



MEMORANDUM OF UNDERSTANDING

Between

NMDC LIMITED

and

**MINISTRY OF STEEL,
GOVERNMENT OF INDIA**

for

2012-2013

INDEX

	Page No.
I MISSION AND OBJECTIVES	1
II EXERCISE OF ENHANCED AUTONOMY AND DELEGATION OF FINANCIAL POWERS.	2
III PERFORMANCE EVALUATION PARAMETERS AND TARGETS	3 - 20
IV FACILITATION/ASSISTANCE FROM THE GOVT.	21 - 22
V ACTION PLAN FOR IMPLEMENTATION AND MONITORING OF THE MOU	23
VI GLOSSARY OF TERMS	24

I. MISSION AND OBJECTIVES

1. Mission

To emerge as a global Environment friendly Mining Organisation with International standards of excellence, rendering optimum satisfaction to all its stake holders.

2. Objectives

2.1 Macro Objectives

2.1.1. To expand the operations in the areas of Mining and Mineral Processing to meet the growing demands from domestic and international Markets.

2.1.2 Achieve international standards in per capita productivity, value addition and cost effectiveness.

2.1.3 To increase the production of Iron Ore from the present level of around 25 Million Tonnes to 40 Million Tonnes by 2014-2015.

2.1.4 Setting up of Steel Plant at Nagarnar.

2.2 Micro Objectives

2.2.1 Achieve growth by:

(a) Expansion of existing mines

(b) Operating new mines fully owned by NMDC or in Joint Venture.

2.2.2 Give thrust to exploration and exploitation of coal, gold and other minerals.

2.2.3 To maintain environment protection.

2.2.4 To conserve mineral resources through scientific mining.

2.2.5 To maintain high level of customer satisfaction.

2.2.6 To improve the quality of life of people in general and socio economic environment in and around the mines in particular.

II. EXERCISE OF ENHANCED AUTONOMY AND DELEGATION OF FINANCIAL POWERS

All the powers which are admissible to a Navratna MOU signing company are already available to the Company.

In addition to above, any other delegation of powers needed will be taken up separately by NMDC with Ministry of Steel.

III. PERFORMANCE EVALUATION PARAMETERS AND TARGETS

2012-13

In fulfillment of its obligations under the MOU, NMDC undertakes to achieve certain levels of performance for the year 2012-2013. The performance will be evaluated using the criteria listed at Annexure I, IA, IA(a), IB, IC, ID, ID(a), ID(b), IE, IF, IF(a), IF(b) & IG to this chapter. The weights to be attached to each criterion and the criterion values corresponding to different performance ratings are also given therein.

NMDC LIMITED

III. PERFORMANCE EVALUATION PARAMETERS AND TARGETS 2012-13

Sl. No.	Criteria	Unit	Weightage	Criterion Value					Documentary evidence and source / origin of documents
				1 Excellent	2 V.Good	3 Good	4 Fair	5 Poor	
1.	STATIC FINANCIAL PARAMETERS								
1.1	<u>Financial Performance Indicators</u>								
1.1.1	Gross Margin/Gross Block	%	2	304	298	283	269	255	Annual Report
1.1.2	Net Profit/Net Worth	%	10	22	21	20	19	18	Annual Report
1.1.3	Gross Profit/Capital Employed	%	10	39	38	37	35	34	Annual Report
1.2	<u>Financial Indicators-Size</u>								
1.2.1	Gross Margin	Rs Crore	8	9481	9302	8831	8378	7948	Annual Report
1.2.2	Gross Sales	Rs Crore	4	10853	10660	10142	9632	9156	Annual Report
1.3	<u>Financial Returns</u>								
1.3.1	PBDIT/Total Employment	Rs Lakhs	7	152	149	141	134	127	Annual Report
1.3.2	Added Value to Gross Sales	%	9	66	65	64	63	62	Annual Report
	Sub Total		50						

Assumptions :

- (1) Average Sales realisation per tonne of Iron ore - Rs 4010
 (2) Present installed capacity - 32 million tonnes (Effective capacity limited to evacuation capability)
 (3) Capacity addition - Nil

III. PERFORMANCE EVALUATION PARAMETERS AND TARGETS 2012-13 (Contd..)

Sl. No.	Criteria	Unit	Weightage	Criterion Value					Documentary evidence and source / origin of documents
				1 Excellent	2 V.Good	3 Good	4 Fair	5 Poor	
2	DYNAMIC PARAMETERS								
2.1	Quality - Compliance with specifications	%	0.5	98	97	94	92	90	Quality Reports (Monthly)
2.2	Customer Satisfaction	%	0.5	95	94	89	85	81	Customer feedback reports (Certified by third party / independent agency)
2.3	Human Resources Management		5	Details as per Annexure-IA & IA(a)					
2.4	R&D Effort		5	Details as per Annexure-IB					
2.5	Project Implementation		9	Details as per Annexure-IC					
2.6	Energy Consumption - Iron Ore	KWH/T.Excavn.	0.5	1.95	2.00	2.05	2.10	2.15	Energy consumption statements(Monthly)
2.7	Inventory holdings as % of inventory Consumption	%	0.5	43	45	47	49	51	Annual Report
2.8	Grading / score of CPSE on the basis of compliance with the guidelines on Corporate Governance issued by DPE	%	5	85 & above	75 - 84	60 - 74	50 - 59	below 50	Quarterly reports submitted to MOS
2.9	Compliance of Guidelines issued by DPE		5	Details as per Annexure-IG					
2.10	Submission of data for PE Survey		1	15.09.12	01.10.12	15.10.12	31.10.12	After 31.10.12	Acknowledgement received from DPE
	Sub Total		32						

