



PEC LIMITED



सत्यमेव जयते
Ministry of Commerce and Industry
Department of Commerce
Government of India

Memorandum of Understanding

for
2016-17
Between

Ministry of Commerce & Industry
(Department of Commerce)
Govt. of India

and

P E C Limited

Background of PEC Limited

PEC Ltd (formerly –The Project and Equipment Corporation of India Ltd.) was carved out of the STC in 1971-72 to take over its railway equipment division, to diversify into turnkey projects especially outside India and to aid and assist in promotion of exports of Indian engineering equipment.

In 1991, PEC Ltd. became an independent company directly owned by Government of India. The main functions of PEC Ltd. include export of projects, engineering equipment and manufactured goods, defence equipment & stores, import of industrial raw materials, bullion and agro commodities, consolidation of existing lines of business and simultaneously developing new products and new markets; diversification in export of non-engineering items, e.g. coal and coke, iron ore, edible oils, steel scraps, etc.; and structuring counter trade/ special trading arrangements for further exports.

Vision

Be a successful Indian International trading company, lean, flexible and capable of providing total integrated services to the customers in the changing environment.

Mission

- Engage in trade with focus on quality services to customers and professional competences.
- Develop new markets and products and expand business in Industrial Raw Materials, Commodities and Engineering Equipment and Projects.
- Serve as effective instrument of public policy and social responsibility.

Form-I Part -A

Sl. No.	Evaluation Criteria	Unit	Weight	MoU Targets				
				Excellent	Very Good	Good	Fair	Poor
				100	80	60	40	20
i	Capacity Utilisation (Quantity Traded)							
	Coking Coal ✓	Million Tonn ✓	4 ✓	1.10 ✓	1.00 ✓	0.90 ✓	0.80 ✓	0.70 ✓
	Pulses ✓	Lakh Tonn ✓	3 ✓	1.90 ✓	1.80 ✓	1.70 ✓	1.60 ✓	1.50 ✓
	Steel items ✓	Lakh Tonn ✓	3 ✓	1.75 ✓	1.65 ✓	1.55 ✓	1.45 ✓	1.35 ✓
ii	Efficiency Parameters (Physical operations)							
	A. Production Efficiency							
	Reduction in Interest Cost over Previous Year ✓	% ✓	10 ✓	15 ✓	10 ✓	8 ✓	6 ✓	5 ✓
	B. Technology upgradation							
	Online Connectivity of all Branches with Head Office ✓	Date ✓	5 ✓	01.01.2017 ✓	15.01.2017 ✓	31.01.2017 ✓	15.02.2017 ✓	28.02.2017 ✓
iii	Diversification of Business							
	Installation of Solar Power Plant ✓	MW ✓	15 ✓	20 ✓	15 ✓	14 ✓	13 ✓	12 ✓
iv	Monitoring Parameter							
	Reduction in Trade Receivables of over 6 months over previous year ✓	% ✓	5 ✓	15 ✓	10 ✓	9 ✓	8 ✓	7 ✓
v	Turnover from Operations							
	Revenue from Operations (Net of Excise Duty) ✓	Rs. Crore ✓	5 ✓	4500 ✓	4400 ✓	4300 ✓	4200 ✓	4100 ✓
vi	Operating Profit							
	% Reduction in Loss (excluding Other Income, Extraordinary and Exceptional Items) over previous year ✓	% ✓	10 ✓	100% ✓	15% ✓	14% ✓	13% ✓	12% ✓
vii	Early signs of weakness							
	Reduction in Claims against the Company not acknowledged as debt, over the previous year raised by CPSE & Others ✓	% ✓	5 ✓	10% ✓	8% ✓	6% ✓	4% ✓	2% ✓
viii	Marketing efficiency ratio							
	A) Turnover from New Products / Exports to New Markets ✓	Rs. Crore ✓	5 ✓	110 ✓	100 ✓	90 ✓	80 ✓	75 ✓
	B) Trade Receivables as percentage of Revenue from Operations (Gross) ✓	% ✓	5 ✓	30% ✓	35% ✓	37% ✓	40% ✓	45% ✓
ix	Return on Investment							
	A) Reduction in Expenses as % of Revenue from Operations ✓	% ✓	5 ✓	10% ✓	8% ✓	6% ✓	4% ✓	2% ✓
	Preparation of Revival Plan as per DPE Guidelines dated / 29.10.2015 and sending to Administrative Ministry after Board approval ✓	Date ✓	5 ✓	15.11.2016 ✓	30.11.2016 ✓	15.12.2016 ✓	31.12.2016 ✓	15.01.2017 ✓

