

LOK SABHA
UNSTARRED QUESTION NO.4172
FOR ANSWER ON 12/12/2016

PERFORMANCE OF RINL

4172. DR. RAVINDRA KUMAR RAY:

Will the Minister of STEEL be pleased to state:

- (a) the details of the targets related to Memorandum of Understanding (MoU) of Rashtriya Ispat Nigam Limited and the achievements in this regard during the last three years and the current year;
- (b) whether the performance was not in keeping with the MoU and if so, the reasons therefor; and
- (c) the corrective steps taken by the Government in this regard?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

(a)&(b): The relevant extracts of MoUs entered into between the Ministry of Steel and RINL for the years 2013-14 to 2016-17 indicating, inter-alia, the range of targets i.e. 'Excellent' to 'Poor', as laid on the Table of the House, are at Annexure I(a) to I(d), II(a) to II(h), III(a) to III(h), IV(a) to IV(b) respectively. RINL has achieved 'Excellent' and 'Good' rating for the years 2013-14 and 2014-15 respectively. RINL has not been evaluated for the years 2015-16 and 2016-17 by Department of Public Enterprises. Variation in performance in 2014-15 over 2013-14 has been, inter-alia, due to global downturn in the steel industry, cheaper imports, slowdown in demand and volatility in the prices of raw material as also due to cyclonic storm Hudhud in October, 2014 etc.

(c) Steel, being a deregulated sector, decisions regarding investment, utilization of resources etc. are taken by the CPSEs based on commercial considerations and market dynamics etc. Government of India has taken several measures to alleviate the problems faced by domestic steel companies including RINL, which inter-alia include imposition of Minimum Import Price(MIP), imposition of safeguard duty, amendment of steel and Steel Products (Quality Control Order, 2012), etc.

PERFORMANCE EVALUATION FOR 2013-14

Annexure III

	Criteria	Units	Weightage (%)	Criterion values				
				Excellent	Very good (Budget)	Good	Fair	Poor
				1	2	3	4	5
1	Static financial parameters							
(a)	Financial performance indicators							
i	Gross margin/Gross block	%	2.0	5.10	5.00	4.75	4.51	4.29
ii	Net profit after tax / Net worth	%	10.0	0.84	0.82	0.78	0.74	0.70
iii	Gross profit / Capital employed	%	10.0	3.92	3.84	3.65	3.47	3.29
(b)	Financial Indicators							
i	Gross margin	₹. Cr	8.0	1481	1101	1046	994	944
ii	Gross sales	₹. Cr	4.0	18066	15751	14964	14215	13505
(c)	Financial returns							
i	PBDIT / Total employment	₹. lac/employee	7.0	5.67	5.56	5.28	5.02	4.77
ii	Added value / Gross sales	%	9.0	-2.44	-2.49	-2.61	-2.75	-2.88
2	Dynamic parameters							
(d)	Quality							
i	Defectives in saleable steel (Existing units)	%	2.5	0.48	0.50	0.53	0.55	0.58
ii	Value added steel production in saleable steel	%	2.0	63	60	57	54	51
(e)	Customer Satisfaction							
i	Improvement in marketing network to ensure sales of 90% of the production from expansion units during the year	%	1.0	90	85	80	75	70
ii	Customer satisfaction index	Index	0.5	80	79	78	76	74
(f)	HRM							
i	Parameters as per Guidelines	-	5.0	As per Annexure D				
(g)	R&D							
i	R&D expenditure as % of PAT	%	2.5	1.05	1.00	0.95	0.90	0.86
ii	R&D projects implementation	Months	2.5	As per Annex E				
(h)	Project Implementation							
i	Plant Expansion (6.3MTPA & Modernisation)	Months	5.0	1 month ahead	As per Annex F	1 month behind	2 months behind	3 months behind
(i)	Capital expenditure	₹. Cr	1.0	1050	1000	950	903	857
(j)	Globalisation / JV s							
i	% Completion of Route survey for Stury Pipeline from Nagamar to Visakhapatnam in Joint Venture with NMDC	%	3.0	55	50	45	40	35
(k)	CSR and Sustainability							
i	CSR and Sustainability Parameters	-	8.0	As per Annexure G				
3	Sector-specific							
i	Saleable steel production	Mt	5.0	3.58	3.47	3.30	3.13	2.98
ii	BF productivity of BF-3 in Q4	t/cum/day	1.0	2.20	2.09	1.99	1.89	1.79
iii	PCI in BF-3 in Q4	Kg/thm	1.0	50	48	46	43	41
iv	LD converter productivity (SMS-1)	tca/cum/day	2.0	24	23	22	21	20
v	Labour productivity	tcs/man/year	2.0	340	336	319	303	288
4	Enterprise-specific							
i	Frequency rate (Existing units)	Rate	1.0	0.50	0.67	0.70	0.74	0.78
iii	Specific energy consumption	Gcal/tcs	2.0	6.21	6.52	6.86	7.22	7.60
iv	Specific water consumption	cum/tcs	3.0	2.80	2.94	3.09	3.26	3.43
			100.0					