III. PERFORMANCE EVALUATION PARAMETERS AND TARGETS 2012-13 (Contd..)

Sl. No.	Criteria	Unit	Weightage	Criterion Value					Documentary evidence and source / origin of documents
				1 Excellent	2 V.Good	3 Good	4 Fair	5 Poor	
3.0	SPECIFIC PARAMETERS								
3.1	<u>Enterprise Specific/Sector Specific</u>								
3.1.1	Mine Hazards - loss of man-days	MDL / 1000 MDW	0.5	1.35	1.50	1.75	2.00	2.25	Directors report in Annual Report
3.1.2	Sustainable Development		5	Details as per Annexure-ID, ID(a) & ID(b)					
3.1.3	Pollution Control Measures -								
(i)	Compliance with the National Ambient Air Quality Standards -Air	%	0.5	98	96	90	85	80	Report of external agency
(ii)	Effluent Treatment Plant - Compliance with Water quality discharge standards	%	0.5	98	96	90	85	80	Report of external agency
3.1.4	Corporate Social Responsibility :-								
(i)	Amount to be spent for Corporate Social Responsibility	Rs Cr.	1	33.60	32.00	30.40	28.88	27.44	CSR expenditure statements
(ii)	CSR Projects		4	Details as per Annexure-IF, IF(a) & IF(b)					
3.1.5	Globalisation / New Initiatives		1.5	Details as per Annexure-IE					
3.1.6	Production of Iron ore	LWMT	2	268	264	251	238	226	Annual Report
3.1.7	Sale of Iron ore	LWMT	2	268	264	251	238	226	Annual Report
3.1.8	O.M.S	Tonnes	1	26.00	25.00	24.00	23.00	22.00	Annual Report
	Sub Total		18						
	GRAND TOTAL		100						

NMDC LIMITED
PERFORMANCE PARAMETERS 2012-13
HUMAN RESOURCE MANAGEMENT

Sl.	HRM-PERFORMANCE INDICATORS	Measure- ment Unit	Weigh- tage	Exce- llent	V.Good	Good	Fair	Poor
A	Competency & Leadership Development							
1	a) Employees trained as % of total employees	%	2.5	30.0	27.5	25.0	22.5	20.0
	b) Training mandays per employee per year	Days	2.5	3.0	2.9	2.7	2.6	2.4
2	E-4 to E-9 executives trained under Leadership Development Programmes	No.	5	25	23	21	19	17
3	Training expenditure as % of employee cost	%	5	0.40	0.35	0.30	0.25	0.20
4	No. of persons trained for Multi-skilling/Skill Upgradation of non executives	No.	5	150	140	130	120	110
5	Training interventions in new / advanced technology- No. of employees trained	No.	5	20	18	16	14	12
B	Performance Management							
6	To ensure implementing of Bell Curve Approach in PMS rating	Yes/No	4	Yes	-	-	-	No
7	Linkage of Development Plan of Executives with Performance Mgt. System	Yes/No	3	Yes	-	-	-	No
8	Implementation of PRP linked to PMS	Yes/No	3	Yes	-	-	-	No
C	Recruitment, Retention & Talent Management							
9	Manpower rationalisation							
	(i) Presence of voluntary retirement scheme	Yes/No	2.5	Yes	-	-	-	No
	(ii) Re-deployment - No. of employees transferred from one unit/project to other	No.	2.5	40	38	36	34	32
10	Attrition as % of total employees	%	5	1.2	1.3	1.4	1.5	1.6
11	No. of Mentorship Development Programme (Mentor - Mentee ratio : about 1:3)	No.	5	5	4	3	2	1
12	Sponsoring Sr. Executives for Advanced Management Programme(No. of Exe.)	No.	5	5	4	3	2	1
D	Enabling Creativity & Innovation							
13	No. of nominations/entries submitted for National Awards (PM Shram award, Vishwakarma Rastriya Puraskar etc.,)	No.	5	1	-	-	-	-
14	Number of suggestions generated per 100 employee per year	Nos.	5	15	12	10	8	6
15	Quality Circle projects completed during the year	Nos.	5	15	13	11	9	7

Sl.	HRM-PERFORMANCE INDICATORS	Measure- ment Unit	Weigh- tage	Exce- llent	V.Good	Good	Fair	Poor
E	Employee Relations & Welfare							
16	% of Grievances settled vis-à-vis received during the year	%	4	90	85	80	75	70
17	No. of health awareness prog. (lecture, medical/health checkup camps)	No.	4	20	18	16	14	12
18	Employee satisfaction survey - ESI measure in %	%	4	60	55	50	45	40
19	Presence of social security scheme	Yes/No	4	Yes	-	-	-	No
20	Number of structured meetings with employees' representatives	No.	4	45	42	39	36	33
F	HR Branding & Excellence – Indicate achievement in this field for initiatives such as:							
21	a) Participation in survey conducted by external agencies: Best division to work in NMDC	Date	2.50	15.02.13	28.02.13	10.03.13	20.03.13	31.03.13
	b) Formulation of HR Policy for meeting changing business priorities.	Date	2.50	30.11.12	31.12.12	31.01.13	28.02.13	31.03.13
	c) Benchmarking project undertaken in areas of HR	Date	2.50	30.11.12	31.12.12	31.01.13	28.02.13	31.03.13
	d) Organising culture building programmes	No. of programmes	2.50	1	-	-	-	-
	Grand Total		100					
NB: Total score out of 100 awarded on HRM to CPSE will be converted into score out of 5 in MoU on pro-rata Basis								

