



MEMORANDUM OF UNDERSTANDING

2011 - 2012

BETWEEN

TRIVENI STRUCTURALS LIMITED

AND

DEPARTMENT OF HEAVY INDUSTRY

PART - I

VISION / MISSION & OBJECTIVES OF TSL

VISION / MISSION

"To provide quality engineering products and services to Core Sector of the Economy."

OBJECTIVES :

- To achieve an Increase in Turnover by 10% over actual turnover of the year 2010-11.
- Reduction in Inventory by 20% over 2010-11 level.
- Reduction of Old Sundry Debtors (Other than legal cases) by 0.50 Crores over 2010-11 level.

MOU 2011-12
Approved By DPE/TF


Signed 

PART – II

COMMITMENTS / ASSISTANCE FROM GOVERNMENT :

GOI undertake to provide the following help to TSL

- To expedite Revival Package, as recommended by BRPSE.
- Assists in securing orders from CPSE's/other Govt. agencies.
- Assist in the various matter pending with State Government & Central Government Departments/Undertakings.


(A.K. Jain)
Chairman cum Managing Director
Triveni Structurals Limited


(B.S.Meena)
Secretary
Department of Heavy Industry
Government of India.

PART-III

MOU PERFORMANCE TARGET FOR 2011-2012

Evaluation Criteria				MOU Target				
				Excellent (1)	V. Good (2)	Good (3)	Fair (4)	Poor (5)
1.	Static/Financial Parameters (40%) :	Unit	Weight (in %)					
1.1	Gross Sales	Rs. Crore	10	3.64	3.47	3.30	3.13	2.97
1.2	Gross Margin	Rs. Crore	10	-3.76	-3.95	-4.15	-4.35	-4.56
1.3	Gross Profit	Rs. Crore	05	-4.06	-4.25	-4.45	-4.65	-4.86
1.4	Net Profit	Rs. Crore	05	-57.56	-57.75	-57.95	-58.15	-58.36
1.5	Cash Generation from operation	Rs. Crore	05	-50.99	-53.67	-56.49	-59.31	-62.28
1.6	Working Capital /Turnover (7-)	Ratio	05	- 1100 : 1	- 1154 : 1	- 1213 : 1	-1279 : 1	-1348.1
Sub total – 1 (1.1+1.2+1.3+1.4+1.5+1.6)			40					
2.	Dynamic Parameters (25%) :							
2.1	Physical Targets	MT	05	220	210	200	190	180
2.2	Order Booking.	Rs.in crore	05	3.85	3.68	3.50	3.33	3.15
2.3	Quality :Reduction/Rework/Rejection	%	05	3	4	5	6	7
2.4	Customer Satisfaction Survey (on 10 point scale)	Index	05	10	9	8	7 *	6
2.5	Cost saving							
	a) Reduction in energy consumption over 2010-11 level	%	2.5	5	4	3	2	1
	b) Reduction in water consumption over 2010-11 level	%	2.5	7	6	5	4	3
Sub total(2.1+2.2+2.3+2.4+2.5)			25					
3.	Sector/ Enterprise Specific Parameters (35%) :							
3.1	Generation of funds from non- performing assets :							
	a) Sale of scrap	Rs.in crore	05	0.55	0.53	0.50	0.45	0.40
	b) Recovery from overdue Sundry debtor	Rs.in crore	05	0.70	0.60	0.50	0.40	0.30
	c) Recovery of Iraq dues(Rs 2.91Cr)	Date	05	30 th Sept'11	31 st Oct'11	30 th Nov'11	31 st Dec'11	31 st Jan'12
3.2	Human Resource Development (Manpower training)	Mandays	05	55	53	50	45	40
3.3	Sundry debtors (No's of days to Sales)	No. of days / Sales	05	90	100	110	120	130
3.4	Reduction in Inventory over 2010-11 level	%	05	20	15	10	5	0
3.5	Corporate Governance		05	Compliance of all DPE guidelines.	Compliance of those DPE guidelines, Implementation of which is under control of CPSE Management.	Otherwise " poor "		
Sub total – (3.1+3.2+3.3+3.4+3.5)			35					
Total (1+2+3)			100					

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Signed

