



सत्यमेव जयते



IndianOil

MEMORANDUM OF UNDERSTANDING

BETWEEN

INDIAN OIL CORPORATION LIMITED

AND

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

For

2019-20

Main Copy

(Date 30.5.2019)

MOU PERFORMANCE EVALUATION PARAMETERS AND TARGETS (YEAR 2019-20)

Mandatory Parameters [Annexure - II (Part A)]

S. No.	Performance Criteria	Unit	Marks	FY 18-19 Estimated	Best in 5 years	MoU Targets for the year 2019-20					% Improvement *	
						Excellent	V. Good	Good	Fair	Poor		
	Turnover:											
1	Revenue from Operations (Net of Excise Duty) excl. CPSE OMC Sales	Rs. in Crore	10	4,56,337	4,20,420	4,60,000	4,56,000	4,52,000	4,48,000	4,44,000		
	Operating Profit / Loss:											
2	Operating Profit / Revenue from Operations (Net)	%	15	4.18	6.87	4.35	2.56	2.50	2.40	2.30		
	Return on Investment:											
3	PAT / Average Net Worth	%	15	17.74	24.58	18.00	17.75	17.00	16.00	15.00		
	Sub Total		40									
Remarks:												
Price variation formula for adjustments in Crude Oil rate and Exchange Rate at the time of evaluation shall be as under: Revised target for Revenue from Operations (RO) = Target of RO (1 + Exchange Variation x 1.165% + Crude Oil Variation x 1.0672%) [Where, Exchange Variation = Variation from Rs. 71.50 / USD; and Crude Price Variation = Variation from Crude Price of \$ 65.75 /bbl]												

Other Parameters [Annexure - II (Part B)]

S. No.	Performance Criteria	Unit	Marks	FY 18-19 Estimated	Best in 5 years	MoU Targets for the year 2019-20					% Improvement *
						Excellent	V. Good	Good	Fair	Poor	
	Capacity Utilization:										
4	Crude Throughput including Petrochemicals Panipat Refinery	MMT	7	74.84	71.9	74.90	71.7	71.0	70.0	69.0	
5	Operations Availability as per Solomon methodology (as suggested by CHT)	%	7	97.4	97.0	97.5	97.4	97.0	96.5	96.0	
	Production Efficiency parameters:										
6	Ethanol Blending	%	5	5.0	3.40	6	5.5	5	4.5	4	10.0
	R&D, Innovation, Technology up-gradation parameter:										
7	Percentage of Digital payment at Retail Outlets and on LPG Refills as per the targets given by Administrative Ministry	%	3	-	-	100	98	96	94	92	
8	Percentage of NANO Retail Outlets having sales more than 40 KLPM for auto pushing of RSPs on Real Time basis	%	3	-	-	98	97	96	95	94	
9	CAPEX	Rs. in Crore	7			25,084	20,000	19,000	18,000	17,000	

S. No.	Performance Criteria	Unit	Marks	FY 18-19 Estimated	Best in 5 years	MoU Targets for the year 2019-20					% Improvement *
						Excellent	V. Good	Good	Fair	Poor	
10	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	%	3			100	95	90	85	80	
Reduction in Claims against the Company not acknowledged as debt:											
11	Reduction in Claims against the Company not acknowledged as debt over previous year - Overall	%	4			15	12	10	8	6	
Human Resource Management:											
12	Achievement of HR Parameter of continuous nature as per list given in Annexure-A	No. of Parameters	4			7	6	5	4	3	
13	Capability development programs for executives to build their technical & managerial competencies for higher positions with special focus on Web learning programs	No. of Programs	3			25	24	23	22	21	

S. No.	Performance Criteria	Unit	Marks	FY 18-19 Estimated	Best in 5 years	MoU Targets for the year 2019-20					% Improvement *
						Excellent	V. Good	Good	Fair	Poor	
	Other Sector Specific result oriented measurable parameters:										
14	Domestic PNG connections by IOCL with GAIL and it's JVs/Subsidiaries	No. in Lakhs	4			0.61	0.52	0.47	0.42	0.38	
	Domestic PNG connections by IOCL and its JVs/Subsidiaries (without GAIL)	No. in Lakhs				4.74	4.07	3.66	3.30	2.97	
	Total	No. in Lakhs		2.034		5.35	4.59	4.13	3.72	3.35	
15	CNG Stations commissioned and operationalised in IOCL ROs in GAs of GAIL and JVs/ Subsidiaries of GAIL	Nos.	3			131	104	94	85	76	
	CNG Stations commissioned and operationalised in IOCL ROs in GAs of IOCL and its Subsidiaries / JVs (without GAIL) and GAs of other entities	Nos.				140	110	100	90	80	
	Total	Nos.		126		271	214	194	175	156	
16	Completion of milestone given under Pradhan Mantri Ujjwala Yojana by the Administrative Ministry	%	3	--		100	97	94	92	90	

