I. Minerals and Metal Trading Corporation Limited (MMTC)

MMTC is widely recognized as India’s largest International Trading Company and the first Public Sector Undertaking to be awarded “Premier Trading House” status in the country. It is actively involved in exploring overseas markets for exports and sourcing material for domestic needs. With focus on ‘bulk’ operations, MMTC primarily has six core commodity groups viz. Minerals, Precious Metals, Coal & Hydrocarbons, Fertilizers, Agro commodities and Metals.

Financial Performance

During FY 2012, the company achieved a turnover of ₹ 36,365 crores for the period ended on 30th September, 2011. This performance works out to 118% of the proportionate MOU target of ₹ 30,763 crores turnover set for first six months of 2011-12. In two segments of the trading business, of MMTC namely, import and domestic trade, the company has witnessed growth as compared to proportionate MOU targets to the extent of 23% and 4% respectively. Net profit at ₹ 25 crores has shown a decrease of 40% over the proportionate MOU target of ₹42 crores.

Table 11.1

Financial performance for the half year 2011-12(MMTC)

<table>
<thead>
<tr>
<th>Trade Performance</th>
<th>MOU 2011-12</th>
<th>Prop. Target Apr- Sept, 11</th>
<th>Actual Apr-Sep 11</th>
<th>Increase (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Excellent Rating</td>
<td>Excellent Rating</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td>3,745</td>
<td>1,873</td>
<td>1,024</td>
<td>45</td>
</tr>
<tr>
<td>Imports</td>
<td>55,640</td>
<td>27,820</td>
<td>34,226</td>
<td>23</td>
</tr>
<tr>
<td>Domestic</td>
<td>2,140</td>
<td>1,070</td>
<td>1,115</td>
<td>4</td>
</tr>
<tr>
<td>Total turnover</td>
<td>61,525</td>
<td>30,763</td>
<td>36,365</td>
<td>18</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>120</td>
<td>60</td>
<td>38</td>
<td>37</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>83</td>
<td>42</td>
<td>25</td>
<td>40</td>
</tr>
<tr>
<td>Net profit to turnover (%)</td>
<td>0.13</td>
<td>0.13</td>
<td>0.07</td>
<td></td>
</tr>
</tbody>
</table>
Computerisation & Technology Elevation

During this period, the company’s information knowledge capabilities were further augmented through business intelligence tools for integrated performance management including analyzing & alerting, aiming at enhanced management controls/monitoring for operational excellence. Enhanced transparency, accuracy and reliability through e-payments, e-tendering and e-auction were successfully continued.

IT systems security management has been further improved through deployment of layered security set-up leading to higher level of security, reliability and availability of system. Applications were deployed to enhance the quality of retail business management and also for increased customer satisfaction.

Human Resources

Cordial and harmonious industrial relations prevailed in MMTC with no man-days being lost. Regular meetings were held with the Unions/Associations at local level and Federation/Association at the Apex level under Joint Consultative Machinery/Structured Scheme of Meetings for arriving at amiable resolution of personnel issues with a view to achieving the Company’s goals and objectives.

The aggregate manpower of the Company as on 31st December 2011 stood at 1709 including 606 officers, 1041 staff and 62 workers. This manpower strength includes 18 officers, 106 staff and 62 workers of erstwhile Mica Trading Company Limited, which had been merged with MMTC pursuant to the orders of BIFR. Women employees represented 18.49% (316 employees) of the total manpower. The representation of SC, ST, OBC and Persons with Disability (PWD) was to the extent of 21.42% (366 employees), 8.02% (137 employees), 1.99% (34 employees) and 1.93% (33 employees) respectively. During this period 20 officers were inducted through campus recruitment. Presidential directives on reservations for SCs, STs, OBCs and PWD in services were followed fully in recruitment and promotion. In efforts at rightsizing manpower, Voluntary Retirement Scheme was offered which was availed by 01 officer, 17 staff cadre employees and 21 workers.

Implementation of Official Language Policy

The Company is committed to uphold the Official Language Policy of the Government. In order to promote the usage of Hindi in the Company’s day to day work, several programmes viz. Hindi Workshops/Hindi Seminar/Hindi Day/Week/Fortnight were organized at the Corporate Office and Regional Offices during the year. To encourage the employees to do their day-to-day work in Hindi, relevant literature and details of incentive schemes were widely circulated.

Subsidiary Company

MMTC Transnational Pte. Ltd., Singapore (MTPL) is a wholly owned subsidiary company of MMTC. During April-Sept 2011 it achieved a business turnover of US$ 416 million. MTPL continues to enjoy “Global Trader” status awarded to it by IE Singapore. To expand and give impetus to growing trade between India and Africa, MMTC opened an office at Johannesburg, South Africa in January 2011.

Infrastructure Development

a) Neelachal Ispat Nigam Ltd. (NINL)

Neelachal Ispat Nigam Ltd., a company promoted by MMTC, IPICOL, NMDC, MECON etc., has set up an iron & steel plant of 1.1 million tonnes capacity, coke oven of 0.8 million tonne capacity alongwith a by-product plant, captive power plant of 62.50 MW etc. with total expenditure of nearly ₹ 2000 crore in Kalinganagar, District Jajpur, Orissa. During this period also, NINL maintained its position of
being the largest Pig Iron producer and exporter in the country.

The total turnover and cash profit/(loss) of the company for the half year is ₹1,009 crore and ₹67.69 crore respectively. Construction of Phase II expansion Plan of NINL for steel making facility (Billets, wire rods) is under progress.

b) Other Projects

Aiming at diversification and with a view to adding value to its existing trading operations, the Company has undertaken various strategic initiatives following public-private partnership route. These strategic initiatives to enhance the company’s future sustainability include:

(i) Commodity Exchange under the name and style of “Indian Commodity Exchange (ICEX)” which commenced operations during November 2009.

(ii) Participation in equity of Currency Exchange under the name and style of “United Stock Exchange of India Ltd” which commenced operations during September 2010.

