

**MEMORANDUM
OF
UNDERSTANDING
(MOU)**

2012-13

**MINISTRY OF STEEL
AND
STEEL AUTHORITY OF INDIA LIMITED**

MoU 2012-13
Approved by DPE/TF

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Contents

- I. Mission/Vision & Objectives of the SAIL**
- II. Commitment/Assistance from the Government**
- III. Performance Assessment Targets and their determination**
- IV. Action Plan for implementation and monitoring of the MOU**

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1. Mission/Vision & Objectives of the SAIL:

1.1 MISSION/VISION:

The vision of SAIL is as follows:

"To be a respected world class corporation and the leader in Indian steel business in quality, productivity, profitability and customer satisfaction".


Apart from vision, SAIL has the following Credo:

- ❖ We build lasting relationships with customers based on trust and mutual benefit.
- ❖ We uphold highest ethical standards in conduct of our business.
- ❖ We create and nurture a culture that supports flexibility, learning and is proactive to change.
- ❖ We chart a challenging career for employees with opportunities for advancement and rewards.
- ❖ We value the opportunity and responsibility to make a meaningful difference in people's lives.

1.2 OBJECTIVES:

To achieve the Vision, SAIL has drawn a directional growth plan, the same is under advance stage of implementation. The major goals/ objectives of the plan are:

- To continue to be mainly in the business of Steel and Steel related activities
- To protect Market Share and grow by focusing on increasing share in growth segments
- To achieve a production capacity of 26 MTPA of Hot Metal production
- To improve profits by Cost reduction and producing value added products
- To introduce technology interventions to maximize production through the BF-BOF-CC route and reduction in semis.

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- To strive for excellence at international level in key techno-economic parameters like Blast Furnace productivity, Coke Rate and Specific Energy consumption.
- To aim at excellence in quality across the value chain
- To ensure availability of key raw material
- To build Customer Centric Processes, Systems, Structure and Procedures
- To address infrastructure and other issues, which affect long term growth of the company
- To maintain Financial Health with rational investment and controlled borrowing. Capital expenditure primarily funded by internal accruals, supplemented by market resources.
- To carry out interventions to achieve all round functional improvements – Marketing, Human Resources, Infrastructure & Utilities, Maintenance, Information Technology, Environment and Safety management etc.
- To ensure competitive edge of SAIL through wide distribution network of its finished products by broad basing distribution points.
- To ensure better Environment compliance and improved safety, aiming for zero fatal accidents.
- To aim at achieving international/ national benchmarks on production cost and consumption ratios especially in new units with due allowance for prevailing conditions, technology, facilities, inputs etc.
- To remain socially responsible company by committing certain amount of profit towards society in the areas of peripheral development, education, health, sports, family welfare etc.

1.3 Commitments/ Assistance from the MOS

Ministry of Steel will assist/ help SAIL through coordination with other Government agencies in the following areas.

- Ministry of Steel will assist SAIL in the areas as given at **Annexure-IV**.
- Ministry of Steel will also help SAIL in ensuring adequate availability of wagons as given in **Annexure-V**.

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2. Performance assessment Targets and their determination

Performance assessment Parameters for 2012-13 are indicated at **Annexure-I** while **Annexure-II** indicates the Past Performance of Financial Parameters. Self certification is at **Annexure III**. HRM performance is at **Annexure 'A'**. R&D projects is at **Annexure 'B'**. MOU – Project Milestones of SAIL Plants during 2012-13 are given at **Annexure 'C'**. SAIL commits to perform Corporate Social Responsibility as per **Annexure 'D'**. Sustainability Development Projects will be taken up as per **Annexure 'E'**. Corporate governance will be adhered as per the format at **Annexure 'F'** (DPE O.M. dated 22.6.11). Implementation of all these parameters would ensure improvements in productivity and quality of process and product.

3. ACTION PLAN FOR IMPLEMENTATION AND MONITORING OF THE MOU

To achieve the objectives of the MOU, obligations on both sides shall review the performance periodically as given below:

- Quarterly review between SAIL & Ministry of Steel.
- Regular review within the organization.



[C.S.Verma]
Chairman
Steel Authority of India Ltd.



[P.K.Misra]
Secretary
Ministry of Steel

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List of Annexures

Annexure-I	Performance Evaluation Parameters: 2012-13
Annexure-II	Trend of Performance on financial parameters
Annexure-III	Self declaration / Certification by CPSE
Annexure-IV	Help / Assistance sought by SAIL [To be pursued by Ministry of Steel]
Annexure -V	Wagon Requirement for 2012-13
Annexure-A	HRM performance review
Annexure-B	R&D Projects of SAIL Plants: 2012-13
Annexure-C	Modernisation Projects Milestones : 2012-13
Annexure-D	Corporate Social Responsibility 2012-13
Annexure-E	Sustainability Development Projects: 2012-13
Annexure-F	Corporate Governance
Proforma I	Implementation of 2007 pay revision guidelines
Proforma II	Switch over from CDA to IDA pattern pay scale

MoU 2012-13
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Annexure - I

PERFORMANCE EVALUATION PARAMETERS : 2012-13								
	CRITERIA	Units	WTS	CRITERIA VALUE				
			%	Excellent	Very Good	Good	Fair	Poor
STATIC/FINANCIAL PARAMETERS								
1	GROSS SALES	Rs. Cr.	4	51933	50555	48030	45630	43350
2	GROSS MARGIN	Rs. Cr.	8	6250	6000	5700	5415	5144
3	GROSS MARGIN TO GROSS BLOCK	%	2	12.74	12.23	11.62	11.04	10.48
4	NET PROFIT TO NET WORTH	%	10	5.87	5.47	4.99	4.54	4.10
5	GROSS PROFIT TO CAPITAL EMPLOYED	%	10	11.00	10.59	9.87	9.18	8.52
6	PBDIT/ TOTAL EMPLOYMENT	Rs.Lakhs	7	5.84	5.61	5.33	5.06	4.81
7	ADDED VALUE / GROSS SALES	%	9	4.26	4.04	3.66	3.26	2.84
DYNAMIC PARAMETERS								
8	SALES OF BRANDED PRODUCTS	'000 T	0.5	1850	1800	1750	1700	1650
9	CUSTOMER SATISFACTION INDEX TO BE CONDUCTED FOR ALL KEY ACCOUNTS	%	0.5	85	80	75	70	65
10	ADDITIONAL DEALER APPOINTMENT	No.	2	135	125	110	90	70
11	HUMAN RESOURCE MANAGEMENT		5	As per attached Annexure A				
12	RESEARCH & DEVELOPMENT		5	As per attached Annexure B				
13	E-PROCUREMENT AS % OF TOTAL PROCUREMENT	%	0.5	28%	26%	24%	22%	20%
14	MILESTONE PERFORMANCE INDEX FOR PROJECTS (ANNEXURE - C)	No.	5	105	100	95	90	85
15	CAPITAL EXPENDITURE	Rs. Cr.	1	14500	13775	13086	12432	11810
16	NO. OF MOUS/ JOINT VENTURE AGREEMENTS/ STRATEGIC ALLIANCES	No.	1	3	2	1	-	-
17	JV AGREEMENT SIGNING WITH KOBE STEEL, JAPAN	Date	0.5	Feb'13	March'13			
18	EXPORTS	'000 T	1	330	310	275	250	225
19	CORPORATE SOCIAL RESPONSIBILITY							
	EXPENDITURE ON CSR AS % OF PAT	%	2	1.20	1.00	0.80	0.70	0.60
	CSR PROJECTS		3	as per attached Annexure D				
20	SUSTAINABILITY DEVELOPMENT		5	as per attached Annexure E				

