

MOU

103

MEMORANDUM OF UNDERSTANDING

BETWEEN

URANIUM CORPORATION OF INDIA LIMITED: JADUGUDA

AND

DEPARTMENT OF ATOMIC ENERGY

FOR THE YEAR 2013-2014

MoU 2013-14
Approved by DPE/TF
Signed

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.

1.2.9 To leverage domain knowledge in uranium mining & processing to acquire uranium assets overseas.

1.3 COMMITMENTS AND ASSISTANCE FROM THE GOVERNMENT

1.3.1 To provide necessary budgetary support during 2013-2014 for projects taken up during the Twelfth Five Year Plan Period.

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

1.3.3 To provide necessary assistance to get timely Government's approval for the projects taken up during the Twelfth Five Year Plan Period.

DEPARTMENT OF ATOMIC ENERGY

URANIUM CORPORATION OF INDIA LIMITED

डॉ० आचार्य / D. ACHARYA

अध्यक्ष, एवं प्रबंध निदेशक

Chairman & Managing Director

यूरेनियम कॉर्पोरेशन ऑफ इंडिया लिमिटेड

Uranium Corporation of India Limited

पंजाब-उत्तर प्रदेश सीमा, फाजिल्का (एच)

P.O. JALANPUR, DISTRICT FAZILKA (HARYANA)

31, GATEWAY ROAD, DELHI-110021

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A: ived by DPE/TF
Signature

Uranium Corporation Of India Limited, Jaduruda, Jharkhand.

ANNEXURE-II

CRITERIA	UNIT	Weights/ps	MOU Target for 2013-14						Documentary evidence and source/ origin of documents
			Excellent	Very Good	Good	Fair	Poor		
1	2	3	4	5	6	7	8	9	
1 STATIC/ FINANCIAL PARAMETERS									
a.) Financial Indicators- profit related indices									
i) Gross Margin /Gross Block	%	2	11.45	10.90	10.36	9.84	9.35	Audited Accounts	
ii) Net Profit / Net Worth	%	10	2.10	2.00	1.90	1.81	1.71	Audited Accounts	
iii) Gross Profit / Capital Employed	%	10	6.11	5.82	5.53	5.25	4.99	Audited Accounts	
b.) Financial Indicators - size related									
i) Gross Margin	Rs. In Cr.	8	282.77	269.30	255.94	243.04	230.69	Audited Accounts	
ii) Gross Sales	Rs. In Cr.	4	1195.00	1100.00	1045.00	992.75	943.11	Audited Accounts	
c.) Financial Returns- productivity related									
i) PBDIT /Total Employment	%	7	5.44	5.18	4.92	4.67	4.44	Audited Accounts	
ii) Value Added / Gross Sales	%	9	6.63	6.31	5.99	5.69	5.41	Audited Accounts	
Sub- Total (a+b+c)		50							

MOU
Approved by: DPE/1F

Uranium Corporation Of India Limited

ANNEXURE - II (Contd)

CRITERIA	Modu Target for 2013-14								Documentary evidence and source/ origin of documents
	UNIT	Weightage	Excellent	Very Good	Good	Fair	Poor		
2 Dynamic Parameters	1								
A) Corporate Social Responsibility and Sustainability									
1(i) The degree of involvement of the employees and the top management in internalizing the CSR and Sustainability agenda within the organization									
a) Awareness seminar on CSR and Sustainability	No	0.50	7.00	6.00	5.00	4.00	3.00	Departmental Records	
b) % of employees to be covered	%	0.50	5.50	5.00	4.50	4.00	3.50	Departmental Records	
1(ii) Impact of such involvement on products / services / processes and reduction in carbon foot-print :- Use of Solar Energy in Administrative Office (% of total consumption in Administrative Office)	%	2.00	5.50	5.00	4.50	4.00	3.50	Departmental Records	
2.0 The efforts made and the success achieved in the engagement of key stakeholders through adoption of a good corporate communication strategy :-									
i) No of meetings with internal stake holders	No	0.50	9.00	8.00	7.00	6.00	5.00	Departmental Records	
ii) No of meetings with external stake holders	No	0.50	13.00	12.00	11.00	10.00	9.00	Departmental Records	
3.0 The activity for adoption of sustainability reporting and disclosure procedures and practices:- Separate Report on CSR and Sustainability in the Annual Report of 2013-14		1.00	Yes					Departmental Records	


FOR THE MANAGER OF UCLIFE
SIGNED

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(LCLM)
(CSVS)

