

MEMORANDUM OF UNDERSTANDING

BETWEEN

URANIUM CORPORATION OF INDIA LIMITED

AND

DEPARTMENT OF ATOMIC ENERGY

FOR THE YEAR 2016-17

URANIUM CORPORATION OF INDIA LTD, JADUGUDA, JHARKHAND

Uranium Corporation of India Ltd: (UCIL), a Public Sector enterprise under Department of Atomic Energy was incorporated on 4th October 1967. UCIL has mandate to mine and process uranium ore in India. Fulfilling the indigenous uranium requirement for the first stage (PHWR Reactors) of the strategic 'Three Stage Nuclear Power Programme', UCIL has special standing at nuclear power programme of the country.

Since its incorporation the company has grown manifold multiplying the uranium production. UCIL now operates seven uranium mines and two process plants in Jharkhand. The uranium concentrate produced from these plants are sent to Nuclear Fuel Complex, Hyderabad for further purification and fabrication of nuclear fuel rods. The company also produces magnetite as by product.

A large underground mine and process plant at Tummalapalle in Andhra Pradesh has been constructed and expected to be commissioned soon. Plan for capacity addition of this mine and plant has already been initiated. In addition, UCIL has also initiated activities to set up new mines and plants in different parts of the country namely – Gogi in Karnataka, Lambapur in Telengana, KPM in Meghalaya and Rohil in Rajasthan.

The total turnover of the company during the year 2014-15 was Rs. 873.94 Cr. The overall performance of the company in terms of MoU signed with DAE is expected to be "Good" for the year 2014-15. UCIL has been categorized as Schedule-'B' based on its turnover etc.

Objectives of the Company:

1. To mine and process uranium ore, produce concentrate and recover by-products at the most economic cost and market them efficiently.
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.
3. To improve the quality of life and environment and attract the best talent available in the country through human resource development.
4. Augmentation of processing capacity.
5. Remediation of Tailing and Waste dumps.
6. To maximize shareholder's value.

7. To emerge as a zero accident rate company.
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.
9. To leverage domain knowledge in uranium mining & processing to acquire uranium assets overseas.
10. To thrive to improve the socio economic condition in the neighbourhood of company's production centre.

URANIUM CORPORATION OF INDIA LTD
JADUGUDA, JHARKHAND-832102

FORM - I Applicable for All CPSEs except CPSEs under Closure/ under construction)
 PART - A

Sl. No	Evaluation Criteria	Unit	Wt.	MoU Targets for the year 2016-17					
				Excellent	Very Good	Good	Fair	Poor	
I	Capacity Utilisation:								
	Jaduguda Mill	%	5	90	85	80	75	70	
	Turamdih Mill	%	5	95	90	85	80	75	
III	Efficiency Parameters (Physical operation): A. Production efficiency: a) Increase in ore raised per manshift, Narwapahar Mines over previous year b) Increase of ore raised per manshift, Turamdih Mines over previous year B. Technology up-gradation: Commissioning of Tummalapalle plant (using Alkali leaching technology) C. Research & Development: 20% reduction in Peroxide consumption during product precipitation by way of R&D								
			%	5	13.26	11.00	9.00	8.00	7.00
			%	5	18.50	16.00	14.00	12.00	10.00
			Date	5	31.10.16	15.11.16	30.11.16	15.12.16	31.12.16
			Date	5	31.10.16	15.11.16	30.11.16	15.12.16	31.12.16
			Rs Cr	15	135	130	125	120	115
			%	5	100	90	80	70	50
IV	Monitoring Parameter: Percentage 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. (Details of projects are as per Annexure-A)	%	5	100	90	80	70	50	