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21	CORPORATE GOVERNANCE			as per attached Annexure F				
	GRADING/SCORE OF CPSE ON THE BASIS OF COMPLIANCE WITH GUIDELINES ON CORPORATE GOVERNANCE ISSUED BY DPE (O.M. DATED 22.6.2011)	%	4	85 and above	84 - 75	74 -60	59 - 50	Below 50
	SUBMISSION OF DATA FOR PUBLIC ENTERPRISES SURVEY PUBLISHED BY DPE	Date	1	15.9.12	1.10.12	15.10.12	31.10.12	After 31.10.12
22	COMPLIANCE OF DPE GUIDELINES (Completed 20.01.12)							
(i)	ISSUE OF BONUS SHARES	Completion of activity	1	Communication of SAIL Board's decision to ministry of steel	Placing of Board note before the SAIL Board	Approval of Board note by Chairman	Preparation of Board note	Non-preparation of board note
(ii)	RESERVATION FOR SC /ST & OBC IN APPOINTMENT	Guidelines fully complied	1	YES				NO
(iii)	POSTING OF DEPUTATIONISTS	Guidelines fully complied	1	YES				NO
(iv)	IMPLEMENTATION OF 2007 PAY REVISION GUIDELINES (PROFORMA I OF O.M. DATED 20.1.2012)	% compliance of guidelines	1	100	80	60	40	20
(v)	SWITCHING OVER FROM CDA TO IDA PATTERN OF PAY SCALES (PROFORMA II OF O.M. DATED 20.1.2012)	% compliance of guidelines	1	100	75	50	25	-
SECTOR AND ENTERPRISE SPECIFIC								
23	PRODUCTION - SALEABLE STEEL	MT	2	13.0	12.75	12.5	12.3	12.1
24	VALUE ADDED PRODUCTS PRODUCTION	MT	1	5.02	4.78	3.80	3.70	3.40
25	CC PRODUCTION	'000 T	1	9792	9326	8800	8650	8600
26	IRON ORE PRODUCTION	MT	2	24.5	23.5	23	22.5	22
27	COAL DUST INJECTION	Kg/THM	1	50	48	46	44	42
28	SPECIFIC ENERGY CONSUMPTION	GCal/ TCS	0.5	6.72	6.80	6.88	6.96	7.04
29	LABOUR PRODUCTIVITY	TCS/ man/ year	0.5	245	240	235	230	225

Means of Verification in respect of achievement of non-financial targets: To verify from Annual Report / other reports & all such data which are not mentioned in Annual Report etc., SAIL will submit copy of internal approvals.

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Annexure II

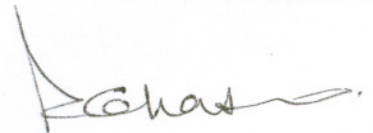
Particulars	(Rs. in Crore)							
	2009-10		2010-11		2011-12		2012-13	
	Incl.MEL MoU LEVEL II	SAIL+MEL Acutal Annual	Incl.MEL MoU LEVEL II	SAIL+MEL Acutal ANNUAL	Incl.MEL MoU LEVEL II	SAIL+MEL Likely 2011-12	MoU LEVEL I	MoU LEVEL II
Production (Saleable Steel)	11750	12632	12350	12887	12600	12400	13000	12750
Gross Sales	38340	43991	43000	47848	44650	49618	51933	50555
Gross Margin *	4045	11953	8000	9204	5500	6658	6250	6000
Profit before tax	1723	10211	4701	7240	2201	4322	3551	3302
Gross Block	38252	35471	42429	38342	46610	41432	49058	49058
Less Cumulative Dep	22422	21823	24735	23225	25922	24723	26532	26532
Net block	15830	13648	17694	15117	20688	16710	22526	22526
share capital of CPSE	4130	4130	4130	4130	4130	4131	4131	4131
Reserves & surplus of CPSE	23065	29325	31149	33099	33170	34899	36740	36611
Net worth of CPSE	27310	33456	35279	37230	37300	39029	40871	40742
Deferred Tax Liability						1520	1520	1520
Loan Funds						18863	29289	28023
Total Liabilities						59412	71680	70285
Investment	1255	669		684		678	678	678
Sundry debtors/sales	2615	3512		4169		4150	4250	4250
Inventory	8830	9086		11389		15689	15689	15689
Cash and bank Balance						8392	7500	7200
Loan and advance other current assets						6300	8800	8800
Total Current assets	28114	39308		38355		34531	36239	35939
Current liabilities & provision	15411	11157		11558		18771	18401	18901
Net current assets	12703	28151		26797		15760	17838	17038
Capital employed (Net block + net current assets)	34500	41799	47237	41913	42800	32469	40363	39563
Capitl work in progress						26264	30638	30043
Total Assets	48328	51406		58910		59412	71680	70285
No of employess of CPSE(Closing Manpower)	120738	117664	114590	111475	111186	110631	107021	107021
Dividend paid	828	1198	830	991	830			
Add value (gross margin less capital recovery factor 4% of capital employed for social sector and 10% for other CPSE)	595	7773	3276	5012	1220	3411	2214	2044
Ratio								
GrossMargin/Gross Block		0.50		0.54		16.071	12.741	12.231
PBDIT/ Total employment of CPSE (Rs Lakh) (Annualised)	3.32	9.97	6.98	8.26	4.95	6.02	5.84	5.61
Gross Profit/Capital employed (% age)	6.79	27.69	11.25	18.41	6.58	15.67	11.00	10.59
Net Profit / Net Worth (% age)	4.04	20.33	8.8	13.26	3.99	7.48	5.87	5.47
Addvalue/sales(%age)						0.0688	0.0426	0.0404
Working of gross margin								
Net profit After tax	1104	6802	3103	4938	1487	2920	2399	2230
Tax	619	3409	1598	2302	714	1402	1152	1071
Net profit Before tax	1723	10211	4701	7240	2201	4322	3551	3302
add Prior period	0	0	0	0	0	0	0	0
add extra ordinary items	0	0	0	0	0	0	0	0
Profit before prior period	1723	10211	4701	7240	2201	4322	3551	3302
add Interest	620	402	614	475	615	766	889	889
Gross profit	2343	10613	5315	7715	2816	5088	4440	4191
add depreciation	1702	1340	2684	1488	2684	1570	1810	1810
Misc. expenditure written off		0		0				
Gross Margin before Interest, depreciation & misc. expenditure written off	4045	11953	8000	9204	5500	6658	6250	6000

* After considering other income of Rs 1125 crore (including interest income earned on deposit of Rs 750 crore- as per detail submitted to TF and DPE)-RetSAIL letter dated 7/3/2012.