NMDC LIMITED
PERFORMANCE PARAMETERS 2012-13
HUMAN RESOURCE MANAGEMENT

Sl.	HRM-PERFORMANCE INDICATORS	Documentary evidence
A	Competency & Leadership Development	
1	a) Employees trained as % of total employees b) Training mandays per employee per year	Monthly statement of all training programmes along with duration, no. of employees trained, type of training etc.
2	E-4 to E-9 executives trained under Leadership Development Programmes	List of E4 to E9 executives trained, with date of training.
3	Training expenditure as % of employee cost	Training expenditure statement.
4	No. of persons trained for Multi-skilling/Skill Upgradation of non executives	Statement as at 1 above.
5	Training interventions in new / advanced technology- No. of employees trained	List of employees covered along with training details
B	Performance Management	
6	To ensure implementing of Bell Curve Approach in PMS rating	Certificate of moderation committee
7	Linkage of Development Plan of Executives with Performance Management System	Performance appraisal formats
8	Implementation of PRP linked to PMS	PRP calculation procedure
C	Recruitment, Retention & Talent Management	
9	Manpower rationalisation	
	(i) Presence of Voluntary Retirement Scheme	Copy of the Scheme
	(ii) Re-deployment - No. of employees transferred from one unit/project to other	List of persons transferred during the year
10	Attrition as % of total employees	List of persons resigned/left during the year
11	No. of Mentorship Development Programme (Mentor - Mentee ratio : about 1:3)	Particulars of the programme
12	Sponsoring Sr. Executives for Advanced Management Programme(No.of Exe.)	List of Executives covered along with training particulars
D	Enabling Creativity & Innovation	
13	No. of nominations/entries submitted for National Awards (PM Shram award, Vishwakarma Rastriya Puraskar)	Letter of nomination
14	Number of suggestions generated per 100 employee per year	List of suggestions received
15	Quality Circle projects completed during the year	List of quality circle projects completed

SI.	HRM-PERFORMANCE INDICATORS	Documentary evidence
E	Employee Relations & Welfare	
16	% of Grievances settled vis-à-vis received during the year	Statement on grievance redressal
17	No. of health awareness programmes (lecture, medical/health checkup camps) conducted	List of programmes conducted along with date, duration, no. of persons attended
18	Employee satisfaction survey - ESI measure in %	Survey report
19	Presence of social security scheme	Particulars of all social security related schemes in NMDC
20	Number of structured meetings with employees' representatives	List of meetings conducted, copies of minutes of meeting
F	HR Branding & Excellence – Indicate achievement in this field for initiatives such as:	
21	a) Participation in survey conducted by external agencies: Best division to work in NMDC	Survey report
	b) Formulation of HR Policy for meeting changing business priorities	Copy of HR policy
	c) Benchmarking project undertaken in areas of HR	Benchmarking project report
	d) Organising culture building programmes	Programme details along with date, duration, no. of persons attended

NMDC LIMITED
PERFORMANCE PARAMETERS 2012-13
RESEARCH & DEVELOPMENT CENTRE

Sl. No.	Criteria	Unit	Weightage	Criterion value					Documentary evidence and source / origin of documents
				1 Excellent	2 V.Good	3 Good	4 Fair	5 Poor	
1	Beneficiation of Low grade Iron ore from Bialadila	Study	0.5	30.11.12	31.12.12	31.01.13	28.02.13	31.03.13	Certificate of external agency/ Research Advisory Committee
2	Evaluation of flow properties of Low grade Iron ores of Bailadila, Bachel complex and functional design of reliable flow storage silos/bunkers and transfers Chutes	Study	0.5	30.11.12	31.12.12	31.01.13	28.02.13	31.03.13	Certificate of external agency/ Research Advisory Committee
3	Development of technology for making of roof Tiles and pavement block from beneficiated lean grade iron ore slimes	Study	0.5	30.11.12	31.12.12	31.01.13	28.02.13	31.03.13	Certificate of external agency/ Research Advisory Committee
4	Process development for extraction of TiO ₂ from kimberlite waste (Rich silica Residue) at lab scale level by Hydrometallurgical route	Study	0.5	30.11.12	31.12.12	31.01.13	28.02.13	31.03.13	Certificate of external agency/ Research Advisory Committee
5	Reduction behaviour of Self Reducing [SR] grade iron ore pellets	Study	0.5	30.11.12	31.12.12	31.01.13	28.02.13	31.03.13	Certificate of external agency/ Research Advisory Committee
6	R&D expenditure	Rs Crore	2.5	69.30	66.00	62.70	59.57	56.59	Annual Report
	Total		5						