1.00 - 1.50 = Excellent; 1.51 - 2.50 = Very Good; 2.51 - 3.50 = Good; 3.51 - 4.50 = Fair; 4.51 - 5.00 = Poor

**HRM PERFORMANCE EVALUATION
2013-14**

Sl	HRM Performance Indicators	Unit	Wtg. (%)	Criterion Values				
				Excellent	Very Good (Budget)	Good	Fair	Poor
				1	2	3	4	5
1	Skill development (fulfilment of training plan for multi skilling / skill up-gradation of non-executives)	%	1.0	100	95	90	85	80
2	Formal Risk Management training for Senior Management Personnel (E-6 & above)	No of Employees	1.0	100	95	90	85	80
3	Participative management – structured meetings with employees' representatives	No. of meetings	1.0	299	285	271	257	242
4	Creativity & Innovation through employee involvement – % of QC projects completed against target	%	1.0	100	95	90	85	80
5	Collaboration with academic / professional Institutions	Date	0.5	Feb'14	Mar'14	-	-	-
6	Fixing of KPAs and KRAs for executives upto E-7	Month	0.25	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13
7	Leadership development and Succession Planning	No. of executives at E-7 level	0.25	50	45	40	35	30
Total			5.0					

MoU 2013-14
Approved by DPE/TF


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**R&D PARAMETERS
2013-14**

R & D EXPENDITURE

SI No	Parameter	Measurement Unit	Wtg (%)	Target Value				
				Excellent (1)	Very Good Budget (2)	Good (3)	Fair (4)	Poor (5)
1	R&D expenditure as % of PAT	%	2.5	1.05	1.00	0.95	0.90	0.86
Total			2.5					

R & D PROJECTS/ MILESTONES

SI No	Title of the Project	Performance Indicator	Wtg (%)	Target Value				
				Excellent	Very Good	Good	Fair	Poor
1	Prepared burden (steel nugget) for solid state reduction for subsequent melting in steel making process	Completion time for Lab Scale Study	0.5	Jan-14	Feb-14	Mar-14	-	-
2	Feasibility studies of enrichment of BF gas for enhancement of calorific value	Lab scale Study for CO ₂ separation using simulated BF Gas	0.5	Feb-14	Mar-14	-	-	-
3	Effect of iron ore micro-fines on sintering process	Completion of 40 Experiments	0.5	Feb-14	Mar-14	-	-	-
4	Product Development	Nos	1.0	4	3	2	1	0
Total			2.5					