Annexure-III

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.



Authorized Signatory

**HELP/ ASSISTANCE SOUGHT BY SAIL
(TO BE PURSUED BY MINISTRY OF STEEL)**

Ministry of Steel will facilitate in the following areas:

1. Take up the issue of early renewal of Chiria-Gua leases with the Govt. of Jharkhand.
2. Take up the issue with Orissa Government for revisiting the proposed elephant corridor before the corridor is notified.
3. Security arrangement at Rowghat for expediting tree felling and railine work.
4. Allotment of coking and thermal coal blocks under Government dispensation route.
5. Assistance in getting land and state level clearance for setting up proposed Greenfield plants in the states of Jharkhand and Chattisgarh.
6. Financial Assistance from GoI for financing the Hajigak Project

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Wagon requirement for 2012-13

Commodity	Source/Loading Points	Type of	Rake Size	No. of Rakes/day		Total	
		Wagons	(wagons/rake)	H-1	H-2		
Coking Coal	Indigenous	BOXN	59	2.6	2.6	2.6	
	Imported						
		Vizag Port	BOXN	59	3.5	3.8	3.7
		Haldia Port	BOXN	59	4.0	4.0	4.0
		Paradip Port	BOXN	59	1.1	1.4	1.2
		Total Imported		59	8.6	9.2	8.9
Boiler Coal		BOXN	59	3.9	3.9	3.9	
Total (Coking Coal + Boiler Coal)		BOXN	59	15.1	15.7	15.4	
Raw Materials							
Iron Ore	Dalli-Rajahara Mine	BOBS	48	7.0	7.0	7.0	
		BOXN	59	0.4	0.2	0.3	
		RMD mines (Kiriburu/Meghahataburu/ Bolani/ Barsua/ Kalta/ Manoharpur/Gua Mines	BOXN	59	6.5	9.0	7.7
			BOY	53	2.7	2.7	2.7
			BOBS	55	2.0	2.8	2.4
Total Iron Ore				18.6	21.7	20.1	
Fluxes							
	Nandini/Hirri Mines	BOBS	55	1.0	1.0	1.0	
	Central India Mines	BOXN	59	0.8	0.8	0.8	
	Birmitrapur/Sonakhan area	BOXN	59	0.9	1.5	1.2	
	Import	BOXN	59	0.2	0.3	0.3	
	Belha/Baraduar area	BOXN	59	0.4	0.5	0.4	
	North Begal area	BOXN	59	0.2	0.2	0.2	
	Tulsidamar Mines	BOXN	59	0.3	0.3	0.3	
	Jaisalmer	BOXN	59	1.2	1.4	1.3	
Total Flux				5.0	6.0	5.5	
Hard Coke		BOXN	59	1.2	1.2	1.2	
Total Inward Rakes/day				39.9	44.6	42.2	
	Wagons for Despatches	BOST/BOXN		381	405	392	
	(Average (Nos/Day))	BRN		165	180	175	
		Total		546	585	567	
Remarks	<p>1. The availability of BRN wagons is inadequate and rail despatches from Bhilai get affected due to shortage of BRN wagons</p> <p>2. In the second half of the year, the requirement of BRN wagons will increase for slab despatches from RSP.</p>						

HRM Evaluation Parameters for Memorandum of Understanding - 2012-13

Annexure A

Sl.	HRM Performance indicators	Measurement Unit	Weightage	Target value					Actual Performance	Self Evaluation Score
				L-1 (1)	L-2 (2)	L-3 (3)	L-4 (4)	L-5 (5)		
A Competency & Leadership Development										
A1 Compulsory										
1	% actualisation of Training Plan & Training Days per employee per year	% fulfillment & ManDays/per employee per year	5	100% 4	95% 3.5	90% 3	85% 2.5	80% 2		
2	Developing critical mass of leaders through a system of career planning & development	% fulfillment of planned leadership development programmes	5	95%	90%	85%	80%	75%		
3	Training budget as % of employee cost	% of employees cost	5	0.50%	0.40%	0.30%	0.20%	0.10%		
4	% fulfillment of training plan for Multi-skilling / Skill Upgradation of non executives	%	5	95%	90%	85%	80%	75%		
A2 Optional										
5	Training in advanced technology	No. of employees covered	5	300	270	255	240	225		
Total			25							
B Performance Management										
6	Implementation of Bell Curve Approach in PMS rating (% of Executives with outstanding grading)	Yes / No	4	Yes ; not more than 15%	Yes ; not more than 17%	Yes ; not more than 20%	Yes ; not more than 23%	Yes ; not more than 25%		
7	Linkage of Developmental Plan of Executives with Performance Management System (% of Executives covered in training programme)	Yes/ No; % of Execs Trained	3	Yes 15%	Yes 10%	Yes 7.5%	Yes 7.5%	Yes 7.5%		
8	Implementation of PRP linked to PMS	Yes/No;	3	Yes				No		
Total			10							
C Recruitment, Retention & Talent Management										
9	Manpower Rationalisation- Achieving closing manpower as per Human Resource Plan-2012-13	% fulfillment of Plan	5	equal to less than planned closing	10% more than planned	15% more than planned	20% more than planned	25% more than planned		
10	Attritions (i.e., nos. of Resignations) as % of total employees	%	5	<0.5%	<0.6%	<0.7%	<0.8%	<0.9%		
11	Presence of Mentorship Development Programme - Nos. of Mentors & Mentees	Yes / No ; Numbers of Mentors & Mentees	5	Yes 50	Yes 40	Yes 30	Yes 20	Yes 10		
12	Implementation of System for Management of Talent - AMP/ SMP for Sr. executives	Yes / No ; Number of Sr. Execs. Sent for AMP/SMP	5	Yes 6	Yes 4	Yes 3	Yes 2	Yes 1		
Total			20							

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HRM Evaluation Parameters for Memorandum of Understanding-2012-13

