



# **MEMORANDUM OF UNDERSTANDING**

**2016-17**

**BETWEEN**

**THE STATE TRADING CORPORATION OF INDIA LIMITED**

**AND**

**MINISTRY OF COMMERCE & INDUSTRY  
DEPTT. OF COMMERCE  
GOVERNMENT OF INDIA  
NEW DELHI**

## PERFORMANCE ASSESSMENT MATRIX

### FORM - 1 (PART - A)

Sl. No.	Evaluation Criteria	Unit	Weight	MOU Targets : 2016-17				
				Excellent	Very Good	Good	Fair	Poor
				100	80	60	40	20

#### 1 Capacity Utilisation

Quantity Traded								
a)	Urea - As per Govt. allocation	%	4	100	98	96	94	90
b)	Steel	MTs	3	200000	190000	180000	170000	160000
c)	Bullion							
	(i) Gold	MTs	3	1.80	1.50	1.40	1.30	1.20
	(ii) Silver			350	325	300	275	250

#### 2 Efficiency Parameter

##### (a) Physical Operations

(i)	Increase in business from Cardamom Auctions (domestic) over previous year	%	5	100	95	90	85	80
(ii)	Increase in business from Tea exports over previous year	%	5	100	95	90	85	80

##### (b) Technology up-gradation

(i)	Development of B2B portal	Date	5	01.01.17	01.02.17	15.02.17	28.02.17	15.03.17
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#### 3 Leveraging Net Worth (CAPEX)

a)	Preparation of computerised inventory of movable assets, at book value	Date	5	30.11.16	31.12.16	15.01.17	31.01.17	15.02.17
b)	Preparation of computerised inventory of immovable assets, land details, alternative use of land, valuation of the same as per circle rate, details of leasehold & freehold land, any encroachment, FAR, approved land use, valuation of trademarks etc. and forwarding the same to administrative Ministry	Date	10	30.11.16	31.12.16	15.01.17	31.01.17	15.02.17

#### 4 Monitoring Parameters

a)	Reduction in trade receivables of over 6 months over previous year	%	5	10	9	8	7	6
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#### 5 Revenue from Operations

a)	Revenue from operations	₹ Crores	10	11000	10750	10500	10250	10000
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#### 6 Operating Profit/Surplus

a)	Reduction in Operating Losses over previous year	%	10	100	10	9.5	9.0	8.5
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**7 Early signs of Weakness**

Reduction in claims against the Company not acknowledged as debt, over previous year								
a)	Raised by CPSEs	%	2	100	50	45	40	35
b)	Raised by Others	%	3	10	8	6	4	2

**8 Marketing Efficiency Ratio**

a)	Turnover from New Products / New Markets	₹ Crores	5	110	100	90	80	70
b)	Trade receivables as percentage of Revenue from Operations (Gross)	%	5	18.67	20.74	22.81	24.89	26.96

**9 Return on Investment**

a)	Dividend/PAT	%	5	30	29	28	27	26
b)	PAT/Net Worth	%	10	11.00	9.00	8.50	8.00	7.50
c)	Dividend/Net Worth (Derived)	%	5	3.30	2.61	2.38	2.16	1.95
<b>Total</b>			<b>100</b>					

**Notes:**

1. The targets approved by IMC are based on Provisional figures submitted by the company for FY 2015-16. In case of better performance of the CPSE during the year 2015-16 as compared to Provisional figures, the difference between actual figures and provisional figures shall be added to the targets of 2016-17.
2. In case achievement is not verifiable from annual report of the CPSE, the same would be accepted on the basis of certification by way of resolution from Board of Directors.
3. Targets included 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.

For the State Trading Corporation of India Ltd.

  
(Khaleel Rahim)  
Chairman & Managing Director

For the Department of Commerce,  
Ministry of Commerce & Industry,  
Government of India