MoU 2013-14
Approved by DPE/TF


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Annexure-G

CSR AND SUSTAINABILITY PARAMETERS
2013-14

Sl. 2(k)i	Parameter	Units	Wtg.	Criterion Values				
				Excellent	Very Good (Budget)	Good	Fair	Poor
				(%)	1	2	3	4
1 (i)	Number of seminars/ workshops/ training sessions organised to sensitize the employees	Nos.	1	20	18	16	14	12
1 (ii)	a) Introduction of green technology to generate power from waste energy - Commissioning of Top Pressure Recovery Turbine in Blast Furnace (BF-3)	Month	1	Feb'14	Mar'14	-	-	-
	b) Bio-diversity : Number of Trees Planted during the year	Nos.	1	10500	10000	9500	9000	8500
2	Formulation of a Corporate Communication strategy for all stakeholders	Month	1	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14
3	Publishing of Sustainability Report in line with GRI guidelines	Month	1	Feb'14	Mar'14	-	-	-
4 (a)	<u>CSR Project:</u> Jaladhara (Safe Drinking Water) - providing safe drinking water supply to residents in tribal villages of Visakhapatnam Agency area-using gravity system to utilize natural spring water - in 9 habitations	Nos. of habitation s / villages	1	10	9	8	7	6
4 (b)	<u>SD Project:</u> Rain Water harvesting at VSP Premises - Completion of detailed Engineering	Month	1	Dec'13	Jan'14	Feb'14	Mar'14	-
5	Expenditure incurred on CSR and Sustainability activities vis-à-vis commitment of ₹ 7.5 Crore	% fulfilment	0.5	105	100	95	90	85
6	Number of Board Level Committee meetings held for monitoring CSR & SD activities	Nos.	0.5	4	3	2	1	0
Total			8.0					

MoU 2013-14
Approved by DPH/TF

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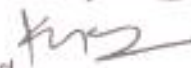
PERFORMANCE EVALUATION FOR 2014-15

Annexure II

Sl No.	Evaluation Criteria	Units	Weight (in %)	MoU Target					Documentary evidence and source / origin of documents
				Excellent	Very good (Budget)	Good	Fair	Poor	
				1	2	3	4	5	
1	Static/Financial Parameters								
(i)	Growth/ Size/ Activity								
a	Sales Turnover	₹. Cr	9.0	16614	16289	15474	14700	13965	Annual Accounts and Annual Report
b	Gross Operating Margin Rate	%	9.0	12.97	12.35	11.73	11.15	10.59	Annual Accounts and Annual Report
(ii)	Profitability								
b	EBIT/Average Capital Employed	%	10.0	10.92	10.40	9.88	9.39	8.92	Annual Accounts and Annual Report
(iii)	Costs and Output Efficiency								
a	Sales Turnover/ Net Block	%	8.0	107	105	100	95	90	Annual Accounts and Annual Report
(iv)	Liquidity/ Leverage								
a	Current Ratio	Ratio	8.0	1.04	1.02	0.97	0.82	0.87	Annual Accounts and Annual Report
(v)	Efficiency of Asset Use								
a	Average No. of Days of Inventory (Iron & Steel Products)	Days	6.0	19	20	21	22	23	Annual Accounts and Annual Report
2	Dynamic/ non-financial Parameters								
(i)	CSR and Sustainability								
a	CSR and Sustainability Parameters	-	3.0	As per Annexure B					Report on Annexure B Certified by Board level Official
(ii)	R&D	-	2.0	As per Annexure C					Report on Annexure C Certified by Board level Official
(iii)	Initiatives for Growth	-	10.0	As per Annexure D					Annual Statistics and related details as required Certified by Board level Official and Annual Accounts
(iv)	Project Management & Implementation	-	10.0	As per Annexure E					Certification by the Consultant and Annual Accounts / Annual report
(v)	Productivity and Internal Processes	-	7.0	As per Annexure F					Annual statistics and related details as required certified by Board level Official
(vi)	Technology, Quality, Innovative practices	-	5.0	As per Annexure G					Certificate from consultant / Filing receipt from Patent Office
(vii)	HRM	-	8.0	As per Annexure H					Report on Annexure H Certified by Board level Official
3	Sector Specific/ Enterprise Specific								
a	Labour Productivity	tons/man/year	5.0	416	408	388	368	350	Annual Statistics and related details as required certified by Board level Official
			100.0						

1.00 -1.50 = Excellent; 1.51 - 2.50 = Very Good; 2.51 - 3.50 = Good; 3.51 - 4.50 = Fair; 4.51 - 5.00 = Poor

Note: Non-compliance to Corporate Governance and other Guideline/Regulations will result in negative marking as per Clause 3.21 and 3.22 of the Guidelines for Memorandum of Understanding (MoU) for the year 2014-15 issued by Department of Public Enterprises(DPE).

