

दूरसंचार विभाग

(भारत सरकार)

तथा



टेलीकम्युनिकेशन्स कंसलटेंट्स इंडिया लिमिटेड
(भारत सरकार का उद्यम)
के बीच



समझौता ज्ञापन 2016-17

**MEMORANDUM OF UNDERSTANDING 2016-17
(MOU)**

BETWEEN

**DEPARTMENT OF TELECOMMUNICATIONS
(GOVERNMENT OF INDIA)**

AND

**TELECOMMUNICATIONS CONSULTANTS INDIA LIMITED
(A GOVERNMENT OF INDIA UNDERTAKING)**

**MEMORANDUM OF UNDERSTANDING BETWEEN TELECOMMUNICATIONS CONSULTANTS INDIA LIMITED
AND MINISTRY OF COMMUNICATIONS, DEPARTMENT OF TELECOMMUNICATIONS**

For Financial Year 2016-17

EVALUATION CRITERIA & TARGETS

Form-I (Part-A)

Sl. No.	Evaluation Criteria	Unit	Wt.	MoU Targets				
				Excellent	V. Good	Good	Fair	Poor
i.	Capacity Utilisation :							
	New Orders Secured during the year	Rs. Crs	10	1400	1150	1100	1050	1000
	A. Efficiency Parameter							
	Completion of milestones stated for FY 2016-17 in clients' assignments without time overrun :							
ii.	A) For Consultancy Projects	%	5	100	90	80	70	60
	B) For Other Projects (where order value exceeds Rs. 50 Crs) - (List as per Annexure - A)	%	5	100	90	80	70	60
	B. Technology up-gradation :							
	Making ERP Ind - AS compliant	Date	5	01-12-16	31-12-16	15-01-17	31-01-17	15-02-17
iii.	Leveraging Net Worth :							
	Laying of OFC cables	KMs	15	3500	3200	3000	2800	2600
	Monitoring Parameter :							
iv.	Submitting Board Approved Proposal for exit process or revival of Tamilnadu Telecommunication Ltd. to the Ministry	Date	5	30-09-16	15-10-16	31-10-16	15-11-16	30-11-16
	Turnover for Operations :							
v.	Revenue from Operations (Net of Excise duty)	Rs. Crs	5	1450	1400	1350	1300	1250
	Operating Profit/ Surplus :							
vi.	Profit before Tax (Excluding Other Income, Extraordinary and Exceptional items) as % of Revenue from operations	%	10	1.05	1.00	0.95	0.90	0.88
	Early signs of weakness :							
vii.	Reduction in Claims against the Company not acknowledged as debts, over the previous year raised by CPSE and Others	%	5	5	4	3	2	1
viii.	Marketing efficiency ratios							
A	Turnover from Overseas projects	Rs. Cr	5	425	407	350	325	300
viii.	Marketing efficiency ratios							
B	Trade Receivables as percentage of Revenue from Operations (Gross)	%	5	52.50	56.50	59.50	61.50	64.50
	Return on Investment :							
ix.	Dividend/PAT	%	5	30	29	28	27	26
	PAT/ Net Worth	%	10	7	6.36	6	5.75	5.5
	Dividend/Net Worth	%	5	2.1	1.84	1.68	1.55	1.43
x.	Sector/CPSE Specific Targets							
	Return from Joint Ventures	%	5	20.00	19.50	19.00	18.50	18.00
Total			100					

- Wherever the figures are not verifiable from the annual report, the verification at the time of MoU Evaluation would be done on the basis of certification by way of resolution regarding achievement of the above parameter by Board of Directors.
- Targets finalized by IMC are based on provisional figures submitted by the company for FY 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.
- 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.

