

2014-2015

इण्डिया ट्रेड प्रमोशन आर्गनाइजेशन

(भारत सरकार का उद्यम)

और

वाणिज्य विभाग

वाणिज्य एवं उद्योग मंत्रालय

(भारत सरकार)

के मध्य

समझौता ज्ञापन
**MEMORANDUM
OF UNDERSTANDING**

Between

INDIA TRADE PROMOTION ORGANISATION

(A Government of India Enterprise)

and

DEPARTMENT OF COMMERCE

Ministry of Commerce and Industry

(Government of India)



इण्डिया ट्रेड प्रमोशन आर्गनाइजेशन

(भारत सरकार का उद्यम)

INDIA TRADE PROMOTION ORGANISATION

(A Government of India Enterprise)

2014-15

Memorandum of Understanding

between

India Trade Promotion Organisation

and

Department of Commerce
(Ministry of Commerce and Industry)



India Trade Promotion Organisation
(Mini Ratna Undertaking)
Pragati Bhawan, Pragati Maidan
New Delhi - 110 001
(www.indiatradefair.com)

MEMORANDUM OF UNDERSTANDING

FOR THE YEAR 2014-15

PART-I

MISSION/VISION AND OBJECTIVES OF ITPO (A SECTION 25 COMPANY)

I. Long-term Vision

To be a leader amongst world class trade promotion organizations, leveraging India's strengths internationally. Rapid growth in India's share of global trade and investments, quality of our services and customer satisfaction will be the touchstone of our success.

II. Mission

To promote, facilitate, encourage and coordinate various activities and programmes to enhance India's share of export through trade in goods.

III. Objectives


The main corporate objectives of the ITPO are enumerated below:

1. To promote external and domestic trade of India in cost effective manner by organizing and participating in international trade fairs in India and abroad, organizing buyer-seller meets and contact promotion programmes abroad; conducting overseas market surveys, exchanging and coordinating visits of business delegations, and undertaking need-based research to facilitate trade in specific sectors/markets;
2. To support and assist small and medium enterprises to access markets – both in India and abroad;
3. To disseminate trade information and facilitate E-commerce/trade;
4. To develop quality physical infrastructure, services and management so as to enable holding of trade promotion events such as conventions and trade exhibitions of international standards; and
5. To enlist the involvement and support of the State Governments, other government trade promotion agencies, trade and industry associations in the promotion of India's external and domestic trade.

Part-II

Powers delegated to ITPO as a Mini Ratna to be exercised.

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MoU 2014-15 Approved by DPE/TF  Signed
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**Part III
Performance Matrix**

S. No.	Evaluation	Unit	Weightage	MoU Target					Means of Verification
				Excellent	V. Good	Good	Fair	Poor	
1	Financial Parameters	--	(40)						
1.1	Gross sales	Rs. in Crore	10	243.00	235.00	227.00	219.00	212.00	As per Audited Accounts
1.2	Gross Margin	Rs. in Crore	7	147.00	140.00	133.00	126.35	120.03	
1.3	Net Surplus	Rs. in Crore	6	145.00	138.00	131.00	125.00	118.00	
1.4	Net Surplus/Net worth	%	6	10.33	9.89	9.44	9.01	8.60	
1.5	EBITDA/Total Employment	Rs. in Lakh	5	16.24	15.47	14.70	13.96	13.26	
1.6	Added Value/Gross sales	%	5	37.61	36.03	34.91	33.74	32.50	
1.7	Recoveries as a %age of amount due (undisputed)	%	1	75	60	50	45	30	Certificate of Director
2	Non-financial parameters	--	(60)						
2.1	IT Initiatives								
	i. Preparation of IT policy for the organization	Date	1	01.06.14	01.07.14	15.07.14	31.07.14	16.08.14	Certificate of Director
	ii. Building redundancy of Internet connectivity	Date	1	01.06.14	01.07.14	15.07.14	31.07.14	16.08.14	Certificate of Director
	iii. Email implementation on itpo.gov.in domain on All India basis	Date	1	01.06.14	01.07.14	15.07.14	31.07.14	16.08.14	Certificate of Director
	iv. Enabling Webcasting facility in ITPO	Date	1	01.06.14	01.07.14	15.07.14	31.07.14	16.08.14	Certificate of Director
2.2	ERP implementation								
	• Start of ERP operation	Date	5	01.12.14	01.01.15	15.01.15	01.02.15	15.02.15	Certificate of Director
2.3	Redevelopment of Pragati Maidan -Administrative approval and expenditure sanction from competent authority	Date	3	30.11.14	31.12.14	31.1.15	28.2.15	15.3.15	Certificate of Director
2.4	HRM								
	i. Skill upgradation of engineering officials	No of officials / mandays	2	45/100	39/86	33/72	27/58	21/44	Certificate of Director
	ii. Training on Project Management	No of officials / mandays	1	45/100	39/86	33/72	27/58	21/44	Certificate of Director