2015
 Approved by DPE/TF
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**CSR AND SUSTAINABILITY PARAMETERS
2014-15**

Sl. No.	Parameter	Units	Wtg. (%)	Criterion Values					Documentary evidence and source / origin of documents
				Excellent 1	Very Good (Budget) 2	Good 3	Fair 4	Poor 5	
1	Upgradation of air pollution control systems at Burden Handling System-1 & Cast House Exhaust System-1 of Blast Furnace-1	Month	0.25	Dec'14	Jan'15	Feb'15	Mar'15	-	Report on Annexure B Certified by Board level Official
2	Number of meetings/consultations held with key Stakeholders	Nos.	0.25	4	3	2	1	0	
3	Publishing of Sustainability Report in line with GRI guidelines	Month	0.25	Feb'15	Mar'15	-	-	-	
4 (a)	CSR Project: Sanskriti - Construction of Multipurpose halls in 2 rehabilitation colonies of RNL	Month	1.0	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	
	Seksham - Total Adult literacy program to cover illiterates in peripheral villages of VSP	Nos.	0.75	420	400	380	360	340	
4 (b)	SD Project: Complete erection, Testing & commissioning of Rain Water Harvesting Pump House near 18 MLD	Month	0.5	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	
Total			3.0						

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Signed *Kuz*

**R&D PARAMETERS
2014-15**


Sl No 2(ii)	Title of the Project	Performance Indicator	Wtg (%)	Target Value					Documentary evidence and source / origin of documents
				Excellent	Very Good	Good	Fair	Poor	
1	Feasibility studies of enrichment of BF gas for enhancement of calorific value	Completion of laboratory studies on Nitrogen separation	0.4	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Report on Annexure-C Certified by Board level Official
2	Effect of iron ore micro-fines on sintering process	Completion of all 147 experiments as per project plan	0.4	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	
3	Development of Thermo Mechanically Treated bars with improved seismic resistance	Completion of all trials	0.4	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	
4	Studies on Carbonation Techniques of the Steel Slag Wastes	Completion of 50 Carbonation Tests on Steel Slag	0.4	Feb-15	Mar-15	-	-	-	
5	Product Development	Nos	0.4	4	3	2	1	0	
Total			2.0						

MOU 2014-15
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**INITIATIVES FOR GROWTH
2014-15**

Sl No. 2(iii)	Evaluation Criteria	Units	Weight (in %)	MOU Target					Documentary evidence and source / origin of documents
				Excellent	Very Good	Good	Fair	Poor	
				1	Saleable Steel Production	Million tons	2.5	4.20	
2	Pig Iron Production	Million tons	2.5	0.50	0.40	0.38	0.36	0.34	
3	Export Sales	₹ Cr	5.0	1050	1000	950	903	857	Annual Accounts
Total			10.0						

* Subject to Production of Hot Metal at the rate of 6 Mtpa, Liquid Steel at the rate of 5.2 Mtpa and Saleable Steel at the rate of 4.8 Mtpa in the last quarter of 2014-15.

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 Signature

MOU 2014-15

PROJECT MANAGEMENT & IMPLEMENTATION
2014-15

Annexure-E

Sl.No. 2 (iv)	Parameter	Wtg (%)	MOU Target					Documentary evidence and source / origin of documents
			Excellent	Very Good	Good	Fair	Poor	
1	Capital expenditure (₹ Cr)	2	1612	1535	1458	1385	1316	Annual report / Annual Accounts

Sl.No. 2 (iv)	Project / Milestone	Wtg (%)	MOU Target					Documentary evidence and source / origin of documents
			Excellent	Very Good	Good	Fair	Poor	
1	Commissioning of PP-2	2	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	Project Milestones certified by the Consultant
2	Commissioning of Special Bar Mill	2	Jul'14	Aug'14	Sep'14	Oct'14	Nov'14	
3	Commissioning of Structural Mill	2	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	
4	Revamping of SMS-1 Converter-3	1	Feb'15	Mar'15	-	-	-	
5	Completion of supply of major equipment for SMS-2 Converter-3	1	Feb'15	Mar'15	-	-	-	
SubTotal		8.0						
Total		10.0						

MoU 2014-15
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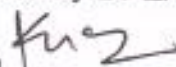
**PRODUCTIVITY AND INTERNAL PROCESSES
2014-15**