NMDC LIMITED
PERFORMANCE PARAMETERS 2012-13
PROJECT IMPLEMENTATION

Sl. No.	Milestone	Weightage	Criterion Value					Documentary evidence and source / origin of documents
			1 Excellent	2 Very Good	3 Good	4 Fair	5 Poor	
1	3 MTPA Steel Plant, Nagarnar							
1.1	Completion of basic engineering for 7 major technological packages.	0.75	31.12.12	15.01.13	31.01.13	28.02.13	31.03.13	Letter of Consultant (MECON)
1.2	Completion of foundation of Blast Furnace Stoves and Blast Furnace Proper & Stock House	0.75	31.12.12	15.01.13	31.01.13	28.02.13	31.03.13	Letter of Consultant (MECON)
1.3	Completion of 20% Piling of Coke Oven battery	0.75	31.12.12	15.01.13	31.01.13	28.02.13	31.03.13	Letter of Consultant (MECON)
1.4	Starting of erection of conveyors gallery work of RMHS package.	0.75	31.12.12	15.01.13	31.01.13	28.02.13	31.03.13	Letter of Consultant (MECON)
2	Pellet Plant, Donimalai - Completion of supplies of main technological equipment(Cooler,Kiln,Grate,Mixer)	0.75	30.11.12	31.12.12	31.01.13	28.02.13	31.03.13	Letter of Pellet Plant Incharge
3	Kumaraswami Iron Ore Project - Completion of major civil works of secondary crusher house and primary crusher house	0.75	31.12.12	31.01.13	28.02.13	15.03.13	31.03.13	Document approved by GM(Projects)
4	Starting of mechanical erection covered under main plant package of BHJ Beneficiation plant at Donimalai	0.75	31.01.13	15.02.13	28.02.13	15.03.13	31.03.13	Letter of BHJ Project Incharge
5	Completion of detailed survey of pipe line route for Slurry pipeline from Kirandul(CG) to Vizag(AP)	0.75	15.01.13	31.01.13	28.02.13	15.03.13	31.03.13	Letter of Pipeline Project Incharge
6	Commissioning of new fine ore conveyor system in Kirandul Complex	0.50	31.10.12	30.11.12	31.12.12	31.01.13	28.02.13	Letter of Project in Charge
7	Up-gradation of existing valley sub-station(11 KV) at Donimalai to 33 KV - Completion of building and receipt of major electrical supplies.	0.50	31.12.12	31.01.13	28.02.13	15.03.13	31.03.13	Letter of Project in Charge
8	Submission of Prospecting License(PL) application to Govt. of MP based on ground geological and geo-physical studies in Pali area in Panna Diamond belt, MP.	0.50	31.10.12	30.11.12	31.12.12	31.01.13	28.02.13	Letter of PL application
9	Exploration: Tikamgarh Diamond RP(MP) - Finalization of Prospective Blocks for Prospecting License application after analysis of sample & field studies	0.50	30.09.12	15.10.12	31.10.12	30.11.12	31.12.12	Report of prioritised PL blocks
10	Capital Expenditure (Rs.Crore)							
	a) Domestic Expenditure	0.50	3455	3415	3244	3081	2934	Annual Report
	b) Foreign Investment	0.50	1200	1185	1126	1069	1016	Annual Report
	Total		4655	4600	4370	4150	3950	
	Total	9.00						

NMDC LIMITED
SUSTAINED DEVELOPMENT PARAMETERS FOR THE YEAR 2012-13

S.No.	Activity	
1	Whether Specific SD Plan and Budget passed by Board or its Designated Committee	Yes/No No. and Date of Board Resolution
	1	2

Table -1

SD Committee details			
Board level Designated Committee Name	Chairman of Board level Designated Committee	Number of regular meetings held	Key decisions during the year
1	2	3	4
Total Score for this Table			0.5
Score allotted by the Task Force			

Table-2

Total SD Expenditure as a percentage of PAT (FY 2011-12)								
Expenditure on SD (Rs. Crore)					Total expenditure (Current FY) (Rs Crore)	PAT (Previous FY) (Rs crore)	Actual Expenditure as % of PAT	
1					2	3	4	
Excell.	V.G	Good	Fair	Poor				
7.00	6.65	6.32	6.00	5.70				
Total Score for this Table							1.0	
Score allotted by the Task Force								

NMDC LIMITED
PERFORMANCE PARAMETERS 2012-13
TABLE-3: SUSTAINABLE DEVELOPMENT

Table 3 Projects Chosen by NMDC												
Sl. No	Schedule A/B	Project/activity	Performance Indicator	Total expenditure on Project / Activity	Durati on S/M/L	Wt.	Target Set					Target Achieved
							Excellent	V.Good	Good	Fair	Poor	
1	2	3	4	5	6	7	8	9	10	11	12	13
1	A	Bio-diversity conservation										
	(i)	Project 1: Bio-diversity risk analysis	No. of projects covered	Rs 0.50 Cr	S	0.25	4	3	2	1	0	
	(ii)	Project 2: Afforestation by indigenous species	Amount spent on afforestation	Rs 1.30 Cr	S	0.25	Rs 1.30 Cr	Rs 1.0 Cr	Rs 0.80 Cr	Rs 0.70 Cr	Rs 0.65 Cr	
2	A	Energy management										
		Energy audit at NMDC Projects	No. of projects covered	Rs 0.50 Cr	S	0.50	4	3	2	1	0	
3	A	Water Management										
		Secondary waste water treatment at Bacheli, Bailadila for recycling of treated water in the process.	Placement of work order	Rs 4.00 Cr	M	0.50	31.12.12	31.01.13	28.02.13	15.03.13	31.03.13	
4	B	Carbon management										
		Voluntary purchase of Renewable Energy Certificates (REC) to offset Carbon foot print	No. of Projects covered	R 0.50 Cr	S	0.50	4	3	2	1	0	
5	B	Training										
		Training to employees / stake holders on SD	No of employees/stake holders, etc covered	Rs 0.30 Cr	S	0.50	400	350	300	250	200	
		Total				2.50						