(iii) Setting up a joint venture for a gold / silver medallion manufacturing unit in partnership with an international producer, which would also include a gold refinery as an integral part, under the name and style of “MMTC-Pamp India Private Limited”. The civil construction activities for medallion manufacturing unit located in Haryana are already complete and the trial production for minting of medallions have commenced.

(iv) For promoting retail sales of value added products like medallions, silverware and jewellery on all India basis, MMTC has established Joint Venture “MMTC Gitanjali Private Limited”. The JV commenced operations in April 2009 and 17 showrooms are operational in different cities in India under the Brand name “SHUDHI”.

(v) Setting up permanent berth with loading facilities for Iron ore at Ennore Port jointly with SICAL and L&T Infrastructure Ltd. under the name and style of M/s. SICAL Iron Ore Terminals Limited, Chennai.

(vi) Development of deep drought Iron ore berth at Paradeep Port (Orissa) jointly with Noble Group Ltd and Gammon Infrastructure Projects Ltd under the name and style of M/s. Blue Water Iron Ore Terminal Private Ltd.

(vii) Towards investing in mining infrastructure MMTC has promoted a joint venture Company with M/s TATA Steel Ltd. for exploration and development of mines for minerals, ferrous and non-ferrous ores, precious metals, diamonds and coal etc.

(viii) MMTC has been allotted a coal mine in Jharkhand having estimated reserves of about 700 million MT. The prospecting license for the said mine has been issued by the concerned authorities and pre-feasibility study has commenced.

Corporate Social Responsibility

Since its inception in 1963, MMTC has been sensitive to its social responsibilities and has been discharging its responsibilities whenever there has been any natural calamity (earthquake, tsunami, drought, floods etc.), MMTC adopted CSR as a policy initiative from 2006-07.

Prior to issuance of detailed guidelines by DPE on CSR, the Company retained 1% of retainable profits during a year as funds for undertaking CSR activities. Department of Public Enterprise
(DPE) notified detailed guidelines on CSR on 9th April 2010. In accordance with DPE guidelines and with the approval of the Board of Directors of the Company, 2% of net profits during previous year are earmarked as budget for undertaking CSR activities in a year w.e.f. 2010-11. Accordingly, the CSR budget of the Company for the year 2011-12 worked out to ₹ 3.00 crores.

The CSR activities cover diverse areas such as health care, infrastructure developments, literacy promotion, promotion of sports & games, protection of environment, natural calamities and sustainable development of the society preferably in the neighbouring areas of MMTC’s operations, particularly, in backward areas.

In addition, under Sustainable Development, MMTC has taken up plantation of 5500 saplings in the vicinity of MMTC Regional offices located in Bellary (Karnataka) and Barbil (Orissa). Besides, a village in district of Jajpur, Orissa has been adopted for construction of a check dam in collaboration with the Irrigation Department, Government of Orissa. The Company is also contemplating construction of another check dam during the current year in Jajpur District; Orissa where NINL Steel Plant, jointly promoted by MMTC and State Govt. of Orissa, is located.

II. The State Trading Corporation of India Limited (STC Ltd.)

STC was set up on 18th May 1956 primarily with a view to undertake trade with East European countries and to supplement the efforts of private trade and industry in developing exports from the country. Since then, STC has played an important role in the country’s economy. It has arranged imports of essential items of mass consumption (such as wheat, pulses, sugar, edible oils, etc.) into India and contributed significantly in developing exports of a large number of items from India.

The core strength of STC lies in handling exports/imports of bulk agro commodities. Over the years, STC has also diversified into exports of steel, iron ore, molasses and imports of bullion, hydrocarbons, minerals, metals, fertilizers, petrochemicals, etc. This has helped STC achieve high level of performance in recent years. STC is today able to structure and execute trade deals of any magnitude, as per the specific requirement of its customers.

The overall performance of STC during 2009-10, 2010-11, April-September 2011 vis-a-vis figures for the corresponding period of the previous year and estimates for the full year 2011-12 are given at Table: 11.2.

<table>
<thead>
<tr>
<th>Table 11.2</th>
<th>Performance of STC</th>
</tr>
</thead>
<tbody>
<tr>
<td>(₹ Crore)</td>
<td></td>
</tr>
<tr>
<td>2009-10</td>
<td>2010-11</td>
</tr>
<tr>
<td>Actuals</td>
<td>Actuals</td>
</tr>
<tr>
<td>Exports</td>
<td>1504</td>
</tr>
<tr>
<td>Imports</td>
<td>19049</td>
</tr>
<tr>
<td>Domestic</td>
<td>956</td>
</tr>
<tr>
<td>Total Turnover</td>
<td>21509</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>170.93</td>
</tr>
</tbody>
</table>
Performance during 2010-11

Total Turnover

The Corporation achieved a turnover of ₹ 19,985 crore during 2010-11. The performance is significant as the same has been achieved despite a number of factors beyond the control of the Corporation adversely hampering trade. The Corporation explored a number of new areas of business and effected increases in business of many existing areas of trade.

Exports

During 2010-11, the Corporation initiated exports of a number of new items like molasses, transport & construction vehicles and sesame seeds. It also restarted operations at its Bhopal office to increase business of agro commodities. Major items of exports were steel raw material, iron ore, castor oil, maize and molasses. In view of non-availability of surplus agro commodities for export and other reasons, the overall exports during 2010-11 were lower at ₹ 492 crore.

Imports

The Corporation’s import turnover at ₹ 18938 crore during 2010-11 was almost at the same level as in 2009-10. During 2010-11, import sales of bullion reached an all time high of about ₹ 15000 crore. STC continued to undertake import of pulses on Government directions for sale in the open market and also procured pulses on behalf of State governments for distribution under PDS. A sale turnover of ₹ 345 crore was achieved from these operations. In spite of an extremely volatile market, STC successfully arranged imports of edible oils, both on its own account as well as for the State governments of Maharashtra, Goa, Rajasthan and U.P. for supply under PDS in 1-litre pouches. During 2010-11, the Corporation also arranged supplies of imported thermal coal amounting to over ₹ 650 crore for various power stations of NTPC spread across the country. During 2010-11, STC was once again asked by the Govt. of India to import urea. Accordingly, STC arranged import sale of urea worth over ₹ 2200 crore.