Sl. No. 2(v)	Performance Indicators	Unit	Wtg. (%)	Criterion Values					Documentary evidence and source / origin of documents
				Excellent	Very Good (Budget)	Good	Fair	Poor	
				1	2	3	4	5	
1	BF Productivity of BF-3	t/cum/d	1	2.10	2.00	1.90	1.81	1.71	Annual statistics and related details as required certified by Board level Official
2	BF coke rate in BF-3	kgs/thm	1	462	485	509	535	561	
3	PCI rate in BF-3	kgs/thm	2	55	50	45	40	35	
4	Specific energy consumption	Gcal/tcs	2	6.01	6.15	6.46	6.78	7.12	
5	Specific water consumption	cum/tcs	1	2.80	2.80	2.94	3.09	3.24	
Total			7.0						

MOU 2014-15
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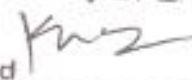
**TECHNOLOGY, QUALITY, INNOVATIVE PRACTICES
2014-15**

Sl No. 2(vi)	Evaluation Criteria	Units	Weight (In %)	MOU Target					Documentary evidence and source / origin of documents
				Excellent	Very Good	Good	Fair	Poor	
1	Introduction of RH Degassing technology	Months	1.5	Jun'14	Jul'14	Aug'14	Sep'14	Oct'14	Project Milestones certified by the Consultant
2	Bring into operation reducing and sizing block in WRM-2	Months	1.5	Jul'14	Aug'14	Sep'14	Oct'14	Nov'14	Project Milestones certified by the Consultant
3	Intellectual property - filing of patents	Nos	2.0	4	3	2	1	0	Patent filing receipt of Patent Office
Total			5.0						

MOU 2014-15
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**HUMAN RESOURCE MANAGEMENT
2014-15**

Sl. No. 2(vf)	HRM Performance Indicators	Unit	Wtg. (%)	Criterion Values					Documentary evidence and source / origin of documents
				Excellent	Very Good (Budget)	Good	Fair	Poor	
				1	2	3	4	5	
1	Assessment center for gradation of employees for succession planning :								Report on Annexure H Certified by Board level Official
	Appointment of outside expert consultant	Date	0.5	May'14	Jun'14	Jul'14	Aug'14	Sep'14	
	Coverage of 100% of GMs, EDs	Date	0.5	Dec'14	Jan'15	Feb'15	Mar'15	-	
Coverage of 100% of Middle level (DGM and above Managers)	Date	0.5	Jan'15	Feb'15	Mar'15	-	-		
2	Training of Employees:								
	50% coverage - CEO's, Directors, ED's/GM on leadership, corporate governance and strategy & risk management .	Date	0.5	Feb'15	Mar'15	-	-	-	
	50% coverage - Senior Managers, Middle Managers & lower management as per functional requirement	Date	0.5	Feb'15	Mar'15	-	-	-	
3	10% Coverage - Workers in skill development programmes	Date	0.5	Feb'15	Mar'15	-	-	-	
	Motivation to employees :								
	Submission of report by an outside expert consultant for survey of motivation and ways to enhance motivation of the employees	Date	0.5	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	
4	Initiation of action on the above study	Date	0.5	Feb'15	Mar'15	-	-	-	
	Development of SERVICE CHARTER for welfare of employees								
	Constituting a Committee	Date	0.5	May'14	Jun'14	Jul'14	Aug'14	Sep'14	
5	No. of Meetings of the committee per year	Nos	0.25	8	5	4	3	2	
	No. of Meetings of the committee with CMD	Nos	0.25	2	1	-	-	-	
	Image Building :								
6	Submission of report by an outside expert consultant's to improve image	Date	0.5	Dec'14	Jan'15	Feb'15	Mar'15	-	
	MOU between functional directors with ED's / GM's under them.	Date	0.5	May'14	Jun'14	Jul'14	Aug'14	Sep'14	
	Appointment of outside expert consultant on Talent management studies:								
7	Submission of Report by Expert Consultant	Date	0.5	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	
	HR Audit for organisation	Date	0.5	Dec'14	Jan'15	Feb'15	Mar'15	-	
	% Reduction in Administrative expenses over the projected Administrative cost of ₹ 314 Cr for 2014 15	Nos	0.5	5	4	3	2	1	
8	Revisit of Promotion policy.	Date	0.5	Dec'14	Jan'15	Feb'15	Mar'15	-	
Total			8.0						