Uranium Corporation Of India Limited

ANNEXURE-II (Contd)

CRITERIA	UNIT	Weightage	MOU Target for 2013-14								Documentary evidences and source/ origin of documents
			Excellent	Very Good	Good	Fair	Poor				
4.0 The degree of success in implementing the CSR and Sustainability projects they undertake during the year.	In acres	1.00	25.00	22.00	20.00	18.00	16.00	16.00			Departmental Records
i) Land to be covered by lift Irrigation for agri development at Raisa Village in East Singhbhum, JHarkhand											
ii) Development of connecting road from Kharia Kodia Village (Sabar Tola) to Main Road	Rs in Lakh	1.00	20.00	18.00	17.00	16.00	15.00	209.00			Departmental Records
5.0 The expenditure incurred on CSR and Sustainability activities (vis-a-vis the annual budgetary allocation)	Rs in Lakh	0.50	257.00	244.00	232.00	220.00	209.00				Departmental Records
6.0 The effectiveness of the two-tier organizational structure in the process of planning, implementing and monitoring the CSR activities.		0.60	Yes					No			Departmental Records
b) ISO Audit Report											
	ISO-9001(2008), 14001(2004) & IS 18001(2007)										As per Audit report of certification body
i) Major Non-compliance Report	Nos	2.00	0.00	1.00	2.00	3.00	4.00				As per Audit report of certification body
ii) Minor Non-compliance Report	Nos	1.00	0.00	1.00	2.00	3.00	4.00				As per Audit report of certification body
c) Project Implementation											
i) Project Clearances from Ministry of Environment & Forest for Turnmalapalle Expansion Project	Date	2.00	Feb-14	Mar-14							Departmental Records
ii) Uranium Peroxide facility at Turamdih	Date	3.00	Jan-14	Feb-14	Mar-14						Departmental Records
iii) Obtaining clearance from Atomic Energy Regulatory Board for 4th Stage Taking Pond at Bahuguda	Date	3.00	Dec-13	Jan-14	Feb-14	Mar-14					Departmental Records


 Approved by
 March 2013
 Signature

work in progress
 yet to take up

Uranium Corporation Of India Limited

ANNEXURE-II (Contd)

CRITERIA	UNIT	Weightage	MoU Target for 2013-14					Documentary evidence and source/ origin of documents
			Excellent	Very Good	Good	Fair	Poor	
D) Human Resource Management - HRM								
a) %age of attrition in respect of total strength	%	2.00	Less than 2.00	2.00 to 2.25	2.26 to 2.50	2.51 to 2.75	More than 2.75	Departmental Records
b) Satisfaction of Employees- Survey conducted by outside agency	%	1.00	85	80	75	70	65	Departmental Records
c) Training of 2 mandays per Executive on Risk Management	%	2.00	90.00	85.00	80.00	75.00	70.00	Departmental Records
E) Capital Expenditure/Green Field Project								
Projects alongwith amount as approved in RE 2013-14 by the Government of India	%age of RE amount	4.00	90.00	85.00	80.00	75.00	70.00	Departmental Records
F) Research & Development								
i) Determination of rock mechanic characteristic of hanging wall for development of slope design in Tummalapalle Project, Andhra Pradesh	Date	1.00	Feb-14	Mar-14				Departmental Records
ii) Development of Non entry type stopping method suitable for uranium mineralisation in Singhbhum thrust belt in Jharkhand	Date	0.75	Jan-14	Feb-14	Mar-14			Departmental Records
iii) Re-designing agitator profile for optimum precipitation of uranium peroxide resulting in generation of more benign effluent	Date	0.75	Dec-13	Jan-14	Feb-14			Departmental Records
SUB-TOTAL OF 2 (from A to F)		33.00						

MoU 2013-14
Approved by DPE:TF

Uranium Corporation Of India Limited

ANNEXURE - II (Contd)