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2.5	Succession Plan for next ten years	Date	2	31.10.14	30.11.14	31.12.14	31.1.15	28.2.15	Certificate of Director
2.6	CSR & SD	Rs. in lakhs	3	38	36	34	32	30	As per audited accounts
	i. Expenditure on CSR in the activities as per DPE Guidelines								
	ii. Providing / replacement of energy efficient fittings / fixtures in Admn. Building / Annexe 1 and 2	Date	4	30.10.14	15.12.14	15.1.15	28.2.15	31.3.15	Certificate of Director
	iii. Providing of capacitor banks in Hall No.7,8,9,10 and 11 for improvement of power factor	Date	3	30.10.14	15.12.14	15.1.15	28.2.15	31.3.15	Certificate of Director
3.	Specific Parameters) Marketing & Service Delivery Parameters								
3.1	Overseas trade delegates / business visitors	Nos.	2	750	650	550	450	400	Certificate of Director
3.2	Number of Seminars/ Presentations to be organized for the benefit of trade & industry	Nos.	2	50	45	40	35	30	Certificate of Director
3.3	Fairs in India (domestic)								
(a)	Increase in space sold in growth potential ITPO's fairs in India(Aahar, Security Expo, & Auto Ancillary Show)	%	4	20	15	10	5	0	Certificate of Director
(b)	New Third Party Events (Fairs, Seminars etc.)	Nos.	3	8	6	4	2	0	Certificate of Director
3.4	Customer Satisfaction (Percentage of participants intending to repeat their participation)								
	• Overseas fairs	%	2	82	78	74	70	66	Certificate of Director
	• Fairs in India	%	2	82	78	74	70	66	
3.5	Overseas Trade Fairs(Foreign)								
(a)	Increase in participants in overseas trade fairs	%	4	7	6	5	4	3	Certificate of Director
(b)	Increase in number of overseas trade fairs	Nos.	4	4	3	2	1	0	Certificate of Director

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66	Infrastructure improvement and upgradation of services • Upgradation of gate No.10 and gate No.8 – entry/exits • Infrastructure improvement and upgradation of services-provision of LEDs in Pragati Maidan	Date	2	31.10.14	15.12.14	15.1.15	28.2.15	31.3.15	Certificate of Director
		Date	2	31.10.14	15.12.14	15.1.15	28.2.15	31.3.15	Certificate of Director
67	Disposal of idle inventories	Date	2	31.7.2014	31.8.14	30.9.14	31.10.14	After 31.10.14	Certificate of Director
68	Participation of MSME sector in ITPO's exhibitions/fairs	%	4	20	17	14	11	8	Certificate of Director
Grand Total			100						

Footnotes:

- Negative marking as per guidelines issued by DPE on non-compliance of Corporate Governance and as per para no.3.21 and 3.22 of DPE MoU 2014-15 guidelines issued vide O.M. No. 3/19/2013-DPE (MoU) dated 01/11/2013.
- Timely submission of periodical reports to various Ministries/Departments related to the projects.

