



सत्यमेव जयते



IndianOil

**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN**

**INDIAN OIL CORPORATION LIMITED**

**AND**

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

**For**

**2016-17**

**MAIN COPY**

**(07.07.2016)**

**MoU 2016-17 Parameters & Targets: Form - I (Part A)**

| S. No | EVALUATION CRITERIA | UNIT | %WT | MoU 2016-17 TARGETS |        |      |      |      |
|-------|---------------------|------|-----|---------------------|--------|------|------|------|
|       |                     |      |     | Excellent           | V Good | Good | Fair | Poor |
|       |                     |      |     | 100                 | 80     | 60   | 40   | 20   |

**I Capacity Utilisation:**

|   |  |     |   |       |      |      |      |      |
|---|--|-----|---|-------|------|------|------|------|
| 1 | Refineries Throughput including Paradip and Petrochemicals | MMT | 6 | 68.0  | 67.0 | 66.0 | 65.0 | 64.0 |
| 2 | Overall Liquid Pipeline Throughput                         | MMT | 3 | 79.82 | 79.0 | 78.0 | 77.0 | 76.0 |
| 3 | Percentage Capacity Utilization of LPG Plants as a whole   | %   | 1 | 107   | 106  | 105  | 104  | 100  |

**ii Efficiency Parameters (Physical Operations):**

**(A) Production Efficiency**

|   |  |   |   |      |      |      |      |      |
|---|--|---|---|------|------|------|------|------|
| 1 | Improvement in Distillate Yield (Excluding Paradip) [by keeping crude mix (API) constant] over previous year | % | 4 | 0.6  | 0.4  | 0.2  | 0.1  | 0.0  |
| 2 | Reduction in Energy Intensity Index (Excluding Paradip Refinery) over previous Year                          | % | 4 | 2.0  | 1.8  | 1.6  | 1.4  | 1.2  |
| 3 | Percentage Ethanol blending in targeted States   | % | 2 | 3.50 | 3.00 | 2.75 | 2.50 | 2.25 |

**(B) Technology Up-gradation**

|   |   |      |   |          |          |          |          |          |
|---|---|------|---|----------|----------|----------|----------|----------|
| 1 | Commissioning of adsorption based process technology (INDAdeptG) (IOC R&D developed) with proprietary adsorbent for reduction of Gasoline Sulphur from 1000 to < 10 ppm, at Guwahati Refinery | Date | 2 | 31.01.17 | 15.02.17 | 28.02.17 | 15.03.17 | 31.03.17 |
| 2 | Development of Fuel Efficient, low viscosity, Diesel Engine Oil for commercial vehicle segment and Refinery hydrogen quality assessment for fuel cell application: Phase -1                   | Date | 3 | 31.01.17 | 15.02.17 | 28.02.17 | 15.03.17 | 31.03.17 |


**iii Leveraging Net Worth**

|   |       |             |    |       |       |       |       |       |
|---|-------|-------------|----|-------|-------|-------|-------|-------|
| 1 | CAPEX | Rs<br>Crore | 15 | 13183 | 12525 | 12000 | 11800 | 11600 |
|---|-------|-------------|----|-------|-------|-------|-------|-------|

