



MEMORANDUM OF UNDERSTANDING

2017-18

BETWEEN

THE STATE TRADING CORPORATION OF INDIA LIMITED

AND

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

Annexure - I

Brief about the CPSE

1.	Name of the CPSE	The State Trading Corporation of India Ltd.(STC)
2.	Status: As per DPE guidelines	Mini-ratna Category-I, No classification as Sick/Incipient Sick/Weak by the Administrative Ministry
3.	Reason of Sickness, if applicable	N.A.
4.	Whether registered with BIFR, IF yes, details	No
5.	Schedule of the CPSE	A
6.	Purpose for which CPSE has been setup and the main business now	<p>STC was set up in 1956 primarily with a view to undertake trade with East European Countries, undertake import and/or internal distribution of commodities in short supply in the country and to supplement the efforts of private trade and industry in developing exports from the country.</p> <p>The main lines of business currently being pursued by STC include the following :</p> <ul style="list-style-type: none">➤ Export of steel plates/coils and steel rails to Iran.➤ Export of agrochemicals to Iran.➤ Export of red sanders on behalf of DRI.➤ Export of rice (including WFP).➤ Import of urea as one of the canalizing agency of the Govt. of India.➤ Import of bullion as one of the nominated agency of the Govt. of India➤ Import of edible oils for private parties.➤ Import of instruments/equipments on behalf of state govt. /departments.➤ Domestic supply of coal to Bharat Oman Refinery Ltd. (BORL)➤ Supply of fertilizers to tobacco growers in the state of Andhra Pradesh and Karnataka under arrangement with Tobacco Board.➤ Supply of pulses to Tamil Nadu State Civil Supplies Corporation Ltd. (TNSCSC) for distribution under PDS.➤ Conducting cardamom auctions under licence from Spices Board thereby safeguarding interests of farmers.➤ Monitoring counter trade/off-set commitments against bulk purchase made by GOI.

7.	Number and Name of subsidiary companies along with amount invested and share in its profit during last five years		Number of subsidiary companies: One Name of the subsidiary: STCL limited	
	Year	Name of subsidiary	Amount invested (Rs.)	Share in its profit (Rs.)
	2011-12	STCL Ltd.	₹2.82 crore *	NIL
	2012-13	-do-	₹1	NIL
	2013-14	-do-	₹1	NIL
	2014-15	-do-	₹1	NIL
	2015-16	-do-	₹1	NIL
8.	Number and Name of Joint Venture companies along with amount invested and share in its profit during last five years		Number of Joint Venture: One Name of the Joint Venture: NSSADCL	
	Year	Name of Joint Venture	Amount invested (Rs.)	Share in its profit (Rs.)
	2011-12	NSS Satpura Agro Development Co. Ltd (NSSADCL)	10 Lakh #	NIL
	2012-13	-do-	-do-	NIL
	2013-14	-do-	₹1	NIL
	2014-15	-do-	₹1	NIL
	2015-16	-do-	₹1	NIL
9.	Details of revival plan approved earlier		N.A.	

- * 1. Full provision for diminution in the value of investment has since been made and as such book value of investment in STCL is ₹1.
2. In view of extra ordinary losses suffered by STCL leading to erosion of its net worth and remote possibility of its turnaround, the Union Cabinet had, in Aug'13 decided to wind up STCL. The winding-up petition filed by STCL continues to be pending in Karnataka High Court due to objections filed by Banks.
- # Full provision for diminution in the value of investment has since been made and as such book value of investment in NSSADCL is ₹1.

PERFORMANCE ASSESSMENT MATRIX: 2017-18**Mandatory Parameters (PART - A)**

Sl. No.	Evaluation Criteria	Unit	Marks	Estimates 2016-17	Best in 5 years	MOU Targets : 2017-18				
						Excellent	Very Good	Good	Fair	Poor
1	Turnover									
	Revenue from Operations	₹ Crores	10	7580 (Revised)	30773	11600	11000	9900	8800	7700

2	Operating Profit/Loss									
	Reduction in Operating Loss over previous year	%	20	-1.7% (Rs.269 cr)	63%	100	40	30	20	10

3	Return on Investment									
	Reduction in Total Expenses to Total Income over the previous year	%	20	TE/TI 102.96	-	3.0	2.5	2.0	1.5	1.0

Other Parameters (PART - B)

4	Exports as a percentage of Revenue from Operations (Net)	%	10	13.4	13.1	25	23	21	18	16
5	Completion of milestone of clients order/agreement without time overrun	%	10	-	-	100	90	85	80	75
6	Trade Receivables (Net) as number of days of Revenue from Operations (Gross)	No. of Days	10	110	58	72	82	93	103	108
7	Reduction in claims against the Company not acknowledged as debt (Overall reduction)	%	10	-	-	5.0	4.5	4.0	3.5	3.0

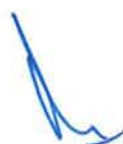
Other Parameters (PART - B) Contd.