Domestic sales

The Corporation effected total domestic sales worth ₹ 555 crore during 2010-11. This included sale of oils, seeds and extractions amounting to ₹ 268 crore. The Corporation also effected sales of hydrocarbons worth ₹ 149 crore and that of pulses amounting to ₹ 83 crore. Sales of jute goods worth ₹ 47 crore have also been made.

Profitability

During 2010-11, STC earned a Profit Before Tax (PBT) of ₹ 79.63 crores which was 53% lower than PBT achieved during the previous year.

Dividend

The Corporation paid a dividend of 30% of its paid-up equity capital for the year 2010-11.

The CMD, STC, Shri N.K. Mathur presenting a dividend cheque to the Union Minister for Commerce, Industry and Textiles, Shri Anand Sharma, in New Delhi on November 03, 2011.
Recognitions & Awards for STC

- 14th rank in terms of net sales among 206 PSUs as per Public Enterprises Survey: 2009-10 brought out by the Department of Public Enterprises.
- 22nd rank in terms of net sales among top 500 companies by The Financial Express.
- 25th rank in terms of net sales among top 1000 companies by Business Standard.
- Won 1st prize under the category of agencies supplying gold to exporters against replenishment during 2009-10 from the Gems & Jewellery Export Promotion Council in October 2010.
- Won Greentech HR Excellence Award 2010 from Greentech Foundation, New Delhi for outstanding achievement in innovation in employee retention strategies.
- Won Asia’s Best Employer Brand Award 2010 for Talent Management.
- Won award for Gentle Giant Miniratna – I (Largest Non-Manufacturing Company) at the Third DSJ PSU Awards 2011 ceremony held at New Delhi.

Performance: April – September 2011-12

Total Turnover

The turnover of the Corporation for the half year ended September 2011 amounted to ₹ 17912 crore - the highest ever achieved by STC during the first half of any financial year.

Exports

The Corporation experienced a decline in its exports from ₹ 281 crore during April-September, 2010 to ₹ 215 crore during April-September, 2011. Iron ore, castor oil/seed and agriculture commodities were the major items exported by the Corporation during the half year ending September, 2011. Export of iron ore amounted to ₹ 95 crore during April – September, 2011 as against only ₹ 21 crore during April – September, 2010. Exports of Agri. commodities at ₹ 68 crore were also higher when compared to ₹ 30 crore during the previous year.

Imports

The import turnover of the Corporation for the period April – September, 2011 stood at ₹ 17619 crore, which was more than double the import turnover of ₹ 8407 crore during the same period last year. Bullion was once again the forerunner in STC’s imports with sales of the order of ₹ 10500 crore as compared to ₹ 6960 crore in April-September, 2010. This was followed by import of coal for various power plants of NTPC and the same resulted in sales worth ₹ 5640 crore. Urea import contributed a turnover of ₹ 1161 crore as against ₹ 948 crore in the previous year. Pulses and edible oils worth ₹ 85 crore and ₹ 157 crore respectively were also imported during the period April – September, 2011.

Domestic Sales

During April-September, 2011, the Corporation effected domestic business of oil seed/extractions (₹ 20 crore), hydrocarbons (₹ 18 crore) and jute goods (₹ 22 crore). Total domestic sales during April-September, 2011 amounted to ₹ 78 crore, which were lower vis-a-vis those effected during April-September, 2010. Major decline of about ₹ 150 crore was in the area of oil seeds.

Profitability

During the period under review, STC earned a Profit Before Tax of ₹ 14.32 crore. The profit was low due to thin trading margins and significant increase in interest expenditure.
To expand its business and increase trade margins, the Corporation has started undertaking direct buying and selling operations. A beginning in this direction has been made by procuring soya seeds directly from mandis in Madhya Pradesh. Gradually, operations will be expanded to include items like chana, wheat & other oils seeds.

To diversify its business activities further, the Corporation has started online trading of commodities through NCDEX. Steps have also been initiated to enlarge the supply base by entering into tie-ups with various public/private sector companies.

STC shall also leverage import operations to generate additional export opportunities such as export of finished ferro alloys linked to import of manganese ore.

III. Spices Trading Corporation Limited (STCL)

STCL was originally incorporated in October 1982 as “Cardamom Trading Corporation Limited”, a Private Limited Company under The Companies Act, 1956. The Company obtained a fresh certificate of incorporation under the name of SPICES TRADING CORPORATION LIMITED with effect from August 1987 in order to widen its marketing base from Cardamom to other range of spices.

Thereafter, STCL became a subsidiary of The State Trading Corporation of India Ltd., with effect from 14.9.1999 and shares held by the Ministry of Commerce were transferred to the State Trading Corporation of India Ltd.

With diversified trading activities, the company’s name has been further amended from Spices Trading Corporation Limited to “STCL LIMITED” and fresh Certificate of Incorporation under the name of STCL Limited has been obtained with effect from August 13, 2004.

Objectives

1. To make all out efforts for recovery of the amount due from Business Associates.
2. To pursue the ongoing recovery process through legal recourse.
3. To obtain minimum Bank finance, so as to carry out core business in spices, agricultural commodities, fertilizers and pesticides to earn minimum operational costs.
4. To utilize chilli and other spice processing facilities available with the company for value addition and to market both in domestic and international markets.
5. To develop core competitiveness in chilli and other spices and explore the market opportunities in these areas to the best advantage of the Company and to lay emphasis on quality of services to its Clientele in the long-term business relationship.
6. To support, protect, maintain, increase and promote production of Indian spices and other agricultural commodities as well as their Sale/Export.
7. To fulfill Company’s social responsibility by following ethical business practices and reinforcing commitment to customers, employees, partners and communities.
8. To undertake on a continuous basis training/re-training of existing manpower so as to create a cadre of highly professional and motivated managers.
9. To become a credible company of international standards of corporate governance and offer quality services.
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Share Capital

The Share Capital of the company as laid down in its amended Memorandum of Association is Rs 5,00,00,000/- (Rupees Five Crores), divided into 5,00,00,000/- equity shares of Rs 100/- each (Five Lakh equity shares of Rs One hundred each).