CRITERIA	UNIT	Weightage	MOU Target for 2013-14								Documentary evidence and source of origin of documents
			Excellent	Very Good	Good	Fair	Poor				
3 Enterprise-specific & Sector-specific Parameters											
i) Ore raised/Manshik, Jaduguda	ton	2.00	0.79	0.75	0.71	0.68	0.64	1.03	1.67	Departmental Records	
ii) Ore raised/Manshik, Narwapahar	ton	2.00	2.00	1.90	1.81	1.71	1.67	1.67	1.67	Departmental Records	
iii) Ore raised/Manshik, Turamdih	ton	2.00	2.00	1.95	1.85	1.76	1.76	1.67	1.67	Departmental Records	
iv) Ore raised/Manshik, Bagjata	ton	2.00	2.05	1.95	1.85	1.76	1.76	1.67	1.67	Departmental Records	
v) Capacity Utilisation of Mill Processing (Jaduguda) as % of installed Capacity	%	1.00	94.50	90.00	85.50	81.23	77.16	72.59	62.59	Departmental Records	
vi) Capacity Utilisation of Mill Processing (Turamdih) as % of installed Capacity	%	1.00	76.65	73.00	69.35	65.88	62.59	58.57	55.57	Departmental Records	
vii) Energy Consumption in Mill per ton of Ore Processed - Jaduguda unit	kwh	2.00	45.60	48.00	50.40	52.92	55.57	58.57	61.16	Departmental Records	
viii) Energy Consumption in Mill per ton of Ore Processed - Turamdih unit	kwh	2.00	36.10	38.00	39.90	41.90	43.99	46.08	48.17	Departmental Records	
ix) Mandays lost(Accidents) per 1000 shifts	Nos	1.00	0.95	1.00	1.05	1.10	1.16	1.22	1.28	Departmental Records	
x) Consumption of explosive in Kg/ton of ore production in Jaduguda, Narwapahar & Turamdih underground mines in Jharkhand	Kg/ton of ore production	1.00	0.512	0.537	0.564	0.593	0.622	0.651	0.680	Departmental Records	
xi) Consumption of Grinding Media (Frod & Ball) in Kg/ton of dry ore processed in Mill in Jharkhand	Kg/ton of ore processed	1.00	0.90	0.95	1.00	1.05	1.10	1.15	1.20	Departmental Records	
SUB TOTAL of (3)		17.00									
TOTAL (14283)		100.00									

Mou No. 14
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URANIUM CORPORATION OF INDIA LTD, JADUGUDA, JHARKHAND

Annexure - VIII
Re. to Gross

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

Sl.No.	Particulars	2008-09		2009-10		2010-11		2011-12		2012-13		2013-14	
		Recl	Actual	MoU	Actual	MoU	Actual	MoU	Actual	MoU	Projected as on 31.03.2013	Projected	
1	Production	541.00	374.30	614.00	521.59	689.47	790.25	900.00	682.19	1029.65	874.79	1103.00	
2	Gross Sales	172.00	87.58	154.00	148.12	112.63	246.04	242.00	176.68	325.00	271.71	289.30	
3	Gross Margin	108.00	60.04	99.00	77.65	52.80	160.56	149.26	85.27	116.09	121.60	77.30	
4	Profit before tax	1245.00	1171.01	1319.00	1231.50	1397.01	1263.83	2471.50	1350.90	2515.83	2335.9	2470.90	
5	Gross Block	394.57	339.14	397.00	408.42	448.01	491.31	572.27	594.46	775.40	657.49	810.49	
6	Less Dep	850.43	831.87	922.00	823.08	939.00	772.52	1899.23	1897.62	1740.43	1878.41	1690.41	
7	Net Block (5-6)	1184.81	1077.65	1391.00	1347.93	1551.51	1439.62	1439.62	1439.62	1819.62	1439.62	1723.62	
8	Share Capital of CPSE	167.33	136.84	194.00	169.57	179.59	241.45	239.35	287.41	304.53	320.82	350.27	
9	Reserves & Surplus of CPSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10	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	Less Profit & Loss A/C (Accumulated)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	Net worth of CPSE (8+9)-(10+11)	1382.14	1214.49	1585.00	1517.50	1727.10	1681.07	1996.97	1727.03	2124.25	1780.44	2073.89	
13	Investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
14	Sundry debtors/sales	0.07	0.10	0.04	0.04	0.04	30.50	36.00	27.53	50.00	50.00	55.00	
15	Inventory	36.00	30.88	32.00	27.85	30.00	37.25	36.00	28.76	50.00	57.00	673.45	
16	Total Current Assets	423.47	437.33	325.00	426.84	322.98	474.41	503.89	451.40	677.89	570.30	335.02	
17	Total Current Liabilities & Provision	226.00	353.02	195.00	409.64	298.02	450.26	422.74	430.82	489.30	260.02	338.43	
18	Net Current Assets (16-17)	197.47	84.31	130.00	26.20	26.96	24.15	81.15	20.58	188.51	310.28	198.84	
19	Capital employed (Net block+net current assets) (7-18)	1047.90	916.18	1052.00	849.28	965.96	796.67	1980.38	807.02	1973.94	1988.89	1988.84	
20	Total debt (loan funds)	195.00	0.00	0.00	9.91	0.00	121.93	110.00	265.53	2667.80	2640.95	2345.10	
21	Total Assets	1841.13	1636.08	1789.00	1996.03	1709.99	2170.81	2837.60	1590.44	2667.80	5000	5200	
22	No. of employees of CPSE	4565	4384	4400	4539	4900	4917	5000	4624	5200(*)	11.78	10.35	
23	Dividend Paid	13.00	4.70	12.00	11.60	4.00	25.50	5.49	16.25	5.72			
24	Add value (gross margin less capital recovery factor 4% of capital employed for social sector and 10% for other CPSE)	67.21	-4.03	49.80	63.19	16.03	166.37	43.95	94.93	132.11	72.84	69.41	