MOU 2014-15
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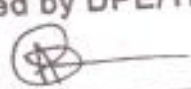
Annexure- II

PERFORMANCE EVALUATION FOR 2015-16

Sl No.	Evaluation Criteria	Units	Weight (in %)	MoU Target					Documentary evidence and source / origin of documents
				Excellent	Very good (Budget)	Good	Fair	Poor	
				5	4	3	2	1	
1	Static/ Financial Parameters								
i	Sales Turnover	Cr	15.0	16400	16078	15275	14511	13785	Annual Accounts and Annual Report
ii	Gross Operating Margin	Cr	9.0	1968	1929	1833	1741	1654	
iii	EBITDA / Net Block	%	10.0	10.20	10.00	9.50	9.03	8.57	
iv	Average No. of Days of Inventory (Iron & Fin. Steel)	Days	6.0	35	40	42	44	46	
v	Average collection period of trade receivables	No. of days	9.0	73	75	77	79	81	
vi	Reduction in Contingent Liability of claim against the company not acknowledged as debt by 1% from the level of 31.03.2014	%	1.0	1.02	1.00	0.95	0.90	0.86	
2	Dynamic/ non-financial Parameters								
(i)	CSR and Sustainability								
a	CSR and Sustainability Parameters	-	-	As per Annexure B					Report on Annexure B Certified by Board level Official
(ii)	R&D	-	3.0	As per Annexure C					Report on Annexure C Certified by Board level Official
(iii)	Initiatives for Growth	-	10.0	As per Annexure D					Report on Annexure D Certified by Board level Official
(iv)	Project Management & Implementation	-	10.0	As per Annexure E					Certification by the Consultant and Annual Accounts / Annual report
(v)	Productivity and Internal Processes	-	9.0	As per Annexure F					Report on Annexure F Certified by Board level Official
(vi)	Technology, Quality, Innovative practices	-	6.0	As per Annexure G					Report on Annexure G Certified by Board level Official
(vii)	HRM	-	5.0	As per Annexure H					Report on Annexure H Certified by Board level Official
3	Sector Specific/ Enterprise Specific								
a	Labour Productivity	tcs/man/ year	5.0	408	385	366	347	330	Annual Statistics and related details as required certified by Board level Official
			100.0						


Note:

- All internal documents to be signed at least by functional Director of Board.
- Negative marking for non-compliance of Corporate Governance principles, non-compliance of guidelines relating to the percentage fixed for procurement from MSME, non- Compliance to 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 up-dating.

MoU 2015-16
Approved by DPE/TF
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**CSR AND SUSTAINABILITY PARAMETERS
2015-16**

Sl. No.	Parameter	Units	Wtg.	Criterion Values					Documentary evidence and source / origin of documents
				Excellent	Very Good (Budget)	Good	Fair	Poor	
1	Total Adult literacy program to cover illiterates in peripheral villages of VSP	No. of Persons Covered	-	420	400	380	360	340	Report on Annexure B Certified by Board level Official
2	"Sujala"-Installation of Water Purification Units for providing drinking water facility in rural areas of Vizag district	No of Habitations	-	19	18	17	16	15	
3	Construction of Toilets for 86 schools	Morth	-	Apr'15	May'15	Jun'15	Jul'15	Aug'15	
Total				-					

MoU 2015-16
Approved by DPE/TF
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**R&D PARAMETERS
2015-16**

Sl No 2(ii)	Title of the Project	Performance Indicator	Wtg (%)	Target Value					Documentary evidence and source / origin of documents
				Excellent	Very Good	Good	Fair	Poor	
1	Studies on carbonation techniques of steel slag wastes	Completion of 25 carbonation tests	1.0	Dec'15	Jan'16	Feb'16	Mar'16	-	Report on Annexure C Certified by Board level Official
2	Improvement of yield through reduction of ladle balance from the steel ladle of SMS-1	Completion of water modelling	0.5	Feb'16	Mar'16	-	-	-	
3	Product Development	Nos	1.0	4	3	2	1	0	
4	Investment in R&D	% of Sales Turnover	0.5	0.30	0.25	0.24	0.23	0.21	
Total			3.0						