S. No.	Performance Criteria	Unit	Marks	FY 18-19 Estimated	Best in 5 years	MoU Targets for the year 2019-20					% Improvement *
						Excellent	V. Good	Good	Fair	Poor	
17	Completion of milestone with respect to CPSE Conclave-2018 as per Action Taken Report submitted to DPE - As per Annexure- B	Nos.	4	---		8	7	6	5	4	
	Sub Total		60								
	Grand Total Marks		100								

* % Improvement has been worked out on Very Good column Target for MoU 2019-20 over FY 2018-19 Estimate.

Note:

1. In working out achievements for the year 2019-20, 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.
2. It was agreed that targets decided are unconditional and no offset will be allowed on any ground. Further evaluation would be subject to compliance of Additional Eligibility criteria as contained in MoU guidelines.

This Memorandum of Understanding for the year 2019-20 is hereby agreed and signed on this 30th day of May 2019.

S. Singh
Sanjiv Singh
Chairman

Indian Oil Corporation Ltd

M. M. Kuty
Dr. M. M. Kuty
Secretary to the Govt. of India
Ministry of Petroleum & Natural Gas

List of HR Parameters of Continuous Nature

S. No.	Parameters
1	Online submission ACR / APAR in respect to all Employees (E0 & above) along with compliance of prescribed timeline w.r.t. writing of ACR / APAR.
2	Online Quarterly Vigilance Clearance updation for all Senior Executives (AGM & above).
3	Updation of Succession Plan and its approval by Board of Directors.
4	Implementation of Board decision on recommendation of HR Task Force constituted by MoP&NG.
5	Talent Management and Career Progression by imparting at least 1 week training of at least 5% Executives (E0 & above) in Centre of Excellence within India e.g. IITs, IIMs, NITs, ICAI, etc.
6	Regular Updation of Online Human Resource Management System (HRMS).
7	Review & Implementation of Employee performance on the lines of FR (56) (J) and submitting a Compliance Report to Board of Directors at the end of the year.

Milestones with respect to CPSE Conclave - 2018

S. No.	Action Plan	Milestone	Milestone Date
1	<u>Maximizing Geo- Strategic Reach:</u> Exporting refined petroleum products – fuels, Lubricants, Value Added Products - 4% Revenue (\$3.5 Billion) from overseas operations by 31-03-2022)	2% revenue from overseas operations	31-03-2020
2	<u>Maximizing Geo- Strategic Reach:</u> Exporting refined petroleum products – fuels, Lubricants, Value Added Products - Distributors in 10 New Countries (West Asia, South East Asia and South Africa) by 31-03-2022	7 Distributors (Cumulative) by 2019-20	31-03-2020
3	<u>Maximizing Geo- Strategic Reach:</u> Exporting refined petroleum products – fuels, Lubricants, Value Added Products - New Offices/ Subsidiaries in 5 countries (South East Asia and Africa) by 31-03-2022	2 New Countries (Cumulative) by 2019-20	31-03-2020
4	<u>Maximizing Geo- Strategic Reach:</u> Triple Overseas Oil & Gas Production - \$ 4 Billion Investment in Mexico, Abu Dhabi, Oman, Brazil, West Africa and Russia by 31-03-2022	Rs 1254.10 Crore Investment in 2019-20; Augmenting Overseas Production to 4.63 MMTtoE per annum	31-03-2020
5	<u>Integration of Innovation and Research:</u> Collaborative R&D Projects (with NTPC)	CO2 Capture & Utilization and Cultivation of microalgae using CO2 from flue gas and generation of algal biomass	30-06-2019
6	<u>Integration of Innovation and Research:</u> Collaborative R&D Projects (with NTPC)- Waste to Energy - Biomethanation by 31-12-2020	Optimization of Conditions for pre-treatment of algal biomass residue and it's biomethanation	30-09-2019
7	<u>Integration of Innovation and Research:</u> Collaborative R&D Projects (with ONGC and OIL)- To develop drilling fluids (currently imported) to improve drilling efficiency by 31-10-2019	Modification of base oil formulation for drilling fluid, if required, after feedback from ONGC	31-05-2019