  
(Ms. Rita Teotia)  
Secretary

**FORM - 1 (PART-B)**

**TREND ANALYSIS**

Sl.No.	Evaluation Criteria	Unit	Financial Year				
			2011-12	2012-13	2013-14	2014-15	2015-16
i.	Capacity Utilisation (Based on Part A)						
	a) Urea - As per Govt. allocation	MTs	-	-	739572.89	1528625.31	2003487.71
	b) Steel	MTs	-	-	-	270584.76	176528.82
	c) Bullion						
	(i) Gold	MTs	-	-	31.63	25.18	13.13
	(ii) Silver	MTs	-	-	683	470	331
ii.	Efficiency Parameters (Physical operations) - Overheads/Turnover (%)	%	0.41	0.72	1.04	0.92	1.28
iii.	CAPEX	-	-	-	-	-	-
iv.	Paid-Up Share Capital	₹Crore	60.00	60.00	60.00	60.00	60.00
v.	Accumulated Reserves	₹Crore	621.98	529.93	37.73	81.41	112.17
vi.	Net Worth	₹Crore	681.98	589.93	97.73	141.41	172.17
vii.	Borrowings (shown in Non-Current Liability)	₹Crore	-	-	-	176.28	-
viii.	Borrowings / Net worth	Ratio				1.25	-
ix.	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 (wherever applicable)		-	-	-	-	-
x.	Revenue from operations (Gross)	₹Crore	30773.10	19041.62	15448.63	14494.01	10601.05
xi.	Revenue from Operations (Net of Excise duty)	₹Crore	30773.10	19041.62	15448.63	14494.01	10601.05
xii.	Profit before Tax	₹Crore	17.80	14.42	-492.38	31.40	22.70
xiii.	Other Income - Interest	₹Crore	273.04	236.13	184.45	213.52	227.42
	- Dividend	₹Crore	-	-	-	-	-
	- Others	₹Crore	36.95	22.77	24.46	28.01	27.28
	- Total	₹Crore	309.99	258.90	208.91	241.53	254.70
xiv.	Extraordinary Items	₹Crore	-	-	-	-	-
xv.	Exceptional Items	₹Crore	45.93	59.72	565.63	3.31	-23.78
xvi.	Profit Before Tax (excluding Other incomes, Extraordinary and Exceptional Items)	₹Crore	-246.26	-184.76	-135.66	-206.82	-255.78
xvii.	Profit After Tax	₹Crore	16.47	17.95	-492.20	26.19	17.86
xviii.	Revenue from Operations (Net)/ Total Expenses [Excluding extra ordinary/ exceptional items, if shown separately and Tax (Income Tax) Expense]	Ratio	0.99	0.99	0.99	0.98	0.98
xix.	Closing Inventory of Finished goods	₹Crore	543.41	43.17	0.68	5.10	0.21
xx.	Closing Inventory of Work-in-progress		-	-	-	-	-
xxi.	Sale of Products (Net of Excise duty)	₹Crore	30773.10	19041.62	15448.63	14494.01	10601.05
xxii.	Number of days of Inventory of Finished goods and Work-in-progress to Sale of Products (wherever applicable)	No.	6.45	0.82	0.02	0.13	0.01
xxiii.	Trade Receivables of over 6 months (Net)	₹Crore	3889.37	2949.14	2659.19	2844.46	3494.35
xxiv.	Trade Recievables (Total) - Net	₹Crore	4883.19	3605.83	3015.32	3511.24	3707.94
xxv.	Trade Receivables as percentage of Revenue from Operations (Gross)	%	15.87	16.94	19.52	24.23	34.98
xxvi.	Cash and Bank Balance	₹Crore	226.34	248.14	58.13	6.51	9.60
xxvii.	PAT/Net Worth	%	2.42	3.04	-503.63	18.52	10.37
xxviii.	Dividend/PAT	%	82.86	66.85	-	-	-
xxix.	Dividend/ Net worth	%	1.76	2.03	-	-	-
xxx.	Claims against the Company not acknowledged as debt	₹Crore	1081.63	1467.54	1392.30	3054.97	2976.50
xxxi.	OPSE specific/Sector specific (Turnover	₹Crore	70.00	NIL	5.00	1771.00	112.00

## Annexure

### List of existing products traded by STC Ltd.

(Rs. Crore)

Sl. No	Product	2015-16
	<b>Exports</b>	<b>Actuals</b>
1	Wheat	-
2	Steel Plates/Coils	1040
3	Agro Chemicals	18
4	Rice	20
5	Tea	3
6	Maize	-
7	Others (Red Sanders)	30
	<b>Imports</b>	
8	Bullion	4711
9	Urea	3795
10	TGU	19
11	Coal	-
12	Copper	-
13	Edible Oils	173
14	General Imports	9
15	Industrial Raw Material	-
16	Cashew	3
17	Others (Bitumen, etc.)	25
	<b>Domestic Trade</b>	
18	Coal/Coke	215
19	Cardamom Auctions	104
20	Fertilizers	100
21	HR Coils	29
22	Jute Goods	-
23	Rice	-
24	Pulses	108
25	Bullion (Coins/Medallions)	63
26	Others	14
	<b>Grand Total</b>	<b>10479</b>

## **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 of claim in this regard.

  
(CMD/CEO)