

MOU-2008-09  
Approved by DPE/TF

Signed

*[Signature]*  
13/3/08

**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**URANIUM CORPORATION OF INDIA LIMITED: JADUGUDA**

**AND**

**DEPARTMENT OF ATOMIC ENERGY**

**FOR THE YEAR 2008-2009**

**URANIUM CORPORATION OF INDIA LIMITED**  
**JADUGUDA**

**PART - I**

**MISSION /VISION AND OBJECTIVES OF UCIL**

**1. MISSION:**

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

**2. 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.

**3. OBJECTIVES:**

- 3.1 To mine and process uranium ore, produce concentrate and recover by-products at the most economic cost and market them efficiently.
- 3.2 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.
- 3.3 To improve the quality of life and environment and attract the best talent available in the country through human resource development.
- 3.4 Augmentation of processing capacity.

- 3.5 Remediation of Tailing and Waste dumps.
- 3.6 To maximise shareholder's value.
- 3.7 To emerge as a zero accident rate company.
- 3.8 (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.

## **PART – II**

### **EXERCISE OF ENHANCED AUTONOMY AND DELEGATION OF FINANCIAL POWER**

Details of delegation of power as applicable to all MOU signing companies.

## **PART – III**

### **PERFORMANCE EVALUATION PARAMETERS AND TARGETS**

The performance indicators and relative weightages for each of the performance criteria alongwith the proposed performance for the year 2008 – 2009 are indicated in Annexure-I.



## PART - IV

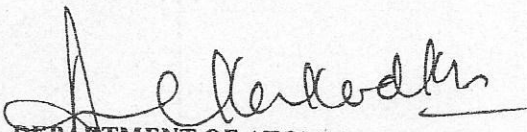
### COMMITMENTS AND ASSISTANCE FROM THE GOVERNMENT

- i) To provide necessary budgetary support during 2008-2009 for projects taken up during the Eleventh Five Year Plan Period.
- ii) Timely fixation of Compensation for Uranium concentrates according to the agreed formula.
- iii) To provide necessary assistance to get Environmental clearance and Government's approval for the projects included in MOU.

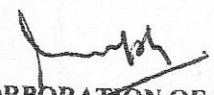
## PART - V

### ACTION PLAN FOR IMPLEMENTATION AND MONITORING OF THE MOU

UCIL undertakes to submit quarterly performance review report on various performance areas of the entire organization within the date specified by Department of Atomic Energy for performance meeting.

  
DEPARTMENT OF ATOMIC ENERGY

डॉ. अनिल काकोडकर/Dr. Anil Kakodkar  
सचिव/Secretary  
परमाणु ऊर्जा विभाग/Department of Atomic Energy,  
भारत सरकार/Government of India,  
अणुशक्ति भवन/Atomic Energy Building,  
सी.एस.एम. मार्ग, मुंबई-400 001.  
C.S.M. Marg, Mumbai - 400 001.

  
URANIUM CORPORATION OF INDIA LIMITED

( R. Gupta )  
Chairman & Managing Director  
Uranium Corporation of India Limited  
( A Government of India Enterprise )  
PO : Jaduguda Mines,  
Dist. Singhbhum ( East )  
Jharkhand - 832102

**Uranium Corporation Of India Limited**

Annexure-I

CRITERIA	UNIT	BE 2008-2009	MOU 2007-2008	Weightage <sup>e</sup>	FIVE POINT SCALE					
					Excellent	Very Good	Good	Fair	Poor	
<b>PART - A</b>										
<b>I. STATIC FINANCIAL PARAMETERS</b>										
<b>a. Financial Performance Indicators</b>										
i) Gross Margin /Gross Block	%	14.47	17.95	2	15.19	14.47	13.75	13.06	12.41	
ii) Net Profit / Net Worth	%	4.74	7.26	10	4.98	4.74	4.50	4.28	4.06	
iii) Gross Profit / Capital Employed	%	11.11	11.62	10	11.67	11.11	10.55	10.03	9.53	
<b>b. Financial Indicators - Size</b>										
i) Gross Margin	Rs. In Cr.	180.00	183.06	8	189.00	180.00	171.00	162.45	154.33	
ii) Gross Sales	Rs. In Cr.	540.00	517.63	4	567.00	540.00	513.00	487.35	462.98	
<b>c. Financial Returns</b>										
i) PBDIT /Total Employment	Rs. in lakh	3.95	4.07	7	4.15	3.95	3.75	3.56	3.39	
ii) Value Added / Gross Sales	%	55.19	57.47	9	57.95	55.19	52.43	49.81	47.32	

Note 1. Financial Performance is based on compensation rate of Rs.13,775 per Kg. of Uranium Concentrate

2. Gross Profit (BE 2008- 09) - Rs. 116.00 crore
3. Net Profit after Tax (BE-2008-09) - Rs. 64.00 crore
4. Net Worth (BE-2008-09) - Rs. 1352.14 crore
5. Capital Employed (B.E- 2008-09) - Rs. 1047.90 crore
6. Other Income of 2008-09 mainly constitutes of Interest Income.