For Telecommunications Consultants India Limited

For Department of Telecommunications

Arun Gupta
(AJAI KUMAR GUPTA)
Chairman & Managing Director

(J S DEEPAK)
Secretary(DoT) & Chairman, Telecom Commission
Ministry of Communications
DATED:

DATED:

07 NOV 2016

07 NOV 2016

MoU 2016-17
Approved by IMC

Signed *17/11/16*

List of other projects (where order value exceeds Rs 50 crs.) with milestone stated for FY 2016-17

S. No	Project Name	Contract Value (Rs in crs)	Milestone stated for 2016-17	Scheduled date of completion of each project as per the agreement with client
1	Network for Spectrum (NFS) Project for Defense Network for Package 3 : Procurement, Supply, Trenching, Laying, Installation, Testing and Maintenance of OFC, PLB Duct and Accessories for Exclusive Optical NLD backbone and Optical Access routes	1448.60	100% cumulative turnover	<ul style="list-style-type: none"> • Original date of completion was 08.03.16 • Extension received upto 30.06.16 • Further extension under process upto Dec 2016.
2	Construction of OFC Network on turnkey basis for Indian Navy by Bharat Sanchar Nigam Limited covering Procurement, Supply, Trenching, Laying, Installation, Testing and Maintenance of Optical fiber cable, PLB Duct, Optical Inventory Tool, Fiber Monitoring System, Fiber intrusion prevention system and accessories. 2,900 KMs	555.82	Completion of 65% of project value upto 31.03.2017	<ul style="list-style-type: none"> • Date of completion as per agreement was 21.07.16 • Extension under process till 21.07.17
3	Establishment of Fiber Optic based Communication Network (OPGW) of Power Development Deptt. of J&K on 220 KV and 132 KV transmission lines under Prime Minister Reconstruction Program in J&K state. OPGW Cable length:1600 Km	52.00	100% completion by 31.03.2017	<ul style="list-style-type: none"> • Extension received upto 30.06.16 • Further extension under process till 31.03.17
4	PMC Work for Construction of World HQ Building of Rural Electrification Corporation Limited at Gurgaon and obtaining the GRIHA Rating for Green Buildings	354.70	55% cumulative turnover by 31.03.2017	Date of completion by 13.05.2018
5	Renovation and expansion of ESIC Hospital at Okhla, New Delhi valuing Rs. 100 crore(estm)	100 (estimated value)	100% cumulative turnover till 31.03.2017	Extension given till 31.03.2017
6	TOLL Lakhnadone Ghansore BOT Road Project in Seon, M.P	79.49 (revised order is expected to be Rs 89 crs.)	100% cumulative turnover by Nov 2016	<ul style="list-style-type: none"> • Extension upto Dec 2015 • Extension applied upto Nov 2016

7	Rural ICT Solution For Department of Post Supply and installation of Hardware, Peripheral devices, operating system and solar system in - 1,30,000 extended Divisional offices (Post offices) under 440 Divisional Offices and maintenance service for 5 years	1361.73	The company is waiting for client's Software Application to be loaded on Hand Held devices from Deptt. of Post (DOP) to commence supplies as TO of contract for Phase-I (supply of 45,000 Hand Held devices)	18.07.2021
8	Implementation of Computer Aided Education under ICT School Project in Delhi in 1110 schools on BOOT Basis for 5 years period	215.34	Annual Turnover target for FY 2016-17 of Rs 33 crs.	15.09.2020
9	Implementation of Computer Aided Education under ICT School Project in Odisha in 591 schools on BOOT Basis for 5 years period	107.14	Annual Turnover target for FY 2016-17 of Rs 11.89 crs.	31.03.2019
10	National Internet Backbone -II Project -3 (NIB-II P-3) for BSNL India : AMC of the Operation Support System and Business Support System for Broadband Services for 3.5 Years (Consolidated amount for four projects Yr-1, Yr-2, 50% add-on & 5-10M expansion)	94.89	Annual Turnover target for FY 2016-17 of Rs 22.5 crs.	13.03.2018
11	Pan Africa e-Network Project for providing Tele-Education and Tele-Medicine Services from Specialty Centers in India to 48 Countries in Africa. Project extended for 5 years up to 14 July 2021 for augmentation / upgradation of network for a value of Rs 951 Cr	542.00	100% completion in July 2016	13.07.2016
12		951.00	As of now extension awarded for Rs 42.50 crs upto March 2017	Agreement yet to be signed

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. TCIL has no right of claim in this regard.