NMDC LIMITED
SUSTAINED DEVELOPMENT PARAMETERS FOR THE YEAR 2012-13

Table-4

Evaluation of Projects	
No. of projects evaluated by an Independent External Agency/Expert/Consultant, etc.	
Total Score for this Table	0.5
Score allotted by the Task Force	

Table-5

Publication of SD Performance Report		
Activity	Yes/No	Mode of SD Report (If reported, whether a stand-alone SD Report or a part of Annual Report, etc.)
1	2	3
SD performance Report		
Total Score for this Table		0.5
Score allotted by the Task Force		
Total Score of all Tables		5
Total allotted Score for all Tables		

NMDC LIMITED
PERFORMANCE PARAMETERS 2012-13
GLOBALISATION / NEW INITIATIVES FOR ACQUIRING PROPERTIES

Sl. No.	Milestone	Weightage	Criterion Value					Documentary evidence and source / origin of documents
			1 Excellent	2 Very Good	3 Good	4 Fair	5 Poor	
1.0	Renewable/Non-Conventional Energy							
	Submission of proposal to the board for investment in Renewable Energy/Non-Conventional energy	0.25	31.01.13	15.02.13	28.02.13	15.03.13	31.03.13	Document Certified by Company Secretary
2.0	Foreign Properties:							
2.1	Submission of proposal to the Board for acquisition of overseas assets (Iron ore / Coal):							
	a) Asset : 1	0.25	31.01.13	15.02.13	28.02.13	15.03.13	31.03.13	Document Certified by Company Secretary
	b) Asset: 2	0.25	31.01.13	15.02.13	28.02.13	15.03.13	31.03.13	Document Certified by Company Secretary
2.2	Submission of proposal to the Board for acquisition of an overseas mineral asset other than iron ore/coal.	0.25	31.01.13	15.02.13	28.02.13	15.03.13	31.03.13	Document Certified by Company Secretary
3.0	Tanzania (Gold mine) - Finalisation of strategy for development of the mineral deposit and submission to Board	0.25	31.12.12	31.01.13	28.02.13	15.03.13	31.03.13	Document Certified by Company Secretary
4.0	Legacy Iron Ore Mine (Australia) - Acquisition of 60% of tenement interest in Mount Bevan Iron Ore Property	0.25	31.01.13	15.02.13	28.02.13	15.03.13	31.03.13	Document certified by Legacy Company Secretary
	Total	1.50						

NMDC LIMITED
TEMPLATES FOR CSR REVIEW - 2012-13
CORPORATE SOCIAL RESPONSIBILITY
TABLE 1

Sl No.	Name of the Project	Starting Date	Completion Date	Amount Allotted with Year-wise Breakup (Rs. in Lakh)	Date of Completion of Need Assessment/ Baseline Survey & Name of Agency	Name of Implementing Agency and Date of Appointment	Amount spent on Documentation and Dissemination and Name of Agency Appointed	Name of Monitoring Agency	Brief Details of Evaluation Report (Separate Sheet to be Attached)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Integrated Development of 18 villages in Bailadila	April' 12	March' 14	Total - 860 400 (2012-13) 460 (2013-14)	May' 2011/ April' 2008 Shamayitha Math	M/s. Shamayitha Math	-	NMDC	-
2	Construction of Community Centres in 30 villages @ Rs.30.00 lakhs per Centre	April' 12	March' 14	Total - 900 400 (2012-13) 500 (2013-14)	Project Identified by State Government of CG	Authorities of Government of CG	-	NMDC & CG Government	-
3	Construction of By-Pass Road for Jagdalpur (Marenga Village on NH 16 to Adwal Village on NH 43)	April' 11	March' 14	Total - 3586 1000 (2011-12) 900 (2012-13) 1686 (2013-14)	Project Identified by State Government of CG	Authorities of Government of CG	-	NMDC & CG Government	-
4	Establishment of Residential Public School of Tribal Children at Kanker	Dec' 11	March' 13	Total - 3711 1100 (2012-13) 2611 (2013-14)	Human development Indices maintained by Government Agency	KISS 23.06.2011	-	NMDC	-
5	Construction of Gaurav Path-4 way lane Road in Dantewada over a stretch of 6 KM	April' 12	March' 14	Total - 1300 560 (2012-13) 740 (2013-14)	Project Identified by State Government of CG	Authorities of Government of CG	-	NMDC & CG Government	-

NMDC LIMITED
EVALUATION PARAMETERS OF CSR PROJECTS - 2012-13

Sl No.	Name of the Project	Unit	Weightage	Criterion Value (Expenditure in Rs. Lakhs)				
				1	2	3	4	5
				Excellent	Very Good	Good	Fair	Poor
1	Integrated Development of 18 villages in Bailadila	Rs Lakhs	0.80	400	380	361	343	326
2	Construction of Community Centres in 30 villages @ Rs. 30.00 lakhs per Centre	Rs Lakhs	0.80	400	380	361	343	326
3	Construction of By-Pass Road for Jagdalpur (Marenga Village on NH 16 to Adwal Village on NH 43)	Rs Lakhs	0.80	900	855	812	771	732
4	Establishment of Residential Public School for Tribal Children at Kanker	Rs Lakhs	0.80	1100	1045	993	943	896
5	Construction of Gaurav Path-4 way lane Road in Dantewada over a stretch of 6 KM	Rs Lakhs	0.80	560	540	513	488	464
	Total		4	3360	3200	3040	2888	2744

