



**MEMORANDUM OF UNDERSTANDING
FOR THE YEAR
2016-17
BETWEEN**

NATIONAL SEEDS CORPORATION LTD.

and

**MINISTRY OF AGRICULTURE & FARMERS
WELFARE,
GOVERNMENT OF INDIA**

NATIONAL SEEDS CORPORATION LTD.

(A Govt. of India Undertaking-"Mini Ratna" Company)

Beej Bhawan, Pusa Complex

New Delhi - 110012


NATIONAL SEEDS CORPORATION LIMITED

MoU for the year 2016-17

PART - A

Form-I

S.No	Evaluation Criteria	Unit	Wt (in %)	MoU Target				
				Excellent	Very Good	Good	Fair	Poor
				100	80	60	40	20
i	Capacity Utilisation :							
	Production (Raw Seed)	Lac Qil.	10	21.00	20.50	20.00	19.50	19.00
ii	Efficiency Parameters (Physical Operations) :							
	A. Production efficiency							
	i.) Percentage (%) Increase in Land Development area over previous year	%	5	1.00	0.80	0.60	0.40	0.20
	ii) Increase in area under cultivation of Pulses over previous year including farmers fields	%	5	15.00	14.00	13.00	12.00	11.00
	B. Technology up-gradation:							
	i) Additional increase in the area to be covered under Micro Irrigation System (Hac.) over previous year	Hac.	5	150	125	100	75	50
iii	Leveraging Net Worth:							
	CAPEX	Rs. Crore	15	25.40	23.75	22.50	21.43	20.36
iv	Monitoring Parameter:							
	Percentage of Value of CAPEX contracts/ project running/ completed during the year without time / cost overrun to total value of CAPEX contracts running / completed during the year	%	5	100.00	90.00	80.00	70.00	60.00
v	Turnover for Operations:							
	Revenue from Operations (Net of excise duty)	Rs. Crore	5	925.00	875.00	850.00	825.00	800.00
vi	Operating Profit / Surplus:							
	i) PBT (excluding Other Income, Extraordinary and Exceptional Items)	Rs. Crore	10	18.30	17.50	16.60	15.70	15.00

MoU 2016-17
Approved by IMC
Signed: 

S.No	Evaluation Criteria	Unit	Wt (In %)	MoU Target				
				Excellent	Very Good	Good	Fair	Poor
				100	80	60	40	20
vii	Early signs of weakness:							
	Reduction in claims against the Company not acknowledge as debt, over the previous year. Claims raised by:							
	-Others	%	5	2.00	1.90	1.81	1.71	1.63
viii	Marketing efficiency:							
A	Retail sale of seeds not fit for further production-First billing	Date	5	28.02.2017	07.03.2017	16.3.2017	22.3.2017	31.3.2017
B	Trade receivables as percentage of Revenue from Operations (Gross)	%	5	28.00	27.00	28.00	29.00	30.00
ix	Return on investment:							
a	Profit Earning CPSEs:							
	i Dividend / PAT	%	5	31	30	29	28	27
	ii PAT/Net Worth	%	10	6.15	5.90	5.75	5.50	5.25
	iii Dividend / Networth	%	5	1.91	1.77	1.67	1.54	1.42
x	Sector / CPSE specific targets							
	i) Retail sale of seeds not fit for further production after value addition - Rice & Wheat	Qtl.	5	200	190	180	170	160

Total - 100

- 1 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.
- 2 It was agreed that the targets proposed by the CPSE are based on estimates submitted by the NSC for FY 2015-16. In case of better performance, the difference between actual achievement for the year 2015-16 and estimates submitted by the NSC, shall be added to the targets of 2016-17.
- 3 It was agreed that targets decided in MoU are unconditional and no offset will be allowed in any condition. 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.

