# MEMORANDUM OF UNDERSTANDING 2018-19

### **BETWEEN**

**NUMALIGARH REFINERY LIMITED** 

AND

BHARAT PETROLEUM CORPORATION LIMITED



**NUMALIGARH REFINERY LIMITED** 



#### MEMORANDUM OF UNDERSTANDING 2018-19

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Brief about the CPSE

| 9. | O THE STOTISTICS      |   | Not applicable   | le for fransporting natural  |
|----|-----------------------|---|--|------------------------------|
|    | ags to NRI's rofinant |   | a da a da  | ie for fransporting natural  |
|    | and ioiiiiod          | o constituti dila opernie d                               | dedicated NG ninelin   | o for transporting           |
|    | DIAI FILLINGO         | . NRL's share in the JV is 20 to construct and operate of | 6% The IV/ is a strata -:  |                              |
|    | BCPL - Brahmaputro    | Cracker and Polymer Limit                                 | ed NDI's share in the  | 11: 10 010                   |
|    | Total                 | DNPL  | 43.49  | 0.10                         |
|    | 2016-17               | DNPL  | -5, 200  | 1.09                         |
|    | 2015-16               | DNPL  | -  | 0.48                         |
|    | 2014-15               | DNPL  |  | 0.30                         |
|    | 2013-14               | DNPL  |  | 0.49                         |
|    | 2012-13               | DNPL  | 8.41   | 0.40                         |
|    | Prior to 2012-13      | DNPL  | 35.08  | (Rs. Cr)                     |
|    | Year                  | Name of Joint<br>Venture 2                                | Amount Invested<br>(Rs. Cr)  | Share in its profit          |
|    | Total                 | BCPL  | 141.77   |                              |
|    | 2016-17               | BCPL  | 14.87  |                              |
|    | 2015-16               | BCPL  |  |                              |
|    | 2014-15               | BCPL  | TOTAL SECTION OF THE PARTY OF T | -                            |
|    | 2013-14               | BCPL  | - 34-51-51   |                              |
|    | 2012-13               | BCPL  | 22.80  |                              |
|    | Prior to 2012-13      | BCPL  | 104.10   | -                            |
|    | Prior to 2010 10      | Venture 1   | (Rs. Cr)   | (Rs. Cr)                     |
|    | Year                  | Name of Joint   | Amount Invested  | Share in its profit          |
|    | and share in its      | s profit during the five                                  |  |                              |
|    | companies along       | g with amount invested                                    | Tromber of Jv. 1Wo   |                              |
| 8. |                       | ame of Joint Venture                                      | Number of JV: Two  |                              |
|    | 2015-16               |   |  |                              |
|    | 2014-15               | - TOT APPLICABLE  | -  |                              |
|    | 2013-14               | Not applicable  |  |                              |
|    | 2012-13               |   |  |                              |
|    | 2011-12               |   | (Rs.)  |                              |
|    | Teur                  | Name of Subsidiary  | Amount Invested  | Share in its profit (Rs)     |
|    | Year *                |   |  |                              |
|    | profit during the     | vested and share in its                                   |  |                              |
| /. |                       | idiary companies along                                    | I NII  |                              |
| 7. | Number of             | 1-11  | Droguetion of netro  | pleum products.              |
| -  |                       |   | business of NRL is   | refining of crude oil and    |
| 1  |                       |   | All Assam Students   | Union in 1985 The mai        |
|    |                       |   | Accord signed bet  | ween Govt, of India an       |
|    |                       |   | Assam as per p   | rovisions of the Assau       |
|    | and the main b        | usiness now   |  | m refinery in Numaligar      |
| 6. | Purpose for which     | ch CPSE has been set un                                   |  | prated to set up an          |
| 5. | . Schedule of the     | CPSE: (Please tick)                                       | A/BV/C/D/Nor   | 10                           |
|    | details               |   | , ito applicable   |                              |
| 4  | . Whether regist      | ered with BIFR, If yes                                    | , Not applicable   |                              |
| 3  | . Reasons of sick     | ness, if applicable                                       | Sick / Incipient Sick Not applicable   | k / <del>Weak</del> / None √ |
| 2  |                       | ick) as per DPE guidelines                                | Numaligarh Refine  | ry Limited (NRL)             |
| 1  | . Name of the C       | PSF   |  |                              |
| _  |                       |   |  |                              |