NMDC LIMITED
PERFORMANCE PARAMETERS 2012-13
COPORATE SOCIAL RESPONSIBILITY

Annexure-IF(b)

TABLE-2: FORMAT FOR LIST OF ALL PROJECTS/ACTIVITIES REPORTED TO TISS HUB

Sl.No. (1)	Name of the CSR Project/Activity (2)	Date of Reporting of details to TISS Data base (3)	Date of Acceptance conveyed by TISS (4)

TABLE-3: DETAILS OF CSR EXPENDITURE

Sl.No. (1)	Item (2)	Amount in Crores or percentage (Estimated) (3)
1	PAT for the year under review	Rs 6560 cr. (FY 2011-12 PAT)
2	CSR expenditure	RS 32 cr.
3	CSR expenditure as percentage of PAT	0.5%
4	CSR expenditure as percentage of minimum prescribed	0.5 % of PAT
5	Training expenditure on CSR (to be treated as CSR expenditure)	--
6	Unspent Balance amount of CSR budget rolled over to the following year	--
7	Contribution to CSR HUBB as percentage of CSR Budget	--

NMDC LIMITED
PERFORMANCE PARAMETERS 2012-13
COMPLIANCE OF GUIDELINES ISSUED BY DPE (O.M. dated 20.01.2012)

Sl. No.	Criteria	Wei-ght-age	Criterion value					Documentary evidence and source / origin of documents
			1 Excellent	2 V.Good	3 Good	4 Fair	5 Poor	
1	Issue of Bonus shares - Sending proposal to Administrative Ministry	1	Yes	-	-	-	No	Covering letter sent to Ministry
2	Reservation of SC, ST & OBC in appointment - Compliance of Guidelines	1	Yes	-	-	-	No	Required statement and Self Certification
3	Posting of Deputationists - Compliance of Guidelines	1	Yes	-	-	-	No	Self declaration
4	Implementation of 2007 Pay Revision - Compliance of Guidelines (%)	1	100%	90%	80%	70%	60%	Proforma-I of DPE
5	Switching over from CDA to IDA pattern of pay scales - Compliance of Guidelines (%)	1	100%	75%	50%	25%	0	Proforma-II of DPE
	Total	5						

IV. FACILITATION /ASSISTANCE FROM THE GOVERNMENT

NMDC has made the commitment of Performance Evaluation Targets based on certain assumptions in respect of infrastructural facilities and support from external agencies like Railways, Ports, etc., whose cooperation has a direct bearing on the performance of NMDC committed in this MOU. NMDC shall make every effort to regularly coordinate with these agencies. However, Ministry of Steel may assist NMDC as and when required in the following aspects to improve NMDC's performance: -

1. Rake Supply:

Rakes are indented by the Projects of NMDC on day to day basis both at Bailadila Sector and Donimalai sector in line with the targets set for the projects. NMDC expects the supply of rakes both on KK-line for Bailadila Sector and at Ranjitpura for Donimalai sector as per the indents raised. Any short supply of rakes in both the sectors shall adversely affect the dispatches/sales which in turn effect the production as well as profits of NMDC.

2. Law & Order issue:

In view of extremist activities, evacuation of ore and consequently production of ore from Bailadila sector is getting severely affected, thus halting the growth of the company, besides hardship of the employees. Intervention at appropriate level in this regard is required for growth of the company for fruitful contribution to the growth of the Nation.

3. Central/State Departments Clearances

Speedy Forest / Environmental Clearances and leases for Projects under construction / Planning will help NMDC to implement New Projects without Time / Cost over runs. Assistance of Ministry shall be sought as and when required for expediting the pending matters about leases / clearances to take up with the State Govt. / MOEF etc.,

4. Issues with Railways

Assistance from the Ministry of Steel is sought for taking up:

- i) The issue of removing inflated mileage being charged presently at 20% level for Iron Ore movement from Bailadila to Visakhapatnam.
- ii) Regarding issuance of clear RR for the rakes loaded based upon the weight of ore loaded in each wagon, as recorded by weightometers mounted on loading conveyor belts. As desired by Railways, NMDC is ready to install in-motion weighbridge but due to geographical condition relaxation in Railways specification (RDSO) is required.
- iii) Presently Railway has classified Iron ore for export in class 180, but the Distance Based Surcharge of 45% on basic freight and Rs 1600 additional charge levied has made export freight approx. Rs.2050 more than the domestic freight. The additional charge and DBS levied on export may be removed.

5. Night Restriction in Donimalai Sector:

Operation & movement of rakes from 7PM to 6AM is not permitted by Forest Department based on Karnataka Forest Act & Regulation. This is restricting despatches from Donimalai Mines. In this regard, matter may be taken up with appropriate authority for allowing NMDC for round the clock operation, loading & transportation of iron ore from Donimalai Sector.

6. Any other assistance as and when required.

V. ACTION PLAN FOR IMPLEMENTATION AND MONITORING
OF THE MOU

1. Performance Evaluation against MOU parameters shall be carried out every month and monitored by the functional Directors and CMD.
2. The performance evaluation shall be submitted to the Board on quarterly basis during the Board meetings for information.
3. The Joint review by NMDC and Ministry of Steel shall be carried out at the end of each quarter in the Quarterly Performance Review Meetings.