MoU 2015-16
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**INITIATIVES FOR GROWTH
2015-16**

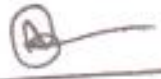
Sl No. 2(iii)	Evaluation Criteria	Units	Weight (in %)	MOU Target					Documentary evidence and source / origin of documents
				Excellent	Very Good	Good	Fair	Poor	
				1	Saleable Steel Production	Million tons	3.0	4.15	
2	Risk identification and preparation of mitigation plans	Nos	2.0	4	3	2	1	0	
3	Export Sales	Million tons	5.0	0.26	0.25	0.24	0.23	0.21	
Total			10.0						

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**PROJECT MANAGEMENT & IMPLEMENTATION
2015-16**


Sl.No. 2 (iv)	Parameter	Wtg (%)	MOU Target					Documentary evidence and source / origin of documents
			Excellent	Very Good	Good	Fair	Poor	
1	Capital expenditure (₹ Cr)	3.0	1430	1402	1332	1265	1202	Annual report / Annual Accounts

Sl.No. 2 (iv)	Project / Milestone	Wtg (%)	MOU Target					Documentary evidence and source / origin of documents
			Excellent	Very Good	Good	Fair	Poor	
1	Completion of revamping of 1st stove of BF-2	2.0	Jul'15	Aug'15	Sep'15	Oct'15	Nov'15	Project Milestones certified by the Consultant
2	Completion of major Supplies of BF-2 Capital Repair	2.0	Aug'15	Sep'15	Oct'15	Nov'15	Dec'15	
3	Completion of Engineering of Turbo Blower-5	1.0	Jan'16	Feb'16	Mar'16	-	-	
4	Completion of major Structural works in CCM-4	2.0	Feb'16	Mar'16	-	-	-	
SubTotal		7.0						
Total		10.0						

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**PRODUCTIVITY AND INTERNAL PROCESSES
2015-16**

Sl. No. 2(v)	Performance Indicators	Unit	Wtg. (%)	Criterion Values					Documentary evidence and source / origin of documents
				Excellent	Very Good (Budget)	Good	Fair	Poor	
1	BF Productivity of BF-3 (on 2 BF Operation days)	t/cum/d	1	2.10	2.00	1.90	1.81	1.71	Annual statistics and related details as required certified by Board level Official
2	BF coke rate of BF-1 & 3 (on 2 BF Operation days)	kgs/thm	1	470	494	519	545	572	
3	PCI rate of BF-1 & 3	kgs/thm	1	45	40	35	30	25	
4	Specific energy consumption	Gcal/tcs	2	6.10	6.20	6.51	6.84	7.18	
5	Specific water consumption	cum/tcs	2	2.60	2.80	2.94	3.09	3.24	
6	Emission Intensity	t of CO ₂ / tcs	2	2.60	2.73	2.87	3.01	3.16	
Total			9.0						

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**TECHNOLOGY, QUALITY, INNOVATIVE PRACTICES
2015-16**

Sl No. 2(vi)	Evaluation Criteria	Units	Weight (In %)	MOU Target					Documentary evidence and source / origin of documents
				Excellent	Very Good	Good	Fair	Poor	
1	Commissioning of Garret Coller to produce coils of higher size dia.	Months	3.0	Aug'15	Sep'15	Oct'15	Nov'15	Dec'15	Project Milestones certified by the Consultant
2	Intellectual property - filing of patents	Nos	3.0	4	3	2	1	0	Patent filing receipt of Patent Office
3	Frequency Rate (Safety)	Rate	2.0	0.24	0.25	0.26	0.28	0.29	Report certified by Board level Official
Total			8.0						

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HUMAN RESOURCE MANAGEMENT
2015-16

Sl. No. 2(vii)	HRM Performance Indicators	Unit	Wtg (%)	Criterion Values					Documentary evidence and source / origin of documents
				Excellent	Very Good (Budget)	Good	Fair	Poor	
1	Employee involvement through suggestions.	Number of Suggestions	1.0	18795	17900	17005	16155	15347	Report on Annexure H Certified by Board level Official
2	Enrolment of Employees for Project Management Certification	No of Employees	1.0	11	10	9	8	7	
3	% Fulfilment of training Plan	%	2.0	>90	90	86	81	77	
4	Finalisation of succession plan	Month	1.0	Nov'15	Dec'15	Jan'16	Feb'16	Mar'16	
Total			5.0						