The Paid up Share Capital of the Company as on today is Rs 1,50,00,000/- (Rupees one Crore fifty lakhs) comprising of 1,50,000 equity shares.

Branches:

The Head office of the Company is at Bangalore. Branches are located at Madikeri, Saklespur and Byadagi in Karnataka, Kochi and Kumily in Kerala, Chennai, Bodinayakanur and Tuticorin in Tamilnadu, Mumbai in Maharashtra, Chhindwara in Madhya Pradesh, Kolkata and Malda in West Bengal, for promoting its trade and for rendering services to growers.

Human Resource:

The Company had 54 regular employees on its roll as on 30.11.2011. The Company is continuing with its efforts to ensure that the employees are computer literate. The employees who are not Hindi literate are deputed for training classes in Hindi.

Achievements:

During the Financial year 2010-11, the company has achieved a turnover of Rs. 57.99 crores. The Company is estimated to achieve a turnover of Rs 125.69 Crores during 2011-12.

Service to Farmers:

a. The presence of STCL in plantation areas in the State of Karnataka and distribution of fertilizers, agro chemicals and other inputs manufactured by reputed companies by STCL at competitive prices ensured that the farmers interests’ are not exploited by middlemen and traders. The timely supply of fertilizers has helped farmers in carrying out fertilizer applications/operations on time.

b. STCL is regularly conducting cardamom auctions and due to good auctioning practices adopted, growers are assured of realizing reasonable price for their produce. The auction practices followed are also a benchmark for other auctioneers.

c. STCL has established a Chilli Processing Plant at Byadagi in Haveri District of Karnataka and a Steam Sterilization Unit at Chhindwara, Madhya Pradesh. These projects help the growers to get remunerative prices through value addition of their produce. These projects seek to achieve the following objectives:

    i. To encourage farmers to produce organic and conventional spices (Black Pepper and Chillies to meet the export demand).
    ii. To increase the export share of value added products from India to the world spice market.
    iii. To help farmers to have higher realization.

IV. Projects and Equipment Corporation of India (PEC Ltd.)

PEC Ltd. was formed on 21st April, 1971 as a wholly owned subsidiary of STC. PEC Limited became an independent Company under the Department of Commerce w.e.f. 27th March, 1991.

Activities

- PEC is primarily engaged in export of projects, engineering equipment and manufactured goods, defence equipment and stores and import of industrial raw
Objectives

- To be a profit oriented international trading organization.
- To provide adequate return to the stakeholder, commensurate with the market expectations.
- To seek new opportunities in the global and domestic market.
- To focus on export of engineering projects and equipment specially from small and medium enterprises.
- To trade in commodities such as agricultural products, industrial raw materials, chemicals and bullion.
- To continuously strive for improvement in productivity and competitiveness.
- To serve as an effective instrument of public policy and social responsibility.

Performance

Table 11.3
The overall performance of the Corporation since 2009-10

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Turnover</td>
<td>11025.94</td>
<td>9969.94</td>
<td>10600.00</td>
<td>*8650.00</td>
<td>11500.00</td>
</tr>
<tr>
<td>Income</td>
<td>145.55</td>
<td>146.40</td>
<td>161.00</td>
<td>110.78</td>
<td>170.80</td>
</tr>
<tr>
<td>Expenditure</td>
<td>42.59</td>
<td>39.84</td>
<td>46.60</td>
<td>34.78</td>
<td>51.40</td>
</tr>
<tr>
<td>Profit before Tax</td>
<td>102.89</td>
<td>106.56</td>
<td>114.40</td>
<td>76.00</td>
<td>119.40</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>67.72</td>
<td>70.92</td>
<td>76.40</td>
<td>48.00</td>
<td>77.40</td>
</tr>
<tr>
<td>Dividend &amp; Corporate tax</td>
<td>16.38</td>
<td>17.43</td>
<td>18.00</td>
<td>11.80</td>
<td>18.00</td>
</tr>
<tr>
<td>Equity</td>
<td>20.00</td>
<td>20.00</td>
<td>20.00</td>
<td>20.00</td>
<td>20.00</td>
</tr>
<tr>
<td>Reserves</td>
<td>212.03</td>
<td>265.51</td>
<td>325.00</td>
<td>301.71</td>
<td>377.48</td>
</tr>
<tr>
<td>Net Worth</td>
<td>232.03</td>
<td>285.51</td>
<td>345.00</td>
<td>321.71</td>
<td>397.48</td>
</tr>
</tbody>
</table>

* Includes Bullion – ₹ 840 crore.
**Annual Report 2011-12**

**Sales Turnover**

*Table 11.4*

The Sales turnover of the Company since 2009-10

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>11,025.94</td>
</tr>
<tr>
<td>2010-11</td>
<td>9969.94</td>
</tr>
<tr>
<td>2011-12 (Provisional upto 31.12.2011)</td>
<td>8650.00</td>
</tr>
</tbody>
</table>

During the year 2010-11, PEC has achieved sales turnover of ₹ 9969.94 crore which includes exports at ₹1136.25 crore, imports at ₹ 7906.80 crore and domestic sales at ₹ 926.89 crore.

The Earning Per Share was ₹ 355 during the year 2010-11 as compared to ₹ 339 in the previous year.

During the year 2011-12, as against MOU target of ₹ 10600.00 crore, the Company has registered a turnover of ₹ 8650.00 crore upto December, 2011 and as per current expectations, it is estimated to achieve a total turnover of ₹ 9800.00 crore.