21.3.12

(N.K.Nanda)
Chairman-cum-Managing Director (Addl. Charge)
NMDC Limited
Hyderabad



(P.K. Misra)
Secretary
Ministry of Steel
Government of India
New Delhi

New Delhi

Date: 21.03.2012

VI. GLOSSARY OF TERMS

Production - Iron Ore

Quantity of total lumps, CLO and fines/slimes produced from the run of mine ore expressed in wet metric tonnes.

Sales - Iron Ore

Quantity of Iron Ore Sold/Shipped F.O.R./F.O.T basis for Domestic customers & F.O.B. basis for Exports.

Mine Hazards – loss of mandays

Actual Man-days lost during the year due to accidents in the Mines (3 iron ore and one diamond mine) per 1000 man-days worked.

OMS

Total Excavation in all Iron Ore Mines *divided by* the total No. of employees working in production related departments in these Mines.

Customer Satisfaction

The customer feed-back shall be obtained from at least two customers from each Iron Ore mines at the end of 3rd Quarter of the year and consolidated evaluation shall be taken into account.

Quality

The compliance of quality specifications in respect of the quantities supplied for three domestic buyers from Bailadila Sector and two domestic buyers from Donimalai Sector shall be considered. The quality analysis made at the loading yard at Projects shall be taken for evaluation. Quantity sold through e-auction will be excluded.

Energy Consumption

Industrial Electrical Energy Consumption of all three Iron Ore Mines (Bld-14/11C, Bld-5/10&11A & DIOM) in KWH per ton of excavation.

Pollution Control

Number of samples meeting the quality specifications prescribed by Central Pollution Control Boards (CPCB) / State Pollution Control Boards (SPCB) as a percentage of total number of samples.

Corporate Governance

Percentage - Number of points complied against number of applicable points in the Quarterly Compliance Report being submitted to MOS, GOI.

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 2012-13. In case, any deviation is found at the time of appraisal of performance, DPE is free to evaluate as per audited accounts as per MoU Guidelines. CPSE has no right of claim in this regard.



Authorised Signatory

डी. सुब्बारायडु
D. SUBBARAYUDU
महाप्रबन्धक (वित्त)
General Manager (Fin.)
एनएमडीसी लि., हैदराबाद
NMDC Limited, Hyderabad

MOU Targets and Actuals for last 5 years & MOU Targets for 2012-13 in respect of Financial Parameters

(Rs. In Crores)

Particulars	2007-08		2008-09		2009-10		2010-11		2011-12		2012-13	
	MOU (VG)	Actual	MOU (VG)	Actual	MOU (VG)	Actual	MOU (VG)	Actual	MOU (VG)	Actual upto 31.12.11	Likely for the year	MOU (VG)
1	4	5	6	7	4	5	6	7	8	9	10	11
Production - Iron Ore (LT)	255.00	298.16	284.00	285.15	215.00	238.03	-	251.55	-	202.99	260.00	264.00
Gross Sales	4629	5709	5900	7561	4815	6236	6000	11369	10500	8667	10746	10660
Gross Margin	3908	5011	5100	6725	4085	5291	4750	9855	8800	8420	9848	9302
Profit Before Tax	3842	4947	5032	6648	4002	5207	4652	9727	8651	8320	9711	9127
Gross Block	1443	1421	1569	1669	1736	1771	1995	2273	2876	2486	2498	3118
Less :- Depreciation	857	853	927	923	1001	984	1088	1174	1309	1253	1309	1481
Net Block	586	568	643	747	734	787	907	1099	1567	1232	1189	1637
Share Capital of CPSE	132	132	132	396	396	396	396	396	396	396	396	396
Reserves & Surplus of CPSE	7527	8157	10714	11240	13097	13876	16150	18818	22698	23980	23853	28586
Less :- Deferred rev. exp./pre-acquisition loss	30	25	20	22	18	22	16	14	16	14	11	14
Less :- Profit & Loss A/c	0	0	0	0	0	0	0	0	0	0	0	0
Net Worth of CPSE	7629	8265	10826	11615	13475	14250	16530	19200	23079	24363	24238	28969
Investment	74	83	86	72	83	76	76	136	136	144	144	144
Sundry Debtors	629	488	283	1027	200	427	350	485	394	265	265	265
Inventory	154	166	152	302	187	299	523	415	406	439	439	449
Total Current assets	8062	8283	9960	11771	13262	14264	15593	19172	19072	22735	21569	22977
Total Current liabilities & provisions	1346	775	326	1165	800	1348	732	1781	865	1005	1005	1005
Net current Assets	6716	7508	9634	10606	12462	12916	14861	17391	18206	21730	20564	21972
Capital Employed (Net Block + net current assets)	7301	8076	10277	11353	13196	13703	15768	18490	19774	22963	21753	23609
Total Debt (Loan Fund)	0	0	0	0	0	0	0	0	0	0	0	0
Total assets	7678	8296	10862	11695	13499	14357	16604	19317	23185	24485	24352	29091
No of employees of CPSE	5600	5560	6100	5652	6100	5895	6500	6127	6800	5992	6100	6250
Dividend paid/proposed (As per B/Sheet) Excl. Tax	507	652	664	876	528	694	621	1300	1155	396	1312	1233
Added Value (Gross margin less capital recovery factor 4% of capital employed for social sector and 10% for other CPSE)	3178	4203	4072	5589	2765	3921	3173	8006	6823	7271	7673	6941
Ratio												
Debt/Equity	0	0	0	0	0	0	0	0	0	0	0	0
Gross Margin/Gross Block	271	353	325	403	235	299	238	434	306	339	394	298
Return on Net Worth (%age)	33%	39%	31%	38%	20%	24%	19%	34%	25%	23%	27%	21%
PBDIT/Total employment of CPSE (Lakh Rs)	70	90	84	119	67	90	73	161	129	141	161	149
Gross Profit/Capital employed (%age)	53%	61%	49%	59%	30%	38%	30%	53%	44%	36%	45%	38%
Net profit/Net Worth (%age)	33%	39%	31%	38%	20%	24%	19%	34%	25%	23%	27%	21%
Added value to Gross Sales	69%	74%	69%	74%	57%	63%	53%	70%	65%	84%	71%	65%
Working of Gross Margin												
Net Profit	2536	3251	3322	4372	2642	3447	3107	6499	5777	5623	6560	6166
Tax	1306	1696	1710	2276	1360	1760	1545	3228	2874	2697	3151	2961
Net profit before tax	3842	4947	5032	6648	4002	5207	4652	9727	8651	8320	9711	9127
add Prior period	0	0	0	-1	0	7	0	3	0	-1	-1	0
add extra ordinary items	0	0	0	0	0	0	0	0	0	0	0	0
Profit before prior period	3842	4947	5032	6648	4002	5215	4652	9730	8651	8319	9710	9127
add interest	0	0	0	0	0	0	0	0	0	0	0	0
Gross Profit	3842	4947	5032	6648	4002	5215	4652	9730	8651	8319	9710	9127
add Depreciation	66	60	65	74	80	73	95	122	146	98	135	172
Misc expenditure written off	0	3	3	3	3	3	3	3	3	3	3	3
Gross Margin before interest, depreciation & misc. expenditure written off.	3908	5011	5100	6725	4085	5291	4750	9855	8800	8420	9848	9302