#### NUMALIGARH REFINERY LIMITED MOU 2018-19

| SI. | Parameter  | Unit       | Marks   | 2017-       |           |          | t for the | ear 2018 | 3-19    |
|-----|--|------------|---------|-------------|-----------|----------|-----------|----------|---------|
|     | F 1  |            |         | 18<br>(Est) | Excellent |          | Good      | Fair     | Poor    |
|     | PART A - Mandatory Parameters  |            |         | L           |           |          |           |          |         |
| 1   | Revenue from Operations (Net)  | Rs. Crore  | 10      | 12580       | 12500     | 12000    | 11600     | 11200    | 11000   |
| 2   | Operating Profit as % of Revenue from operations (Net)   | %          | 20      | 21.49       | 18.5      | 18.0     | 17.5      | 17.0     | 16.5    |
| 3   | PAT as % of Average Net Worth  | %          | 20      | 36.60       | 31        | 30       | 28        | 26       | 24      |
|     | PART B - Other Parameters  |            |         |             |           |          |           |          |         |
| 4   | Capacity Utilisation :<br>Crude Throughput   | TMT        | 10      | 2790        | 2850      | 2800     | 2700      | 2650     | 2600    |
| 5   | Production Efficiency Parameter  |            |         |             |           |          |           |          |         |
| 5a  | Operational Availability   | %          | 5       | 93.6        | 97        | 95       | 94        | 93       | 92      |
| 5b  | % improvement in Distillate Yield over previous year   | %          | 5       | 86.1        | 0.5       | 0.4      | 0.3       | 0.2      | 0.1     |
| 6   | CAPEX  | Rs. Crore  | 10      | 375         | 375       | 350      | 325       | 300      | 275     |
| 7   | Percentage value of CAPEX contracts / projects running / completed during the year without time / cost over run to total value of CAPEX contracts running / completed during the year  | %          | 5       | 100         | 100       | 95       | 90        | 85       | 80      |
| 8   | Reduction in Claims against the Company not acknowledged as debt - (CPSEs and Others)  | %          | 3       | -           | 20        | 15       | 10        | 8        | 4       |
| 9   | Human Resource Management  |            |         |             |           |          |           |          |         |
| 9a  | Assessment of level in line with People Capability Maturity Model (PCMM) or equivalent in the CPSE and placing matter before the Board for taking decision whether to go for upgradation in level and, if yes, getting the approval for the timelines from the Board. If not justifiable reason to be recorded in the Board resolution | Date       | 2       |             | 15.12.18  | 15.01.19 | 31.01.19  | 15.2.19  | 28.2.19 |
| Pb  | Online Human Resource Management System (HRMS) Implementation (consisting of online employee data administration, employee self-service, exit procedure, talent management, etc.) and integration with finance.  | Date       | 3       | -           | 15.12.18  | 15.01.19 | 31.01.19  | 15.2.19  | 28.2.19 |
| 10  | Other sector specific result oriented meas   | urable par | ameters |             |           |          |           |          |         |
| 0a  | LPG Bottling   | TMT        | 7       | 38          | 40        | 38       | 36        | 34       | 32      |
|     | TOTAL MARKS  |            | 100     |             |           |          |           |          |         |

(S.K. Barua) Managing Director Numaligarn Ketinery Limitea

(D. Rajkumar)