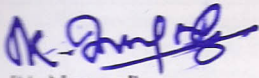
MoU 2016-17
Approved by IMC

Signed _____

	Valuation of all assets, liabilities including contingent liability and estimation of liabilities towards employees at 2007 notional pay scale and forward the same to Administrative Ministry	Date	5	30.09.2016	15.10.2016	20.10.2016	25.10.2016	31.10.2016
x	Sector Specific Targets							
	% increase in Export of Projects, Engineering & Manufactured Goods over Previous Year	%	10	100%	80%	70%	60%	50%
	Total		100					

Note:-

1. It was noted that targets approved by IMC are based on Provisional figures submitted by the Company for F.Y. 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. It was decided that where 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. It was agreed that targets decided 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.



(M. Nagaraj)
Chairman-cum-Managing Director
For PEC Limited



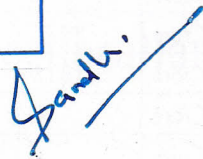
(Rita Teatia)
Commerce Secretary
For Ministry of Commerce & Industry
(Department of Commerce)
Government of India

Place: New Delhi

Date: 29/09/2016

MoU 2016-17
Approved by IMC

Signed



Form-I

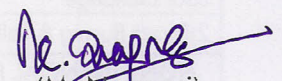
Part -B

Trend Analysis									
Sl. No.	Evaluation Criteria	Unit	Financial Year						
			2011-12	2012-13	2013-14	2014-15	2015-16	2015-16	2016-17
							Upto 31.12.2015 (Unaudited / Provisional)	upto 31.03.2016 (Estimated)	Projected
i	Capacity Utilisation (Based on Part A) Turnover from New Products/ Markets	Rs. Crore	NA	NA	NA	NA	0	0	100
ii	Efficiency Parameters (Physical operations)- Based on Part A Sales Turnover	Rs. Crore	11026.27	11649.02	9780.37	6186.76	2830	3750	4500
iii	CAPEX	Rs. Crore	0.07	0.22	0.10	-	0.14	0.14	0.50
iv	Paid up Share Capital	Rs. Crore	20	60	60	60	60	60	60
v	Accumulated Reserves	Rs. Crore	327.63	302.04	302.75	94.21	-22.79	-15.79	-100.79
vi	Net Worth	Rs. Crore	347.63	362.04	362.75	154.21	37.21	44.21	-40.79
vii	Borrowings (Shown in Non-Current Liability)	Rs. Crore	0	0	0	0	0	0	0
viii	Borrowings / Net Worth	%	-	-	-	-	-	-	-
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)	%	NA	NA	NA	NA	NA	NA	NA
x	Revenue from Operations (Gross)	Rs. Crore	11498.32	12024.87	9973.9	6197.2	2831	3752	4502
xi	Revenue from Operations (Net of Excise Duty)	Rs. Crore	11498.32	12024.87	9973.9	6197.2	2831	3752	4502
xii	Profit before tax	Rs. Crore	118.53	113.06	1.98	-179.79	-117.00	-110.00	-85.00
xiii	Other Income								
	Interest	Rs. Crore	154.19	163.68	108.54	57.7	35.3	45.35	50.35
	Dividend	Rs. Crore	0	0.02	0	0	0	0	0
	Others	Rs. Crore	29.71	20.1	23.29	69.59	3	5	5
	Total	Rs. Crore	183.9	183.8	131.83	127.29	38.3	50.35	55.35
xiv	Extraordinary Items	Rs. Crore	0	16.73	0	0	0	0	0
xv	Exceptional Items	Rs. Crore	0	0	-79.86	-95.29	0	0	0
xvi	Profit before tax (excluding Other Incomes, Extra Ordinary and Exceptional Items)	Rs. Crore	88.82	109.69	58.55	-154.09	-120.00	-115.00	-90.00
xvii	Profit After Tax	Rs. Crore	79.55	96.94	0.71	-208.54	-117.00	-110.00	-85.00
xviii	Revenue from Operations (Net) / Total Expenses [excluding extra ordinary / exceptional items, if shown separately and Tax (Income Tax) Expense]	%	99.43%	99.55%	99.50%	96.70%	94.80%	95.90%	96.98%
xix	Closing Inventory of finished goods	Rs. Crore	808.79	692.2	242.44	241.8	191.8	191.8	200