**Exports**

*Table 11.5*

The item-wise composition of exports since 2009-10

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agro Commodities</td>
<td>532.09</td>
<td>553.81</td>
<td>508.55</td>
</tr>
<tr>
<td>Minerals (Iron Ore)</td>
<td>630.68</td>
<td>552.87</td>
<td>330.55</td>
</tr>
<tr>
<td>Engineering &amp; Manufactured Goods</td>
<td>71.90</td>
<td>26.42</td>
<td>10.90</td>
</tr>
<tr>
<td>Others</td>
<td>20.24</td>
<td>3.15</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1254.91</td>
<td>1136.25</td>
<td>850.00</td>
</tr>
</tbody>
</table>

Export sales aggregate to ₹ 1136.25 crore during the year 2010-11.

During the year, PEC secured export orders from Nepal, Bhutan, Ethiopia, Liberia and Kenya for supply of earthing equipments, transformers, stay rods, conductors, etc. During the year, PEC has successfully supplied equipment of potato processing plant in Kyrgyzstan.

PEC has over the years become one of the leading trader in agro commodities. PEC has made exports of rice, maize, soyameal etc. of ₹ 553.81 crore during the year 2010-11. During the year, PEC exported Iron Ore valued at ₹ 552.87 crore.

**Imports**

*Table 11.6*

The item-wise composition of imports since 2009-10

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agro Commodities</td>
<td>2678.33</td>
<td>2530.25</td>
<td>1381.81</td>
</tr>
<tr>
<td>Industrial Raw material</td>
<td>3579.20</td>
<td>3987.97</td>
<td>2487.41</td>
</tr>
<tr>
<td>Bullion (including Diamond)</td>
<td>2569.63</td>
<td>1311.26</td>
<td>882.57</td>
</tr>
<tr>
<td>Engineering &amp; Manufactured Goods</td>
<td>33.34</td>
<td>69.16</td>
<td>90.00</td>
</tr>
<tr>
<td>Others</td>
<td>21.07</td>
<td>8.16</td>
<td>15.30</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>8881.57</td>
<td>7906.80</td>
<td>4857.09</td>
</tr>
</tbody>
</table>

PEC achieved import turnover of ₹ 7906.80 crore during the year 2010-11.

PEC achieved highest ever turnover of Industrial Raw Material like coal/coke, steel, manganese ore etc. of ₹ 3987.97 crore during the year.

Bulk import of agro commodities like pulses, edible oils and steel scrap, bullion etc. were also undertaken.
Domestic Trade
During the year 2010-11, domestic sales in agro commodities and industrial raw materials like coal, steel, cotton yarn, home appliances, jute, defence items etc. aggregate to ₹ 926.89 crore.

Dividend
During the year 2010-11, PEC has paid dividend and tax thereon of ₹ 17.43 crore at the rate of 75% on the share capital of ₹ 20 crore.

Memorandum of Understanding
MOU rating for 2010-11 is “Very Good”. MOU for the years 2011-12 and 2012-13 has been signed with the Ministry of Commerce & Industry.

Key Initiatives
PEC continues with its commitment to promote export of engineering and manufactured goods. Over the years, business of PEC has changed with industrial raw materials, commodities and bullion constituting major part of its turnover and profit. Some of the key initiatives have been consolidation of existing line of business and selective diversification into sustainable business areas, improving operational efficiency and cost effectiveness.

PEC continues to strive in its efforts to capture new opportunities in international as well as domestic trade to sustain. PEC looks forward optimistically to achieve higher targets in future. With view to leveraging, PEC’s core competency in trade related services, a feasibility study was conducted on warehousing facility at port area during the year 2010-11. Visakhapatnam and Kota were shortlisted.

PEC is committed to technological improvement. Networking through computers within the organization has been undertaken to implement commercial and accounting automation and achieve efficiency in operations.

Awards
PEC is proud to have received MOU Excellence Award 2008-09 in the Trading & Service sector presented by Hon’ble Prime Minister of India. The Corporation received Engineering Export Promotion Council’s Silver Trophy for Merchant Exporter in recognition of its outstanding contribution to engineering exports during the year 2008-09. PEC received an award for promoting the use of Hindi in official work for the year 2008-09 from Hon’ble Minister of State for Commerce. During the year PEC received India’s Best Public Sector Enterprise 2011 “KAIZEN WARRIOR” Award instituted by Dalal Street Investment Journal for its consistent performance and highest revenue per employee, among the Non Manufacturing Miniratna.

‘Kaizen Warrior’ Award presented by Hon’ble Union Minister, Shri Sushil Kumar Shinde to Shri A.K. Mirchandani, CMD, PEC.
Human Resource

The Company’s key strength is its human capital. It continuously strives towards having sound, proactive and progressive HR strategies and practices in place so that the Company’s objectives and employee aspirations and needs are aligned. The company has a high caliber, multifunctional team of 193 employees. PEC has built a vibrant team of highly qualified professionals and fresh graduates with professional backgrounds. The Company realizes that it is important to further develop capabilities of the employees. For this purpose, both in-house and institutional training is provided. ‘SPECTRUM’ a monthly e-bulletin has been launched to accelerate the momentum of team building. The Corporation has been implementing the policies and guidelines issued by the Government of India from time to time with regard to recruitment of SC/ST/OBC and physically challenged persons. Industrial relations remained peaceful and cordial.

Corporate Social Responsibility

PEC has set aside a budget of ₹ 2.20 crores for its CSR activities for the year 2011-12. Under its CSR activities, PEC has undertaken projects, as per DPE guidelines, for the education of physically and mentally handicapped children, solar lighting in rural areas, sponsoring mid-day meal scheme, provision of hand-paddled tricycles and fitment of foot / limbs and calipers to differently-abled / bilateral polio patients and/or amputees, vocational education program for underprivileged women, among other projects.

Citizen’s Charter

PEC has a Citizen Charter and the same has been uploaded on its website, namely www.peclimited.com.

Public Redressal Mechanism

The Company has a proper mechanism for registration and time bound disposal of grievances received from the public. Grievance officers both for Public and Staff grievances have been designated. Their details and contact information is uploaded on the PEC website. A complaint box has been placed at reception and Vigilance Cell. Further, a link to http://pgportal.gov.in under the heading “Public Grievances” on the home page of PEC’s website has been provided to help citizens lodge/monitor the grievances electronically. Any member of the public who has any grievance against the company or wants any information/ clarification etc. may approach Public Grievance Redressal Officer whose details are available on the corporation’s website, namely, www.peclimited.com. Till date it received two complaints lodged at CPGRAMS, and both have been disposed.

