

STEPS FOR MAKING SUB-MOUs

Step 1:	<p>a. CMD should assign each and every ‘Evaluation Criteria’ in the MOU with the Ministry to the two Directors – Dir (OP) & Dir (Fin) MOU with the Ministry. A hypothetical example is given below as an illustration.</p> <p>b. An Evaluation Criterion may be assigned to both as a ‘team’ target</p>
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Hypothetical Illustration of the format and design for Assigning MOU Targets to Directors

S. No.	Evaluation criteria	Unit	Weight	Excellent	V. Good	Good	Fair	Poor	Assigned to	
i	Capacity Utilization: New orders book during the year	Rs. in Cr.	10	400	305	300	295	290	Dir (OP)	
ii	Efficiency parameters: (Physical operation) A. Production efficiency: Completion of clients orders / milestones without time overrun (More than Rs. 10 Cr.)	%	10	100	90	80	70	60	Dir (OP)	

S. No.	Evaluation criteria	Unit	Weight	Excellent	V. Good	Good	Fair	Poor	Assigned to	
	B. Technology up-gradation: Procurement and fitment of new excavation drag head (2 Nos.) on one Dredger to increase production and Procurement of MAX-5 material impellers in place of existing manganese chrome impellers for 3 TSHDs	No.	5	5	4	3	2	1	Dir (OP)	Dir (Fin)
iii	Leveraging Net worth: CAPEX	Rs. In Cr.	20	16	15	14	13	12		Dir (Fin)
iv	Monitoring Parameter: 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		Dir (Fin)
v	Turnover for operations: Revenue from Operations (Net of service tax)	Rs. In Cr.	5	770	730	700	670	640		Dir (Fin)
vi	Operating Profit/Surplus: Profit before Tax (excluding other income, extraordinary and exceptional items) as % of revenue from operations	%	10	8.5	7.54	7	6.5	6		Dir (Fin)

S. No.	Evaluation criteria	Unit	Weight	Excellent	V. Good	Good	Fair	Poor	Assigned to	
vii	Early signs of weakness: Reduction in claims against the Company not acknowledged as debt, over the previous year - By CPSE	%	1	100	90	80	70	60		Dir (Fin)
	By Others	%	4	10	8	6	4	2		Dir (Fin)
viii	Marketing efficiency: A. Foreign orders secured during the year	Rs. In Cr.	5	30	25	22	19	16	Dir (OP)	
	B. Trade Receivables as percentage of Revenue from Operations (Gross)	%	5	35	37	39	41	43		Dir (Fin)
ix	Return on Investment i. Dividend/ PAT	%	5	30	25	20	15	10		Dir (Fin)
	ii. PAT/Net Worth	%	10	5.16	3.5	3	2.5	2		Dir (Fin)
	iii. Dividend/ Net worth	%	5	1.55	0.88	0.6	0.38	0.2		Dir (Fin)

Step 2: Sub-MOU between CMD and Directors	a. The two Directors (OP & Fin) should, prepare a sub MOU with CMD that has following three categories of criteria: <ol style="list-style-type: none"> i. 30 % Marks for Score achieved by DCIL in their MOU with MOS. ii. 50 % Marks for Evaluation Criteria assigned to them by CMD. This weight of 50 % has to be distributed between various individual criteria. Each evaluation criteria should be assigned to HOD iii. 20 % Marks for Evaluation Criteria that are important for the institutional development of the Directorate but were not included in the MOU with the Ministry. Each evaluation criteria in this category should also be assigned to HODs. iv. A hypothetical example is given below only as an illustration.
	b. An Evaluation Criterion may be assigned to more than two HODs as a ‘team’ target

Hypothetical Illustration of the format and design for the
Sub-MOU between CMD and Director (OP)

Alignment With	Weight	S. No.	Evaluation criteria	Unit	Weight	Excellent	V. Good	Good	Fair	Poor	Assigned to
Alignment with MOU between DCIL and Ministry	30	i	Composite Score on Ministry MOU	%	30	100	90	80	70	60	Not Applicable
MOU with CMD	50	ii	Capacity Utilization: New orders book during the year	Rs. in Cr.	20	400	305	300	295	290	HOD # 1 HOD # 3 HOD # 6

Alignment With	Weight	S. No.	Evaluation criteria	Unit	Weight	Excellent	V. Good	Good	Fair	Poor	Assigned to
		iii	Efficiency parameters: (Physical operation) A. Production efficiency: Completion of clients orders / milestones without time overrun (More than Rs. 10 Cr.)	%	20	100	90	80	70	60	HOD # 2 HOD # 3
		iv	B. Technology up-gradation: Procurement and fitment of new excavation drag head (2 Nos.) on one Dredger to increase production and Procurement of MAX-5 material impellers in place of existing manganese chrome impellers for 3 TSHDs	No.	10	5	4	3	2	1	HOD # 6
Other Objectives of the Directorate	20	v	Evaluation Criteria # N		5						HOD # 3
		vi	Evaluation Criteria # M		5						HOD # 4
		vii	Evaluation Criteria # R		5						HOD # 1
		viii	Evaluation Criteria # S		5						HOD # 6

<p>Step 3:</p> <p>Sub-MOU between Directors and HODs</p>	<p>a. All HODs should, prepare a sub MOU with their respective Directors with following three categories of criteria:</p> <ul style="list-style-type: none"> i. 30 % Marks assigned for composite score achieved by the Directorate in their sub-MOU with CMD. ii. 50 % Marks for Evaluation Criteria assigned to them by the Director. This weight of 50 % has to be distributed between various individual criteria. These criteria can be split into sub-criteria. Each evaluation criteria should be assigned to their subordinates. iii. 20 % Marks for Evaluation Criteria that are important for the institutional development of the Department but were not included in the MOU with the Ministry. Each evaluation criteria in this category should also be assigned to a subordinate. iv. A hypothetical example is given below only as an illustration. <p>b. An Evaluation Criterion may be assigned to more than two subordinates as a ‘team’ target</p> <p>c. These sub-MOUs have to approved by CMD</p>
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Hypothetical Illustration of the format and design for the
Sub-MOU between Director (OP) and HOD # 1

Alignment With	Weight	S. No.	Evaluation criteria	Sub Criteria	Unit	Weight	Excellent	V. Good	Good	Fair	Poor	Assigned to
Alignment with MOU between Dir (OP) and CMD	30	i	Composite Score on sub MOU between Director and CMD		%	30	100	90	80	70	60	Not Applicable

Alignment With	Weight	S. No.	Evaluation criteria	Sub Criteria	Unit	Weight	Excellent	V. Good	Good	Fair	Poor	Assigned to	
MOU with Director	50	ii	Capacity Utilization: New orders book during the year	Sub Criteria # 1	Rs. in Cr.	20	400	305	300	295	290	DGM # 1	
				Sub Criteria # 2									DGM # 3
				Sub Criteria # 3									DGM # 3 DGM # 4
				Sub Criteria # 4									DGM # 2
				Sub Criteria # 5									DGM # 6
Other Departmental Objectives	20	v	Evaluation Criteria # N			5						DGM # 3	
		vi	Evaluation Criteria # M			5						DGM # 4	
		vii	Evaluation Criteria # R			5						DGM # 1	

Alignment With	Weight	S. No.	Evaluation criteria	Sub Criteria	Unit	Weight	Excellent	V. Good	Good	Fair	Poor	Assigned to
		viii	Evaluation Criteria # S			5						DGM # 6