

MoU 201
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MEMORANDUM OF UNDERSTANDING

BETWEEN

URANIUM CORPORATION OF INDIA LIMITED: JADUGUDA

AND

DEPARTMENT OF ATOMIC ENERGY

FOR THE YEAR 2010-2011

URANIUM CORPORATION OF INDIA LIMITED
JADUGUDA

PART - I

1. MISSION /VISION AND OBJECTIVES OF UCIL

1.1. MISSION:

To meet the requirement of Uranium for Nuclear Power Programme most efficiently and Commensurate with prescribed standards of safety and environmental protection.


VISION:

To constantly strive to develop and implement a technology suitable for mining and processing of uranium ore at a competitive cost and to diversify towards mining, tunneling and process related consultancy and other project implementation ventures.

1.2. OBJECTIVES:

- 1.2.1 To mine and process uranium ore, produce concentrate and recover by-products at the most economic cost and market them efficiently.
- 1.2.2 To achieve cost effectiveness through better capacity utilization, quality improvement & optimum utilization of human resources and maximize surplus generation through cost control and other measures.
- 1.2.3 To improve the quality of life and environment and attract the best talent available in the country through human resource development.
- 1.2.4 Augmentation of processing capacity.
- 1.2.5 Remediation of Tailing and Waste dumps.

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1.2.6 To maximise shareholder's value.

1.2.7 To emerge as a zero accident rate company.

1.2.8 (a) To implement the on-going project within the cost and time frame as scheduled.

(b) To evaluate new deposits for opening new mines and process plants.

1.3 **COMMITMENTS AND ASSISTANCE FROM THE GOVERNMENT**


1.3.1 To provide necessary budgetary support during 2010-2011 for projects taken up during the Eleventh Five Year Plan Period.

1.3.2 Timely fixation of Compensation for Uranium concentrates according to the agreed formula.

1.3.3 To provide necessary assistance to get Environmental clearance and Government's approval for the projects included in MOU.

DEPARTMENT OF ATOMIC ENERGY


URANIUM CORPORATION OF INDIA LIMITED

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ANNEXURE- III

CRITERIA	FIVE POINT SCALE					Agency/ Means of Verification		
	UNIT	Weightage	Excellent	Very Good	Good		Fair	Poor
1	2	3	4	5	6	7	8	
1 STATIC/ FINANCIAL PARAMETERS								
a.) Financial Indicators- profit related ratios								
(i) Gross Margin /Gross Block	%	2	8.53	8.12	7.71	7.33	6.96	Audited Accounts
(ii) Net Profit / Net Worth	%	10	1.68	1.60	1.52	1.44	1.37	Audited Accounts
(iii) Gross Profit / Capital Employed	%	10	5.73	5.46	5.19	4.93	4.68	Audited Accounts
b.) Financial Indicators - Size related								
(i) Gross Margin	Rs. In Cr.	8	118.26	112.63	107.00	101.65	96.57	Audited Accounts
(ii) Gross Sales	Rs. In Cr.	4	723.95	689.47	655.00	622.25	591.14	Audited Accounts
c.) Financial Returns- productivity related								
(i) PBDIT / Total Employment	%	7	2.41	2.30	2.18	2.07	1.97	Audited Accounts
(ii) Value Added / Gross Sales	%	9	1.65	1.57	1.49	1.42	1.35	Audited Accounts
Sub- Total (a+b+c)		50						

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CRITERIA	FIVE POINT SCALE					Agency/ Means of Verification		
	UNIT	Weightage	Excellent 4	Very Good 5	Good 6		Fair 7	Poet 8
Dynamic Parameters								
(i) Mandays lost(Accidents) per 1000 shifts	Nos	2	0.98	1.03	1.08	1.14	1.19	Departmental Records
(ii) Expenditure on Corporate Social Responsibility (CSR) Rs. in crore		5	0.53	0.50	0.48	0.45	0.43	Expenditure as per audited Accounts
(iii) ISIRI (2000), 14001(2004) & IS 18001(2001)	Nos	3	0.00	1.00	2.00	3.00	4.00	As per Audit report of certification body
a) Major Non-compliance Report	Nos	3	1.00	2.00	3.00	4.00	5.00	As per Audit report of certification body
b) Minor Non-compliance Report								
Project Implementation								
Mohuldih Mine Project	In Mts	1	125	120	115	110	105	Mtrs. Recorded in MB
Development of Decline								
Tummalapalle Project								
a) Commissioning of Grinding Circuit		2	Sept-'10	Oct-'10	Nov-'10	Dec-'10	Jan-'11	Departmental Records
b) Construction of MRS		2	Sept-'10	Oct-'10	Nov-'10	Dec-'10	Jan-'11	Departmental Records
c) Development of Decline	In Mtrs	2	350.00	360.00	340.00	320.00	300.00	Mtrs. Recorded in MB
Capacity Expansion of Tummalah Mill Commissioning at 75% Capacity		2	Jan-'11	Feb-'11	March-'11	April-'11	May-'11	Departmental Records