Sl.	HRM Performance indicators	Measurement Unit	Weightage	Target value					Actual Performance	Self Evaluation Score
				L-1 (1)	L-2 (2)	L-3	L-4	L-5		
D	Enabling Creativity & Innovation									
13	Nos. of Nominations/Award Applications submitted for PM Shram Awards	Nos. of nominations submitted	5	40	35	30	25	20		
14	Number of suggestions generated per employee per year	Nos. of Suggestion per employee	5	0.3	0.25	0.2	0.1	0.5		
15	%*of Quality Circle projects completed against total Quality circle projects planned in a year - Nos. completed vis-a vis planned	% fulfillment	5	100% (100 Projs)	90% (90 Projs)	80% (80 Projs)	70% (70)	60		
Total			15							
E	Employee Relations & Welfare			L-1 (1)	L-2 (2)	L-3	L-4	L-5		
16	Effectiveness of Grievance Redressal system - % of grievances settled vis-à-vis received during the year	% settlement of employee grievances	4	95%	80%	70%	60%	50%		
17	Nos. of Stress Management Programmes conducted	Nos.	4	30	25	20	15	10		
18	Employee satisfaction survey - ESI measure in %	%	4	65%	60%	55%	60	45		
19	Renewal of Scheme of Mediclaim for Ex-employees	Renewal of scheme by month	4	Dec'12	Jan'13	Feb'13	March'13			
20	Number of structured meetings with employees' representatives (Production-Productivity, NJCS, JCSSI, SEFI)	Number of meetings	4	5	4	3	2	1		
Total			20							
F	HR Branding & Excellence - Indicate initiatives such as :			L-1 (1)	L-2 (2)	L-3	L-4	L-5		
21	Participation in HR Excellence Awards/ Institutional Excellence Awards/ Other Functional Excellence Awards/ Surveys conducted by external agencies	Participation in Nos. of Awards competitions/ Surveys etc	6	3	2	1				
22	Organizing culture building initiative (Nos.)	Number of New Initiatives	4	4	3	2	1			
Total			10							
Grand Total			100							

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R&D Performance

Table 1 – Mandatory Parameter – Total R & D Expenditure as a percentage of PAT

	Weightage	Performance Target (%)					Achievement
		Excellent (1)	V. Good (2)	Good (3)	Fair (4)	Poor (5)	
Total R&D Expenditure as % of PAT	2.5	1.20	1.00	0.80	0.60	0.40	

Table 2 – Projects Chosen by SAIL

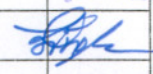
Sl. No.	Projects Chosen; Plant; Duration	Performance Indicator	Weightage	Target Value					Actual
				Excellent (1)	V. Good (2)	Good (3)	Fair (4)	Poor (5)	
1.	Introduction of new design of BF gas burner in place of existing old BF gas burner in Russian make boilers of PBS, Power Plant-I; BSP; Apr'12 –Mar'13	Additional profit generated vis a vis cost incurred on R&D (Enhance BF gas firing in four old Russian make boiler of PBS by 6000 Nm ³ /hr)	0.5	100 % (BF Gas firing @ 6000 Nm ³ /hr)	80 % (BF Gas firing @ 4800 Nm ³ /hr)	60% (BF Gas firing @ 3600 Nm ³ /hr)	40% (BF Gas firing @ 2400 Nm ³ /hr)	20% (BF Gas firing @ 1200 Nm ³ /hr)	
2.	Increase in production of cold rolled coils through PL-2 Tandem Mill route at CRM; RSP; Apr'12 – Dec'12	Productivity Improvement (Increase production of Tandem Mill by ~ 10%)	0.5	Increase in yearly Production by 10%	Increase in yearly Production by 8%	Increase in yearly Production by 6%	Increase in yearly Production by 4%	Increase in yearly Production by 2%	
3.	Improvement in productivity of SP # 2; DSP; Apr'12 – Mar'13	Productivity Improvement (Increase the productivity of SP # 2 by 6%)	0.5	Increase in Productivity by 6%	Increase in Productivity by 4.8%	Increase in Productivity by 3.6%	Increase in Productivity by 2.4%	Increase in Productivity by 1.2%	
4.	Development of lean duplex stainless steel (LDSS) with superior mechanical and corrosion properties on a laboratory scale; SSP; Apr'12 – Mar'13	Quality improvement (evolving specific recommendations for manufacturing on a commercial scale at SSP (Develop low Ni / Ni free grades of duplex stainless steel on a laboratory scale with YS: 450 MPa (min) and Pitting Potential : 500 mv)	0.5	100% (Development of low Ni grade steel with Ni content between 0 - 0.3%)	80% (Development of low Ni grade steel with Ni content between >0.3 - 2%)	60% (Development of low Ni grade steel with Ni content between >2 - 4.5%)	40% (Development of low Ni grade steel with Ni content between >4.5 - 6%)	20% (Development of low Ni grade steel with Ni content between >6 - 8%)	
5.	Development of PLC based control system for machine # 3, Sinter Plant; BSL; Apr'12 – Mar'13	Cost savings realized vis a vis cost incurred on R&D (Reduction in sinter machine # 3 stoppage due to electrical and instrumentation faults by 40%)	0.5	100% (Reduction in electrical delay by 40%)	80% (Reduction in electrical delay by 32%)	60% (Reduction in electrical delay by 24%)	40% (Reduction in electrical delay by 16%)	20% (Reduction in electrical delay by 8%)	

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PROJECT MILESTONES OF SAIL PLANTS :2012-13