MOU 2016-17
 Approved by IMC
 Signed *[Signature]*

Evaluation Criteria	Unit	W/L	MOU Targets for FY 2016-17				
			Excellent	Very Good	Good	Rev	Poor
V. <u>Support for Operations</u> (Net of excise duty) Revenue from Operations	Rs Cr	5	1320	1260	1200	1150	1100
VI. <u>Operational Expenditure</u> Profit before Tax (excluding other Income, Extraordinary and Exceptional Items)	Rs Cr	10	43	49	32	36	24
VII. <u>Early liquidation of investments:</u> Restricting No of claims against the company not acknowledged as debt by others	No	5	0	1	2	3	2
VIII. <u>A. Marketing efficiency Parameters</u> Number of days of inventory of finished goods and work in progress to Revenue from operations	No of Days	5	10	12	13	14	15
B. <u>Marketing efficiency ratios</u> Trade Receivables as percentage of Revenue from Operations (Gross)	%	5	5.29	5.57	5.25	6.14	6.45
IX. <u>Return on Investment: Profit Earning CPSEs:</u>							
a							
i. Dividend/ PAT	%	5	30	29	28	27	26
ii. PAT/ Net Worth	%	10	0.70	0.60	0.55	0.50	0.45
iii. Dividend/ Networth	%	5	0.21	0.17	0.15	0.14	0.12
TOTAL		100					

- NOTE
- Where achievement is not verifiable from annual report of the CPSE the same would be accepted on the basis of certification by way of resolution from Board of Directors.
 - The Targets notified by the IMC are based on provisional submitted by the company for FY 2015-16. Increase of better performance of the CPSE during the year 2015-16 as compared to provisional target to the IMC, the difference shall be added to the targets of 2016-17.
 - The target decided in MOU are unconditional and no offset will be allowed in any condition. Further evaluation would be subject to compliance of additional eligibility criteria as contained in para 14.2 and 14.3 of MOU guidelines 2016-17.

Chairman and Managing Director
URANIUM CORPORATION OF INDIA LTD

Secretary
DEPARTMENT OF ATOMIC ENERGY

MOU 2016-17
Approved by IMC
Signed

शंकर बसु / Sekhar Basu
सचिव / Secretary
परमाणु ऊर्जा विभाग / Department of Atomic Energy
भारत सरकार / Government of India
अणुशक्ति भवन, छ. वि. सं. मार्ग / Anushakti Bhawan, CVR Road
मुंबई / Mumbai - 400 001

Annexure-A

Sl No	Name of Project	Approved cost of the project (Rs in Cr)	Approved date of completion of the project	Milestone during the year in case of project is not to be completed during the year	Approved date of milestone	CAPEX during the year (Rs in Cr)
1	2	3	4	5	6	7
1	4 th Stage Tailing Pond at Jaduguda	208.92	Oct-16	Retaining wall construction in western side to continue. Protection of Jahirasthan through construction of a longer wall to be taken up.		75.00
2	Modernisation of Bhatin	80.00	Jul-18	Procurement of new machinaries to be made. Contract for major mining work by Western mining to be awarded. Construction of surface facility to be taken up.	31.03.2017	26.00
3	Development of New Resources	3252.00	Not Approved	No significant activity in envisaged at KP M project in view of recent negative public reaction in response to the EOI floated for the Project. For Lambapur Uranium project, no significant work is envisaged	31.03.2017	0.50
4	Uranium Project at Gogi	800.00	Not Approved	Environmental studies to be carried out.	31.03.2017	0.12
5	Tumallapalle Expansion Project	1010.00	Not Approved	Environmental studies to be carried out.	31.03.2017	0.26
6	Uranium Recovery Plants from Copper Tailings	50.00	Not Approved	Work related to baseline environment studies and land acquisition to be taken up.	31.03.2017	0.50
7	Debottlenecking Operations : Singhbhum & Tummalapalle:-					
7.a	Upgradation of Winders of Narwapahar Mine	8.80	Jul-18	Tender to be finalized through consultancy and work order to be placed	31.03.2017	1.20
7.b	Improvement in ore hoisting and crushing system at Turamdih	50.00	Jul-19	Technical designs/ tenders to be finalized.	31.03.2017	1.05
7.c	Protection of river bank and weir at river Kharkai	15.00	Jul-18	Work Orders to be issued.	31.03.2017	8.90
7.d	System modification to handle mixed leached slurry at Jaduguda mill	43.00	Jul-19	Technical specifications to be finalised. Procurement of some materials(rod, cement etc) to be made. Civil work to be started after AERB consent	31.03.2017	6.00
7.e	Adoption of mechanically agitated system for leaching & neutralizing at Jaduguda mill	13.20	Jul-19	Technical specifications to be finalised. Procurement of some materials and civil construction to be made after AERB consent	31.03.2017	1.00
7.f	Trial sloping in hangwall lode at Tummalapalle Mine	15.00	Jul-18	More developments and procurement of instruments for strata monitoring to be taken up	31.03.2017	15.00
	TOTAL					135.53