xx	Closing Inventory of Work-in-Progress	Rs. Crore	-	-	-	-	-	-	-
xxi	Sale of Products (Net of Excise Duty)	Rs. Crore	11026.27	11649.02	9780.37	6186.76	2830	3750	4500
xxii	Number of days of Inventory of finished goods and Work in progress to Sale of Products (wherever applicable)	No. of Days	27	22	9	14	25	19	16
xxiii	Trade Receivables of over 6 months	Rs. Crore	911.64	1381.91	1447.81	1421.17	1400	1350	1300
xxiv	Trade Receivables (Total)	Rs. Crore	3810.26	3435.56	2673.74	2635.94	2205	2240	2285
xxv	Trade Receivables as percentage of Revenue from Operations (Gross)	%	33%	29%	27%	43%	78%	60%	51%
xxvi	Cash and Bank Balance	Rs. Crore	465.67	347.21	13.55	4.84	8.97	4.02	8.67
xxvii	PAT / Net Worth	%	22.88%	26.78%	0.20%	-135.23%	-314.43%	-248.81%	-208.38%
xxviii	Dividend / PAT	%	18.86%	15.47%	0%	0%	0%	0%	0%
xxix	Dividend / Net Worth	%	4.31%	4.14%	0%	0%	0%	0%	0%
xxx	Claims against the Company not acknowledged as debt								
	By Central Government	Rs. Crore	-	-	-	-	-	-	-
	By State Government	Rs. Crore	25	25	25	25	25	25	25
	By CPSEs	Rs. Crore	16.24	16.24	16.24	16.24	16.24	16.24	16.24
	By Others	Rs. Crore	61.55	98.94	53.26	88.54	93.76	103.76	108.76
xxxi	CPSE specific / sector Specific (List of all from Part A) Exports of Projects, Engineering & Manufactured Goods	Rs. Crore	22.92	45.2	51.26	28.86	13	15	40
xxxii	Resources Raised / ST Borrowings	Rs. Crore	0	224.09	1205.76	1298.89	1178	1200	1050
xxxiii	Surplus Redeployed	Rs. Crore	327.63	302.04	302.75	94.21	-22.79	-15.79	-100.79
xxxiv	Major Expenses	Rs. Crore							
	1 Finance Cost		148.17	152.61	56.53	139	110	145	110
	2 Trade Exp.		494.79	692.95	529.49	298.26	120	165	190

Self-Declaration/Certification

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. PEC Limited has no right to claim in this regard.


