



सत्यमेव जयते



**IndianOil**

**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**INDIAN OIL CORPORATION LIMITED**

**AND**

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

**For**

**2018-19**

**Main Copy**

**(Date 24.05.2018)**

## MOU PERFORMANCE EVALUATION PARAMETERS AND TARGETS (YEAR 2018-19)

### Mandatory Parameters Annexure - II [Part A]

S. No.	Performance Criteria	Unit	Wt %	2017-18 Est.	Best in 5 Years	MoU Targets for the year 2018-19					% Improvement
						Excellent	V. Good	Good	Fair	Poor	
i	Turnover:										
a	Revenue from Operations (Net) excluding Sales to OMC CPSEs	Rs. Cr.	10	359000	420420	360000	350000	345000	340000	335000	-2.51
ii	Operating Profit / Loss										
a	Operating Profit / Revenue from Operation (Net)	%	20	6.00	6.14	6.18	6.00	5.82	5.64	5.48	-
iii	Return on Investment:										
a	PAT as percentage of Average Net Worth	%	20	21.83	24.34	22.49	21.83	21.18	20.54	19.92	-
	Sub Total		50								
Remarks: Price variation formula for price adjustments to be made for variation in crude oil price and dollar exchange rate is as: Revised target for Revenue from Operations (RO) excluding Sales to OMCs = Target of RO (1+ Exchange variation x 1.21% + Crude price variation x 1.202%) [Where, exchange variation = variation from Rs 65 per dollar; and Crude price variation = variation from crude price of \$ 55 /bbl ]											

*Note: % improvement is calculated as target of VG column of 2018-19 over 2017-18 estimated.*

**Other Parameters [Annexure - II (Part B)]**

S. No.	Performance Criteria	Unit	Wt %	2017-18 Est.	Best in 5 Years	MoU Targets for the year 2018-19					% Improvement
						Excellent	V. Good	Good	Fair	Poor	
iv	<b>Capacity Utilization</b>		<b>0-10</b>								
a	Crude Throughput including Petrochemicals Panipat Refinery	MMT	5	71.80	68.14	74	71.8	69.8	69.1	67.7	0.00
b	Operational Availability (Based on Solomon methodology)	%	5	98.8*	98.85*	97	95	94	93	92	-
	(* Based on CHT)										
v	<b>Production Efficiency parameters:</b>		<b>0-10</b>								
a	Reduction in specific Energy Consumption over previous year	%	5	73.2 MBN	2.6	0.82	0.6	0.4	0.3	0.1	-
vi	<b>R&amp;D, Innovation, Technology up-gradation parameter</b>		<b>0-10</b>								
a	Automation of all Operative outlets	%	3	-	-	100	95	90	85	80	-
b	Replacement of old DUs	%	3	-	-	100	95	90	85	80	-
c	Percentage of Digital Transactions for LPG and Retail Outlets as per the targets by Administrative Ministry	%	3	-	-	100	95	90	85	80	-
vii	<b>CAPEX</b>	Rs. Cr.	7	-	16661	20958	18500	18000	17500	17000	-
	Above CAPEX target of Rs 20958 Crore is excluding investment through Subsidiaries / JVs for Rs 1904 Crore. IMC clarified that if investment through Subsidiaries and in Joint ventures is less than Rs 1904 Crore, the difference would be added in the CAPEX target.										



S. No.	Performance Criteria	Unit	Wt %	2017-18 Est.	Best in 5 Years	MoU Targets for the year 2018-19					% Improvement
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viii	% 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	%	3	82	100	100	95	90	85	80	15.85
ix	Reduction in Claims against the Company not acknowledged as debt		0-10								
a	Reduction in Claims against the Company not acknowledged as debt (CPSE & Others)	%	3	-	-	10	8	6	4	2	-
x	Human Resource Management		0-10								
a	Assessment of level in line with People Capability Maturity Model (PCMM) or equivalent in the CPSE and placing the matter before the Board for taking a 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	-	-	15.12.2018	15.01.2019	31.01.2019	15.02.2019	28.02.2019	-
b	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	-	-	15.12.2018	15.01.2019	31.01.2019	15.02.2019	28.02.2019	-

S. No.	Performance Criteria	Unit	Wt %	2017-18 Est.	Best in 5 Years	MoU Targets for the year 2018-19					% Improvement
						Excellent	V. Good	Good	Fair	Poor	
xi	Other sector specific result oriented measurable parameters		0-10								
a	Commissioning of LPG Distributorship	Nos.	3	800	1199	1500	1200	1100	1000	900	50
b	PNG connections targets as given by Administrative Ministry	%	3	-	-	100	90	80	70	60	-
c	CNG Stations targets as given by Administrative Ministry	%	2	-	-	100	90	80	70	60	-
	Sub Total		50								
	Grand Total Weight		100								

**Note:**

1. It was agreed that the targets finalized by the 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 re-casted/ restated in audited accounts, comparison of actual results shall be made based on re-casted / restated figures.
2. 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 the negative marks prescribe in MoU guidelines.
3. It was agreed that 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.

This Memorandum of Understanding for the year 2018-19 is hereby agreed and signed on this 24<sup>th</sup> day of May 2018.

  
Sanjiv Singh  
Chairman

Indian Oil Corporation Ltd

  
K. D. Tripathi

Secretary to the Govt. of India

Ministry of Petroleum & Natural Gas