



MEMORANDUM OF UNDERSTANDING

BETWEEN

NATIONAL FERTILIZERS LIMITED

AND

DEPARTMENT OF FERTILIZERS

(MINISTRY OF CHEMICALS AND FERTILIZERS)

FOR THE YEAR

2018-19

MEMORANDUM OF UNDERSTANDING
BETWEEN
NATIONAL FERTILIZERS LIMITED
AND
DEPARTMENT OF FERTILIZERS
MINISTRY OF CHEMICALS & FERTILIZERS
FOR THE YEAR 2018-19

PART-I

Vision, Mission & Objectives of the PSE

1. Vision

To be a leading Indian company in fertilizers and beyond with commitment to all stakeholders.

2. Mission

A dynamic organization committed to serve the farming community and other customers to their satisfaction through timely supply of fertilizers and other products & services; continually striving to achieve the highest standards in quality, safety, ethics, professionalism, energy conservation with a concern for ecology and maximizing returns to stakeholders.

3. Objectives

- a) To produce and market fertilizers, chemicals and other products efficiently and economically.
- b) To effectively manage the assets and resources of the Company.
- c) To ensure a reasonable return on investment and to maximize internal resources.
- d) To import fertilizers for trading and carry out port handling activities.
- e) To trade in agro & other products.
- f) To maintain international quality of production & services as per ISO-9001: 2008.
- g) To achieve international standard of excellence in plant & operational safety and maintaining environment as per international standard OHSAS 18001 & ISO-14001 respectively.
- h) To continuously improve energy, process, quality and introduction of new products thru R&D.
- i) To carry out business activities through diversification, expansion, etc. to increase the profitability of the company
- j) To carry out Agriculture extension activities for facilitating the Agricultural community.
- k) To further develop organizational environment for encouraging individual and group initiative and productivity by improving employee skills through training.
- l) To follow best HR practices to attract & retain best manpower.
- m) To maximize digitization to undertake various business processes.
- n) To carry out CSR activities for the welfare & sustainable development of the society.

Mandatory Parameters
(PART - A)
NATIONAL FERTILIZERS LIMITED
MoU 2018-19

Sr.	Financial Performance Criteria	Unit	Marks	MoU Target for the year 2018-19				
				Excellent (100%)	V.Good (80%)	Good (60%)	Fair (40%)	Poor (20%)
1	Turnover							
	Revenue from Operations (Net)	₹ Crore	10	9650	9500	9350	9200	9050
2	Operating Profit							
	Operating Profit as percentage of Revenue from operations (Net)	%	20	3.30	3.18	3.05	2.93	2.82
3	Return on investment							
	PAT / Average Network <input type="checkbox"/>	%	20	11.91	11.40	10.90	10.42	9.98
	Total		50					

(PART - B)
NATIONAL FERTILIZERS LIMITED
MoU 2018-19

Sr.	Performance Criteria	Unit	Marks	MoU Target for the year 2018-19				
				Excellent (100%)	V.Good (80%)	Good (60%)	Fair (40%)	Poor (20%)
1	Production / Capacity Utilization							
a)	Urea	LMT	8	38.35	38.00	37.50	37.00	36.50
b)	Bentonite Sulphur	MT	2	6000	5000	4000	3000	2500
2	Production Efficiency Parameter							
	Reduction in Energy Consumption over previous year (2017-18) at Vijaipur-II	%	5	0.25	0.20	0.18	0.16	0.14
3	CAPEX	₹ Crore	5	528	495	445	395	345
4	Percentages 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	90	85	80	75
5	Trade Receivables (Net) as number of days of Revenue from Operations (Gross)	Days	3	140	150	160	170	180
6	Reduction in Claims against the company not acknowledged as debt (overall)	%	5	10	8	6	4	2
7	Human Resource Management							
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 up gradation in level and, if yes, getting the approval for timeliness from the Board, if not, justifiable reason to be recorded in the Board Resolution.	Date	4	15-12-18	15-01-19	31-01-19	15-02-19	28-02-19