(M. Nagaraj)

Chairman-cum-Managing Director
PEC Limited

MOU TARGETS AND ACHIEVEMENT 2010-11

Criteria	Unit	Weight	Criteria values					Actual
			Excellent	Very Good	Good	Fair	Poor	
			1	2	3	4	5	
I. Static Financial Parameters								
(a) Financial Indicators - Profit related ratios								
(i) Gross Margin / Gross sales	%	10	1.06	1.06	1.06	1.06	<1.06	1.23
(ii) Operating turnover/ Employee	Rs. Cr.	12	43.50	41.43	39.36	37.39	<37.39	45.10
(b) Financial Indicators - size related								
(i) Gross Margin	Rs. Cr.	8	96.60	92.00	87.40	83.03	<83.03	107.12
(ii) Gross Sales (Non Bullion)	Rs. Cr.	4	9135	8700	8265	7852	<7852	8704
(c) Financial Returns - Productivity related								
(i) PBDIT / Employee	Rs. '000	7	4600	4381	4162	3954	<3954	5550
(ii) Added Value / Sales	%	9	0.774	0.762	0.749	0.736	<0.736	0.903
FINANCIAL PARAMETERS TOTAL:		50						
II. Dynamic Parameters								
1) Research & Development:								
a) Completion of feasibility study on warehousing facility at major ports in India	Date	5	30 th Nov. 2010	31 st Dec. 2010	31 st Jan. 2011	28 th Feb. 2011	After 28 th Feb. 2011	19 th Oct. 2010
2) Sustainable Development:								
a) Export of Low Loss Transformers	Rs. Lacs	5	10	9	8	7	<7	1276.00
3) Corporate Social Responsibility:								
a) Expenditure on Activities as per DPE guidelines and approved by Board	Rs. Lacs	5	20	18	16	14	<14	132.30
4) Extent of Globalisation:								
a) Total Export	Rs. Cr.	5	1100	1000	900	800	<800	1136
b) Exports of Projects, Equipments & Mfgd. Goods*	Rs. Cr.	5	95	90	85	80	<80	30
5) HRD (Employee training and Motivation):								
Training to employees through outside agency:								
a. International Financial Reporting Standard (IFRS)	Nos.	2	5	4	3	2	<2	5
b. Goods and Service Tax (GST)	Nos.	2	5	4	3	2	<2	18
c. Marketing & Logistics	Nos.	2	12	10	8	6	<6	25
III (a) Sector specific Parameters								
1) Post shipment credit for engineering items to SMEs	Rs. Cr.	5	20	15	10	5	<5	21
2) Overhead expenses as % of sales	%	4	0.42	0.45	0.47	0.49	> 0.49	0.40
III (b) Enterprise Specific Parameters								
1) Business Transacted through National Spot Exchange	Rs. Cr.	5	11	10	9	8	<8	164
2) Direct Buying & Selling (Own Exposure)	Rs. Cr.	5	55	50	45	40	<40	103
NON-FINANCIAL PARAMETERS TOTAL:		50						
GRAND TOTAL:		100						

Note:

1. For FY 2010-11 MOU Targets for Turnover have been fixed for Non - Bullion trade only

2. Target for Excellent is 5% above very good.

* Includes Project, equipment, engineering, pharmaceutical and other value added products