**FIVE POINT SCALE**

CRITERIA	UNIT	BE 2008-2009	MOU 2007-2008	Weightage	Excellent	Very Good	Good	Fair	Poor
	1	2	3						
<b>II. Dynamic Parameters</b>									
A) i) Mandays lost(Accidents) per 1000 shifts	Nos	1.10	1.20	2	1.05	1.10	1.16	1.21	1.27
ii) Value Addition per Employee	Rs. in lakh	6.53	5.13	2	6.86	6.53	6.20	5.89	5.60
iii) Expenditure for various welfare activities	Rs. in lakh	0.57	25.00	1	0.60	0.57	0.54	0.51	0.49
iv) Expenditure for Educational activities	Rs. in lakh	440.00	10.00	1	462.00	440.00	418.00	397.10	377.25
v) Corporate R & D Efforts including Compliance of Studies on final disposal/ use of Sodium Sulphate at Tummalapalle Project	Rs. in lakh	300.00	125.00	1	315.00	300.00	285.00	270.75	257.21
vi) Awareness Programme undertaken	Rs. in lakh	3.00	10.00	1	4.00	3.00	2.50	2.00	1.50
<b>B) Project Implementation</b>									
<b>i) Kylleng Pydengsohlong Project</b>									
a) Obtaining CCEA approval				1	May-08	June-08	July-08	Aug-08	Sept-08
b) Land Acquisition/ lease and taking possession				1	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09
<b>ii) Banduhurang Mine Project</b>									
a) Commissioning on Trial basis for Capacity Expansion to 3500 ton/day				1	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09
<b>iii) Mohulidh Mine Project</b>									
a) Development of Decline upto 1st Level				1	Dec-08	Jan-09	Feb-09	15th Mar-09	31st Mar-09
<b>iv) Tummalapalle Project</b>									
a) Open Excavation for 3 Declines				2	Apr-08	May-08	June-08	July-08	Aug-08
b) Award of Work Order for UCTL-1 & 2				1	Apr-08	May-08	June-08	July-08	Aug-08
c) Completion of Boundary Wall				1	Aug-08	Sept-08	Oct-08	Nov-08	Dec-08



CRITERIA	UNIT	BE 2008-2009	MOU 2007-2008	Weightage	FIVE POINT SCALE				
					Excellent	Very Good	Good	Fair	Poor
1	2	3	4	5	6	7	8	9	10
v) Baglata Mine Project a) Ore Production (In Ton)	250			3	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09
b) Development of Decline (1st Level)				2	Apr-08	May-08	June-08	July-08	Aug-08
c) Commission of Stop Mining Operation				2	Apr-08	May-08	June-08	July-08	Aug-08
vi) Jaduguda Mill Expansion a) Procurement of Major Equipment				1	Sept-08	Oct-08	Nov-08	Dec-08	Jan-09
vii) Narwapahar Mine Expansion a) Capacity Expansion to 1500 Ton/day				1	Apr-08	May-08	June-08	July-08	Aug-08
viii) Turamdih Mine Capacity Expansion a) Capacity Expansion to 1000 Ton/day				1	Feb-09	Mar-09	Apr-09	May-09	June-09
Turamdih Mill Expansion a) Commissioning of Mill Expansion				1	Sept-08	Oct-08	Nov-08	Dec-08	Jan-09
c) HRD (Employee Training and Motivation) a) Executive b) Workmen	% %			1 2	12 22	10 20	8 18	6 16	4 14

