 (REVISED) AND BUDGET ESTIMATE FOR 2015-16

(₹ in Crores)

Sl. No.	Name of the Scheme	Estimated Project Cost	Budget Estimate 2014-15	Revised Estimate 2014-15	Budget Estimate 2015-16
C	Additions, Modifications & Replacement				
1.	Separate Coke Grinding System	10.00	4.00	-	-
2.	Bucket Wheel for reclaimer	3.00	3.00	-	-
3.	Main receiving transformer – 2 Nos.	2.00	2.00	-	-
4.	Truck Tippler	2.00	2.00	-	-
5.	Miscellaneous	15.00	2.00	2.00	3.50
	Total (C)		13.00	2.00	3.50
D	R&D, Feasibility studies & Consultancy		1.00	0.50	1.50
	TOTAL (A + B + C + D)		50.00	13.00	27.00

Annexure - B

Sl. No.	Evaluation Criteria	Unit	MoU Target					Documentary Evidence and source/ origin of documents
			Excellent (5)	Very Good (4)	Good (3)	Fair (2)	Poor (1)	
(i) Corporate Social Responsibility & Sustainability								
a)	Sponsor of Cataract Surgery to Poor/ Orphans in the State of Karnataka.	No. of Beneficiary	100	90	80	70	60	CSR Report / Annual Report
b)	Construction of Toilets in educational institution under "Swacch Bharat Abhiyan" and conducting Awareness programme towards promoting of usage of toilets in the school. Extending financial assistance for Maintenance Contracts for regular maintenance of facilities, supply of cleaning materials, consumables like soap, disinfectants, brooms, brushes, buckets etc.	Date of Completion	30.04.2015	31.05.2015	30.06.2015	31.07.2015	14.08.2015	CSR Report / Annual Report
c)	Construction of School Building for Dakshina Kannada Zilla Panchayat Lower Primary School, Tanneerbavi, Panambur, Mangalore.	Date of Completion	15.01.2016	30.01.2016	15.02.2016	02.03.2016	17.03.2016	CSR Report / Annual Report

Annexure-C**Calculation of Gross operation margin of Pellet Plant in
MoU 2015-16 "Good" Target**

(Rs. In Lakhs)

Description	Target "GOOD"	Rs./ Ton
Total Quantity to be dispatched	18,00,000	
Gross sales	1,63,634.00	9090.78
Less: Excise Duty (on DTA sales)	12,384.00	688.00
Less: Export Duty	4,250.00	236.11
Total Sales (A)	1,47,000.00	8166.67
Less:		
Selling expenses	1,418.94	78.83
Net Sales	1,45,581.06	8087.84
Operating expenses – Variable Cost		
Raw Material - Iron Ore	1,07,040.00	5946.67
Limestone & Burnt Lime	904.50	50.25
Bentonite	529.20	29.40
Coke Fines	3,060.00	170.00
Furnace Oil	12,312.00	684.00
Power Charges	7,254.00	403.00
Stores and Spares	810.00	45.00
Total Variable Cost:	1,31,909.70	7328.32
Fixed Expenses		
Power Charges	600.00	33.33
Stores and Spares	720.00	40.00
Salaries & Wages	7,000.00	388.89
Repair and Maintenance – PP	600.00	33.33
Rent, Rates, Taxes & Insc.	900.00	50.00
Misc expenses	708.00	39.33
Total Fixed Costs	10,528.00	584.89
Total operating expenses (A+B)	1,42,437.70	7913.21
Gross Margin	3,143.36	

Documentary evidence: Cost sheet of Pellet Plant Unit duly certified by Director(Finance) and authenticated by Auditor of the Company.

PART - IV



FACILITATION/ASSISTANCE FROM THE GOVERNMENT

To assist the Company in regard to:

- ❖ Support from MoS for resolving boundary dispute at Karnataka Government level and for getting the forest clearance from State Government and Ministry of Environment & Forest for Iron ore Mines allocated to them in Tumkur District.
- ❖ Support from MoS for obtaining major quantity & quality of Iron Ore Fines from M/s NMDC Limited for Pellet Plant operation.
- ❖ Support for allotment of required number of rakes by Railways for movement of raw material for the Pellet Plant.
- ❖ Facilitation from MoS for obtaining permission to draw water from Lakya Dam and pump through existing arrangement to Mangalore.
- ❖ To take timely action for filling up Non-official Directors on the Board of KIOCL by 31.12.2015.

by taking up the matter with the appropriate Ministries/ Departments of the Government of India/Karnataka, wherever necessary.

