

MEMORANDUM OF UNDERSTANDING

BETWEEN

NBCC AND MOUD FOR THE YEAR 2010-2011

PART- I

CORPORATE VISION AND OBJECTIVES

CORPORATE VISION:

Our vision is to be a widely admired and preferred construction services company.

MISSION :

- To supply customers with practical, secure, innovative and cost-efficient construction products and services that meets their needs as well as providing the necessary supporting infrastructure.
- To act in a socially responsible way to contribute to national wealth, whilst upholding our responsibility for the environment and promoting the well-being of our customers, employees, shareholders and other stakeholders.
- To achieve a premier position by developing and adopting best practices and state-of-the art technology in construction services and related activities for gaining a competitive advantage.
- To deliver value to projects through cost and planning optimization and effective risk management.
- To retain our status as the first ranked company of the Government of India in the field of Contract and Construction Services.

OBJECTIVES:

- 1. Implementing management practices that encourage value added innovative construction services delivery.**
- 2. Ensuring the long-term viability of the company through prudent financial management and the provision of efficient and effective services.**
- 3. Managing industry, organizational and contractual relationships in an ethical, fair and professional manner.**
- 4. Maintaining the flexibility of structure, policies and system necessary to accomplish the corporate mission in the face of changing circumstances and needs.**
- 5. Conducting operations in a way that helps protect and promote the natural environment.**
- 6. Building brand awareness.**
- 7. Maintaining Human resources management practices that advocate and advance the well-being of employees, as well as their personal and professional development.**
- 8. Adhering to all statutory requirements, public policy regulations and guidelines.**
- 9. Continuing participation in the Government initiatives for development of remote areas.**
- 10. To achieve a more diversified revenue base.**

PART-II

AUTONOMY AND DELEGATION OF FINANCIAL POWERS

- NIL -

PART-III

Performance Evaluation Criteria and Targets

NATIONAL BUILDINGS CONSTRUCTION CORPORATION LIMITED

MOU Assessment Format 2010-2011

Sl. No	Evaluation Criteria	Unit	Weight (in %)	B.E. 2010-11	Excellent	Very Good	Good	Fair	Poor	
			(100)	(Target)	(1)	(2)	(3)	(4)	(5)	
I	<u>Financial Parameters</u>									
	a)	Financial Indicators Profit related ratios								
		i) Gross Margin / Gross sales	Percent	10	5.63%	6.01%	5.83%	5.63%	5.42%	5.20%
		ii) Turnover Per Employee	Rs. Lacs	12	101.60	112.00	106.80	101.60	96.40	91.60
	b)	Financial Indicators-size related								
		i) Gross Margin	Rs. Crore	8	143.11	168.20	155.66	143.11	130.57	118.99
		ii) Gross Sales (T/O Rs. Crore)	Rs. Crore	4	2540.00	2800.00	2670.00	2540.00	2410.00	2290.00
	c)	Financial returns-productivity related								
		i) PBDIT(Gross Margin)/Total Employment	Rs. lakh / employee	7	5.72	6.73	6.23	5.72	5.22	4.76
		ii) Added Value / Sales	Percent	9	3.33%	3.92%	3.64%	3.33%	2.99%	2.64%
	Sub Total I (a to c)		50							
II	<u>Dynamic Parameters</u>									
	d)	Implementation of ISO (Addition of projects under ISO-Quality Management Systems Certification)	No. of Projects	5	3	5	4	3	2	1
	e)	Customer Satisfaction (Customer Orientation)	% in all projects	4	75%	85%	80%	75%	65%	60%
	f)	HRD (Employee Training & Motivation)	Mandays	3	530	550	540	530	525	520
	g)	Project Implementation	Nos.	10		As per Annexure - A				-