CRITERIA	1	2	3	4	5	FIVE POINT SCALE				
						6	7	8	9	10
	UNIT	BE 2009	MOU 2007-2008	Weightag e	Excellent	Very Good	Good	Fair	Poor	
<b>PART - B</b>										
<b>III. Enterprise-specific &amp; Efficiency Parameters</b>										
<b>1. Physical Performance</b>										
i) Ore raised/Manshift, Jaduguda	t	0.76	0.72	2	0.80	0.76	0.72	0.69	0.65	
ii) Ore raised/Manshift, Narwapahar	t	1.94	1.85	2	2.04	1.94	1.84	1.75	1.66	
iii) Overall Equipment Efficiencies	%	0.00	0.00	2	89.25	85.00	80.75	76.71	72.88	
iv) Energy Consumption in KWH/Ton of Ore Raised										
a) Jaduguda Mine	KWH	63.50	63.50	2	60.33	63.50	66.68	70.01	73.51	
b) Narwapahar Mine	KWH	33.00	33.00	2	31.35	33.00	34.65	36.38	38.20	
c) Energy Consumption in KWH/Ton of Ore Processed		45.00	45.00	2	42.75	45.00	47.25	49.61	52.09	
v) Recovery of Uranium- Jaduguda plant	%	79.00	78.00	3	82.95	79.00	75.05	71.30	67.73	
vi) Capacity Utilisation of Mill Processing as % of Installed Capacity- Jaduguda Plant	%	100.00	100.00	3	105	100	95.00	90.25	85.74	
vii) Inventory as % of annual Consumption.	%	35.00	44.00	1	33.25	35.00	36.40	37.86	39.37	
viii) Expenditure on special Environment efforts	Rs. In Cr.	0.90		1	1.00	0.90	0.80	0.70	0.60	



## URANIUM CORPORATION OF INDIA LTD.

## INCOME - EXPENDITURE STATEMENT (As on 31st March)

(Rs. in Crore)

S.No	Particulars	2003-04	2004-05	2005-06	2006-07		2007-08		2008-09	
		Actual	Actual	Actual	MoU	Actual	MoU	Prov. Upto 30.9.07	Estimated for year	MoU
1	2	3	4	5	6		7		8	
1	Total Income	207.16	257.10	281.91	268.43	297.81	530.63	140.48	350.15	553.00
1.1	Gross sales	190.17	234.51	256.66	252.63	273.33	518.13	132.56	333.65	541.00
1.2	Less:- Excise Duties	0.38	0.41	0.41	0.45	0.51	0.50	0.25	0.50	1.00
1.3	Net Sales/Operating Income	189.79	234.10	256.25	252.18	272.82	517.63	132.31	333.15	540.00
1.4	Increase (+)/Decrease (-) in stock	1.08	2.54	0.76	0.00	2.80	0.00	0.00	0.00	0.00
1.5	Other Income	16.29	20.46	24.90	16.25	22.19	13.00	8.17	17.00	13.00
2	<b>TOTAL EXPENDITURE</b>	<b>164.72</b>	<b>185.45</b>	<b>207.01</b>	<b>200.53</b>	<b>225.82</b>	<b>347.57</b>	<b>110.12</b>	<b>253.56</b>	<b>373.00</b>
2.1	Rawmaterial/Purchase of products for resale	39.89	49.31	61.78	51.70	69.53	133.87	31.40	79.12	135.00
2.2	Manufacturing Expenses	19.41	19.76	24.31	25.53	29.55	41.7	12.87	32.44	61.00
2.3	Power,Fuel,Water,etc,	34.60	35.37	36.35	38.4	37.63	61.56	17.46	44.00	58.00
2.4	Salary & Wages	69.81	76.45	82.61	83.90	88.17	109.44	47.88	96.98	118.00
2.5	Other Expenses	1.01	4.56	1.96	1.00	0.94	1.00	0.51	1.02	1.00
3	Gross Margin (PBDIT)	42.44	71.65	74.90	67.90	71.99	183.06	30.37	96.59	180.00
3.1	Less: Depreciation	23.18	25.43	25.64	28.35	25.92	66.60	16.39	48.92	64.00
3.2	Gross Profit/PBIT	19.26	46.22	49.26	39.55	46.07	116.46	13.98	47.67	116.00
4	Profit/Loss on sale of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Prior Period Adjustment	0.47	1.46	1.00	0.00	2.29	0.00	0.00	0.00	0.00
6	Extra Ordinary Items(Net)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.00
	Net Profit Before Tax	18.79	44.76	48.26	39.55	43.78	116.46	13.98	47.67	108.00
8	Less: Provision for Tax(incl. Deferred & FBIT)	9.00	15.51	16.65	14.09	16.27	39.46	13.45	42.17	44.00
9	Net profit	9.79	29.25	31.61	25.46	27.51	77.00	0.53	5.50	64.00
10	Dividend Paid/proposed	3.50	6.00	8.00	5.09	7.00	15.40	0.11	1.10	13.00
11	Tax on Dividend	0.46	0.84	1.12	0.87	1.19	2.62	0.02	0.19	2.00
12	Retained Profit	5.83	22.41	22.49	19.50	19.32	58.98	0.40	4.21	49.00
13	Return to Capital@10%/4% , Whichever is applicable	52.30	63.01	53.87	62.42	47.68	100.18	59.49	84.44	105.00
14	Added Value	112.25	148.10	157.51	151.08	160.16	297.50	78.24	193.57	298.00
15	No. of Employees	4064	4034	4103	4125	4276	4500	4395	4455	4555