Chairman & Managing Director

Bharat Petroleum Corporation Limited

#### MoU 2018-19: Additional Notes on Target Parameters and Eligibility Criteria

1. Revenue from Operation (Net): The target set is considering crude price of \$55/bbl and foreign exchange rate of Rs. 65 per Dollar. At the time of evaluation, variation in crude price and dollar rate will be adjusted in targets as per following formula:

| Revised target for Revenue from Operation (Net) (RO) | Target of RO (1+ Exchange Variation X 1.12402% + Crude Price Variation X 1.13149%) |
|--|--|
| Exchange Variation                                   | Variation from Rs. 65 per Dollar   |
| Crude Price Variation                                | Variation from crude price of \$55/bbl   |

2. CAPEX: CAPEX would include addition to Property, Plant and Equipment, addition to Intangible assets, changes in CWIP and changes in Capital Advances. Investment in subsidiaries and JVs would not be considered in capex. Further, capex would not include any tax which is eligible for Input Tax Credit / Cenvat and hence is not capitalized in the books of account.

Inter-Ministerial Committee (IMC) observed that as per Budget 2018-19 (BE), CAPEX is Rs. 428 crores which is inclusive of Rs. 57 crore investment in subsidiaries and joint ventures. IMC decided that if investment in subsidiaries and joint ventures is less than Rs. 57 crore then the same would be added in CAPEX targets.

3. General: Targets finalized by IMC are based on provisional / estimated figures submitted by the CPSE for the year 2017-18. In case of better performance of the CPSE as per actual results, the difference may be added to the targets for the year 2018-19. In case figures for the year 2017-18 are recasted / restated in audited accounts, comparison of actual results shall be made based on recasted / restated figures.

In working out achievements for the year 2018-19, quantified qualifications of CAG / Statutory Auditors would be adjusted in case of overstatement of Revenue / Profit / Surplus or understatement of Loss/Deficit in addition to negative marks prescribed in MoU guidelines.

4. Targets decided in MoU are unconditional and no offset will be allowed. Further evaluation would be subject to compliance of Additional Eligibility criteria as contained in MoU guidelines.

#### Additional eligibility criteria as per para 14.2 of the guideline:

Score and rating as per para 14.1 would be subject to fulfilling additional eligibility criteria failing which aggregate MoU score would be reduced by 1 mark for each instance of non-compliance of subject to maximum 5 marks and the rating would be modified accordingly:

 Compliance provisions of the Companies Act 2013 or the relevant Act under which they have been regulated (To the extent compliances are within the ambit of CPSEs)

- ii. In case of listed CPSEs, compliance of provisions of Listing Agreement (To the extent compliances are within the ambit of CPSEs)
- iii. Compliance of DPE guidelines having financial implications
- iv. No adverse observations by CAG on Annual Accounts pointing out misappropriation of funds of any amount or Over/ under statement of profit /loss (surplus/deficit)/ assets/liabilities amounting to 5% of Revenue from Operation.
- v. Holding of AGM without seeking extension of time
- vi. Submission of draft MoU / MoU evaluation through Administrative ministry / department of DPE by prescribed date
- vii. Signing of MoU as prescribed without deviation from minutes of the IMC meeting
- viii. Compliance of Public Procurement Policy for Micro and Small Enterprises issued by M/o Micro and Small and Medium Enterprises
- ix. Compliance of DPE guidelines on allocation of CSR fund by CPSEs for Swachh Bharat activities
- x. Compliance of DPE guidelines on Digital India
- xi. Compliance of DPE guidelines on any policy (other than mentioned in ii and iii above), issued from time to time, and prescribed specifically in this regard.

Compliance of each of additional eligibility criteria to be confirmed /certified by Board of Directors by way of resolution.