Annexure C

PLANT	S No.	Scheme/ Milestone	WEIGH TAGE (X)	Excellent 1.1	Very good 1.0	Good 0.95	Average 0.90	Poor 0.85	Actual	Score (Y)	X*Y
BSP		Expansion Plan									
	1	Completion of major civil work for convertor foundations in Steel Melting Shop -III	4	Jun'12	Jul'12	Sep'12	Oct'12	Nov'12			
	2	Completion of erection of Blast Furnace Shell for New Blast Furnace -8	4	Aug'12	Sep'12	Nov'12	Dec'12	Jan'13			
	3	Completion of major refractory erection of battery of Coke Oven Battery (COB) -11	4	Oct'12	Nov'12	Jan'13	Feb'13	Mar'13			
	4	Completion of major equipment foundation for Bar & Rod Mill	3	Oct'12	Nov'12	Jan'13	Feb'13	Mar'13			
	5	Completion of Erection of major equipment of 2nd Sinter Machine in Sinter Plant	4	Nov'12	Dec'12	Feb'13	15-Mar'13	31-Mar'13			
	6	Completion of major equipment foundation for Universal Rail Mill	4	Dec'12	Jan'13	10-Mar'13	20-Mar'13	31-Mar'13			
DSP		Expansion Plan									
	7	Completion of order placement for major equipment for Dolomite Plant	3	May'12	Jun'12	Aug'12	Sep'12	Oct'12			
	8	Completion of major structural erection for Building Shed for Medium Structural Mill	4	Jul'12	Aug'12	Oct'12	Nov'12	Dec'12			
	9	Completion of erection of major equipment for Main Battery for Rebuilding of COB-2	3	Oct'12	Nov'12	Jan'13	Feb'13	Mar'13			
	10	Completion of supply of major equipment for Bloom-cum-round Caster	4	Oct'12	Nov'12	Jan'13	Feb'13	Mar'13			
RSP		Expansion Plan									
	11	Completion of major structural work for Slab Receiving Bay in New Plate Mill	3	May'12	Jun'12	Aug'12	Sep'12	Oct'12			
	12	Completion of erection of major equipment for new Coal Chemical Department for COB-6	3	Jun'12	Jul'12	Sep'12	Oct'12	Nov'12			
	13	Completion of erection of major equipment for Blast Furnace-5	4	Jul'12	Aug'12	Oct'12	Nov'12	Dec'12			
	14	Completion of major erection of Gas Cleaning Plant for 3rd Basic Oxygen Furnace	4	Aug'12	Sep'12	Nov'12	Dec'12	Jan'13			
	15	Completion of supply of major equipment for Reheating Furnace for New Plate Mill	3	Dec'12	Jan'13	1 Mar'13	15 Mar'13	31 Mar'13			
	16	Completion of supply of major imported mechanical equipment for New Plate Mill	4	Feb'13	7 Mar'13	17 Mar'13	24 Mar'13	31 Mar'13			
BSL		Expansion Plan									
	17	Completion of major equipment erection for Cast House Slag Granulation Plant in BF-3	3	Oct'12	Nov'12	Jan'13	Feb'13	Mar'13			
	18	Completion of major equipment erection Cast House Slag Granulation Plant in BF-2	4	Dec'12	Jan'13	10 Mar'13	20 Mar'13	31 Mar'13			
	19	Completion of major equipment supply for Roll Shop of Cold Rolling Mill-III	3	Dec'12	Jan'13	10 Mar'13	20 Mar'13	31 Mar'13			
	20	Completion of major equipment supply for installation of Acid Regeneration Plant for Pickling Line-1	4	Jan'13	Feb'13	10 Mar'13	20 Mar'13	31 Mar'13			

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15

ISP	Expansion Plan										
21	Commencement of trial runs for Raw Material Handling System	4	Apr'12	May'12	Jul'12	Aug'12	Sep'12				
22	Start of Power Blowing Station with one Boiler	3	May'12	Jun'12	Aug'12	Sep'12	Oct'12				
23	Completion of testing & trials of Sinter Plant	3	Jun'12	Jul'12	Sep'12	Oct'12	Nov'12				
24	Commencement of heating of Coke Oven Battery -11	4	Jun'12	Jul'12	Sep'12	Oct'12	Nov'12				
25	Completion of erection of one converter for Steel Melting Shop	4	Sep'12	Oct'12	Dec'12	Jan'13	Feb'13				
26	Completion of major equipment erection of one caster in Continuous Casting Plant	4	Dec'12	Jan'13	10-Mar'13	20-Mar'13	31-Mar'13				
RMD	Meghathaburu Iron Ore Mine										
27	Completion of major design & engineering for main package	3	Sep'12	Oct'12	Dec'12	Jan'13	Feb'13				
CFP	Submerged Arc Furnace										
28	Completion of major design & engineering for Furnace Package	3	Oct'12	Nov'12	Jan'13	Feb'13	Mar'13				
	Total	100									

Note : Last date of month has been taken wherever month has been mentioned.

Methodology:

Factor: EXCELLENT :1.1 , VERY GOOD: 1.0, GOOD: 0.95 , FAIR: 0.90, POOR: 0.85

Score for individual milestone: Weightage X factor for level achieved

Total score is summation of all the scores achieved against each milestone.

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Corporate Social Responsibility 2012-13

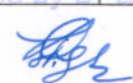
Annexure D

Sl. No.	Item/Area of activity	Unit	Wtg.	Excellent	Very good	Good	Average	Poor
1.	Expenditure of CSR Budget as % of PAT 2011-12	%	2	1.2 %	1.00%	0.80 %	0.70 %	0.60 %
2.	Providing free education with Books, stationary, dress etc. to students belonging to underprivileged sections of society in special schools set up by SAIL.	No. of students	0.6	1000	950	900	850	800
3.	Providing Mid day meals to school children through Akshya Patra Foundation	No. of school children	0.6	15000	14250	13500	12750	12000
4.	Completion of infrastructure facilities in villages under Model Steel Villages Scheme.	No. of villages	0.6	5	4	3	2	1
5.	Providing vocational training to unemployed youth and women for sustainable livelihood.	No. of people	0.6	300	280	260	240	200
6.	Providing free medical treatment/checkup to underprivileged people at exclusive primary health centers established by SAIL.	No. of patients	0.6	20000	19000	18000	17500	17000

Table 1 : Details of 5 chosen projects during 2012-13

Sl. No.	Name of the Project	Starting Date	Completion Date	Amount Allotted with Year wise Breakup	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.	Providing free education with Books, stationary, dress etc. to students belonging to underprivileged sections of society in special schools set up by SAIL.	Schools were set up during 2007-08	Continuing schemes		To provide free education to the students belonging to poor and underprivileged families living in and around steel townships SAIL has established exclusive Schools at all plants location.				
2.	Providing Mid day meals to school children (150 schools) through Akshya Patra Foundation	Jan09	Jan'13			Akshya Patra Foundation (APF)			

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3.	Completion of infrastructure facilities in villages under Model Steel Villages Scheme.	Apr12	Mar 13						
4.	Providing vocational training to unemployed youth and women for sustainable livelihood.	Apr12	Mar13						
5.	Providing free medical treatment/checkup to underprivileged people at exclusive primary health centers established by SAIL.	Health centers were established during 2007-08.	Continuing schemes		To provide free medical care to the people of poor & underprivileged society living in and around steel townships who do not have direct access to medical facilities, SAIL has established exclusive health centers at all plants location.				
TOTAL									

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TABLE 2 : Format for List of All Projects/Activities Reported to TISS HUB

Sl. No.	Name of the CSR Project/Activity	Date of Reporting of Details to TISS Database	Date of Acceptance Conveyed by TISS
(1)	(2)	(3)	(4)
1	Under Education schemes, providing free education to poor/ underprivileged children in six schools located at Bhilai, Durgapur, Rourkela, Bokaro & Burnpur		
2	Providing Mid-day meal to about 22000 school students in Durg-Bhilai region.		
3	(i) Creation of infrastructure facilities (i.e. Community Hall, Cultural Stage, village Road, digging of Borewell, construction of Cremation shed, etc.) in 4 identified villages in the Durg Distt. and developing these villages as Model Steel Village (ii) Providing continual support to 79 Model Steel Villages for inclusive growth of villagers.		
4	Providing Vocational Training for empowering people for sustainable livelihood income generation at vocational training centre established at steel township locations across SAIL		
5	Providing free medical & health services to poor & underprivileged society by setting up exclusive medical health centers at Bhilai, Durgapur, Rourkela, Bokaro & Burnpur.		