**URANIUM CORPORATION OF INDIA LTD**  
**BALANCE SHEET DATA ( as at 31st March )**

Annexure-VIII

(Rs. in crore)

S.No	Particulars	2003-04	2004-05	2005-06	2006-07		2007-08		2008-09	
		Actual	Actual	Actual	MoU	Actual	MoU	Prov. Upto 30.9.07 Estimated for year	MoU	
1	2	3	4	5	6	7	7	8		
	<b>1 SOURCES OF FUNDS</b>									
1.1	Share Holders Fund (a+b+c)									
	a) Paid up capital	498.39	633.89	690.94	690.94	712.65	907.65	776.65	841.65	1184.81
	b) Share Application Money	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	c) Reserves & Surpluses	49.82	72.23	94.72	105.72	114.03	153.29	114.43	118.24	167.33
1.2	Long Term Loan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	195.00
1.3	Deferred Tax Liability	25.14	37.13	35.39	32.00	35.02	54.89	43.72	60.99	67.99
	<b>Total (1.1+1.2+1.3)</b>	<b>573.35</b>	<b>743.25</b>	<b>821.05</b>	<b>828.66</b>	<b>861.70</b>	<b>1115.83</b>	<b>934.80</b>	<b>1020.88</b>	<b>1615.13</b>
	<b>2 APPLICATION OF FUNDS</b>									
2.1	Gross Block	485.91	527.47	570.74	605.91	619.42	1020.00	728.00	1028.00	1245.00
2.2	Less: Depreciation	201.1	228.14	255.08	281.73	281.92	318.17	298.31	330.84	394.57
2.3	Net Block	284.81	299.33	315.66	324.18	337.50	701.83	429.69	697.16	850.43
2.4	Capital Work-In-Process	50.35	113.11	282.31	204.48	384.95	114.00	339.90	176.51	567.23
2.5	Investments (Financial)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.6	Current Assets(a)	321.08	427.51	364.38	345.00	265.65	460.00	270.21	266.21	381.47
2.7	Loans & Advances(b)	9.42	14.88	28.66	35.00	37.65	40.00	40.00	41.00	42.00
2.8	Total Current Assets (2.6+2.7)	330.50	442.39	393.04	380.00	303.30	500.00	310.21	307.21	423.47
2.9	Less: Current Liabilities & Prov.	92.31	111.58	169.96	80.00	164.05	200.00	145.00	160.00	226.00
2.10	Net current assets	238.19	330.81	223.08	300.00	139.25	300.00	165.21	147.21	197.47
	<b>Total (2.3 to 2.9)</b>	<b>573.35</b>	<b>743.25</b>	<b>821.05</b>	<b>828.66</b>	<b>861.70</b>	<b>1115.83</b>	<b>934.80</b>	<b>1020.88</b>	<b>1615.13</b>



**URANIUM CORPORATION OF INDIA LTD**  
**MANAGEMENT RATIOS (as on 31st March)**

Annex-IJ

S.No	Particulars	Unit	2003-04		2004-05		2005-06		2006-07		2007-08		2008-09	
			Actual	Actual	Actual	Actual	MoU	Actual	MoU	MoU	Prov. Upto 30.9.07	Estimated for year	MoU	
1	Net worth	Rs in Cr.	548.21	706.12	785.66	796.66	826.68	1060.94	891.08	959.89	1352.14			
2	Capital employed	Rs in Cr.	523.00	630.14	538.74	624.18	476.75	1001.83	594.90	844.37	1047.90			
3	Gross Margin/ Gross Block	%	8.73	13.58	13.12	11.21	11.62	17.95	4.17	9.4	14.46			
4	Net Profit/ Net Worth	%	1.78	4.14	4.02	3.20	3.33	7.26	0.06	0.57	4.73			
5	Gross Profit/ Capital Employed	%	3.68	7.33	9.14	6.34	9.66	11.62	2.35	5.65	11.07			
6	PBDIT/Total employment	Rs in Lakh	1.04	1.78	1.83	1.65	1.68	4.07	0.69	2.17	3.95			
7	Added Value/ sales	%	59.14	63.26	61.47	61.00	58.71	57.47	59.13	58.10	55.19			