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ANNEXURE- III (Contd)

CRITERIA	UNIT	FIVE POINT SCALE								Agency/ Means of Verification	
		Weightage	Excellent	Very Good	Good	Fair	Poor				
C) HRD (Employees Training & Motivation)											
a) Executive	%	2	12	10	8	6	4			Departmental Records	
b) Mine Workmen	%	2	20	15	10	8	5			Departmental Records	
D) Evaluation of property to be acquired aboard.		1	Dec-'10	Jan-'11	Feb-'11	March-'11	April-'11			Third party Report/ Board papers	
E) Presentation in IIA for Joint Ventures	Nos	1	3	2	1	0	0			Departmental Records	

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ANNEXURE-III (Contd)

CRITERIA	UNIT	Weightage	FIVE POINT SCALE					Agency/ Means of Verification
			Excellent 4	Very Good 5	Good 6	Fair 7	Poor 8	
3 Enterprise-specific & Efficiency Parameters								
A. Physical Performance								
i) Ore raised/Manshiff, Jaduguda	ton	2	0.84	0.80	0.76	0.72	0.69	Departmental Records
ii) Ore raised/Manshiff, Narwapahar	ton	2	2.03	1.93	1.83	1.74	1.65	Departmental Records
iii) Ore raised/Manshiff, Turamdih	ton	2	2.03	1.93	1.83	1.74	1.65	Departmental Records
v) Recovery of Uranium - Jaduguda Units	%	1	84.00	80.00	76.00	72.20	68.59	Departmental Records
vi) Recovery of Uranium- Turamdih Units	%	1	65.25	65.00	61.75	58.66	55.73	Departmental Records
vi) Capacity Utilisation of Mill Processing (Jaduguda) as % of Installed Capacity	%	1	89.75	95.00	90.25	85.74	81.45	Departmental Records
Capacity Utilisation of Mill Processing (Turamdih) as % of Installed Capacity	%	1	84.00	80.00	76.00	72.20	68.59	Departmental Records
Inventory as % of annual Consumption.	%	1	19.00	20.00	21.00	22.00	23.00	Audited Accounts
B. Sustainable Development								
a) Plantation at Turamdih Mines, Mill & Colony.	Nos	2	2200	2000	1800	1600	1400	Departmental Records
b) Recycle of Mill Tailing to Under Ground Mines	%	2	30.00	28.00	26.60	25.27	24.01	Departmental Records
c) Waste Rock recycling to Under Ground Mines.	%	2	68.25	65.00	61.75	58.66	55.73	Departmental Records
C. Innovation								
a) Innovative Mine Layout for Energy saving	No occasion	3	3	2	1	1	0	0 Departmental Records
b) Innovative in Material Handling Layout to reduce cost of handling	No occasion	2	3	2	1	1	0	0 Departmental Records
TOTAL (1+2+3)		100						