PART - V



ACTION PLAN FOR IMPLEMENTATION AND MONITORING OF THE MOU

ACTION PLAN FOR IMPLEMENTATION OF THE MOU

- The Company has drawn-up monthly production plan for Pellets. Every effort will be made to adhere to this plan.
- The Company has also prepared shipment plan in consultation with the offshore/domestic buyers for dispatch of Pellets. Efforts will be made to ensure production of required quality and quantity to meet the dispatch plan. The Company will be in touch with buyers regularly to ensure timely nomination of ships.
- Every effort will be made for conservation of energy to adhere to the Targets.
- The company is making lot of efforts in the area of maintaining pollution free environment and preservation of ecology. These efforts will be intensified.
- The Company has drawn up short & long term action plans for its future operations. Actual implementation of these plans will largely depend on extraneous factors and assistance from the State Government and the Administrative Ministry. Notwithstanding this, the Company will put in vigorous efforts to make these plans a reality.
- Due to non-availability of Captive Mines with KIOCL since 01.01.2006, the Pellet Plant at Mangalore is now being run from Iron Ore sourced from NMDC and from other sources. In order to achieve the production target of the Pellet Plant, it is necessary to procure Ore from outside source. The Company is planning to procure Iron Ore Fines from M/s NMDC and from other sources for Pellet Plant operation. This has to materialize in order to achieve the targeted production of 2.00 million tones of Pellets at "Excellent" level.

MONITORING OF THE MOU



- The Performance Evaluation against MoU parameters shall be carried out every month and monitored by the functional Directors and CMD.
- The Performance Evaluation shall be submitted to the Board on quarterly basis during the Board meetings for information.
- The joint review by KIOCL Limited and Ministry of Steel shall be carried out at the end of each quarter in Quarterly Performance Review Meetings.

Secretary to the Govt. of India
Ministry of Steel

Chairman-cum-Managing Director
KIOCL Limited

New Delhi, dated: 30th March, 2015

Foot Note :



- a) All internal documents would be signed by at least by functional Director of Board.

- b) There would be negative marking for non compliance of Corporate Governance principles, non-compliance of guidelines relating to the percentage fixed for procurement from MSME, non-Compliance of DPE guidelines and CSR provisions as per Companies Act and other non-compliance of any directives of Government including submission of data for Public Enterprises (PE) survey and MOSPI data updating.


Authorised Signatory

Self declaration/Certification by CPSE



It is hereby certified that the targets and actual achievements in respect of financial parameters have been worked out as per MoU Guidelines by adopting the norms and definitions laid down in MoU Guidelines for the year 2015-16. In case, any deviation is found at the time of appraisal of performance, DPE is free to evaluate as per MoU Guidelines. CPSE has no right of claim in this regard.

Authorised Signatory



Self-declaration for compliance of Directives of Government & Regulations

It is hereby certified that the CPSE has complied all the directives of Government and requirement of regulators. In case, any deviation is found at the time of appraisal of performance, DPE is free to evaluate as per Guidelines, directives issued by the Government/regulators. CPSE has no right of claim in this regard.