PART A

| Financial Performance Criteria  Revenue from Operations - Gross  Revenue from Operations - Net  a. Profit before Tax  b. Other Incomes  c. Extraordinary & Exceptional Items  d. Prior Period Items  e. Operating Profit / Loss  (Operating Profit / Loss  (Operating Profit / Loss  (Operating Profit dess  e. Operating Profit as % of Net revenue  3 a. PAI  b. Net Worth at year end  c. Average Net Worth  d. PAI / Avg. Net Worth  d. PAI / Avg. Net Worth  e. Paid-up Share Capital  f. Gol share  g. Reserves and surplus  f. Gol share  g. Reserves and surplus  f. Total Expenses  fotal Incomes  for Interest  b. Dividend  c. Other Income  d. Total  g. Cash and Bank Balance and equivalent  b. Investment in mutual funds  c. Other Income  d. Total  e. Cash credit / Over-draft loan/ Short-term loan  f. Balance in current account  e. Cash credit / Over-draft loan/ Short-term loan  f. Balance in current account  9 Dividend paid/ declared for the year, excluding |                 |           |               |         |         |         |         |         |        |           |
|--|-----------------|-----------|---------------|---------|---------|---------|---------|---------|--------|-----------|
|  | ınce Criteria   | Unit      | Target        | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 100    | 2017-18   |
| -  2   |                 |           | v/s<br>Actual |         |         |         |         |         | Actual | Estimated |
|  | SS              |           |               | 2 757   | 7700    | 100001  |         |         | Sep'17 |           |
|  |                 | Rs. Crore | Actual        | 2019    | 7,0//   | 10,827  | 11,925  | 13,947  | 7,284  | 15,333    |
|  |                 |           | Moll          | 12 708  | 8 005   | 7,862   | 11,031  | 11,247  | 5,885  | 12,580    |
|  |                 |           |               | 000     | 0000    | 0,0,0   | 11,043  | 7,18/   | 5,750  | 11,500    |
|  |                 | T         |               | 203     | 563     | 1,134   | 1,886   | 3,148   | 1,290  | 2,841     |
|  | ems             | T         |               | 83      | 49      | 74      | 145     | 370     | 75     | 137       |
|  |                 | Rs. Crore |               | 18.51   | (0.15)  | (1.12)  | 1.86    | 1       | 1      |           |
|  |                 | T         |               | 1       | 1       | 1       | 1       |         |        |           |
|  |                 |           | Actual        | 161     | 514     | 1,062   | 1,739   | 2,777   | 1,215  | 2,704     |
|  | Venile          |           | Mon           | (143)   | 188     | 287     | 789     | 1,005   | 1,093  | 2,185     |
|  |                 | %         |               | 1.97    | 5.55    | 10.76   | 17.33   | 24.69   | 20.64  | 21.49     |
|  |                 |           |               | 144     | 371     | 718     | 1,224   | 2,101   | 838    | 1,863     |
|  |                 | Ks. Crore |               | 2,757   | 2,991   | 3,355   | 4,271   | 5,181   | 5,255  | 5.103     |
|  |                 |           |               | 2,728   | 2,874   | 3,173   | 3,813   | 4,730   | 5,218  | 5,092     |
|  |                 | %         | ACTUAI        | 5.49    | 13.38   | 23.38   | 32.57   | 45.29   | 16.33  | 36.60     |
|  |                 |           | MoU           | (4.18)  | 5.40    | 6.19    | 12.80   | 21.00   | 15.25  | 30.5      |
|  |                 | T         |               | 736     | 736     | 736     | 736     | 736     | 736    | 736       |
|  |                 | Rs. Crore |               | Ī       | Ī       | Ī       | Ī       | Ī       |        |           |
|  |                 |           |               | 2,022   | 2,255   | 2,619   | 3,536   | 4.445   | 4 519  | 1347      |
|  |                 | Rs. Crore |               | 7,996   | 9,374   | 9.918   | 9 785   | 11 170  | 4 070  | 10 547    |
|  | 34              | Rs. Crore |               | 8,269   | 9,304   | 9.936   | 10 176  | 14 317  | 7 250  | 15.007    |
|  |                 | %         |               | 97      | 101     | 100     | 96      | 70,41   | 000'/  | 13,387    |
|  |                 |           |               |         |         | 3       | 0       | 0/      | 79     | 82        |
|  |                 | Rs. Crore |               | 7       | 2.      | 09      | ì       | 11.     |        |           |
|  |                 | Rs. Crore |               | 2       | 5       | 70      | 001     | /61     | 19     | 116       |
|  |                 | Rs. Crore |               | 70      | 2 1     | );      | 0       | -       | 1      | -         |
|  |                 | Re Crore  |               | 0/0     |         | 4       | 38      | 212     | 14     | 20        |
|  | equivalent      | Ps. Croro |               | 83      | 46      | 74      | 145     | 370     | 75     | 137       |
|  |                 | N3. CIOIC |               | 2       | 965     | 1,054   | 1,737   | 1,477   | 1,284  | 986       |
|  | subsidiary/ IVs | NS. Clore |               | 25      | 53      | 237     | 146     | 312     | 417    | 300       |
|  |                 | RS. Crore |               |         |         |         |         |         |        |           |
|  | Short-term loan | Rs. Crore |               | 28      | 1,018   | 1,291   | 1,883   | 1,790   | 1,702  | 1,286     |
|  |                 | Rs. Crore |               | 352     | 259     | 166     | 0       | 19      |        |           |
|  |                 | Rs. Crore |               |         |         |         |         |         |        |           |
|  | ear, excluding  | Rs. Crore |               | 74      | 811     | 201     | 212     | 1 0/0   |        |           |
|  |                 |           |               |         | 2       |         | 2       | 1,308   |        | 1,545     |