RTI

PEC has been complying with the provisions of the Right to Information Act in letter and spirit. Complying section 4(1) (b) of RTI ACT-2005 all material information of general interest to the public has been hosted in electronic form on its website viz. www.peclimited.com. Central Public Information Officers (CPIOs) and Public Information Officers (PIOs) have been appointed at PEC’s Corporate Office at New Delhi and all its branch offices. Any public person can approach CPIO/PIO for seeking information under the Right to Information Act-2005. The names and contact details of PIOs, performa of RTI application, amount of fee required, mode of payment are available on the official website of PEC www.peclimited.com. A Transparency Officer has also been appointed and his details and contact information has been uploaded on the website under the link ‘Right to Information Act 2005’. PEC regularly files its
quarterly returns on the RTI Portal provided by Central Information Commission.

**Sports Activities**

A Budget of ₹ 3 lakhs has been sanctioned for sports activities for the Financial Year 2010-11 with a view to improve inter-personal relations / team building and developing competitive spirit.

**Use of Hindi in Official Work**

PEC continues to take effective steps for progressive use of Hindi in official work. To accelerate the pace of use of Hindi, a fortnight long programme was organized to mark Hindi Diwas in September 2010 where various competitions were held and prizes awarded to the winners. ‘PEC Patrika’ was published on this occasion. Hindi workshops were also organized. Incentives were given to the employees to promote use of Hindi in official work. Hindi books on literature and trade were made available for library at head office and branches.

V. **India Trade Promotion Organisation (ITPO)**

The Trade Fair Authority of India (TFAI) and the Trade Development Authority (TDA) were merged together in 1992 and the new organization was renamed as India Trade Promotion Organisation (ITPO). ITPO is the premier trade promotion agency of India and provides a broad spectrum of services to trade and industry so as to promote India’s exports. These services include organisation of trade fairs in India and abroad, Buyer-Seller Meets, Contact Promotion Programmes apart from information dissemination on products and markets. With its Headquarters at Pragati Maidan, New Delhi and regional offices at Bangalore, Chennai, Kolkata and Mumbai, ITPO ensures representative participation of trade and industry from different regions of the country in its events in India and abroad.

**Financial Highlights**

During 2011-12, ITPO’s total income would be ₹ 287.12 crore (provisional) as compared to ₹ 305.12 crore in the previous year while the total
expenditure is anticipated at ₹ 196.26 crore (provisional) as against ₹ 234.25 crore incurred during the previous year. ITPO is anticipating a surplus of ₹ 90.86 crore (provisional) during the year 2011-12 as compared to actual surplus of ₹ 70.87 crore in the previous year.

Fairs in India

India Trade Promotion Organization (ITPO) organized specialized events during 2011-12. During the period from 1.4.2011 to 31.12.2011, ITPO organized India International Leather Fair, Pragati Maidan, New Delhi, Aahar-the International Food Fair, Chennai, 17th Delhi Book Fair, Pragati Maidan, New Delhi, 13th Stationery Fair, Pragati Maidan, New Delhi, 14th International Security Expo, Pragati Maidan, New Delhi, 31st edition of India International Trade Fair (IITF-2011). Other regular events of ITPO namely India International Leather Fair at Chennai, International Leather Goods Fair at Kolkata, Nakshatra, New Delhi, Aahar – the International Food & Hospitality Fair, Pragati Maidan, New Delhi etc. are scheduled to be held during the period January to March 2012.

India International Leather Fair – Delhi
- The first edition of India International Leather Fair (IILF), Delhi 2011 was organized at Pragati Maidan, New Delhi from July 28-30, 2011.
- The fair was inaugurated by Dr. Rahul Khullar, Commerce Secretary, Government of India
- CLE, CLRI, ISF, ICOMA and IFLMEA were the co-organizers of the Fair
- A total number of 100 companies participated in the Fair (including 17 from overseas mainly from Italy and China)

Aahar-the international Food Fair 2011, Chennai
- Aahar, the international food fair-2011 was organized in Chennai from August 25-27, 2011.
- MoFPI, APEDA, ARCHI, NSIC, IFCA and HOTREMAI were the co-organizers of the fair
- The fair was inaugurated by Shri T.N. Ramanathan, IAS, Secretary, Co-operation, Food & Consumer Protection Department, Government of Tamilnadu
- A total number of 86 companies participated in an area of 2268 sq. mtrs.

17th Delhi Book Fair, New Delhi
- The 17th Delhi Book Fair 2011 was organized by ITPO from August 27th to September 4th, 2011 at Pragati Maidan, New Delhi.
- The Federation of Indian Publishers (FIP) was the co-organizer of this event.
- 10 seminars were conducted during the period of the fair.
- Four foreign countries namely USA, China, Pakistan and UK also participated in the fair.

Stationery Fair
- Concurrent to Delhi Book Fair ITPO also organized 13th Stationery Fair.
- Over 250 companies participated in this twin fair.

14th International Security Expo
- The fair was inaugurated by Shri Jitender Singh, Hon’ble Minister of State, Ministry of Home Affairs.
- 48 companies displayed their products including Home land security, disaster management & NBC equipment, radio communication system etc.
- Foreign delegates and visitors from 14 companies visited the event.
- The fair was visited by 3920 business visitors who registered their names at the time of entry to the Security Expo.
31st India International Trade Fair 2011