Sl.No.	Particulars	2008-09		2009-10		2010-11		2011-12		2012-13		2013-14	
		MoU	Actual	MoU	Actual	MoU	Actual	MoU	Actual	MoU	Projected as on 31.03.2013	Projected	Projected
25	Ratio												
26	Debt/equity (20/8) %age	18.46	0.00	0.00	0.74	0.00	8.47	6.48	18.44	0.00	0.00	0.00	0.50
27	Return on Net worth (%age) (23/12)	0.96	0.39	0.76	0.76	0.23	1.52	0.28	0.94	0.27	0.67	0.50	5.82
28	P/E Ratio/Total employment of CPSE (Rs.) (21/22)	377807	200710	350000	326327	229857	500386	494000	379888	625000	543420	517885	5.82
29	Gross Profit/Capital employed (%age)	10.31	6.67	9.41	9.80	5.47	20.53	7.65	12.86	6.56	8.98	2.00	2.00
30	Net Profit/Net Worth (%age)	4.73	1.48	3.72	3.05	1.61	6.04	1.42	3.75	1.08	2.66	0.00	0.00
31	Working of gross margin												
32	Net Profit	64.00	18.01	59.00	46.28	27.8	101.51	27.46	64.84	22.88	47.11	41.52	35.78
33	Tax	44.00	42.63	40.00	31.59	25	59.05	121.79	24.07	93.23	74.48	77.30	77.30
34	Net profit before tax	108	60.04	99.00	71.85	52.8	160.56	148.25	88.91	116.09	121.60	0.00	0.00
35	add prior period	0	1.09	0.00	2.28	0.00	0.00	0.00	-0.02	0.00	0.00	0.00	0.00
36	add extra ordinary items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	121.60	77.30	39.00
37	Profit before prior period	108.00	61.13	99.00	80.14	52.8	160.56	149.25	88.89	116.09	121.60	77.30	39.00
38	add Interest	0.00	0.00	0.00	1.37	0.00	3.03	2.15	18.17	10.27	25.00	116.30	116.30
39	Gross Profit	108	61.13	99.00	81.51	52.8	163.59	151.41	103.82	126.35	178.68	153.00	153.00
40	add depreciation	64.00	26.46	55.00	66.61	59.83	82.45	90.59	71.84	198.64	93.00	0.00	0.00
41	Misc. expenditure written off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Gross Margin before depreciation & misc. expenditure written off	172.00	87.59	154.00	148.12	112.63	248.04	242.00	175.66	325.00	271.68	289.30	289.30
53	Gross margin - profit before interest, depreciation, tax including deferred tax, amortisation, prior period adjustment etc & extra ordinary items - Rs. in Crore	172.00	87.59	154.00	148.12	112.63	248.04	242.00	175.66	325.00	271.68	289.30	289.30
54	Net profit after tax but before extra ordinary items and prior period adjustment etc	64.00	18.10	59.00	46.55	27.80	101.51	27.46	64.82	22.86	47.11	41.52	35.78
55	ADD VALUE (Rs. in crores)	67.21	4.03	48.80	53.19	16.03	166.37	43.56	94.90	132.11	72.84	69.41	69.41

Note (a) Capital Employed is increased by Rs 1160.23 crore on account of capitalisation of new projects viz. Tummalapalle, Mohuldu, Turandih Mine and Mill Expansion projects etc. valuing Rs 1217.00 crore

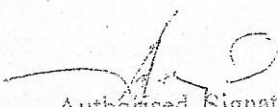
Note - (i) During the year the company shall be securing 225 nos of employees.