MOU TARGETS AND ACHIEVEMENT 2011-12

Criteria	Unit	Weight	MoU Targets					Actuals FY 2011-12
		(%)	Excellent	Very Good	Good	Fair	Poor	
			1	2	3	4	5	
1. Static Financial Parameters								
(a) Financial Indicators - Profit related ratios								
(i) Gross Margin / Gross sales	%	10	1.08	1.08	1.08	1.08	< 1.08	1.31
(ii) Operating turnover/ Employee	₹Cr.	12	54	52	49	47	<47	56
(b) Financial Indicators - size related								
(i) Gross Margin	₹Cr.	8	120.75	115.00	109.25	103.79	< 103.79	144.52
(ii) Gross Sales (including bullion turnover)	₹ Cr.	4	11,130	10,600	10,070	9,567	< 9,567	11,026
(c) Financial Returns - Productivity related								
(i) PBDIT / Total Employment	₹ '000	7	5,890	5,610	5,329	5,063	<5,063	7,336
(ii) Added Value / Sales	%	9	0.34	0.30	0.26	0.21	<0.21	1.01
Sub-Total 1 (a+b+c)		50						
2. Dynamic Parameters								
(2.1) Human Resource Management:								
i) Recruitment from minorities communities of total fresh recruitment during FY 11-12	%	1	11	10	9	8	<8	10
ii) Training to employees through outside agencies:								
a. Project Mangement	Nos	1	5	4	3	2	<2	5
b. Motivation and Teamwork	Nos	1	15	12	10	8	<8	20
c. International Trade Law	Nos	1	5	4	3	2	<2	20
d. Accounting standards	Nos	1	5	4	3	2	<2	20
(2.2) Research & Development:								
Expenditure spent on Project/ activities approved by Board in line with draft DPE guidelines on R&D	₹ Lakh	5	25	20	15	10	< 10	25
(2.3) Corporate Social Responsibility (CSR):								
(i) Expenditure on CSR Activities / Projects as per DPE guidelines and approved by Board of Directors (Preservation of heritage monuments, food and medical facilities for underprivileged, promotion of sports, art, culture & music , etc.)	₹ Cr.	5	2.20	2.00	1.80	1.60	<1.60	1.00
(2.4) Sustainable Development:								

Promoting Sale of Domestic Solar Energy based project/ devices	₹ Cr.	5	6	5	4	3	<3	24.29
(2.5) Corporate Governance								
(i) Timely submission of Public Enterprises Survey Data to DPE	Date	1	15-Sep-11	01-Oct-11	15-Oct-11	31-Oct-11	After 31.10.11	12-Sep-11
(ii) Approval of Whistle Blower scheme by Board	Date	1	31.01.2012	29.02.2012	31.03.2012	-	-	14.06.2011
(iii) Appointment of Independent directors	Date	1	31.01.2012	29.02.2012	31.03.2012	-	-	-
(iv) Timely submission of Quaterly Report on Corporate Governance	No. of Report	2	4	3	2	1	-	4
(2.6) Extent of Globalisation:								
(i) Total non-bullion business	₹ Cr.	2	10,080	9,600	9,120	8,664	<8,664	10,055
(ii) Total Export	₹ Cr.	1	1,200	1,100	1,000	900	<900	1,037
(iii) Exports of Projects, Equipments & Mfgd. Goods*	₹ Cr.	1	95	90	85	80	<80	22.92
(2.7) Project Implementation:								
Commencement of construction of Visakhapatnam warehouse	Date	1	31.01.2012	29.02.2012	31.03.2012	-	-	-
		30						
3) Sector specific Parameters:								
(3.1) Financing to SME associates for export	₹ Cr.	2	55	50	45	40	<40	117
(3.2) Financing to associates (other than SMEs) for exports	₹ Cr.	3	250	200	150	100	<100	723
(3.3) Post Shipment Credit to SMEs for exports	₹ Cr.	3	40	35	30	25	<25	-
		8						
4) Enterprise Specific Parameters and Efficiency Parameters:								
(4.1) Preparation of Accounting Manual	Date	2	31.12.2011	31.01.2012	29.02.2012	31.03.2012	-	28.12.2011
(4.2) Business Transacted through National Spot Exchange	₹ Cr.	2	25	20	15	10	<10	514
(4.3) Overhead expenses as % of Total Sales	%	2	0.43	0.44	0.45	0.46	>0.46	0.37
(4.4) Direct Buying & Selling (Own Exposure)	₹ Cr.	2	65	60	55	50	<50	336
(4.5) Recovery of O/s Debts as on 31.03.2011 more than six months (Excl. Litigation cases)	%	2	55	50	45	40	<40	92
(4.6) Follow up action arising out of audit observation of FY 2009-10 & putting up to Board	Date	2	30.06.2011	31.07.2011	31.08.2011	30.09.2011	After 30.09.2011	13.06.2011
		12						
Total: (1+2+3)		100						