Authorised Signatory

TREND OF CPSE'S PERFORMANCE ON FINANCIAL PARAMETERS FOR THE LAST FIVE YEARS ALONGWITH PROJECTION OF NEXT TWO YEARS														Appendix-I						
Sl. No.	Particulars	Unit	2010-11		2011-12		2012-13		2013-14		2014-15		2015-16		2016-17		2017-18		Latest Benchmarking Details available	
			MoU Targets - Good	Actuals	MoU Targets - Good	Actuals	MoU Targets - Good	Actuals	MoU Targets - Good	Actuals	MoU Targets - Good	Actuals	Projected for 31.3.2015	Projected	Projected	Projected	Projected			
1	2	3	4	5	6	7	8	9	10	11	12									
	Capacity Utilisation																			
	Pellets	% age	79	61	86	49	71	36	49	51	29	51	54	57						
	Pig Iron	% age		-		-														
	Production (in Qty)																			
	Pellets	Mli. tonnes	2.780	2.124	3.000	1.710	2.500	1.265	1.700	1.800	1.000	1.800	1.900	2.000						
	Pig Iron	Mli. tonnes	0.100	-	-	-	-	-	-	-	-	-	-	-						
	Production (in Cr)																			
	Pellets	Rs. crore	1,530.20	1,780.59	2,643.98	1,506.48	2,319.08	1,174.08	1,450.98	1,704.24	917.61	1,636.34	1,727.45	1,818.57						
	Pig Iron	Rs. crore	229.94	-	125.12	-	-	-	-	-	-	-	-	-						
	Profit & Loss Items																			
	Sales Turnover	Rs. crore	1,674.24	1,676.56	2,597.44	1,389.29	2,187.50	976.29	1,275.00	1,557.00	796.68	1,470.00	1,549.02	1,630.16						
	Interest and other income	Rs. crore	56.00	117.79	70.00	171.33	97.00	205.18	138.00	155.00	200.23	168.57	168.57	168.57						
	Gross operating Margin Rate	% age		7.93%		4.76%	7.77%	3.64%	0.39%	2.00%	-0.23%	2.14%	2.60%	3.02%						
	Gross operating Margin	Rs. crore		132.95		66.08	170.00	35.50	4.96	31.14	(1.82)	31.43	40.22	49.24						
	Earnings before Interest, Taxes, Depreciation and amortization (EBITDA)	Rs. crore	66.38	162.61	108.46	162.92	162.30	75.56	72.55	107.83	86.60	111.68	120.47	129.50						
	Depreciation & DRE	Rs. crore	34.90	37.07	33.61	36.15	34.20	43.22	34.31	42.58	40.92	40.92	40.92	40.92						
	Earnings before Interest and Taxes (EBIT)	Rs. crore	31.48	125.54	74.85	126.77	128.10	32.34	38.25	70.76	45.68	70.76	79.55	88.58						
	Interest Expenses	Rs. crore	-	-	-	-	-	-	-	-	-	-	-	-						
	Prior period Expenses	Rs. crore	-	25.59	-	11.38	-	-	-	-	-	-	-	-						
	Extra ordinary items	Rs. crore	-	-	-	-	-	-	-	-	-	-	-	-						
	Any other expenses	Rs. crore	-	-	-	-	-	-	-	9.36	-	-	-	-						
	Profit before Tax	Rs. crore	31.48	99.95	74.85	115.39	128.10	32.34	38.25	61.40	45.68	70.76	79.55	88.58						