Note: Information for point # (3) & (4) would be furnished after consultation with TISS

TABLE 3 : Details of CSR Expenditure

S.No	Item	Amount in crores or percentage
(1)	(2)	(3)
1	PAT for the year under review	
2	CSR expenditure	
3	CSR expenditure as percentage of PAT	1.2 %
4	CSR expenditure as percentage of minimum prescribed	
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 HUB as percentage of CSR Budget	

Sustainability Development Performance

S.No.	Activity	
1.	Whether Specific SD Plan and Budget passed by Board or its Designated Committee	Yes, by Board Sub Committee(BSC) on Sustainable Development (SD) for SAIL on December 13,2011 and January 27,2012 .

Table 1: SD Committee Details (Weightage 0.5)

Board level Designated Committee Name (Shri)	Chairman of Board level Designated Committee	Number of regular meetings held	Key decisions during the year
P.C. JHA - Independent Director B.B. Singh - Director (Personnel) A.K. Chaudhary - Director (Finance)	P.C. JHA		

Table 2: Total SD Expenditure as a percentage of PAT (Weightage 1.0)

Target Value as % of PAT	Profit after tax (previous FY)	Expenditure Target (Rs. Cr.)					Actual expenditure (RS. Cr.)	Actual expenditure % of PAT
		Excellent	Very good	Good	Average	Poor		
50 lakhs + 0.1% of PAT of 11-12 exceeding Rs. 100 Cr.		3.20	3.04	2.88	2.73	2.59		


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Table 3: Projects chosen by SAIL (Weightage 2.5) : Sustainability Development Performance

Sl. No.	Sch. A/B	Project activity	Performance indicator	Total expenditure on Projects (Rs. lakhs)	Weight	Duration S/M/L	Target Set on a five point scale					Target achieved
							Excellent	Very good	Good	Average	Poor	
1	A	Water Management Water Footprint & Water accounting study at 4 SAIL Steel Plants - BSP, DSP, BSL & RSP	No. of ISPs covered	35	0.4	S (One Year)	4	3	2	1	0	
2	A	Water Management Rain water harvesting in CRM Zone- II Complex at BSL	Activity	61	0.4	S (One Year)	Commissioning	Construction of Pit	Tendering (award of contract)	Preparation of technical specification	Preparation of Project Document	
3	A	Energy Management CO2 Reduction on Account of reduction in Coke rate through gainful utilization of waste gases coming from Blast Furnace (BF) no. 4 Stoves for reduction of moisture in coke at RSP	Activity	100	0.5	S (Two Years)	Raising of Indents & Issuance of Tenders	Issuance of Sanction Order	Preparation of Feasibility Report/ Technical Specification			
4	A	Biodiversity Conservation CO2 mitigation strategy (Afforestation) and Biodiversity Conservation at Mines	Activity	75	0.4	M (Three Years)	Preparation of site for raising plants	Nursery Development	Establishment of field station	Analysis of soil condition at mining site	Baseline Biodiversity Survey	
5	B	Life Cycle Assessment Carbon Foot Print Study of Steel Products	No. of Products	35	0.4	S (One Year)	4	3	2	1	0	
6	B	Training Sustainability Training across SAIL	Man hours	50	0.4	S (One Year)	10,000	7500	5000	2500	0	

Table 4: Evaluation of Projects (Weightage 0.5)

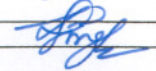
No. of projects evaluated by an Independent Agency / Expert/ Consultant etc.	
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Table 5- Publication of SD Performance Report (Weightage 0.5)

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		

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Format for grading Central Public Sector Enterprises (CPSRs) on the basis of their compliance of Guidelines on Corporate Governance

Name of CPSE STEEL AUTHORITY OF INDIA LIMITED Name of Ministry/Department MINISTRY OF STEEL Listed/Unlisted LISTED Year 2012-13 Quarter

1.1 Composition of Board (2 Marks)

Sl.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i.	Does the Board have an optimum combination of functional, nominee and independent directors? (the optimum number of members in the board may be decided by the DPE)	1	Yes = 1 No = 0	
ii	Does the number of functional directors in the company (including CMD/MD) constitute 50% of the actual strength of the board?	1	Yes = 1 No = 0	

1.2 Non-official Directors (5 Marks)

Sl.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i.	Is the number of Nominee Directors appointed by Government/other CPSE as per the DPE Guidelines.	1	Yes = 1 No = 0	
ii	Is the number of Independent Directors at least 50% of the Board Members (in the case of listed CPSE with an executive chairman) and at least one-third (in the case of listed but without an executive chairman or not listed CPSE).	4	Yes = 4 No = 0	

1.3 Part-time Directors' Compensation and Disclosure (1 Marks)

Sl.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i	Is the fee/compensation of part-time Directors including Independent Directors fixed by Board as per the DPE Guidelines and Companies Act, 1956.	1	Yes = 1 No = 0	

1.4 Board Meeting (2 Marks)

Sl.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
I	Over the last 12 months, did the Board meet at least 4 times without exceeding the time gap of three months between two meetings?	1	Yes = 1 No = 0	
ii	Over the last 12 months, did all members of the Board receive notification of Board meetings with meeting agenda at least 7 working days in advance of meetings?	1	Yes = 1 No = 0	

1.5 Review of Compliance of Laws (5 Marks)

Sl.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
I	Does the management certify to the Board that all laws and statutes as applicable to the company have been obeyed and complied with?	5	Yes = 5 No = 0	

1.6 Code of Conduct (2 Marks)

Sl.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i	Does the company have a manual on Corporate Governance approved by the Board applicable to directors and senior management of the company?	1	Yes = 1 No = 0	
ii	Do the members of the Board having conflict of interest	1	Yes = 1	

	abstain from participating in the agenda item in which he/she has personal interest?		No = 0	
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1.7 Risk Management (4 Marks)

SI.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i	Does the company have risk management plan approved by the full Board?	2	Yes = 2 No = 0	
ii	Does the Board review and take remedial action to implement the risk management plan?	2	Yes = 2 No = 0	

1.8 Training of New Board Members (4 Marks)

SI.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i	Does the Board have a policy specifying training requirements for board members?	2	Yes = 2 No = 0	
ii	Did the Board members receive institutional training of one week per year after appointment to the Board?	2	Yes = 2 No = 0	

