



MEMORANDUM OF UNDERSTANDING

2018-19

BETWEEN

THE STATE TRADING CORPORATION OF INDIA LIMITED

AND

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

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. ➤ 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 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.)
	2012-13	STCL Ltd.	₹1	NIL
	2013-14	-do-	₹1	NIL
	2014-15	-do-	₹1	NIL
	2015-16	-do-	₹1	NIL
	2016-17	-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.)
	2012-13	NSS Satpura Agro Development Co. Ltd. (NSSADCL)	₹10 Lakh	NIL
	2013-14	-do-	₹1	NIL
	2014-15	-do-	₹1	NIL
	2015-16	-do-	₹1	NIL
	2016-17	-do-	₹1	NIL
9.	Details of revival plan approved earlier	N.A.		

- * 1. Full provision for diminution in the value of investment of ₹2.82 crore 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 of ₹10 Lakh has since been made and as such book value of investment in NSSADCL is ₹1.

PERFORMANCE ASSESSMENT MATRIX: 2018-19**Mandatory Parameters (PART - A)**

Sl. No.	Evaluation Criteria	Unit	Marks	Estimates 2017-18	Best in 5 years	MOU Targets : 2018-19				
						Excellent	Very Good	Good	Fair	Poor
1	Turnover									
	Revenue from Operations	₹ Crores	10	9200	19042	11000	9200	7500	6000	5250
2	Operating Profit/Loss									
	Reduction in Operating Loss over previous year	%	20	+4.25	-	100	40	30	20	10
3	Return on Investment									
	Reduction in Total Expenses to Total Income over the previous year	%	20	0.05	-	2.00	1.50	1.25	1.00	0.50

Other Parameters (PART - B)

4	Exports as a percentage of Revenue from Operations (Net)	%	10	5.1	13.1	16	14	12	10	8
5	Voluntary Retirement of Employees (VRS)	No. of employess	10	-	-	100	95	90	85	80
6	Getting No Objection Certificate (No Dues Certificate) for any one property as freehold	Date	10	-	-	15.1.19	31.1.19	28.2.19	15.3.19	31.3.19
7	Trade Receivables (Net) as number of days of Revenue from Operations (Gross)	No. of Days	10	123	66	90	100	110	120	130
8	Reduction in claims against the Company not acknowledged as debt (Overall reduction)	%	10	5	39.63	20	10	8	6	4

Total**100**

- The targets finalised by the IMC are based on provisional/estimated figures submitted by the CPSE for the year 2017-18. In case of better performance of the CPSE as per final results, the difference may be added to the targets for the year 2018-19 by the IMC. In case figures for the year 2017-18 are recasted/restated in audited accounts, comparison of actual results shall be made based on recasted/restated figures.
- To work out achievement for the year 2018-19, quantified qualifications of CAG/Statutory Auditors would be adjusted in case of overstatement of Revenue/Profit/Surplus or understatement of Loss/Deficit in addition to the negative marks prescribed in MOU guidelines.
- 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 MOU guidelines.

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 Teotia)
Secretary

TREND ANALYSIS (Part - A)

(Rs. Crore)