TREND OF CPSE'S PERFORMANCE ON FINANCIAL PARAMETERS FOR THE LAST FIVE YEARS ALONGWITH PROJECTION OF NEXT TWO YEARS													Appendix-I						
Sl. No.	Particulars	Unit	2010-11		2011-12		2012-13		2013-14		2014-15		2015-16		2016-17		2017-18		Latest Benchmarking Details available
			MoU Targets - Good	Actuals	MoU Targets - Good	Actuals	MoU Targets - Good	Actuals	MoU Targets - Good	Actuals	MoU Targets - Good	Actuals	Projected for 31.3.2015	Projected	Projected	Projected	Projected	Projected	
1	2	3	4		5		6		7		8		9		10		11		12
	Tax	Rs. crore	10.70	23.68	24.86	21.09	42.55	1.29	12.70	21.46	21.67	15.17	23.99	26.97	30.03				
	Profit after Tax	Rs. crore	20.78	76.27	49.99	94.30	85.55	31.05	25.54	39.94	43.58	30.51	46.77	52.58	58.55				
	Dividend paid	Rs. crore	-	18.50	11.54	22.20	19.95	7.42	5.94	9.65	10.13	7.32	11.22	12.62	14.05				
	Profit transferred to statutory reserves	Rs. crore	-	-	-	-	-	-	-	-	-	-	-	-	-				
	Any other item	Rs. crore	-	-	-	-	-	-	-	-	-	-	-	-	-				
	Profit transferred to Balance sheet	Rs. crore	20.78	57.77	38.44	72.10	65.60	23.63	19.61	30.29	33.45	23.19	35.55	39.96	44.50				
	Balance Sheet items																		
	Gross block	Rs. crore	1,506.64	1,538.10	1,598.12	1,625.03	1,671.93	1,641.17	1,291.79	1,221.29	1,229.36	1,229.79	1,234.79	1,234.79	1,234.79	1,234.79	1,234.79	1,234.79	1,234.79
	Less: Depreciation	Rs. crore	1,214.66	1,223.32	1,241.66	1,266.55	1,299.14	1,308.28	910.84	926.30	969.33	967.22	1,008.14	1,008.14	1,008.14	1,008.14	1,008.14	1,008.14	1,008.14
	Net block	Rs. crore	291.98	314.78	356.46	358.48	372.79	332.89	380.95	294.99	260.03	262.57	226.65	226.65	226.65	226.65	226.65	226.65	226.65
	Share Capital	Rs. crore	634.51	634.51	634.51	634.51	634.51	634.51	634.51	634.51	634.51	634.51	634.51	634.51	634.51	634.51	634.51	634.51	634.51
	Reserve & surplus	Rs. crore	1,254.01	1,364.00	1,371.67	1,436.11	1,491.70	1,459.73	1,626.40	1,489.93	1,517.46	1,513.21	1,548.76	1,553.17	1,557.70				
	Less: Capital Reserve	Rs. crore	-	0.09	0.09	-	-	0.09	-	0.09	-	-	-	-	-				
	Less: Deferred Revenue Expenditure/pre-acquisition loss	Rs. crore	-	-	-	-	-	-	-	-	-	-	-	-	-				
	Less: Profit & Loss A/c (Loss figure)	Rs. crore	-	-	-	-	-	-	-	-	-	-	-	-	-				
	Net worth	Rs. crore	1,888.52	1,998.42	2,006.09	2,070.62	2,126.22	2,094.15	2,260.91	2,124.35	2,151.97	2,147.72	2,183.27	2,187.68	2,192.21				
	Investments	Rs. crore	-	-	-	-	-	-	-	-	-	-	-	-	-				
	Total Current Assets	Rs. crore	1,697.93	1,936.60	2,108.13	1,965.02	1,853.15	2,019.85	2,022.09	2,242.45	2,034.41	2,233.40	2,342.38	2,359.12	2,375.70				
	Total Current Liabilities & provision	Rs. crore	114.81	328.40	488.54	293.23	241.41	155.06	226.40	284.86	151.30	256.22	311.74	318.78	325.30				
	Net current assets	Rs. crore	1,583.12	1,608.20	1,619.59	1,671.79	1,611.74	1,864.79	1,795.69	1,957.59	1,883.11	1,977.18	2,030.64	2,040.34	2,050.40				
	Capital employed (Net block+Net CA)	Rs. crore	1,875.10	1,922.98	1,976.05	2,030.27	1,984.53	2,197.68	2,252.58	2,252.58	2,143.14	2,239.75	2,266.99	2,266.99	2,277.05				