2.1 Constitution of Audit Committee (4 Marks)

SI.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i.	Does the Board of Directors have a qualified and independent Audit Committee with a Terms of Reference?	1	Yes = 1 No = 0	
ii.	Does the Audit Committee have Minimum three directors as members and two-third of its members as Independent Directors?	1	Yes = 1 No - 0	
iii	Is the Audit Committee chaired by an Independent Director?	1	Yes = 1 No = 0	
iv	Do all members of the Audit Committee have knowledge of financial matters of the company and at least one member has expertise in accounting and financial management?	1	Yes = 1 No = 0	

2.2 Audit Committee Role (6 Marks)

SI.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i	Do the procedures governing the Audit Committee specify that the Audit Committee is responsible for the oversight of the company's financial reporting process and the disclosures of its financial information?	1	Yes = 1 No = 0	
ii	Do the procedures governing the Audit Committee specify that it can recommend to the Board the fixation of audit fees?	1	Yes = 1 No = 0	
iii	Do the procedures governing the Audit Committee specify that it can approve the payment to statutory auditors for any other services rendered by them?	1	Yes = 1 No = 0	
iv	Do the procedures governing the Audit Committee specify that the Audit Committee is responsible for reviewing with the management and ensuring that the company's annual financial statements and audits are in compliance with applicable laws, regulations, and company policies before submission to the Board for approval?	1	Yes = 1 No = 0	
v	Do the procedures governing the Audit Committee specify that the Audit Committee is responsible for reviewing with the management the performance of internal auditors and adequacy of the internal control systems.	1	Yes = 1 No = 0	
vi	Are the procedures and rules governing the Audit Committee approved by the full Board?	1	Yes = 1 No = 0	

2.3 Audit Committee Powers (5 Marks)

Sl.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i	Is the Audit Committee empowered to seek information on and from an employee of the CPSE?	1	Yes = 1 No = 0	
ii	Does the Audit Committee have powers to secure help of outside legal or any other experts when necessary?	1	Yes = 1 No = 0	
iii	Does the Audit Committee have powers to mitigate conflicts of interest by strengthening auditor independence?	1	Yes = 1 No = 0	
iv	Is the Audit Committee empowered to ensure the effectiveness of internal controls and risk management?	1	Yes = 1 No = 0	
v	Is there a system of protection for employees and others who report infraction to the internal audit function or the external auditors (to protect "whistle blowers")?	1	Yes = 1 No = 0	

2.4 Meeting of Audit Committee (5 Marks)

Sl.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i	Did the Audit Committee meet at least four times during the last 12 months?	1	Yes = 1 No = 0	
ii	Did the frequency of the Audit Committee meetings as per the norms (i.e. not more than four months shall elapse between two meetings)?	2	Yes = 2 No = 0	
iii	Did the minimum of two Independent Directors attend the meeting of the Audit Committee?	2	Yes = 2 No = 0	

2.5 Review of Information by Audit Committee (5 Marks)

Sl.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i	Does the Audit Committee review the management discussion and analysis of financial condition and results of operations?	1	Yes = 1 No = 0	
ii	Does the Audit Committee review the statement of related party transactions submitted by management?	1	Yes = 1 No = 0	
iii	Does the internal audit department report relating to internal control weaknesses reviewed by the Audit Committee?	1	Yes = 1 No = 0	
iv	Is the information regarding assessment and/or removal of Chief Internal Auditor placed before the Audit Committee?	1	Yes = 1 No = 0	
v	Does the Audit Committee review the declaration of financial statements by the CEO/CFO?	1	Yes = 1 No = 0	

3.1 Constitution of Remuneration Committee (5 Marks)

Sl.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i	Does the Board have Remuneration Committee?	1	Yes = 1 No = 0	
ii	Does the remuneration committee comprise of at least 3 directors who are all part-time directors (Nominee or Independent)?	2	Yes = 2 No = 0	
iii	Is the remuneration committee chaired by an Independent Director?	2	Yes = 2 No = 0	

4.1 Board of Subsidiary Companies* (3 Marks)

Sl.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i	Does the Board of Subsidiary company include at least one independent director of the holding company as a	1	Yes = 1 No = 0	

	director?			
ii	Are the minutes of meetings of Board of Director of subsidiary company placed in the Board meetings of the holding company?	1	Yes = 1 No = 0	
iii	Does the number of functional directors (including CMD/MD) constitute 50% of the actual strength of the board?	1	Yes = 1 No = 0	

4.2 Review of Financial Statement of Subsidiary* by Audit Committee (1 Marks)

SI.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i	Does the Audit Committee of the holding company review the financial statements of the subsidiary company?	1	Yes = 1 No = 0	

4.3 Review of Performance of Subsidiary* by Board (1 Marks)

SI.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i.	Does the Board of Directors of the holding company review the performance of the subsidiary company as per the DPE Guidelines?	1	Yes = 1 No = 0	

* - As per DPE for the purpose of Corporate Governance guidelines, only those subsidiaries whose turnover or net worth is not less than 20% of the turnover or net worth respectively of the Holding Company in the previous accounting year may be treated as subsidiary company.

5.1 Transactions (3 Marks)

SI.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i.	Is the summary of transactions with related parties in the normal and ordinary course of business placed before the Audit Committee of the Board?	1	Yes = 1 No = 0	
ii.	Are the details of material individual transactions with related parties undertaken in extraordinary circumstances of business placed before the Audit Committee?	1	Yes = 1 No = 0	
iii	Are the details of material individual transactions with related parties or others, which are not on an arm's length basis placed before the Audit Committee along with Management's Justification for the same?	1	Yes = 1 No = 0	

5.2 Accounting Standards (3 Marks)

SI.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i	Do the company's accounting procedures comply with the Accounting Standards adopted by ICAI?	2	Yes = 2 No = 0	
ii	Is the deviation from the prescribed Accounting Standards disclosed and explained in the financial statements and in the Corporate Governance Report of the Company?	1	Yes = 1 No = 0	

5.3 Consolidated Financial Statements (3 Marks)

SI.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i.	Are the Consolidated Financial Statements of the Company prepared in accordance with the Accounting Standards, namely, AS21, AS23, and AS27 issued by ICAI.	3	Yes = 3 No = 0	

5.4 Segment-wise Profit and Loss Statement (3 Marks)

SI.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i.	Does the company disclose segment-wise profit & loss as per Accounting Standard 17 issued by ICAI?	3	Yes = 3 No = 0	

5.5 Board Disclosures – Risk Management (3 Marks)

Sl.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i.	Do the company's latest Annual Report include management's assessment of the company's outlook for the future and identify important risks that the company may face in future?	2	Yes = 2 No = 0	
ii.	Has the company included in its latest Annual Report a statement of its corporate objectives (Mission) and does it periodically update this statement?	1	Yes = 1 No = 0	