PART B

| 2   | -  |           | TR      | TREND Analysis | is           |          |              |         |                       |           |
|-----|--|-----------|---------|----------------|--------------|----------|--------------|---------|-----------------------|-----------|
| No. | rinancial Fenormance Criteria  | Unit      | Target  | 2012-13        | 2013-14      | 2014-15  | 2015-16      | 2016-17 | 201                   | 2017-18   |
|     |  |           | Actual  |                |              |          |              |         | Actual Upto<br>Sep'17 | Estimated |
| -   | Installed Capacity in terms of Crude<br>Throughput   | TMT       |         | 3000           | 3000         | 3000     | 3000         | 3000    | 3000                  | 3000      |
| 2   | Capacity Utilisation in terms of Crude   | TAAT      | Actual  | 2478           | 2613         | 2777     | 2520         | 2683    | 1410                  | 2790      |
|     | Infoughbut   |           | MoU     | 2710           | 2600         | 2700     | 2850         | 2670    | 1338                  | 0270      |
| c   | Specific Energy Consumption  |           | Actual  | 73.2           | 73.6         | 71.4     | 70.43        | 72.26   | 63.82                 | 67.5      |
|     | (Mbtu/bbl/NRGF)  | WBN       | MoU     | 88             | 83           | 80       | Nota         | Nota    | 70.8                  | 70.8      |
| 4   | Specific Water Consumption   | m3/NRGF/T | Actual  | 343            | 313          | 279      | 19ger        | 1 arget | 201                   | 0.00      |
|     | (M13 / NKGF / Crude processed in TMT)  | MT        | MoU     |                |              |          | Not a Target | Tet Tet | 177                   | 717       |
| 2   | Distillate Yield   | 8         | Actual  | 86.8%          | 87.5%        | 87.3%    | 86.3%        | 86.5%   | 84.28%                | 94 1097   |
| 1   |  | 2         | MoU     | 86.4%          | 86.8%        | 86.0%    | 86.7%        | 87.4%   | 87.44%                | 87 4497   |
| 9   | LPG Bottling   | TMT       | Actual  | 14             | 16           | 20       | 22           | 33      | 19                    | 34        |
|     |  |           | MoU     |                | Notal        | a Target |              |         | 17                    | 34        |
| _   | CAPEX  | Rs. Crore | Actual  | 243            | 456          | 245      | 239          | 503     | 160                   | 375       |
|     |  |           | MoU     | Z              | Not a Target |          | 230          | 500     | 150                   | 27.5      |
| 00  | CAPEX contracts / projects running   | 1         | Actual  | 1              | 1            | 1        |              | 100%    | 100%                  | 100%      |
|     | total value of CAPEX   | %         | Moli    |                |              |          |              |         |                       | 0/001     |
|     |  |           |         |                |              | 1        | 1            | %001    | 100%                  | 100%      |
| 6   | Inventory of finished goods and work in progress   | Rs. Crore |         | 1012           | 1026         | 1238     | 698          | 1150    | 1557                  | 1383      |
| 10  | Inventory of finished goods and work in  | 6         | Actual  | 12.37          | 11.08        | 12.55    | 8.67         | 10.23   | 1                     | 71 11     |
|     | progress to KO (Net)   | 2         | MoU     | 9.63           | 16.19        | 13.17    | 9.30         | 9.86    | Not a target          |           |
| _   | Trade receivables (Net)  | Be Cross  | Actual  | 707            | 278          | 1,237    | 819          | 804     | 985                   | 0011      |
|     |  |           | MoU     | 679 83         | 577 50       | 20 072   | 0, 110       |         | 2                     | 1,120     |
|     | Trade receivables as a section of the section of th |           |         | 20: 7.0        | 20.110       | 7 02.23  | 711.62       | 906.49  |                       | 1023.55   |
| 2   | Revenue from Operation(Gross)  | Days      | NCIO II | 67             | 0            | 42       | 25           | 21      | 25                    | 27        |
|     |  |           | MON     | 18.80          | 24.62        | 30.00    | 29.72        | 23.73   |                       | 27.00     |
|     |  |           |         |                |              |          |              | -       |                       |           |