Sl. No.	Evaluation Criteria	Unit	Marks	Estimates 2016-17	Best in 5 years	MOU Targets : 2017-18				
						Excellent	Very Good	Good	Fair	Poor
8	HRM Parameters									
	i) On-line submission of ACR/APAR in respect of all executives (E0 and above) along with compliance of prescribed timelines w.r.t. writing of ACR/APAR	% of No. of Executives	2	-	-	100	95	90	85	80
	ii) Online Quarterly vigilance clearance updation of Senior Executives (AGM and above)	% of No. of Senior Executives	2	-	-	100	95	90	85	80
	iii) Preparation of succession plan and its approval by Board of Directors	Date	2	-	-	31.12.17	15.01.18	31.01.18	15.02.18	28.02.18
	iv) Holding of DPC without delay for executives (E0 and above level)	%	2	-	-	100	95	90	85	80
	v) Talent management and career progression by imparting at least one week training in Centre of Excellence e.g. IITs, IIMs, NITs, ICAI, etc. in India	% of Executives	2	-	-	5.0	4.5	4.0	3.5	3.0
	Total					100				

Note:

- 1 CPSE will update land holding details on Government Land Information System (GLIS).
- 2 The targets recommended by the IMC are based on estimates submitted by the CPSE for the year 2016-17. In case of better performance of the CPSE as per final results as compared to estimates, the difference shall be added to the targets for the year 2017-18.
- 3 Targets decided in MOU are unconditional and no offset will be allowed. Further, evaluation would be subject to compliance of additional eligibility criteria as contained in para 14.2 of MOU guidelines 2017-18.

For The State Trading Corporation of India Ltd.



(Rajiv Chopra)
Chairman & Managing Director
(Additional Charge)

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



(Ms. Rita Teatota)
Secretary

Date: 05.07.2017
New Delhi

TREND ANALYSIS (Part - A)

(Rs. Crore)

									Current Year: 2016-17	
Financial Performance		Unit	Target v/s Actuals	Actuals 2011-12	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Actuals 2015-16	Actual upto 30.09.2016	Estimates
Criteria										
1.	Revenue from Operations - Gross	₹ Crore	Actual	30773.10	19041.62	15448.63	14494.01	10601.05	2815.97	10250.00
	Revenue from Operations - Net			30773.10	19041.62	15448.63	14494.01	10601.05	2815.97	10250.00
			MOU							
2.	a. Profit Before Tax	₹ Crore		17.80	14.42	-492.38	31.40	22.70	19.88	13.00
	b. Other Income			309.99	258.90	208.91	241.53	254.70	128.99	258.00
	c. Extraordinary & Exceptional items			45.93	155.68	565.63	3.31	-23.78	-28.78	-28.80
	d. Prior Period Items			-3.17	0.58	0.14	1.11	13.71	0.23	0.20
	e. Operating Profit/Loss (a-b+-C-D)		Actual	-243.09	-89.38	-135.80	-207.93	-269.49	-138.12	-274.00
			MOU							
3.	a. PAT	₹ Crore		16.47	17.95	-492.20	26.19	17.86	19.06	9.00
	b. Net Worth at year end			681.98	589.93	97.73	141.41	172.17	197.30	170.81
	c. Average Net Worth			680.72	635.96	343.83	119.57	156.17	184.74	171.49
	d. PAT/Net Worth	%	Actual	2.42	2.82	-143.15	21.90	11.44	10.32	5.25
		MOU								
	e. Paid-up Share Capital	₹ Crore		60.00	60.00	60.00	60.00	60.00	60.00	60.00
	f. GOI Share			54.61	54.61	54.00	54.00	54.00	54.00	54.00
g. Reserves and Surplus *			621.98	529.93	37.73	978.92	996.79	1015.85	995.43	
4.	Total Expenses	₹ Crore		31016.19	19226.96	15584.43	14701.94	10870.54	2954.09	10495.00
5.	Total Income	₹ Crore		31083.09	19300.52	15657.54	14735.54	10855.75	2944.96	10508.00
6.	Total Expenses/Total Income	%		99.78	99.62	99.53	99.77	100.14	100.31	99.88
7.	Details of other Income	₹ Crore								
	a. Interest			273.04	236.13	184.45	213.52	227.42	115.55	231.00
	b. Dividend			-	-	-	-	-	-	-
	c. Other Income			36.95	22.77	24.46	28.01	27.28	13.44	27.00
	d. Total			309.99	258.90	208.91	241.53	254.70	128.99	258.00
8.	a. Cash and Bank Balance and equivalent	₹ Crore		226.34	248.14	58.13	6.51	9.60	4.24	5.00
	b. Investment in mutual funds			-	-	-	-	-	-	-
	c. Investment in shares other than subsidiary/JVs			0.11	0.11	0.11	0.11	0.01	0.01	-
	d. Total (a+b+c)			226.45	248.25	58.24	6.62	9.61	4.25	5.00
	e. Cash credit/Over-draft loan/Short-term loan			2030.32	1505.39	1287.80	1127.86	1439.44	1681.06	1700.00
	f. Balance in current account			Included in 8 (a) above						
9.	Dividend paid/declared for the year (excluding Dividend Tax) **	₹ Crore		12.00	12.00	-	-	-	-	8.61

* : Reserves and Surplus includes revaluation reserves w.e.f. 2013-14 onwards

