



सत्यमेव जयते



IndianOil

MEMORANDUM OF UNDERSTANDING

BETWEEN

INDIAN OIL CORPORATION LIMITED

AND

**GOVERNMENT OF INDIA
(Ministry of Petroleum & Natural Gas)**

For

2017-18

**Main Copy
(04.07.2017)**

MOU PERFORMANCE EVALUATION PARAMETERS AND TARGETS (Year 2017-18)

- Annexure - II [Part A]

Mandatory Parameters [Annexure - II (Part A)]											
S. No.	Financial Performance Criteria	Unit	Marks	Current Year (Estimated)	Best in 5 years	MoU Targets for the year 2017-18					Improvement (%) *
						Excellent	V. G.	Good	Fair	Poor	
						100%	80%	60%	40%	20%	
i	Turnover :										
a	Revenue from Operations - Net (excluding sales to other OMCs)	Rs Cr	10	314388	420420.09	370000	360000	350000	340000	330000	14.51
ii	Operating Profit / Loss										
a	Operating Profit as a percentage of Revenue from Operations (Net)	%	20	6.14	3.48	5.10	4.50	4.25	4.00	3.75	-26.71
iii	Return on Investment:										
a	PAT / Average Net Worth	%	20	24.39	14.74	18.00	17.00	16.00	15.00	14.00	-30.30
	Sub Total		50								
Price variation formula for price adjustments to be made for variation in crude price and dollar rate is as : Revised target for Revenue from Operations (RO) excluding Sales to OMCs = Target of RO (1 + Exchange variation x 1.156% + Crude price variation x 1.2143%) [Where, exchange variation = variation from Rs 68 per dollar; and Crude price variation = variation from crude price of \$ 55/bbl]											
* Improvement has been worked out on Very Good Target for 2017-18 over Current year expected actuals.											

MOU PERFORMANCE EVALUATION PARAMETERS AND TARGETS (Year 2017-18)

- Annexure - II [Part B]

Other Parameters [Annexure - II (Part B)]											
S. No.	Performance Criteria	Unit	Marks	Current Year (Estimated)	Best in 5 years	MoU Target for the year 2017-18					Improvement (%) *
						Excellent	V. G.	Good	Fair	Poor	
						100%	80%	60%	40%	20%	
iv	Capacity Utilization / Generation:	%	0 - 10								
a	Crude Thruput	MMT	8	67.6	60.9	68.5	67.0	66.5	66.0	65.5	-0.9
v	Production efficiency parameters:	-	0-10								
a	Reduction in Specific Energy consumption over previous year combined MBN for IOCL Refineries excluding Paradip Refinery	%	8	75.0 * MBN	75.5 * MBN	1.5	1	0.8	0.6	0.4	-
	* Absolute figures										
vi	R&D, Innovation, Technology upgradation parameter:	-	0-10								
a	% of NANO ROs having sale more than 100 KLPM	%	3	38	--	85	80	75	70	65	--
vii	CAPEX	Rs Cr	9	13535.61	16660.61 [Total Plan CAPEX]	16884	16500	16000	15500	15000	21.90
Above CAPEX target of Rs 16884 Crore is excluding investment in JVs and Subsidiaries for Rs 3278 Crore. It was also agreed that if the investment in JVs and Subsidiaries is lower than Rs 3278 Crore, the difference shall be added to the above targets.											

S. No.	Performance Criteria	Unit	Marks	Current Year (Estimated)	Best in 5 years	MoU Target for the year 2017-18					Improvement (%) *
						Excellent	V. G.	Good	Fair	Poor	
						100%	80%	60%	40%	20%	
viii	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	%	5	100	--	100	95	90	85	80	--
ix	Reduction in claims against the Company not acknowledged as debt:	-	0-10								
a	Reduction in claims against the Company not acknowledged as debt - CPSEs and Others	%	3	--	--	5	4	3	2	1	--
x	HRM related parameters:	-	0-10								
a	Online submission of ACR / APAR in respect of all executives (E0 and above) along with compliance of prescribed timelines w.r.t. writing of ACR / APAR	% of no. of executives	1	--	--	100	95	90	85	80	--

S. No.	Performance Criteria	Unit	Marks	Current Year (Estimated)	Best in 5 years	MoU Target for the year 2017-18					% Improvement *
						Excellent	V. G.	Good	Fair	Poor	
						100%	80%	60%	40%	20%	
b	Online Quarterly Vigilance clearance updation for Senior Executives (AGM & Above)	% of number of senior executives	1	--	--	100	95	90	85	80	--
c	Preparation of Succession Plan and its approval by Board of Directors	Date	1	--	--	30.09.17	10.10.17	20.10.17	31.10.17	10.11.17	--
d	Talent management and career progression by imparting at least one week training in Centre of Excellence e.g. IITs, IIMs, NITs, ICAI etc.	% of executives	1	--	--	5	4.5	4	3.5	3	--
e	Board decision on recommendation of HR Taskforce constituted by MoP&NG	Date	1	--	--	31.10.17	30.11.17	31.12.17	31.01.18	28.02.18	--
7	Any other sector specific result oriented measurable parameters	-	0-10								
a	Commissioning of LPG Distributorship	Nos.	3	--	--	800	750	700	650	600	--

S. No.	Performance Criteria	Unit	Marks	Current Year (Estimated)	Best in 5 years	MoU Target for the year 2017-18					Improvement (%) *
						Excellent	V. G.	Good	Fair	Poor	
						100%	80%	60%	40%	20%	
b	% of no. of Retail Outlets with Availability of at-least 3 operational digital payment mode (e.g. UPI, USSD, Aadhaar Pay, Debit Card etc.)	%	3	--	--	95	90	85	80	75	--
c	Construction of clean Toilets in Retail Outlets on the SH/ NH with separate facilities for Men / Women	No. of ROs	3	--	--	1300	1000	900	850	800	--
Sub Total			50								
Grand Total			100								

* Improvement has been worked out on Very Good Target for 2017-18 over Current year expected actuals.

Note:


1. It was agreed that the targets recommended by the IMC are based on estimates submitted by the CPSE for the year 2016-17. In case of better performance of the CPSE as per final results as compared to estimates, the difference shall be added to the targets for the year 2017-18
2. It was agreed that targets decided in MoU are unconditional and no offset will be allowed except in reference to para 6(i) [relating to Turnover - Revenue from Operations] of the minutes of IMC meeting. Further evaluation would be subject to compliance of additional eligibility criteria as contained in para 14.2 of MoU Guidelines 2017-18.



Sanjiv Singh

Chairman

Indian Oil Corporation Ltd



K. D. Tripathi

Secretary to the Govt. of India

Ministry of Petroleum & Natural Gas