PART IV

COMMITMENTS/ASSISTANCE FROM THE GOVERNMENT:

The Government would provide funds for meeting the deficit of trade promotion programmes organized at the instance of Department of Commerce such as:

- 1) Organizing participation in exhibitions/trade fairs abroad;
- 2) Organizing participation of group or individual targeted foreign countries in India;
- 3) Indian Exhibitions in Africa & CIS Countries; and
- 4) Necessary approval for construction of Integrated Exhibition-cum-Convention Centre.

The Government would assist ITPO in making recoveries of outstanding dues from the various Indian Government Departments/PSEs and foreign Governments and organizations.

Release of Government grants for development of Regional Trade Promotion Centres as mutually agreed upon on a case-to-case basis.

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Approved by DPE/TF
Signed

PART V

Action Plan for Implementation and Monitoring of the MOU :

- (i) Six-monthly Review of Performance by the Department of Commerce and the Board of Directors of ITPO; and (ii) Annual Evaluation of Performance by the Department of Public Enterprises.

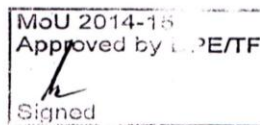


Rita Menon
Chairperson & Managing Director
India Trade Promotion Organisation
(A Government of India Enterprise)



Rajeev Kher
Secretary
Ministry of Commerce & Industry
Government of India

Date: 25.3.2014



TREND OF CPSEs PERFORMANCE ON FINANCIAL PARAMETERS FOR THE LAST FIVE YEARS

(Rs in crore)

	2009-10		2010-11		2011-12		2012-13		2013-14		2014-15	Latest benchmarking details available
	MoU	Actual	MoU	Actual	MoU	Actual	MoU	Actual	MoU	Projected	Projected	
Capacity Utilisation (for each plant separately)		N.A		N.A		N.A		N.A		N.A	N.A	
Production (in Qty.)		N.A		N.A		N.A		N.A		N.A	N.A	
Production (in Rs. Cr.)		N.A		N.A		N.A		N.A		N.A	N.A	
Profit & Loss Statement Items												
Sales Turnover, excluding interest and other income (Operating Turnover) (Sales Turnover shall not include excise duty, custom duty, VAT or any other duty, tax, etc.)	180.00	165.06	180.00	187.97	207.00	273.19	198.00	222.55	225.00	231.75	235.00	
Interest and Other Income		73.66		117.15		100.61		111.09		104.50	116.53	
Gross Operating Margin Rate (%)		43.29		25.83		50.21		47.03		44.61	39.83	
EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)	82.00	103.34	80.00	75.10	93.50	187.70	84.00	156.91	104.00	150.00	140.00	

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Depreciation	2.64	3.46	4.38	4.72	5.00	2.00	
EBIT (Earnings Before Interest and Taxes)	100.70	71.64	183.32	152.19	145.00	138.00	
Interest Expenses	NIL	NIL	NIL	NIL	NIL	NIL	
Prior period Expenses	0.89	0.77	0.29	-.10	NIL	NIL	
Extra Ordinary Items	22.24	NIL	NIL	NIL	-	-	
Any other expenses	NIL	NIL	NIL	NIL	-	-	
Profit Before Tax	77.57	70.87	183.03	152.29	145.00	138.00	
Tax							
Profit after Tax	77.57	70.87	183.03	152.29	145.00	138.00	
Dividend Paid	N.A	N.A	N.A	N.A	N.A	N.A	
Any other item	-	-	-	-	-	-	
Profit transferred to Statutory Reserves	-	-	-	-	-	-	
Balance Sheet Items							
Gross Block	92.89	107.84	107.79	113.00	-	-	
Less Depreciation	52.19	44.65	48.95	52.14	-	-	
Net Block	40.70	63.19	58.84	60.86	-	-	
Share Capital of CPSE	0.25	0.25	0.25	0.25	0.25	0.25	
Reserve & Surplus of CPSE	706.47	777.34	960.37	1112.67	1257.67	1395.67	
Less deferred revenue exp/ Pre-acquisition loss	0.02	NIL	NIL	NIL	NIL	NIL	
Less – Profit & Loss A/c (Loss figure)	NIL	NIL	NIL	NIL	NIL	NIL	