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Form-1, Part-A (Performance Evaluation for MoU 2016-17)

Sl No	PARTICULARS	Unit	Wtg. (%)	2016-17 MoU Targets				
				Excellent	V. Good	Good	Fair	Poor
i	Capacity Utilisation							
	Saleable Steel Production	Mt	10	4,540	4,324	4,108	3,902	3,707
ii	A. Efficiency Parameters (Physical operations)							
	Reduction in Specific energy consumption as compared to previous year	%	5	4.0	3.0	2.5	2.0	1.0
	Increase in productivity of BF-3 (on 2 BF operation days) as compared to previous year	%	5	9	8	7	6	5
	B. Technology up-gradation							
	Commissioning of Pulverised Coke Injection (PCI) in Blast Furnace-2	Date	5	15-02-2017	28-02-2017	10-03-2017	20-03-2017	31-03-2017
iii	Leveraging Net Worth							
	CAPEX	₹ Rs. Cr	15	1377	1350	1283	1218	1157
iv	Monitoring Parameter							
	Percentages of value of CAPEX contracts/ projects running/ completed during the year without time/ cost overrun to total value of CAPEX contracts running/ completed during the year (Projects at Annexure-3)	%	5	100	90	80	70	60
v	Turnover from operations							
	Revenue from Operations (Net of Excise duty)	₹ Rs. Cr	5	11500	11250	11000	10750	10500
vi	Operating Profit / Surplus							
	Reduction in Loss (Loss before tax adjustment excluding other income, Extraordinary and Exceptional items) over previous year	%	10	100	10	8	6	4
vii	Early Signs of weakness							
	Reduction in claims against the company not acknowledged as debt over the previous year Claims raised by CPSEs	%	5	100	75	60	40	20
viii	Marketing Efficiency Ratios							
	A. No. of days of inventory of finished goods and Work-in-progress to sale of products	No. of days	5	32	34	36	38	40
	B. Trade Receivables as %age of Revenue from Operations (Gross)	%	5	8.64	8.81	9.27	9.76	10.28
ix	Return on Investment							
c	Loss making CPSEs or CPSEs having accumulated losses							
i	Reduction in total expenses (excluding Interest & Depreciation) per tonne of crude steel over previous year	%	10	2.00	1.50	1.25	1.00	0.75
ii	Increase in production of Value Added Steel over previous year	%	5	3.0	2.5	2.0	1.5	1.0
iii	Increase in Capacity Utilisation of WRM-2 over previous year	%	5	50	45	40	35	30
x	Sector Specific Targets							
	Increase in Power Generation from Waste Heat Recovery over previous year	%	5	7	5	4	3	2
	Total		100					

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Annexure-1

CAPEX contracts/ projects running/ scheduled to be completed during 2016-17

Sl. No.	Name of the Project	Schedule Date of Completion	Estimated Project Cost (₹Cr)
Projects being entered in OCMS of MoSPI			
1	Turbo Blower-5	Sept'16	280
Other Projects Costing ₹ 150 Cr & above to be included in OCMS of MoSPI			
2	Coke Oven Battery-5	Dec'17	2858

1. Introduction

The purpose of this document is to provide a comprehensive overview of the project's objectives and scope.

Section	Content	Status	Priority
1.1	Project Overview	Completed	High
1.2	Objectives	In Progress	Medium
1.3	Scope	Not Started	Low
1.4	Timeline	Not Started	Medium
1.5	Resources	Not Started	Low
1.6	Risks	Not Started	Medium
1.7	Conclusion	Not Started	Low

The following table provides a detailed breakdown of the project's objectives and scope. The objectives are to be achieved by the end of the project, and the scope is to be defined by the project manager. The timeline is to be completed by the end of the project, and the resources are to be allocated accordingly. The risks are to be identified and mitigated throughout the project.

The project is expected to be completed by the end of the year. The resources are to be allocated accordingly. The risks are to be identified and mitigated throughout the project. The project is expected to be completed by the end of the year.