

हलुदुस्तलन डुते डलडुस डैनुडु कं लल
HINDUSTAN PHOTO FILMS MFG. CO. LTD.



सडुडुतल डुडुन २०१२-२०१३
Memorandum of Understanding 2012-2013



HINDUSTAN PHOTO FILMS MANUFACTURING COMPANY LIMITED

Memorandum of Understanding

2012-2013



This Memorandum of Understanding has been structured as under:

- Part I : Mission and Objectives
- Part II : Delegation of Financial Powers
- Part III : Performance Assessment Targets and their Determination
- Part IV : Commitments / Assistance from the Government
- Part V : Action Plan for implementation and Monitoring of MOU



PART- I

MISSION AND OBJECTIVES OF HPF

1.1 Mission/Vision

To cater to the needs of imaging products in the health and industrial sector in India with International quality products

1.2 Objectives

1.2.1 To strive to achieve breakeven during FY 2012-13.

1.2.2 To strengthen Research and Development in Photographic Science and introduce new innovative Non- Silver products into the market

1.2.3 To reduce cost by economizing consumption of Silver Nitrate.



PART-II

DELEGATION OF FINANCIAL POWERS

All the powers are delegated to HPF as applicable to MOU signing Companies.



PART-III

PERFORMANCE ASSESSMENT TARGETS AND THEIR DETERMINATION

- 3.1** HPF undertakes to achieve the performance targets for 2012-13 as mentioned in annexure:



PART – III: PERFORMANCE EVALUATION PARAMETERS AND TARGETS 2012-13

Evaluation Criteria			MoU Target				
			Excellent	V. Good	Good	Fair	Poor
			(1)	(2)	(3)	(4)	(5)
1. Static /Financial Parameters (40%)	Unit	Weight (in %)					
1.1 Gross Sales	Rs. Cr.	10	76.07	72.45	69.00	65.55	62.27
1.2 Gross Margin	Rs. Cr.	10	(1.25)	(1.31)	(1.38)	(1.45)	(1.52)
1.3 Gross Profit	Rs. Cr.	5	(3.77)	(3.97)	(4.18)	(4.39)	(4.61)
1.4 Net Profit	Rs. Cr.	5	(4.31)	(4.54)	(4.78)	(5.02)	(5.27)
1.5 Cash Generation from operations	Rs. Cr.	5	-74.40	-78.32	-82.44	-86.56	-90.89
1.6 Working Capital/ Turnover	Ratio	5	1.49	1.57	1.65	1.73	1.81
Sub-total (1.1+1.2+1.3+1.4+1.5+1.6)		40					
2. Dynamic Parameters* (25%)							
2.1 Physical Targets							
Production							
a. X-ray & Other Films	M.sq.m	1.25	1.93	1.84	1.75	1.66	1.58
b. Chemicals	M.Tons	1.25	82.69	78.75	75.00	71.25	67.69
Sales							
c. X-ray & Other Films	M.sq.m	1.25	1.93	1.84	1.75	1.66	1.58
d. Chemicals	M.Tons	1.25	82.69	78.75	75.00	71.25	67.69
2.2 Order Booking during the year	Rs. Cr.	5	81.59	77.70	74.00	70.30	66.79
2.3 Quality							
a) -Medical X-ray-Process Rejection	%	1	3.16	3.33	3.50	3.68	3.86
- Industrial X-ray -Process Rejection	%	1	12.64	13.30	14.00	14.70	15.44
- Graphic Arts-Process Rejection	%	1	8.30	8.74	9.20	9.66	10.14
b) Material consumption of Silver Nitrate							
- Medical X-ray	gms/ Sqm	1	6.48	6.83	7.20	7.57	7.92
- Industrial X-ray		1	20.00	20.50	21.00	21.50	22.00

Contd ...

Evaluation Criteria	Unit	Weight (in %)	MoU Target				
			Excellent	V. Good	Good	Fair	Poor
			(1)	(2)	(3)	(4)	(5)
2.4 Customer Satisfaction							
Rejection on Sales	%	5	0.08	0.09	0.10	0.11	0.12
2.5 Research and Development							
- Non Silver Digital Imaging Film	Target date	1	30.11.2012	31.12.2012	31.1.2013	28.2.2013	31.3.2013
- Non Silver Digital Recording film		1	30.11.2012	31.12.2012	31.1.2013	28.2.2013	31.3.2013
- Indigenisation of dyes for Graphic Arts Film		3	31.8.2012	31.10.2012	31.12.2012	28.2.2013	31.3.2013
Sub-total -2 (2.1+2.2+2.3+2.4+2.5)		25					
3. Sector / Enterprise Specific Parameters (35%)							
3.1 Generation of funds from non-performing assets							
3.1 (a) Identification and preparation of list of useable and unusable items of Assets.	Date	5	30.11.2012	31.12.2012	31.1.2013	28.2.2013	31.3.2013
3.1 (b) Disposal of unusable item of assets	Rs. Cr.	5	1.65	1.58	1.50	1.42	1.35
3.2 Human Resource Management							
3.2 (i) Manpower rationalisation through VRS	No. of employees	5	55	53	50	48	45
3.2 (ii) Training of new Technology	Man days	5	110	105	100	95	90
3.3 Reduction in Receivables							
Reduction in Receivables (Recovery out of doubtful debts for more than three years)	Rs. Cr.	5	2.40	2.20	2.00	1.80	1.60
3.4 Inventory Control	Days	5	59	62	65	68	72
3.5 Corporate Governance							
Filling of Format for grading CPSEs on the basis of their compliance of guidelines on corporate governance and arriving at annual score on the basis of average of 4 quarters	% (Annual Score)	5	85	75-84	60-74	50-59	Below 50
Sub-total -3 (3.1+3.2+3.3+3.4+3.5+)		35					
Total (1+2+3)		100					



PART - IV

Commitments/Assistance from the Government

- 4.1 To take expeditious action on early approval of Cabinet for Revival and Turnaround of the Company
- 4.2 To continue assistance as in the past especially to achieve diversification and to achieve the projected turnover
- 4.3 To assist the Company in getting purchase preference for Government purchases for Medical X-ray Film.



PART – V

ACTION PLAN FOR IMPLEMENTATION AND MONITORING

The Company shall internalize the MOU targets and review performance once in three months. The actual performance against the MOU targets will be monitored by the Board of Directors on quarterly basis. HPF will submit reports on various performance criteria set out in the MOU to the Department of Heavy Industry on half yearly basis. The financial evaluation will be done by DPE at the end of the financial year.


S. Girish Kumar
Chairman-cum-Managing-Director
Hindustan Photo Films Mfg. Co. Ltd.
Indunagar
Ootacamund – 643 005


S. Sundareshan
Secretary (Heavy Industries and
Public Enterprises)
Ministry of Industry
Government of India
New Delhi - 110 011

Dated- 23-03-2012



Annx - X

SELF DECLARATION / CERTIFICATION BY CPSE

It is hereby certified that the targets and actual achievements in respect of financial parameters have been worked out as per MoU guidelines by adopting the norms and definitions laid down in MoU guidelines for the year 2012-13. In case, any deviation is found at the time of appraisal of performance, DPE is free to evaluate as per audited accounts as per MOU guidelines. CPSE has no right of claim in this regard.


S. Girish Kumar
Chairman-cum-Managing-Director
Hindustan Photo Films Mfg. Co. Ltd.
Indunagar
Ootacamund – 643 005