- 31st edition of ITPO’s popular annual event, the India International Trade Fair (IITF) was organized in Pragati Maidan, New Delhi from November 14 to 27, 2011 (First five days were exclusively for business visitors).
- The fair was inaugurated by Shri Pranab Mukherjee, Hon’ble Minister of Finance.
- The Theme of the Fair was -“Indian Handicrafts – The Magic of Gifted Hands”.
- Jharkhand and West Bengal were the Partner States.
- Bihar and Orissa were the Focus States.
- It was the first time that online allotment of space to domestic exhibitors was introduced successfully.
- Space rent payment by NEFT and RTGS was encouraged.
- To facilitate the visit of overseas delegates, exclusive International Business Lounge was operated near Gate No. 7, Pragati Maidan. The facilities provided at International Business Lounge include registration of foreign delegates, foreign exchange counter, Cyber Café.
- For convenience of the visitors a Round Robin Bus Service and Three Hop-on-Hop-off (HOHO) Low floor buses for plying on Round Robin Route were operated.
- Elaborate arrangements were made for safety & security of visitors, which included X-Ray baggage scanners at all entry points, explosive detectors for the anti-sabotage check, enhanced number of CCTV, observation towers, Walkie-talkie sets and inverted mirrors, flap-barriers to regulate entry with bar coded badges, tickets, fire-fighting systems inside all halls as per the requirement of Delhi Fire Service, emergency lights in case of sudden power failure, arrangements of standby generators and barrier-free access to the halls.

The Union Minister for Commerce, Industry and Textiles, Shri Anand Sharma addressing at the 31st India International Trade Fair (IITF), in New Delhi on November 14, 2011.
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- Park & ride facility was available for the visitors.
- Over 6000 exhibitors from India and abroad took part in the event as detailed below:

Domestic Participants in IITF 2011

27 States and Union Territories, 38 Central government Ministries/ Departments, Public Sector companies etc. participated in the fair.

Foreign Participants in IITF 2011

- About 230 Overseas Exhibitors from 26 countries took part in the event.
- 16 countries participated at country level i.e. Afghanistan, Armenia, Azerbaijan, Bangladesh, Belarus, Canada, China, Cuba, Iran, Kazakhstan, Kyrgyz Republic, Pakistan, South Africa, Thailand, Uzbekistan, Venezuela.

New Initiatives in IITF 2011

- The allotment of space to private sector companies was done through computer software. Potential exhibitors had to apply online for allotment of space and were encouraged to send booking amount and participation fee through NEFT/RTGS.
- Locations were divided into A, B and C categories. The objective was to give prime location to good companies.
- The display profile was restricted to the product groups identified for each hall.
- Hall No. 6 and 18 were kept for foreign and government participation.

Fairs Abroad

Overseas fairs during April-December, 2011

- During the year 2011-12, ITPO proposes to organise participation in 27 overseas trade fairs including one Brand India show in Mexico & two Mini India shows in Osaka, Japan.
- Out of 27 events, ITPO has organised participation in 20 events till now (April-December, 2011)

- Out of 20 events held so far, six events were held in Europe, five in Africa & Middle East, four in Asia, four in America and one in CIS region.
- Further, out of 20 events, eight were general fairs, ten were specialised fairs and two were exclusive Mini India shows.

Proposed Overseas fairs during 2012-13

During 2012-13, ITPO proposes to organise 28 overseas trade fairs including four exclusive India shows and two Mini India Shows.

Brand India Shows

India Garment Fair & India Home Furnishing Fair, Japan

- During the year, two exclusive Indian commodity shows were organised in Japan in the month of July, 2011 i.e. the 32nd India Garment Fair and 22nd India Home Furnishing Fair.
- The shows for Home Furnishings and Garments being organised annually for the last several years, are well established and have become major sourcing avenues for these products.
- The simultaneous organisation of the Shows for Furnishing and Garments during 2011 provided ample opportunity for buyers and sellers to conduct business under one roof, not only in terms of Home Furnishings but also in Garments.
- These two events generated business worth US$ 25.20 million and were attended by buyers from 2127 leading Deptt. Stores, Wholesalers, importers, trading houses etc.

Trade Delegations

31 foreign delegations from 40 countries, including USA, Australia, Germany, Nigeria, South Africa, Japan, Russia visited the India Trade Promotion Organisation. Few delegations comprised of delegates from different countries from a region or economic block.
Membership

ITPO provided a package of services to export worthy units which are enrolled as Members. These services include trade enquiries received from Indian Missions abroad, market reports, details of importers and arranging meetings with visiting delegations during Trade Fairs & Exhibitions organized by ITPO. This year, till December 2011 about 600 trade enquiries received from Indian Missions abroad were disseminated among the members through Trade Intelligence Bulletin enabling them to explore business opportunities with the overseas counterparts. In addition, trade information related to overseas tenders and trade fairs & exhibitions organized by ITPO and overseas agencies are also published in the Indian Export Bulletin.

Networking with TPOs

ITPO has been actively participating in Asian Trade Promotion Forum (ATPF), a gathering of Trade Promotion Organisations (TPOs) since very beginning. All the activities of ATPF are coordinated by Japan External Trade Organisation (JETRO). Under the programme, the working-level meeting with representatives of the TPOs of the member countries and the meeting of the CEOs of the member organisations is held annually. The 20th ATPF working level Meet, held at Sendai, Japan from Dec. 8-9, 2011 was attended by a Senior official of ITPO.

Export Potential Seminars

28 seminars were organised during IITF 2011 and other trade fairs, in association with EPCs/Partner State/Focus State/State Governments/Associations. Keeping in view the theme of Handicrafts in IITF, 3 seminars on (i) Indian Handicrafts: Challenges in Marketing; (ii) Design and Product Development in the Indian Handicraft Sector – A Need and (iii) Increasing Competitiveness of Indian Handicrafts: Standards and Quality Compliance were organised by ITPO in association with EPCH.

Computerisation

- ITPO is on its way to implement a Comprehensive Organisational Restructuring and E-Enablement project. The consultant has since given a blue-print of the proposed organisational restructuring and e-enablement which has partly been implemented and is under active finalisation stage
- A new initiative knowledge management system is to be developed by SD&CS during current financial year i.e. 2011-12 to adhere to the requirement of MOU.
- The present IT infrastructure in ITPO includes about 350 desktop computers, 10 servers, 6 work-stations, attached peripherals and supporting application softwares.
- Besides facilitating various Divisions in their IT enabled functions on day-to-day basis, the Computer Department of ITPO has also been facilitating development, hosting and maintenance of corporate website of ITPO, two trade portals and fair specific websites. Information technology is also being used for creating databases of business visitors to ITPO’s domestic fairs and disseminating fair specific details to visitors by way of touch screen kiosks in select ITPO’s domestic fairs.