NMDC Limited

MOU 2012-13 - DETAILS OF COMPUTATION OF FINANCIAL PARAMETERS

S.No	PARTICULARS	Unit	MOU 2012-13				
			XLT	VG	GOOD	FAIR	POOR
1	GROSS MARGIN/GROSS BLOCK :						
	PBT	Rs.Cr	9306.00	9127.00	8656.00	8203.00	7773.00
	ADD: DEPRECIATION & DRE	Rs.Cr	175.00	175.00	175.00	175.00	175.00
	PRIOR PERIOD	Rs.Cr	0.00	0.00	0.00	0.00	0.00
	GROSS MARGIN	Rs.Cr	9481.00	9302.00	8831.00	8378.00	7948.00
	GROSS BLOCK	Rs.Cr	3117.82	3117.82	3117.82	3117.82	3117.82
	GROSS MARGIN/GROSS BLOCK	%	304.09	298.35	283.24	268.71	254.92
2	NET PROFIT/NETWORTH :						
	NET PROFIT (PAT)	Rs.Cr	6287.00	6166.00	5848.00	5542.00	5251.00
	NET WORTH	Rs.Cr	29061.69	28968.69	28724.69	28489.69	28265.69
	NET PROFIT/NET WORTH %	%	21.63	21.29	20.36	19.45	18.58
3	GROSS PROFIT / CAPITAL EMPLOYED:						
	GROSS PROFIT (PBT)	Rs.Cr	9306.00	9127.00	8656.00	8203.00	7773.00
	CAPITAL EMPLOYED	Rs.Cr	23701.82	23608.82	23364.82	23129.82	22905.82
	GROSS PROFIT/CAPITAL EMPLOYED %	%	39	39	37	35	34
4	GROSS MARGIN	Rs.Cr	9481.00	9302.00	8831.00	8378.00	7948.00
5	GROSS SALES	Rs.Cr	10853.00	10660.00	10142.00	9632.00	9156.00
6	PBDIT / EMPLOYMENT :						
	PBT	Rs.Cr	9306.00	9127.00	8656.00	8203.00	7773.00
	ADD: DEPRECIATION&DRE	Rs.Cr	175.00	175.00	175.00	175.00	175.00
	ADD: INTEREST	Rs.Cr	0.00	0.00	0.00	0.00	0.00
	PBDIT	Rs.Cr	9481.00	9302.00	8831.00	8378.00	7948.00
	NO OF EMPLOYEES		6250.00	6250.00	6250.00	6250.00	6250.00
	PBDIT/EMPLOYMENT	Rs.Lakhs	152	149	141	134	127
7	ADDED VALUE TO GROSS SALES :						
	GROSS MARGIN	Rs.Cr	9481.00	9302.00	8831.00	8378.00	7948.00
	CAPITAL EMPLOYED	Rs.Cr	23701.82	23608.82	23364.82	23129.82	22905.82
	RETURN @ 10%	Rs.Cr	2370.18	2360.88	2336.48	2312.98	2290.58
	ADDED VALUE	Rs.Cr	7110.82	6941.12	6494.52	6065.02	5657.42
	GROSS SALES	Rs.Cr	10853.00	10660.00	10142.00	9632.00	9156.00
	ADDED VALUE/GROSS SALES %	%	65.52	65.11	64	63	62