## Numaligarh Refinery Limited: MOU 2018-19

Working for Revenue from Operations (Net of excise duty)

| MT)       |                | Sales Value (Rs. in Crores) |
|-----------|----------------|-----------------------------|
| t         | Rate           | Excellent                   |
|           | Price (Rs./MT) |                             |
| 59,506    | 28,987.00      | 172.49                      |
| 170,000   | 37,493.78      | 637.39                      |
| 379,694   | 37,493.78      | 1,423.62                    |
| 47,350    | 34,459.52      | 163.16                      |
| 60,263    | 34,459.52      | 207.66                      |
| 552,242   | 34,005.72      |                             |
| 1,222,566 | 34,005.72      | 1,877.94                    |
| 66,000    | 31,932.70      | 4,157.42                    |
| 97,613    | 34,137.16      | 210.76                      |
|           | 54,157.10      | 333.22                      |
| 120,000   | 20 070 71      |                             |
| 45,804    | 29,978.71      | 359.74                      |
| 14,250    | 69,733.00      | 319.40                      |
|           | 15,860.00      | 22.60                       |
| 63,413    | 25,487.00      | 161.62                      |
|           | 5,562.00       | 2.18<br>10,049              |
| 2,0       | 3,919          | 3,919 5,562.00              |

| Excise Duty          | Quantity (MT) |                | Rs. in Crores |
|----------------------|---------------|----------------|---------------|
| Excise Duty          | Excellent     | Rate *         | Excellent     |
| MS-IV                | 2.85          | Price (Rs./MT) | 2.85          |
| HSD-IV               | 549,694       | 13,743.14      | 755.45        |
| ATF                  | 1,774,808     | 9,274.65       | 1,646.07      |
| Total Excise Duty(B) | 97,613        | 2,553.12       | 24.92         |
| Total Excise Duty(B) | (66,000)      |                | 2.426         |

| NEA (50% Excise Duty Benefit) | Quantity (MT) |                | Rs. in Crores |
|-------------------------------|---------------|----------------|---------------|
|                               | Excellent     | Rate           | Excellent     |
| MS-IV                         | 2.85          | Price (Rs./MT) | 2.85          |
| HSD-IV                        | 549,694       | 13,743.14      | 755.45        |
| ATF                           | 1,774,808     | 9,274.65       | 1,646.07      |
|                               | 97,613        | 2,239.58       | 21.86         |
| Total NEA (C)                 | -             |                | 2,423         |