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Annexure -IX
Rs. in Crores

URANIUM CORPORATION OF INDIA LTD, JADUGUDA

TREND OF CPSE'S PERFORMANCE OF FINANCIAL PARAMETERS FOR LAST 5 YEARS

No.	Particulars	2006-06		2006-07		2006-07		2007-08		2008-09		2009-10		2009-10		2009-10	
		MoU	Actual	MoU	Actual	MoU	Actual	MoU	Actual	MoU	Actual	upto Sept.	upto Anticipated	MoU	Actual	MoU	Actual
CLASSIFIED INFORMATION																	
1.00	Production	234.40	256.66	252.63	273.33	518.13	280.87	541.00	374.30	234.15	527.99	614.00					
2.00	Gross Sales	50.29	74.90	67.90	71.99	183.06	47.61	180.00	87.17	41.60	87.38	154.00					
3.00	Gross Margin	22.79	48.26	39.65	43.78	116.46	21.42	108.00	60.04	19.56	35.02	99.00					
4.00	Profit before tax	565.91	570.74	605.91	619.42	1020.00	672.54	1245.00	1171.01	1196.01	1221.01	1319.00					
5.00	Gross Block	252.86	255.08	281.73	281.92	318.17	310.12	394.67	339.14	363.32	391.50	397.00					
6.00	Less Dep	313.05	315.66	324.18	337.50	701.83	362.42	850.43	831.87	890.59	829.51	922.00					
7.00	Net Block (5-6)	768.89	690.94	690.94	712.55	907.85	641.65	1184.81	1077.65	1192.91	1347.93	1391.00					
8.00	Share Capital of CPSE	68.28	94.72	105.72	114.03	153.29	124.33	167.33	136.84	145.80	152.81	194.00					
9.00	Reserves & Surplus of CPSE																
10.00	Less deferred reve exp / pre-acquisition loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00					
11.00	Less Profit & Loss A/C (Accumulated Loss)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00					
12.00	Net worth of CPSE (8+9)-(9+10)	637.17	785.66	795.66	825.58	1060.94	985.98	1352.14	1214.49	1338.71	1500.54	1585.00					
13.00	Investment	0.13	0.20	0.13	0.06	0.77	0.05	0.07	0.10	0.08	0.04	0.04					
14.00	Sundry Debtors/ sales	26.00	28.56	25.00	22.55	35.00	31.93	38.00	30.88	32.01	31.50	32.00					
15.00	Inventory	350.00	393.04	380.00	303.30	600.00	271.35	423.47	437.33	395.00	340.33	325.00					
16.00	Total Current Assets	80.00	189.95	80.00	164.05	200.00	174.90	226.00	353.02	320.00	283.02	195.00					
17.00	Total Current Liabilities & Provision	270.00	223.08	300.00	139.25	300.00	86.45	197.47	84.31	75.00	66.31	130.00					
18.00	Net Current Assets (16-17)	583.05	538.74	624.18	476.75	1001.83	468.87	1047.90	916.18	905.89	895.82	1052.00					
19.00	Capital employed (Net block+net current assets) (7-18)	0.00	0.00	0.00	0.00	0.00	0.00	195.00	0.00	0.00	0.00	0.00					
20.00	Total debt (loan funds)	917.17	991.01	1025.75	1025.75	1315.83	1174.37	1841.13	1636.08	1720.55	1851.66	1789.00					
21.00	Total Assets	4226	4034	4103	4125	4284	4439	4555	4384	4855	4652	4400					
22.00	No. of employees of CPSE	2.80	8.00	5.08	7.00	15.40	3.70	13.00	4.70	0.00	3.12	12.00					
23.00	Dividend Paid																
24.00	Add value (gross margin less capital recovery factor 4% of capital employed for social sector and 10% for other CPSE)	-8.02	21.03	5.48	24.32	82.88	1.72	75.21	-4.45	-48.97	-2.20	48.80					
25	Ratio	0	0	0	0	0	0	16.46	0	0	0	0					
26	Debt/equity (20/8)%age	0.33	1.02	0.64	0.85	1.45	0.38	0.96	0.39	0.00	0.27	0.76					
27	Return on Net worth (%age) (23/12)																

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28	PBDIT/Total employment of CPSE (Rs.) (3/22)	119001	185672	165489	174521	427311	107284	305170	199748	91328	187833	350000
29	Gross Profit/Capital employed (%age)	3.81	9.14	6.34	9.66	11.62	4.99	10.31	6.67	2.16	3.91	9.41
30	Net Profit/Net Worth (%age)	1.68	4.02	3.20	3.33	7.26	1.51	4.73	1.48	0.87	1.37	3.72
31	Working of gross margin											
32	Net Profit	14.1	31.61	25.46	27.61	77	14.63	64	18.01	11.58	20.59	59
33	Tax	8.69	18.65	14.09	16.27	39.45	6.79	44	42.03	7.97	14.43	40
34	Net profit before tax	22.79	48.26	39.55	43.78	116.46	21.42	108	80.04	19.55	35.02	99
35	add Prior period	0	0.99	0	2.29	0	1.01	0	1.09	0	0	0
36	add extra ordinary items	0	0	0	0	0	0	0	0	0	0	0
37	Profit before prior period	22.79	49.25	39.55	46.07	116.46	22.43	108	61.13	19.55	35.02	99
38	add Interest	0	0	0	0	0	0	0	0	0	0	0
39	Gross Profit	22.79	49.25	39.55	46.07	116.46	22.43	108	61.13	19.55	35.02	99
40	add depreciation	27.50	25.64	55.44	25.92	66.60	24.88	64.00	26.46	21.93	52.35	55
41	Misc. expenditure written off	0	0	0	0	0	0	0	0	0	0	0
42	Gross Margin before interest, depreciation & misc. expenditure written off	50.29	74.89	94.99	71.99	183.06	47.31	172.00	87.69	41.48	87.38	154.00
53	Gross margin - profit before interest, depreciation, tax including deferred tax, amortization, prior period adjustment a/c & extra ordinary items - Rs. in Crore	50.29	74.89	94.99	71.99	183.06	47.31	172.00	87.69	41.48	87.38	154.00
54	Net profit after tax but before extra ordinary items and prior period adjustment a/c	14.10	32.60	25.46	29.80	77.00	15.64	64.00	19.10	11.58	20.59	59.00
55	ADD VALUE (Rs. in crores)	-8.02	21.03	5.48	24.32	82.88	1.72	75.21	-4.45	-45.97	-2.20	48.80

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Uranium corporation of India Ltd.

Jaduguda, Jharkhand- 832 102

ANNEXURE-X

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 2010-11. 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