TREND OF CPSE'S PERFORMANCE ON FINANCIAL PARAMETERS FOR THE LAST FIVE YEARS ALONGWITH PROJECTION OF NEXT TWO YEARS														Appendix-I					
Sl. No.	Particulars	Unit	2010-11		2011-12		2012-13		2013-14		2014-15		2015-16		2016-17		2017-18		Latest Bench-marking Details available
			MoU Targets - Good	Actuals	MoU Targets - Good	Actuals	MoU Targets - Good	Actuals	MoU Targets - Good	Actuals	MoU Targets - Good	Actuals	MoU Targets - Good	Actuals	Projected for 31.3.2015	Projected	Projected	Projected	
1	2	3	4		5		6		7		8		9		10		11		12
	Total Debt (Loan funds)	Rs. crore	-	-	-	-	100.00	-	-	-	-	-	-	-	-	-	-	-	-
	Total Assets (net block+net CA+Loan funds)	Rs. crore	1,875.10	1,922.98	1,976.05	2,030.27	2,084.53	2,197.68	2,176.64	2,252.58	2,143.14	2,239.75	2,257.29	2,266.99	2,277.05				
	No. of employees of CPSE	Nos	1500	1347	1400	1319	1379	1251	1213	957	953	948	938	924	897				
	RATIO																		
	PAT/Net worth	% age	1.10	3.82	2.49	4.55	4.02	1.48	1.13	1.88	2.03	1.42	2.14	2.40	2.67				
	EBITDA/Net block	% age	22.73	51.66	30.43	45.45	43.54	22.70	19.05	38.33	41.47	32.98	49.27	53.15	57.14				
	EBIT/Average capital employed	% age								2.76		2.03	3.15	3.52	3.90				
	PAT per employee	Rs. lacs	1.39	5.66	3.57	7.15	6.20	2.48	2.11	4.17	4.57	3.22	4.99	5.61	6.29				
	Current Ratio	% age	14.79	5.90	4.32	6.70	7.68	13.03	8.93	7.87	13.45	8.72	7.51	7.40	7.30				
	Debt Service coverage ratio		-	-	-	-	-	-	-	-	-	-	-	-	-				
	Operating Cash flow	Rs. crore	1,443.83	1,464.54	1,322.41	1,415.77	1,450.84	1,715.81	1,649.33	1,750.02	1,770.01	1,770.01	1,770.01	1,770.01	1,770.01				
	Average No. days of inventory	No of days					60.00	120.00	95.00	81	75	126	91	89	87				
	Inventory turnover ratio	% age					6.12	3.04	3.86	4.04	5.03	4.99							
	Average collection period of Trade receivables	No of days																	
	Debtors Turnover ratio	% age																	
	Loans sanctioned	Rs. crore	-	-	-	-	-	-	-	-	-	-	-	-	-				
	Disbursements	Rs. crore	-	-	-	-	-	-	-	-	-	-	-	-	-				
	NPA/Loan Assets	% age	-	-	-	-	-	-	-	-	-	-	-	-	-				
	Average cost of funds	% age	-	-	-	-	-	-	-	-	-	-	-	-	-				

TREND OF PERFORMANCE OF NON-FINANCIAL PARAMETERS FOR LAST TWO YEARS ALONGWITH EXPECTED ACHIEVEMENTS IN THE NEXT TWO YEARS											APPENDIX-II	
Objective	Action	Criterion	Unit	Actual value for FY 2010-11	Actual value for FY 2011-12	Actual value for FY 2012-13	Actual value for FY 2013-14	MoU targets for FY 2014-15 (Good)	Projected as on 31.03.2015	Target value for FY 2015-16	Projected value for FY 2016-17	Projected value for FY 2017-18
Corporate Social Responsibility & Sustainability												
1(i) The degree of involvement of the number of employees & the top management in internalizing the CSR and Sustainability agenda within the Organization.			No. of Employees					80				
2. Projects undertaken for CSR & SD								Yes				
a) Assistance for pure drinking water facilities to Anganawadi centers in Ananthapur District, AP. Allocation of ₹ 65 Lakhs			Rupees					₹ 65 Lakhs				
b) Development of Tree Park for the conservation of rare and endangered plant species of Western Ghats at Plikula, Mangalore. Allocation of ₹ 16.67 Lakhs			No. of Saplings					2,000.00				
c) Peripheral development in the surrounding areas where the neighboring people are grossly affected. Allocation of ₹ 48 Lakhs			Rupees					₹ 48 Lakhs				
3. The effectiveness of the two tier organizational structure in the process of planning, implementing and monitoring the CSR activities												
(a) Existence of 2 - Tier Committee								Yes				
(b) Meetings held by the Board Level Committee			No. of meeting					2	4			
Research & Development												
1 a) R&D expenses as a % of PAT			% of PAT					0.50				
2.1 Indegenization of Control System of Roller Press at Pellet Plant for improving the blain number of Pellet feed material			Date					31.01.15				
2.2 Study of recovery of heat from flue gases of indurating machine for preheating of furnace oil			Date					31.01.15				
2.3 Feasibility study of secondary grinding of IOF for improving the through put of grinding system			Date					31.01.15				
Initiatives for Growth												
a) Production - Pellets			in Million Tonnes	2.124	1.710	1.265	1.710	1.80	1.00			
b) Formulation of Corporate Plan-2022 & establishment for implementation & monitoring system of Corporate Plan			Date of completion					31.01.15				
c) Overall reduction in cost of production over previous year			%age					3				
Project Management & Implementation												
a) Undertaking exploration of PL area jointly with APMDC in Ananthapur District, AP			Date					31.01.15				
b) CAPEX (Targets in financial terms to be achieved in financial year)			Rs. In Crores					30				
Productivity and internal processes												
a) Increase in filtration rate (TPH) at Filter Plant (compared to rate achieved during 2013-14)			Ton/hour					5%				
b) Engagement of Independent Market Research agency to evaluate our domestic & international market share as also for suggesting strategy for improving market share of Pellets			Date					31.01.15				