| Marketing Terminal (MT) Charge              | Quantity (MT) |                | Rs. in Crores |
|---|---------------|----------------|---------------|
|   | Excellent     | Rate           | Excellent     |
| LPG   | 2.85          | Price (Rs./MT) | 2.85          |
|   | 47,006        | 313.12         | 1.47          |
| LPG Bottling Charge                         | 12,500        | 1,434.00       | 1.79          |
| MS-IV                                       | 549,694       | 96.39          | 5.30          |
| SKO   | 107,613       | 96.39          | 1.04          |
| HSD-IV<br>ATF                               | 1,774,808     | 96.39          | 17.11         |
|   | 97,613        | 96.39          | 0.94          |
| Total MT charges(D)                         | 66,000        |                | 28            |
| Revenue from operations (E=A+B+C+D)         |               |                | 14,927        |
| Revenue from Operations(Net of excise duty) | (E-B)         |                | 12,500        |

#### MoU 2018-19: Additional Notes on Target Parameters and Eligibility Criteria

1. **Revenue from Operation (Net):** The target set is considering crude price of \$55/bbl and foreign exchange rate of Rs. 65 per Dollar. At the time of evaluation, variation in crude price and dollar rate will be adjusted in targets as per following formula:

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Inter-Ministerial Committee (IMC) observed that as per Budget 2018-19 (BE), CAPEX is Rs. 428 crores which is inclusive of Rs. 57 crore investment in subsidiaries and joint ventures. IMC decided that if investment in subsidiaries and joint ventures is less than Rs. 57 crore then the same would be added in CAPEX targets.

3. General: Targets finalized by IMC are based on provisional / estimated figures submitted by the CPSE for the year 2017-18. In case of better performance of the CPSE as per actual results, the difference may be added to the targets for the year 2018-19. In case figures for the year 2017-18 are recasted / restated in audited accounts, comparison of actual results shall be made based on recasted / restated figures.

In working out achievements for the year 2018-19, quantified qualifications of CAG / Statutory Auditors would be adjusted in case of overstatement of Revenue / Profit / Surplus or understatement of Loss/Deficit in addition to negative marks prescribed in MoU guidelines.

4. Targets decided in MoU are unconditional and no offset will be allowed. Further evaluation would be subject to compliance of Additional Eligibility criteria as contained in MoU guidelines.

#### Additional eligibility criteria as per para 14.2 of the guideline:

Score and rating as per para 14.1 would be subject to fulfilling additional eligibility criteria failing which aggregate MoU score would be reduced by 1 mark for each instance of non-compliance of subject to maximum 5 marks and the rating would be modified accordingly:

 Compliance provisions of the Companies Act 2013 or the relevant Act under which they have been regulated (To the extent compliances are within the ambit of CPSEs)

- ii. In case of listed CPSEs, compliance of provisions of Listing Agreement (To the extent compliances are within the ambit of CPSEs)
- iii. Compliance of DPE guidelines having financial implications
- iv. No adverse observations by CAG on Annual Accounts pointing out misappropriation of funds of any amount or Over/ under statement of profit /loss (surplus/deficit)/ assets/liabilities amounting to 5% of Revenue from Operation.
- v. Holding of AGM without seeking extension of time
- vi. Submission of draft MoU / MoU evaluation through Administrative ministry / department of DPE by prescribed date
- vii. Signing of MoU as prescribed without deviation from minutes of the IMC meeting
- viii. Compliance of Public Procurement Policy for Micro and Small Enterprises issued by M/o Micro and Small and Medium Enterprises
- ix. Compliance of DPE guidelines on allocation of CSR fund by CPSEs for Swachh Bharat activities
- x. Compliance of DPE guidelines on Digital India
- xi. Compliance of DPE guidelines on any policy (other than mentioned in ii and iii above), issued from time to time, and prescribed specifically in this regard.

Compliance of each of additional eligibility criteria to be confirmed /certified by Board of Directors by way of resolution.