5.6 Remuneration of Directors (3 Marks)

Sl.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i.	Does the company's latest Annual Report disclose all pecuniary relationship or transaction of the part-time directors vis-à-vis the company?	2	Yes = 2 No = 0	
ii	Does the company disclose in its latest Annual Report the details on remuneration of Directors?	1	Yes = 1 No = 0	

5.7 Management Discussion and Analysis (1 Marks)

Sl.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i.	Does the Management Discussion and Analysis Report include (a) Industry structure and developments; (b) Strength and weakness; (c) Opportunities and threats; (d) Outlooks for the future; (e) Risks and concerns; (f) Internal control system and their adequacy; (g) Analysis of finances and operations; (h) Human resources, industrial relations and talent management issues; (i) Environmental conservations, renewal energy use and R&D issue; and (j) Social responsibility issues for the company (CSR)	1	Yes = 1 No = 0	

5.8 Disclosures by Senior Management (1 Marks)

Sl.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i.	Does the company's latest Annual Report disclose significant "related party" transactions of senior management where they have personnel interest?	1	Yes = 1 No = 0	

6.1 Report on Corporate Governance (4 Marks)

Sl.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i.	Does the company's latest Annual Report have a separate section on Compliance to Corporate Governance Guidelines issued by DPE?	2	Yes = 2 No = 0	
ii.	Does the company produce periodic reports and press releases to indicate significant developments impaction on corporate governance (such as, legal and environmental issues; commitment to workforce, suppliers, customers and local communities etc.)?	1	Yes = 1 No = 0	
iii.	Does the company have a dedicated cell responsible for information sharing with stakeholders through the use of information and communication technologies (ICT)?	1	Yes = 1 No = 0	

6.2 Compliance Certificate (4 Marks)

Sl.No.	Indicator	Prescribed	Criteria for	Awarded
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		Marks	Measurement	Marks
i.	Has the company obtained a Certificate from the auditors and/or practicing Company Secretary regarding Compliance of Corporate Governance Guidelines and Annexes?	2	Yes = 2 No = 0	
ii.	Does the latest Annual Report of the Company include the Compliance Certificate along with the Directors' Report, which is also sent to all shareholders?	2	Yes = 2 No = 0	

6.3 Chairman's Speech in AGM and Annual Report (4 Marks)

Sl.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i	Does the Chairman's speech at the latest AGM include a section on compliance with Corporate Governance guidelines?	2	Yes = 2 No = 0	
ii	Does the Chairman's speech at the latest AGM form part of Annual Report of the company?	2	Yes = 2 No = 0	

6.4 Holding AGM, Adoption of Audited Accounts and Filing of adopted Accounts with the registrar of Companies within the stipulated time (4 Marks)

Sl.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i.	Did the company hold an Annual General Meeting (AGM) at a convenient time and place that was open to all shareholders?	1	Yes = 1 No = 0	
ii.	Are the year-end Audited Accounts placed in the AGM for adoption by the shareholders of the company?	2	Yes = 2 No = 0	
iii.	Are the year-end Audited Accounts adopted in the AGM field with the Registrar of Companies within the stipulated time?	1	Yes = 1 No = 0	

6.5 Timely Submission of Grading Report (4 Marks)

Sl.No.	Indicator	Prescribed Marks	Criteria for Measurement	Awarded Marks
i.	Did the company submit quarterly grading report regarding DPE Guidelines on Corporate Governance in the prescribed format to respective Administrative Ministries within 15 days from the close of each quarter?	4	Yes = 4 No = 0	

Note :-

- The grading report in the above format is to be filled for each quarter and total marks (out of 100) are to be calculated for each quarter. The scores for each of the four quarters are to be averaged for arriving at annual score.
- The grading would be awarded as under.

Grade	Annual Score
Excellent	85 and above
Very Good	75 - 84
Good	60 - 74
Fair	50 - 59
Poor	Below 50

- In case, a particular indicator is not applicable to a CPSE, the same may be mentioned in the format alongwith justification for non-applicability and the score may be calculated after excluding the marks of that indicator and the marks may be pro-rata calculated for arriving at total score out of 100.

Implementation of 2007 pay revision guidelines

(The list is just illustrative)

S.No.	Provision to be implemented	Relevant para/O.M.	Whether complied	
			Yes	No
1.	Affordability Clause for adoption of 2007 pay revision	Para 3 of O.M. dtd.26.11.2008		
2.	No intermediary pay scale and 3% increment rate with no predetermined stages	Para 2 (vi) & Para 5 of O.M. dtd.26.11.2008		
3.	Fitment to be given only once, no revision during currency of pay revision	Para 1 (i) of O.M. dtd.26.11.2008		
4.	Perks & Allowances limited to 50% of Basic Pay	Para 10 of O.M. dtd.26.11.2008		
5.	Only four specified allowances will be outside the purview of ceiling of 50% of basic pay. No other allowances/perks to be kept outside 50% limit	Para 10 of O.M. dtd. 26.11.2008		
6.	PMS in place with 'Bell Curve Approach' (not more than 15% graded as 'outstanding' and 10% to be graded as 'below par (no PRP for 'below par')	Annex-III (iii) of O.M. dtd.26.11.2008		
7.	Constitution of Remuneration Committee headed by Independent Director (for PRP purpose)	Annex-III (iv) of O.M. dtd.26.11.2008		
8.	Company's car can be allowed to Executive Director/GM only if they head the projects	Para 14 of O.M. dtd. 26.11.2008		
9.	Allowances are allowed w.e.f. the date of issue of Presidential Directive or w.e.f. 26.11.2008 (if the Presidential Directive is issued by 01.05.2009)	Para 17 & Para 2 (v) of O.M. dtd.26.11.2008 and 02.04.2009		
10.	No conflict between officers pay revision and wage revision of workmen	Para (viii) of O.M.dtd. 09.11.2006		

Switch over from CDA to IDA

(This will be applicable to CPSEs having employees under CDA pattern pay scale)

S.No.	Provision to be implemented	Relevant para/O.M.	Whether complied	
			Yes	No
1.	Whether provisions of DPE O.M. dated 12.06.1990 read with clarificatory O.M. dated 10.08.2009 are being followed strictly.	O.Ms. dtd. 12.06.1990 & 10.08.2009		
2.	Whether CDA pattern employees appointed (which includes promotion) on or after 01.01.1989 have been switched over to IDA pay pattern.	Para 3 (iii) of O.M. dtd. 12.06.1990		
3.	Whether it is being ensured that CDA pattern employees not getting IDA perks & allowances including PRP.	Para 2 (c) of O.M. dtd. 08.06.2009		
4.	Whether the CPSE created after 01.01.1989 is following IDA scales of pay and not CDA scales.	O.M. dtd. 12.06.1990		