TREND OF PERFORMANCE OF NON-FINANCIAL PARAMETERS FOR LAST TWO YEARS ALONGWITH EXPECTED ACHIEVEMENTS IN THE NEXT TWO YEARS											APPENDIX-II	
Objective	Action	Criterion	Unit	Actual value for FY 2010-11	Actual value for FY 2011-12	Actual value for FY 2012-13	Actual value for FY 2013-14	MoU targets for FY 2014-15 (Good)	Projected value as on 31.03.2015	Target value for FY 2015-16	Projected value for FY 2016-17	Projected value for FY 2017-18
Human Resource Management												
1. Assessment center for gradation of employees for succession planning.												
Award of work for appointment of outside expert consultant			Yes/No					Aug-14				
50% of DGMs, GMs, EDs by 2014-15 & balance in 2015-16			%					30%				
50% of Middle level (below DGM and above Managers) by 2014-15 and balance 50% in 2015-16			%					30%				
2. Training of employees:												
CEO's, Directors, EDs/GM on leadership, corporate governance and strategy & risk management - 50% to be trained in 2014-15.			%					30%				
Senior Managers, Middle Managers & lower management as per functional requirement - 50% in 2014-15 and balance in 2015-16.			%					30%				
Workers-skill development-25% in 2014-15 & 25% in 2015-16.			%					15%				
3. Motivation to employees-												
Award of work for appointment of outside expert consultant for survey of motivation and ways to enhance motivation of the employees			Date/ Month					Aug-14				
Draft report			Date/ Month					15.02.15				
4. Development of Service Charter for welfare of employees												
Constitution of High Level Committee comprising of CMD, D (F), GM(HR) and one representative from Recognised union to review the welfare measures of employees			Date/ Month					Aug-14				
Meetings held by the High level committee			No. of meeting					3				
5. Image Building												
Award of work for appointment of outside expert consultant to identify ways to improve image			Date/ Month					Aug-14				
Draft report			Date/ Month					15.02.15				
6. MOU between Functional Directors with EDs/ GM's under them.			Month					Jun-14				
7. Appointment of outside expert consultant on Talent management studies/Change Management												
Award of work for appointment of outside expert consultant on Talent management studies/ change management			Date/ Month					Aug-14				
Draft report			Date/ Month					15.02.15				
8. HR Audit by outside expert												
Head office			Date/ Month					Jan-15				
Regional Office			Date/ Month					Dec-14				
Sub regional offices			Date/ Month					Nov-14				
9. Cost reduction measures												
Reduction of Administrative expenditure (Base 2013-14)			%					3				
Sector specific parameter/ Enterprise Specific parameter												
Procurement of iron ore fines other than NMDC LTA			% of total procurement of IOF					10				
Specific consumption of Furnace oil			KL/per ton					16				
Energy consumption per ton of Pellets inclusive of grinding, filtration and pelletisation			kwh					62				
Usage of Anthracite coal as an alternative to coke fines in Pellet making for reducing the cost of production			%					30				