Trade Information

During 2010-11, over 100 titles of periodicals of which 9 priced ones and rest on gratis basis and about 10 CD-ROMS were added in the Business Information Centre. Out of these titles (about 1500 issues of these titles), 80 were trade related periodicals and others non trade related periodicals
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(i.e. Grah Shobha, Sarita, India Today etc.) During April-December 2011 over 100 titles of periodicals of which 9 priced ones and rest on gratis basis as mentioned above and 34 CDs were received in BIC Library. Besides 40 issues of Indian Export Bulletin were brought out and hosted on the website up to December 2011. ITPO has 650 live Members as on 31st December, 2011.

Business Information Centre

With a view to provide reliable trade information to Indian exporters and overseas buyers, the ITPO has set up the Business Information Centre and Trade Portal www.tradeportalofindia.org at Pragati Maidan. The trade portal was set up by the Government of India under the EU – India Trade Investment and Development Programme for promoting trade between India and EU. This provides information on the EU countries and covers other countries and regions as well. It also offers linkages to relevant government websites that provide information access, both off-line and online, on countries, trade statistics, market surveys, sector – based information and statistics, country regulations, trade events, business directory etc. At present this portal contains information on more than 100 countries including 27 countries of EU.

The Centre provides online access of KOMPASS – (a database of 1.8 million companies for 82 countries, searchable by country and product, classified by manufacturer/importer/distributor/agent) to its members.

Setting up of Regional Trade Centres

ITPO is providing assistance to State Governments in setting up Regional Trade Promotion Centres (RTPCs) for creating Export Infrastructure in State Capital/major cities. The present status is as given below:

1. Tamilnadu Trade Promotion Organisation

- TNTPO has three AC Halls having area of 4400 sq.mtrs. 1760 sq.mtrs. and 4400 sq.mtrs. respectively. A modern Convention Centre having built up area of 6672 sq.mtrs. on ground floor and 1817 sq.mtrs. on first floor with seating capacity of 2000 is also operational since November,2004 in the Chennai Trade Centre (CTC). CTC is also having 4000 sq.mtrs. open area for display.
- During 2011-12 (1st April, 2011 to 31st December, 2011), 161 events were organized at Exhibition and Convention Halls of TNTPO. 49 events are anticipated to be organized at CTC during January – March, 2012.
- The important events organized at Chennai Trade Centre include IILF, Hindu Metro Plus, Tyre Expo, Weld India, Medicall, Acetech, ISNT, Gems & Jewellery, Neocon, Automotive testing and Engineering Expo, Printing Expo, International Sea Food Show.

2. Karnataka Trade Promotion Organisation

- The Trade Centre at Bangalore was set up in 2004 and is managed by a Joint Venture Company called Karnataka Trade Promotion Organisation (KTPO). KTPO is a Joint Venture of ITPO and Karnataka Industrial Area Development Board (KIADB).
- KTPO is having one Exhibition Hall measuring 5371 sq. mtrs. and one Conference Hall measuring 1500 sq. mtrs.
- During 2011-12 (April – December 2011), KTPO hosted 24 events and it is expected to organize 6 more events during January – March, 2012.
The important events organized at KTPO during April – December, 2011 includes IPCA Expo 2011, SS-12 Range Presentation, All Thai Products, SAP TechED-2011, The Great Indian October Fest 2011, Bengaluru Midnight Marathon and Grace Hopper Celebration for Women in Computing etc.

**Commercial Publicity & Public Relations**

- During the current year, ITPO made extensive publicity arrangement for its B2B and B2C events through multimedia campaign viz. Print, electronic and outdoor media in India and overseas. This publicity campaign was supplemented with brochures, invitation mailers, posters etc. Fair catalogues were printed for both domestic and overseas events.
- ITPO worked in close coordination with the print and electronic media to ensure meaningful coverage through newspapers, magazines, radio and TV channels disseminating information for attracting quality visitorship.
- ITPO’s activities and its exhibition infrastructure were highlighted in the Calendar of Events booklet which also listed ITPO’s programmes of events in India and abroad over a period of two years. The booklet was mailed to its target audience comprising trade and industry associations in India and abroad, overseas missions in India as well as Indian missions abroad and nodal industry organisations in different States.
- ITPO also brought out a quarterly newsletter ‘Log On’ for updates on ITPO’s activities and events to trade and industry in India and overseas, Central Ministries and Departments, State Governments, PSUs, EPCs etc. As part of corporate publicity efforts, advertorials were brought out in publications/ newspaper supplements in respect of major fairs while corporate advertisements on major fairs were released in prominent publications.
- Tender Notices pertaining to various matters were also released in various publications from time to time apart from uploading on ITPO’s website.

**Infrastructure**

During the year 2011-12 (April-December, 2011), works of creation/upgradation of facilities in Pragati Maidan undertaken by ITPO are as follows:-

- Air-conditioning of Hall – Air-conditioning in Hall 15 has been provided.
- Upgradation of Fire-fighting system – Fire fighting system has been provided in Hall 1, 6, 15 & 19 for public security.
- Renovation of toilets – the toilets of Hall No.7, 14 & 18 have been renovated.
- Comprehensive signages have been provided in Pragati Maidan.
- Business Lounge: At Gate 1, Business Lounge-cum-Seminar facilities have been created.
- International Business Lounge-cum-Trade negotiation meeting rooms: These are planned to be completed by December, 2011 near Gate No.2.

**Corporate Social Responsibility**

ITPO has undertaken a project at the cost of ₹ 31.88 lakhs (Civil and electrical works) for construction of 3 toilet block (one for boys hostel, one for girls hostel and one for dormitory) in a social welfare institution i.e. Asha Kiran Home, Avantika, Sector-1, Rohini, Delhi at a cost of ₹ 31.88 lakhs. Tenders have been called by PWD and work will be taken up soon.