[Signature]
Chairman & Managing Director
National Seeds Corporation

[Signature]
Secretary
Ministry of Agriculture

Date: 19.07.2016
Place: New Delhi

MoU 2016-17
Approved by IMC
Signed *[Signature]*

NATIONAL SEEDS CORPORATION LIMITED

TREND OF CPSE's PERFORMANCE ON FINANCIAL PARAMETERS FOR THE LAST FIVE YEARS

PART - B

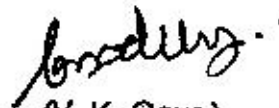
Sl.No.	Evaluation Criteria	Unit	2011-12	2012-13	2013-14	2014-15	2015-16 UP to 30.9.16 Actual	2015-16 up to 31.3.2016 (Estimated)	2015-16 up to 31.3.2016 (Provisional)	2016-17 Projected
i	Capacity Utilisation - Production	Lac Qlt	28.24	24.56	19.89	15.51	5.00	23.74	19.03	21.00
ii	Efficiency Parameters (Physical operations)-Based on Part-I									
iii	CAPEX	Rs. Crore	23.06	28.75	33.72	32.50		23.00		25.40
iv	Paid-Up Share Capital	Rs. Crore	52.11	52.11	54.17	54.17	54.17	54.17		54.17
v	Accumulated Reserves	Rs. Crore	330.09	413.18	509.44	457.82	480.28	481.97		518.89
vi	Net Worth	Rs. Crore	382.20	465.29	563.62	511.99	514.46	535.14		573.07
vii	Borrowings (Shown in Non - Current Liability)	Rs. Crore	-	2.21	1.40	1.32		0.60		-
viii	Borrowings / Net Worth	%	-	0.47	0.25	0.25	-	0.11		-
ix	Percentage of value of CAPEX contracts/ Project running/ completed during the year without time/ cost overrun to total value of CAPEX contracts running / completed during the year (whichever applicable)	%								100.00
x	Revenue from Operations (Gross)	Rs. Crore	1,045.06	1,191.86	1,272.67	895.85	251.86	832.90	735.14	964.04
xi	Revenue from Operations (Net of excise duty)	Rs. Crore	1,002.25	1,152.82	1,233.25	857.98	250.80	797.72		925.04
xii	Profit Before Tax	Rs. Crore	107.86	120.03	140.95	37.06	3.69	49.35	8.71	55.11
xiii	Other income	Rs. Crore								
	Interest	Rs. Crore	3.65	4.75	5.36	4.28		5.00		6.00
	Dividend	Rs. Crore	0.59	0.61	0.52	1.14		1.00		2.00
	Others	Rs. Crore	13.84	18.70	22.97	26.62	11.05	27.82		25.91
	Total	Rs. Crore	18.08	24.06	28.85	32.04	11.05	33.82		33.91
xiv	Extraordinary Items	Rs. Crore	-	-	1.03	0.40	-	-		-

xv	Exceptional items	Rs. Crore								
xvi	Profit Before Tax (Excluding Other Income, Extraordinary and Exceptional Items)	Rs. Crore	89.78	95.97	111.07	4.62	-7.36	15.53		21.20
xvii	Profit After Tax	Rs. Crore	69.92	86.88	95.91	38.84	2.47	33.06	32.17	36.92
xviii	Revenue from Operations (Net)/Total Expenses [excluding extra ordinary/exceptional items, if shown separately and Tax (Income Tax) Expenses]	%	109.74	109.01	109.48	100.48	97.15	102.13		102.35
xix	Closing Inventory of finished goods	Rs. Crore	107.36	168.88	193.98	148.82	145.57	197.17		204.83
xx	Closing inventory of Work-in-Progress	Rs. Crore								
xxi	Sale of Products (Net of Excise duty)	Rs. Crore	1,002.25	1,152.82	1,233.25	857.98	250.80	787.72		925.04
xxii	Number of days of inventory of finished goods and work-in-progress to sale of products (wherever applicable)	Nos. of days	39.10	53.47	57.41	63.31	213.31	80.22		80.86
xxiii	Trade Receivables of over 6 months	Rs. Crore								
xxiv	Trade Receivables (Total)	Rs. Crore	172.90	241.09	256.65	230.89	238.00	242.43		250.01
xxv	Trade Receivables as percentage of Revenue from Operations (gross)	%	16.54	20.23	20.17	25.77	90.89	29.11		28.00
xxvi	Cash and Bank Balance	Rs. Crore	110.68	73.35	176.58	163.94	143.90	141.80		158.99
xxvii	PAT / Net worth	%	18.29	18.67	17.02	7.59	0.48	5.17		6.44
xxviii	Dividend / PAT	%	9.48	8.68	7.93	20.93				
xxix	Dividend / Net worth or Surplus / Net worth	%	1.73	1.62	1.35	1.59				
xxx	Claims against the Company not acknowledge as debt	Rs. Crore								
	By Central Government Department			0.49		22.95				
	By State Department		2.76	3.05	1.08	2.26				
	By CPSEs									
	By Others		6.91	7.90	7.37	15.58				

NATIONAL SEEDS CORPORATION LIMITED

Self declaration / Certification by CPSE

It is hereby certified that the targets / actual achievements in respect of MoU parameters have been worked out as per MoU guidelines by adopting the norms and definitions laid down in MoU guidelines for the year 2016-17. In case any deviation is found at any point of time, DPE is free to evaluate the performance as per MoU Guidelines. CPSE has no right to claim in this regard.



(V. K. Gaur)
Chairman-Cum-Managing Director

Annexure - B

Details of CAPEX for 2016-17

(Rs Lakhs)

Sr. No.	Description	Target (Physical)	Total Project Cost	Milestones 2016-17	Expenditure planned during 2016-17	Schedule date of completion	Projects for CAPEX monitoring
1	Lining of Water Course	04 kms	80	4 kms	80	March 2017	Yes
2	Micro Irrigation systems/water Harvesting structure	150 Hectare	310	150 hectare	310	March 2017	Yes
3	Fodder Block	Lump sum	150	-	150	March 2017	Yes
4	Roads, Sewerage system, tubewells, flood protection bund etc	Lump sum	200	-	200	March 2017	Yes
5	Tractors/Machinery/Seed processing equipments	Lump sum	430	-	430	March 2017	Yes
6	Land Development	180 hectare	20	180 hectare	20	March 2017	Yes
7	Godowns	14850 MT	1200	14850 MT	1200	March 2017	Yes
8	Electrification/Quarters (Dormitory)	8 Nos	150	8 Nos	150	March 2017	Yes
	Total				2640		

Note: The Roof top solar system shall be installed at NSC during this year (March 2017) at a cost of Rs. 80 lacs under RESCO Model.