Note:

* Includes Project, equipment, engineering, pharmaceutical and other value added products

MOU TARGETS AND ACHIEVEMENT 2012-13

Criteria	Unit	Weight	MoU Targets for FY 2012-13					Actual FY. 2012-13
		(%)	Excellent	Very Good	Good	Fair	Poor	
			1	2	3	4	5	
1. Static Financial Parameters								
(a) Financial Indicators - Profit related ratios								
(i) Gross Margin / Gross sales	%	10	1.17	1.17	1.17	1.17	<1.17	1.46
(ii) Operating turnover/ Employee	₹ Cr.	12	58.74	55.83	53.17	50.64	<50.64	0.58
(b) Financial Indicators - size related								
(i) Gross Margin	₹ Cr.	8	141.75	135.00	128.25	121.84	<121.84	170.62
(ii) Gross Sales (including bullion turnover)	₹ Cr.	4	12,100	11,500	10,952	10,431	<10,431	11,649.00
(c) Financial Returns - Productivity related								
(i) PBDIT / Total Employment	₹ '000	7	6,881	6,553	6,226	5,915	<5,915	4,428.00
(ii) Added Value / Sales	%	9	0.44	0.40	0.36	0.32	<0.32	1.16
Total: 1		50						
2. Dynamic Parameters								
(2.1) Human Resource Management		5	As per Annexure no. 2					
(2.2) Research & Development (R&D)		5	As per Annexure no. 3					
(2.3) Corporate Social Responsibility (CSR)		5	As per Annexure no. 4					
(2.4) Sustainable Development (SD)		5	As per Annexure no. 5					
(2.5) Corporate Governance								
(i) Annual Grading on compliance of Guidelines on Corporate Governance issued by DPE	Grade	4	Excellent	Very Good	Good	Fair	Poor	Very Good
(ii) Timely submission of Public Enterprises Survey Data to DPE	Date	1	15.09.12	01.10.12	15.10.12	31.10.12	After 31.10.12	13.09.2012
(2.6) Extent of Globalisation:								
(i) Total Export	₹ Cr.	2	1,300	1,200	1,100	1,000	<1,000	3,029.00
(ii) Exports of Projects, Equipments & Mfgd. Goods*	₹ Cr.	3	25	20	15	10	<10	45.20
3) Sector specific Parameters & Enterprise Specific Parameters:								
(3.1) Financing to Business Associate for exports (SMEs & Non SMEs)	₹ Cr.	4	350	300	250	200	<200	387.98
(3.2) Business Transacted through National Spot Exchange	₹ Cr.	4	150	130	110	90	<90	911.69
(3.3) Overhead expenses as % of Total Sales	%	3	0.44	0.45	0.46	0.47	>0.47	0.40
(3.4) Business from Coal Turnover	₹ Cr.	4	4200	4000	3800	3600	<3600	2,493.00
(3.5) Recovery of O/s Debts as on 31.03.2012 more than six months (Excl. Litigation cases)	%	4	60	55	50	45	<45	35.13
(3.6) Issue of Bonus Shares	Date	1	28.02.13	15.03.13*	31.03.13	-	-	25.02.2013
Total: 3		50						
Grand Total : (1+2+3)		100						

Note:

* Includes Project, equipment, engineering, pharmaceutical and other value added products

