

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE SHIPPING CORPORATION OF INDIA LTD.

&

MINISTRY OF SHIPPING

GOVERNMENT OF INDIA

FOR THE YEAR

2019-2020

MEMORANDUM OF UNDERSTANDING BETWEEN
THE SHIPPING CORPORATION OF INDIA LTD.
AND
MINISTRY OF SHIPPING
FOR THE YEAR 2019-2020

Mandatory parameters
PART A

Sl. No.	Financial Performance Criteria	Unit	Marks	Current Year (Estimate) 2018-19	Best in 5 years	MoU Target for the year 2019-20					% Improvement
						Excellent 100%	V.Good 80%	Good 60%	Fair 40%	Poor 20%	
1	Turnover Revenue from Operations *	Rs. crore	10	3700	4232	3650	3600	3400	3300	3200	-2.7
2	Operating Profit/Loss CPSEs with operating Loss (Loss/Deficit not taking into account other Incomes, Extraordinary and Exceptional Items):- Reduction in Operating Loss over previous year	%	20	Operating Loss Rs.622.21 Cr.	Operating Profit Rs.624.64 Cr.	100	70	40	30	20	-
3	Return on investment: Profit Earning CPSEs with no accumulated losses: Reduction in Total expenses as a % of Total Income as compared to previous year **	%	20	102 (TE/TI)	81.3 (TE/TI)	5	4	2	1	0.8	-
Total (A)			50								

*Targets would be increased by Rs.5 Crore and Rs.2.5 Crore per month for Ankleshwar and Maharaja Agrasen ships respectively, for the period ships remain with SCI during the year 2019-20

** In case Ratio of total expenses/total income goes up from 102%, the target at Excellent Level will increase so that total expenses/total income will not be more than 100%.

**Other Parameters
(Part-B)**

Sl. No.	Performance Criteria	Unit	Marks	Current year (Estimate)	Best in 5 years	MoU Target for the year 2019-20					%Improvement*
						Excellent 100%	V.Good 80%	Good 60%	Fair 40%	Poor 20%	
1	Capacity Utilization Operating days based on deadweight tonnage of vessel	%	7	87	95	90	88	87	86	85	1.1
2	Exports as a percentage of Revenue from operations	%	5	21.6	28.6	23	22	21	20	19	1.9
3	Technology Upgradation Pulse Lubrication /Ballast Water Management system on board vessels	No. of vessels	5	New initiative		6	5	4	3	2	-
4	CAPEX	Rs.Cr.	3	116	620	80	70	60	50	40	-
5	Trade Receivables (Net) as number of days of Revenue from Operations (gross)	No.of Days	3	72	61	63	64	66	68	70	11.1
6	Reduction in claims against the Company not acknowledged as debt over previous year – Overall(%)	%	8	Rs.Cr. 2137.63	-	15	10	5	3	2	-
7	Human Resource Management Parameters										
(i)	Achievement of HR parameters of continuous nature as per list given below (#)	No.of parameters	4	-		6	5	4	3	2	
(ii)	Conducting an Annual HR Strategy alignment exercise and submitting the implementation status to Board of Directors	Date	3	New Initiative		01.02.20	15.02.20	29.02.20	15.03.20	31.03.20	
(iii)	Capability development programmes for executives to build their technical & managerial competencies for higher positions with special focus on Web learning programs	No. of programs	3	New Initiative		10	8	6	4	2	

Sl. No.	Performance Criteria	Unit	Marks	Current year (Estimate)	Best in 5 years	MoU Target for the year 2019-20					%Improvement*
						Excellent 100%	V.Good 80%	Good 60%	Fair 40%	Poor 20%	
8	Other sector specific result-oriented measurable parameters										
(i)	Delivery of cargo without time overrun	%	5	98	100	100	98	97	96	95	-
(ii)	Reduction in country's foreign currency outgo-towards freight for import of about 20 Million Metric Tons p.a. by securing Contracts of Affreightment (COA) with Oil PSUs	Date	2	New Initiative		31.12.19	15.01.20	31.01.20	15.02.20	29.02.20	-
(iii)	Collaboration with ISRO for improvement in ship routing and weather forecasting	Date	2	New Initiative		30.06.19	15.07.19	31.07.19	15.08.19	31.08.19	-
	Total (B)		50								
	TOTAL (A) + (B)		100								

*Improvement on very Good Target for MoU year over Current year expected actuals.

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Sr. No.	HR Parameters of continuous nature
(i)	Online submission of ACR/APAR in respect of all executives (E0 and above) along with compliance of prescribed timelines w.r.t writing of ACR/APAR
(ii)	Online Quarterly vigilance clearance updation for senior executives (AGM and above)
(iii)	Updation of succession plan and its approval by Board of Directors
(iv)	Implementation of recommendations of HR Audit
(v)	Regular Updation of Online Human Resource Management System (HRMS)
(vi)	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.