Uranium Corporation of India Ltd
Jaduguda, Jharkhand- 832 102

ANNEXURE- IX

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 2013-14. 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
श्री अक्षय डी. अचर्या
अध्यक्ष, निदेशक
Chairman & Managing Director
पूरुवित्त मन्त्रालय, भारत सरकार (विशेष)
Uranium Corporation of India Limited
पोस्ट-ऑफिस बॉक्स नं. ११३४ (पूर्व)
P.O. JADUGUDA, JHARKHAND-832 102
झारखण्ड/झारखण्ड-832 102

URANIUM CORPORATION OF INDIA LTD., JADUGUDA.
PROFIT & LOSS ACCOUNTS FOR THE YEAR 2013-14

Particulars	(Rs. in Crores)		
	For Units in Jharkhand	For Unit in Andhra Pradesh	Total
1. Total Income (Details below)	974.38	149.74	1124.12
Gross sales- 1(a)+1(b)(i)	950.00	150.00	1100.00
Net Sales/Operating Income 1(a)-1(b)(i)+1(b)(ii)]	949.38	149.49	1,098.87
a) Acquisition of Uranium Concentrate	944.00	145.00	1,089.00
b) (i) Sale of By-product	6.00	5.00	11.00
(ii) Less: - Excise Duties	(0.62)	(0.52)	(1.13)
c) Interest	20.00	-	20.00
d) Other Income	5.00	0.25	5.25
2. EXPENDITURE (Details below)	683.03	171.79	854.82
a) Rawmaterial/Stores Spares/ Repair & Maint etc.	287.50	97.62	385.12
b) Manufacturing Expenses	85.24	19.16	104.39
c) Power, Fuel, Water, etc,	81.59	42.00	123.59
d) Salary & Wages	223.69	12.00	235.69
e) Other Expenses	5.00	1.00	6.00
3. Gross Margin (PBDIT)--- (1 - 2)	291.35	(22.05)	269.30
Less: Depreciation	81.00	72.00	153.00
4. Gross Profit/PBIT	210.35	(94.05)	116.30
Interest paid	24.00	15.00	39.00
5. Profit Before Tax	186.35	(109.05)	77.30
Less: Provision for Tax incl. Def. Tax	25.08	10.70	35.78
6. Net profit	161.27	(119.75)	41.52
Dividend proposed	10.38	-	10.38
Tax on Dividend	1.68	-	1.68
7. Retained Profit	149.21	(119.75)	29.46

URANIUM CORPORATION OF INDIA LTD., JADUGUDA.

FINANCIAL POSITION OF THE COMPANY

As on 31.03.2014

<u>SOURCES OF FUNDS</u>	<u>(Rs. in Crore)</u>
a) Paid up capital	1723.62
b) Reserves & Surpluses	350.27
c) Secured Loan	345.53
d) Deffered Tax Liability	122.80
e) Liability & Provision(LT)	67.86
f) Liability(ST)	335.02
Total	2,945.10
<u>APPLICATION OF FUNDS</u>	
a) Fixed Assets (Gross Block)	2,470.90
Less: Depreciation	810.49
Net Fixed Assets	1,660.41
b) Capital Work-In-Process	611.24
c) Investments	-
d) Current Assets, Loans & Adv.	673.45
Total	2,945.10

URANIUM CORPORATION OF INDIA LTD., JADUGUDA.

FINANCIAL PARAMETERS 2013-14

FINANCIAL PARAMETERS	PROJECTION
Gross Block (Rs in Crore)	2,470.90
Net worth (Rs in Crore)	2,073.89
Capital Employed (Rs in Crore)	1,998.84
10% of Capital Employed	199.88
Gross Sales (Rs in Crore)	1,100.00
Gross Margin (Rs in Crore)	269.30
Gross Profit (Rs in Crore)	116.30
Net Profit (Rs in Crore)	41.52
PBDIT (Rs in Crore)	269.30
Added Value (Rs in Crore)	69.42
Total Employment	5,200
(a) Ratio	
i) Gross Margin / Gross Block	10.90
ii) Net Profit / Net Worth	2.00
iii) Gross Profit / Capital Employed	5.82
(b) Financial Indicators	
i) Gross Margin (Rs in Crore)	269.30
ii) Gross Sales (income) (Rs in Crore)	1,100.00
(c) Financial Returns-Productivity	
PBDIT / Total Employment (Rs. Lakh)	5.18
Added Value / Sales	6.31