MOU TARGETS AND ACHIEVEMENT 2013-14

Criteria	Unit	Weight	MoU Targets					Actuals FY 2013-14	Raw Score	Composite Score
			Excellent	Very Good	Good	Fair	Poor			
			1	2	3	4	5			
1. Static/ Financial Parameters										
(a) Financial Indicators - Profit related ratios										
(i) Gross Margin / Gross sales	%	10	1.46	1.48	1.47	1.46	<1.46	1.31	5.00	0.50
(ii) Operating turnover/ Employee	₹ Cr.	12	63.64	60.61	57.58	54.70	<54.70	53.59	5.00	0.60
(b) Financial Indicators-size related										
(i) Gross Margin	₹ Cr.	8	184.00	178.00	168.00	158.00	<158.00	128.57	5.00	0.40
(ii) Gross Sales (including bullion turnover)	₹ Cr.	4	12,600	12,000	11,400	10,830	<10,830	9,780	5.00	0.20
(c) Financial Returns - Productivity related										
(i) PBDIT / Total Employment	₹ '000	7	9,293	8,990	8,485	7,980	<7,980	3,131	5.00	0.35
(ii) Added Value / Sales	%	9	0.70	0.69	0.64	0.58	<0.58	0.97%	1.00	0.09
Total: 1		50								
2. Dynamic Parameters										
(2.1) Human Resource Management (HRM)		5	As per Annexure no. 2						1.00	0.05
(2.2) Research & Development (R&D)		5	As per Annexure no. 3						1.00	0.05
(2.3) Corporate Social Responsibility & Sustainability (CSR & SD)		8	As per Annexure no. 4							0.30
(2.4) Customer Satisfaction Study for Customer Satisfaction of Associates to be developed by reputed institute & placed before Board	Date	2	By 31st Jan, 2014	By 28th Feb. 2014	By 31st March, 2014	-	-	Before 31st Jan, 2014	1.00	0.02
(2.5) Extent of Globalisation:										
(i) Total Exports	₹ Cr.	4	2,750	2,500	2,250	2,025	<2,025	2556	1.78	0.07
(ii) Exports of Projects, Equipments & Mfgd. Goods*	₹ Cr.	3	40	30	20	15	<15	34.86	1.51	0.05
Total: 2		27								
3) Sector specific Parameters & Enterprise Specific Parameters:										
(3.1) Business Transacted through National Spot Exchange	₹ Cr.	2	150.00	140.00	130.00	120.00	<120.00	185.20	1.00	0.02
(3.2) Overhead expenses as % of Total Sales	%	1	0.44	0.46	0.48	0.50	>0.50	0.42%	1.00	0.01
(3.3) Direct Buying & Selling (Own Exposure)	₹ Cr.	2	90.00	80.00	70.00	60.00	<60.00	659.11	1.00	0.02
(3.4) Recovery of outstanding debts as on 31.03.2013 more than 1 year (including litigation cases)	%	8	25.00	20.00	15.00	10.00	<10.00	30.13	1.00	0.08
(3.5) Trading Profit/Net Worth	%	5	40.00	38.50	37.00	35.50	<35.50	16.23	5.00	0.25
(3.6) Manual on Risk Management	Date	1	By 31st Jan, 2014	By 28th Feb. 2014	By 31st March, 2014	-	-	Before 31st Jan, 2014	1.00	0.01
(3.7) Business of Wheat	₹ Cr.	4	850.00	800.00	750.00	700.00	<700.00	1948.49	1.00	0.04
Total: 3		23								3.11
Grand Total : (1+2+3)		100							GOOD	

Notes:

1. PEC will give a Certificate regarding Implementation of Guidelines issued by DPE as per OM No. DPE/14(38)/10-Fin Dated 28th June, 2011 and also a certificate from their auditors/Chartered Accountant in practice. Non compliance of DPE Guidelines determined on the basis of certificate submitted will be penalized up to 1 mark at the discretion of Task force at the time of MoU Evaluation. (In other words, MoU ratings can be increased by 0.04)
2. Non compliance of Corporate Governance will also be penalized by way of negative marking and the MoU score will be increased in the following manner in accordance with DPE OM 18(8)/2005-GM, Dated 22nd June, 2011.