MoU 2016-17  
Approved by IMC  
Signed *Aravind*



| S. No                            | EVALUATION CRITERIA   | UNIT          | %WT | MoU 2016-17 TARGETS |        |      |      |      |
|----------------------------------|---|---------------|-----|---------------------|--------|------|------|------|
|                                  |   |               |     | Excellent           | V Good | Good | Fair | Poor |
|                                  |   |               |     | 100                 | 80     | 60   | 40   | 20   |
| Iv Monitoring Parameter          |   |               |     |                     |        |      |      |      |
| 1                                | 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 | %             | 5   | 100                 | 90     | 80   | 70   | 60   |
| V Turnover for Operations        |   |               |     |                     |        |      |      |      |
| 1                                | Revenue from Operations (Net of Excise duty) excluding sales to petroleum CPSEs   | Rs Lakh Crore | 5   | 3.02                | 2.92   | 2.82 | 2.72 | 2.62 |
| Vi Operating Profit / Surplus    |   |               |     |                     |        |      |      |      |
| 1                                | Profit Before Tax (Excluding Other Income, Extraordinary and Exceptional Items) as % of Revenue from Operations (Net of Excise Duty)  | %             | 10  | 3.50                | 3.00   | 2.75 | 2.50 | 2.25 |
| Vii Early Signs of weakness      |   |               |     |                     |        |      |      |      |
| 1                                | Reduction in Claims against the company not acknowledged as Debt, over the previous year in respect of CPSEs  | %             | 5   | 100                 | 95     | 90   | 85   | 80   |
| Viii Marketing Efficiency Ratios |   |               |     |                     |        |      |      |      |
| (A)                              |   |               |     |                     |        |      |      |      |
| 1                                | % of Automation of retails outlets achieved (150 KL)  | %             | 2   | 83                  | 81     | 79   | 78   | 77   |
| 2                                | Issue of LOIs for LPG and Retail Outlets  | Nos.          | 3   | 1100                | 1000   | 900  | 800  | 700  |
| (B)                              |   |               |     |                     |        |      |      |      |
| 1                                | Trade Receivables as percentage of Revenue from Operations (Gross)  | %             | 5   | 1.9                 | 2.0    | 2.1  | 2.2  | 2.3  |
| Ix Return on Investment          |   |               |     |                     |        |      |      |      |
| (A) Profit Earning CPSEs         |   |               |     |                     |        |      |      |      |
| 1                                | Dividend / PAT  | %             | 5   | 35                  | 33     | 30   | 29   | 28   |
| 2                                | PAT / Net Worth or Shareholders Fund  | %             | 10  | 13                  | 12.5   | 12   | 11.5 | 11   |

MoU 2016-17  
Approved by IMC  
Signed 

| S. No | EVALUATION CRITERIA  | UNIT | %WT | MoU 2016-17 TARGETS |        |      |      |      |
|-------|----------------------|------|-----|---------------------|--------|------|------|------|
|       |                      |      |     | Excellent           | V Good | Good | Fair | Poor |
|       |                      |      |     | 100                 | 80     | 60   | 40   | 20   |
| 3     | Dividend / Net Worth | %    | 5   | 4.55                | 4.13   | 3.60 | 3.34 | 3.08 |

**X Sector / CPSE Specific Targets**

|   |   |      |   |          |          |          |          |          |
|---|---|------|---|----------|----------|----------|----------|----------|
| 1 | Return on Investment from Profit Making Operating JVs (8 JVs)               | %    | 3 | 18       | 17       | 16       | 15       | 14       |
| 2 | IndianOil CREDA Biofuels Ltd. (ICBL) - Closure Including Transfer of Assets | Date | 1 | 31.10.16 | 30.11.16 | 31.12.16 | 31.01.17 | 28.02.17 |
| 3 | Indian Catalyst Private Ltd. (ICPL) - Transfer of Land to IOCL              | Date | 1 | 31.12.16 | 15.01.17 | 31.01.17 | 15.02.17 | 28.02.17 |

**TOTAL**

**100**

**Note:**

1. It was agreed that the targets finalized by the Inter-Ministerial Committee are based on actual/provisional submitted by the company for FY 2015-16. In case of better performance of the CPSE during the year 2015-16, as compared to actual/ provisional given to the Committee, the difference shall be added to the targets of 2016-17.
2. As per MoU Guidelines, targets set in MoU are unconditional and no offset will be allowed in any condition except adjustment as per Para 5(i) [relating to Capacity Utilization] & 5(vi) [relating to Turnover for Operations] of the minutes of IMC meeting. Further evaluation would be subject to compliance of additional eligibility criteria as contained in para 14.2 and 14.3 of MoU Guidelines 2016-17.
3. It was decided that at the time of MoU Evaluation, wherever the figures are not verifiable from the Annual Report, verification of the same would be done on the basis of certification/ resolution by Board of Directors.

*B. Ashok*

**B. Ashok  
Chairman**

**Indian Oil Corporation Ltd.**

*K. D. Tripathi*

**K. D. Tripathi**

**Secretary to the Govt. of India**

**Ministry of Petroleum & Natural Gas**

**MoU 2016-17  
Approved by IMC**

**Signed** *[Signature]*