								Current Year: 2017-18		
1.	Finnacial Performance Criteria	Unit	Target v/s Actuals	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Actuals 2015-16	Actuals 2016-17	Actual upto	
									30.09.2017	Estimates
	Revenue from Operations - Gross	₹ Crore	Actual	19041.62	15448.63	14494.01	10601.05	7814.49	6550.31	9200.00
	Revenue from Operations - Net		MOU	19041.62	15448.63	14494.01	10601.05	7814.49	6550.31	9200.00
2.	a. Profit Before Tax	₹ Crore		14.42	-492.38	31.40	22.70	-148.37	23.36	2.00
	b. Other Income			258.90	208.91	241.53	254.70	271.83	152.91	288.00
	c. Extraordinary & Exceptional items			59.72	565.63	3.31	-23.78	143.73	-14.36	
	d. Prior Period Items			0.58	0.14	1.11	13.71	-2.14		
	e. Operating Profit/Loss (a-b+-C-D)		Actual	-185.34	-135.80	-207.93	-269.49	-274.33	-143.91	-286.00
		MOU								
3.	a. PAT	₹ Crore		17.95	-492.20	26.19	17.86	-165.54	20.39	2.00
	b. Net Worth at year end			589.93	97.73	141.41	172.17	19.20	39.65	21.20
	c. Average Net Worth			635.96	343.83	119.57	156.17	95.68		20.20
	d. PAT/Net Worth	%	Actual	2.82	-143.15	21.90	11.44	-173.01		9.90
			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	54.00	54.00	54.00	54.00	54.00	54.00
	g. Reserves and Surplus *			529.93	37.73	978.92	996.79	831.25	851.73	833.25
4.	Total Expenses	₹ Crore		19226.96	15584.43	14701.94	10870.54	8088.82	6682.83	9486.00
5.	Total Income	₹ Crore		19300.52	15657.54	14735.54	10855.75	8086.32	6703.22	9488.00
6.	Total Expenses/Total Income	%		99.62	99.53	99.77	100.14	100.03	99.70	99.98
7.	Details of other Income	₹ Crore								
	a. Interest			236.13	184.45	213.52	227.42	237.16	134.25	256.00
	b. Dividend			-	-	-	-	-	-	-
	c. Other Income			22.77	24.46	28.01	27.28	34.67	18.66	32.00
	d. Total			258.90	208.91	241.53	254.70	271.83	152.91	288.00
8.	a. Cash and Bank Balance and equivalent	₹ Crore		248.14	58.13	6.51	9.60	9.21	8.02	5.00
	b. Investment in mutual funds			-	-	-	-	-	-	-
	c. Investment in shares other than subsidiary/JVs			0.11	0.11	0.11	0.01	-	-	-
	d. Total (a+b+c)			248.25	58.24	6.62	9.61	9.21		5.00
	e. Csah credit/Over-draft loan/Short-term loan			1505.39	1287.80	1127.86	1439.44	1510.80	1645.22	1641.00
	f. Balance in current account			Included in 8 (a) above						
9.	Dividend paid/declared for the year (excluding Dividend Tax) **	₹ Crore		12.00	-	-	-	-		-

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

TREND ANALYSIS (Part - B)

(Rs. Crore)

								Current Year: 2017-18			
Finnacial Performance		Unit	Target v/s Actuals	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Actuals 2015-16	Actuals 2016-17	Actual upto 30.09.2017	Estimates	
Criteria											
1.	Contribution of each product in sales (major)	%									
	a. Bullion		60.2	75.8	59.7	45.0	55.1	95.3	83.2		
	b. Urea		27.4	9.7	20.2	37.2	27.4	1.1	9.5		
	c. Steel plates/coils/rails		-	-	12.2	9.9	8.8	1.9	4.8		
	d. Coal		0.6	1.4	2.1	2.1	0.7	-	0.3		
	e. Edible Oils		2.1	0.5	1.5	1.7	0.7	-	-		
	f. Wheat		8.2	11.5	0.6	-	-	-	-		
2.	Exports as a percentage of revenue from Operations	%		8.4	11.6	13.1	10.6	10.2	1.9	5.1	
3.	Development or Revenue from new products or products with new features - Turnover from New Products/New Markets	₹ Crore	Actual	Nil	5	1771	112	576			
			MOU	-	-	225	300	-			
4.	R&D, Innovation, Tachnology up-gradation parameter										
	a. Development of B2B Portal		Actual					N.A.			
			Date					01.02.17			
6.	Inventory of finished goods and work in progress	₹ Crore								NIL	
7.	Inventory of finished goods and work in progress to RO (Net)	%									
8.	Inventory of finished goods of more than one year	₹ Crore								N.A.	
9.	Inventory of finished goods of more than one year as a percentage of RO	%									
10.	Trade Receivables (Net)	₹ Crore		3605.83	3015.32	3511.24	3707.94	3093.12	3100.44	3099.00	
11.	Trade Receivables (Net) as number of days of RO (Gross)	Days		66	71	88	128	163	86	123	
12.	Claims against the Company not acknowledged as debt										
	a. By CPSEs	₹ Crore	Actual				2.10	1.43			
			MOU					50%			
	b. By Govt./State Govt.						2454.15	839.36			
	c. By Others		Actual				521.68	956.12			
			MOU					8%			
	d. Total				1467.54	1392.30	3054.97	2976.50	1796.91		1706.00
13.	Cost of raising funds as compared to similarly rated CPSEs/entities	₹ Crore									
14.	Return (Share of profit/loss) on Investment in JVs	₹ Crore								NIL	
15.	Any other result-oriented parameters taken for target setting	₹ Crore									

#: The Corporation's accounts for the period April-September'17 are under compilation in view of implementation of Ind-AS.