h)	Launch of Affordable Housing Project Scheme	No. of Flats	4	1000	1250	1100	1000	950	800
i)	Financial closure of units (Project balance Sheets)	Nos.	4	35	45	40	35	30	25
j)	Order Book as on 31st March	Rs.Crore	5	5,400	5,800	5,600	5,400	5,200	5,000
Environment Related Parameters (Sustainable Development)									
k)	Obtaining environment related project (more than Rs.10 Cr.) & Rain water Harvesting System	No. of Projects	5	1	3	2	1	1	0
R & D Related parameters									
l)	Using Pre Engineered Alternate Method of Shuttering in Construction of Buildings	No. of Projects	2	1	3	2	1	1	0
m)	Construction of Handicapped Enabled Buildings	No of Projects	3	1	3	2	1	1	0
CSR Related Parameters									
n)	Upgradation of Durgabari Complex- Historically important monuments	Date	2	3/17/2011	2/28/2011	3/10/2011	3/17/2011	3/24/2011	3/31/2011
o)	Preparation of long term CSR Plan	Date	1	3/17/2011	2/28/2011	3/10/2011	3/17/2011	3/24/2011	3/31/2011
p)	Metalling of kacha road for SPCA, Noida	Date	2	3/17/2011	2/28/2011	3/10/2011	3/17/2011	3/24/2011	3/31/2011
Sub Total IV (d to p)			50						
Gross Profit		Rs.Crore		140.11	165.20	152.66	140.11	127.57	115.99
Gross Block		Rs.Crore		30.00	30.00	30.00	30.00	30.00	30.00
Net Profit		Rs.Crore		90.48	107.07	98.79	90.48	82.23	74.58
Capital Employed		Rs.Crore		585.39	585.39	585.39	585.39	585.39	585.39
Net Worth		Rs.Crore		598.92	611.62	605.28	598.92	590.78	583.13
Turnover (VWD)		Rs.Crore		2,420.00	2,800.00	2,670.00	2,420.00	2,410.00	2,290.00
Total Employee		Nos.		2,500	2,500	2,500	2,500	2,500	2,500
Added Value (Gross Margin - 0.10 * Capital Employed)		Rs.Crore		84.57	109.66	97.12	84.57	72.03	60.45

PART-IV

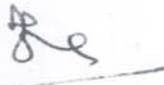
COMMITMENTS / ASSISTANCE FROM THE GOVERNMENT:

- 1. To pursue with GNCTD to comply with the orders of High Court relating to land at Ghitorni.**
- 2. To assist NBCC to procure land from State Govts. / Development Authorities for construction of affordable housing.**
- 3. To assist NBCC in procuring business from other Government Departments / Agencies.**

PART-V

ACTION PLAN FOR IMPLEMENTATION AND MONITORING OF THE MOU

Performance will be reviewed by the Corporation on quarterly basis and on half-yearly basis by the Ministry of Urban Development against the targets given in this MOU.



ARUP ROY CHOUDHURY
Chairman-cum-Managing Director
National Buildings Construction
Corporation Limited
New Delhi



Dr. M. RAMACHANDARAN, IAS
Secretary (UD)
Ministry of Urban Development
Government of India,
New Delhi.

PROJECT IMPLEMENTATION (MILE STONE MOU 2010-11)

S. No.	Name of Project	Unit	Weightage	Contract Value (Rs. Cr.)	Target date of completion	Excellent	Very Good	Good	Fair	Poor
1	Indian Institute of Corporate Affairs	Date	1	120.00	3/20/2011	2/28/2011	3/15/2011	3/20/2011	3/25/2011	3/31/2011
2	ESIC Hospital at Manesar	Date	1	57.43	2/28/2011	1/31/2011	2/15/2011	2/28/2011	3/15/2011	3/31/2011
3	NSG, Mumbai	Date	1	56.10	3/20/2011	2/28/2011	3/15/2011	3/20/2011	3/25/2011	3/31/2011
4	NSG, Hyderabad	Date	1	37.94	3/20/2011	2/28/2011	3/15/2011	3/20/2011	3/25/2011	3/31/2011
5	NSG, Kolkatta	Date	1	38.21	3/20/2011	2/28/2011	3/15/2011	3/20/2011	3/25/2011	3/31/2011
6	ESIC Hospital at Bapunagar, Ahmedabad (PH-I Civil work)	Date	1	51.32	1/28/2011	12/28/2010	1/12/2011	1/28/2011	2/12/2011	2/28/2011
7	SVNIT, Surat (Boys & Girls Hostel)	Date	1	110.89	3/15/2011	2/28/2011	3/5/2011	3/15/2011	3/22/2011	3/31/2011
8	IIT, Roorkee (PH-I Lecture Hall, Biotechnology Block, Boys Hostel & Staff accommodation)	Date	1	69.00	1/24/2011	12/24/2010	1/8/2011	1/24/2011	2/8/2011	2/24/2011
9	Commercial complex, Nongpoh,	Date	1	19.49	3/11/2011	2/11/2011	2/26/2011	3/11/2011	3/26/2011	3/31/2011
10	CRPF Housing, Greater NOIDA	Date	1	29.70	1/20/2011	12/20/2010	1/5/2011	1/20/2011	2/5/2011	2/20/2011