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NET WORTH OF CPSE	706.70	777.59	960.62	1112.92	1257.92	1395.92
Investment	12.39	12.41	12.43	12.45	-	-
Total Current Assets	828.80	879.88	1043.70	1206.37	-	-
Total current Liabilities & provisions	175.19	177.89	154.34	166.76	-	-
NET CURRENT ASSETS	653.61	701.99	889.36	1039.61	-	-
Capital employed (Net block + net current assets)	694.31	765.18	948.20	1100.47		
Total long term Debt (loan funds)	NIL	NIL	NIL	NIL		
Total Assets	881.91	955.48	1114.97	1279.68		
No of Employees of CPSE	1109	1104	1054	1005	951	900
Ratios						
PAT/Net Worth	10.98	9.11	19.05	13.68	11.53	9.89
EBITDA/Net Block	253.91	118.85	319	257.82		
EBIT/Average Capital Employed	14.50	9.36	19.33	13.83		
PAT per Employee (Rs. Lakhs)	6.99	6.42	17.37	15.15	15.25	15.33
Current Ratio	4.73:1	4.95:1	6.76:1	7.23:1	-	-
Debt Service Coverage Ratio	NIL	NIL	NIL	NIL	-	-

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Operating Cash Flow	54.95	13.33	85.47	52.45				
Average No. Days of Inventory	N.A	N.A	N.A	N.A				
Inventory Turnover Ratio	N.A	N.A	N.A	N.A				
Average collection period of Trade Receivables	NIL	NIL	NIL	NIL				
Debtors Turnover Ratio	11.84:1	29.91:1	33.42:1	36.54:1				
Loan Sanctioned	N.A	N.A	N.A	N.A				
Disbursements								
NPA/Loan Assets	N.A	N.A	N.A	N.A				
Average cost of Funds	N.A	N.A	N.A	N.A				
Additional for CPSEs registered under Sec. 25 of the Companies Act								
Desbursement	N.A	N.A	N.A	N.A	N.A	N.A		
%of total resources mobilized from sources other than grant in aid of Govt.						N.A	N.A	
EBITDA/Total employment	9.32	6.80	17.81	15.61	15.77	15.56		
Recoveries as a % of amount overdue for varying years (accumulated)								

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Additional for "Sick & Loss making CPSEs		N.A		N.A		N.A		N.A		N.A	
Cash Generation from operations											
Working Capital Turnover Ratio											
Additional for "CPSEs Under Construction"		N.A		N.A		N.A		N.A		N.A	
Physical Achievement											
Financial Achievement											

CPSEs should provide all the information as mentioned above, wherever applicable to them.

S. Sachdev

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 2014-15. In case, any deviation is found at the time of appraisal of performance, DPE is free to evaluate as per MoU Guidelines. CPSE has no right of claim in this regard.



Authorised Signatory

एस. आर. साहू/S. R. SAHOO
कम्पनी सचिव/Company Secretary
इंडिया ट्रेड प्रमोशन आर्गनाइजेशन
India Trade Promotion Organisation
प्रगति मैदान/Pragati Maidan
नई दिल्ली/New Delhi-110 001

**Self-déclaration for Compliance of Directives of Government &
Regulators**

It is hereby certified that the CPSE has complied all the directives of government and requirements of regulators. In case any deviation is found at the time of appraisal of performance, DPE is free to evaluate as per Guidelines, directives issued by the government/regulators. CPSE has no right of claim in this regard.



Authorised Signatory

एस. आर. साहू/S. R. SAHOO
कम्पनी सचिव/Company Secretary
इंडिया ट्रेड प्रमोशन अथॉरिटी
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