* Includes Project, equipment, engineering, pharmaceutical and other value added products

Sl No.	Annual Score	Grading	Penalty Marks	Difference in Score from 'Excellent Grade'
1	85% and Above	Excellent	0	0
2	75% - 84%	Very good	0	0
3	60% - 74%	Good	0.5	0.02
4	50% - 59%	Fair	0.5	0.02
5	Below 50%	Poor	1	0.04

If PEC Limited fails to submit the Self evaluation report in the format enclosed with the OM, its grading will be treated as poor and score will be inflated accordingly.

MOU TARGETS AND ACHIEVEMENT 2014-15

Evaluation Criteria	Unit	Weight (In %)	Mou Target					Actuals Fy 2014-15	Raw Score	Composite Score
			Excellent (1)	V. Good (2)	Good (3)	Fair (4)	Poor (5)			
I. Static/Financial Parameters										
(i) Growth/Size/Activity(Two)										
(a) Sales Turnover, excluding interest and other income (operating Turnover)	₹Cr.	15	12650	12500	11500	11000	<11000	6,186.76	5	0.75
(b) Gross Operating Margin	₹Cr.	9	140	135	130	125	<125	54.84	5	0.45
(ii) Profitability										
(a) PAT/Net Worth	%	6	13.50	12.86	12.22	11.61	<11.61	(1.35)	5	0.30
(iii) Costs and Output Efficiency										
(a) PAT/No. of Employees (as on 31.03.2014)	₹Cr.	6	0.32	0.30	0.28	0.26	<0.26	(1.11)	5	0.30
(iv) Liquidity/Leverage										
(a) Current Ratio	Ratio	4	1.14	1.08	1.03	0.98	<0.98	1.04	2.76	0.11
(v) Efficiency of Asset Use										
(a) Recovery from outstanding Debts as on 31.03.2014 more than 1 year	%	10	28	22	16	12	<12	20.59	2.24	0.22
Sub-total I(i to v)		50								
II.1. Dynamic/Non-Financial Parameters										
(i) Corporate Social Responsibility & Sustainability	₹lakhs	3	Annexure-1					77.5 Lakhs	1	0.03
(ii) Initiatives for Growth										
(a) Study over Development & Implementation of Risk analysis and assessment Matrix	Date of Completion of Study and start of Action Plan	5	31-12-2014	31-01-2015	28-02-2015	31-03-2015	After 31/03/2015	30.09.2014	1	0.05
(b) Commencing a study for identifying Business Growth opportunities of PEC with action plan.	Date of Completion of Study and start of Action Plan	5	31-12-2014	31-01-2015	28-02-2015	31-03-2015	After 31/03/2015	30.09.2014	1	0.05
(iii) Productivity and Internal Processes										
(a) Follow up with the Customer Satisfaction Report	% of Satisfaction	5	90	80	70	60	<60	96.32	1	0.05

(b) Codification of procedure for execution of contracts by PEC.	Date of Completion of Study and start of Action Plan	5	31-12-2014	31-01-2015	28-02-2015	31-03-2015	After 31/03/2015	30.09.2014	1	0.05
(iv) Project Management and Implementation										
(a) Reduction in Audit Qualifications of 2013-14	%	9	50	40	30	20	<20	NIL	5	0.45
(v) Technology, Quality, Innovative practices										
Cyber Security Updation of Firewalls	Date of Completion	5	June, 2014	July, 2014	Aug, 2014	Sept., 2014	After Sept 2014	June, 2014	1	0.05
(vi) Human Resource Management	Man Days	8	Annexure-2					Excellent	1	0.08
(vii) Sector Specific Parameter/ Enterprise Specific Parameter										
(a) Export of Projects, Equipments & Manufactured Goods. *	₹Cr.	5	50	45	35	25	<25	28.86	3.61	0.18
Sub-total II (1+2)		50								
Total (I+II)		100								3.12