Pragya

(CHAIRMAN & MANAGING DIRECTOR)

FORM - 1 PART B
TREND ANALYSIS

Sl. No.	Evaluation Criteria	Unit	Financial Year				
			2011-12	2012-13	2013-14	2014-15	2015-16
i.	Capacity Utilisation (Based on Part A)						
	New Order Secured during the year	Rs Crore	1309	447	1241	4383.5	2023
ii. (A)	Efficiency Parameters (Physical operations)- Based on Part A						
a	For Consultancy Projects	%	New Parameter introduced in 2016-17				
b	For Other Projects (where order value exceeds Rs. 50 Crs)	%	New Parameter introduced in 2016-17				
ii. (B)	Technology Up gradation						
	Making ERP Ind - AS compliant	Date	New Parameter introduced in 2016-17				
iii.	Leveraging Net Worth:						
	Laying of OFC cable	KM	New Parameter introduced in 2016-17				
iv.	Monitoring Parameter:						
	Submitting Board Approved Proposal for exit process or revival of Tamilnadu Telecommunication Ltd. to the Ministry	Date	New Parameter introduced in 2016-17				
v.	CAPEX	Rs Crore	23.23	63.74	10.7	4.68	4.9
vi.	Paid-Up Share Capital	Rs Crore	43.2	43.2	43.2	43.2	59.2
vii.	Accumulated Reserves	Rs Crore	383.38	397.95	411.5	427.02	459.14
viii.	Net worth	Rs Crore	426.58	441.15	454.7	470.22	518.34
ix.	Borrowings (shown in Non-current Liability)	Rs Crore	37.5	42.1	28.81	116.12	95
x	Borrowings /Net worth	%	8.79%	9.54%	6.34%	24.69%	18.33%
xi	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)	-	N/A	N/A	N/A	N/A	N/A
xii	Revenue from Operations (Gross)	Rs Crore	653.54	682.05	800.08	802.08	1327.72
xiii.	Revenue from Operations (Net of excise duty)	Rs Crore	653.54	682.05	800.08	802.08	1327.72
xiv.	Profit before Tax	Rs Crore	19.16	19.87	20.03	23.78	42.37
xv	Other Income						
	- Interest	Rs Crore	5.44	2.31	1.27	1.28	1.11
	- Dividend	Rs Crore	11.27	15.05	3.82	15.07	27.07
	- Others	Rs Crore	10.54	8.8	11.34	13.05	2.3
	Total	Rs Crore	27.25	26.16	16.43	29.4	30.48
xvi	Extraordinary Items	Rs Crore	-	-	-	-	-
xvii	Exceptional Items	Rs Crore	-	-	-	-	-
xviii.	Profit before Tax (excluding Other Incomes, Extraordinary and Exceptional Items)	Rs Crore	-8.09	-6.29	3.6	-5.62	11.89
xix.	Profit After Tax	Rs Crore	8.03	15.76	14.75	21.37	36.52
xx	Revenue from Operations (Net) / Total Expenses [excluding extra ordinary/ exceptional items, if shown separately and Tax (Income Tax) Expense]	%	98.78%	99.09%	100.45%	99.30%	100.90%
xxi	Closing Inventory of finished goods	Rs Crore	0	7.34	16.04	0.02	11.18
xxii	Closing Inventory of work in progress	Rs Crore	0	0	0	0	0
xxiii.	Sale of Products (Net of Excise duty)	Rs Crore	117.34	103.03	91.14	150.19	262.77

xxiv.	Number of days of Inventory of finished goods and Work in progress to Sale of Products (wherever applicable)	No. of Days	N/A	N/A	N/A	N/A	N/A
xv	Trade Receivables excl. Deferred debtors Unbilled Debtors and Retention Money	Rs Crore	530.95	589.39	568.09	752.47	819.08
xvi	Trade Receivables excl. Deferred debtors, Unbilled Debtors and Retention Money as percentage of Revenue from Operations (Gross)	%	81.24%	86.41%	71.00%	93.81%	61.70%
xxvii	Cash and Bank Balance	Rs Crore	59.71	41.9	35.24	27.77	73.43
xxviii.	PAT/Net Worth	%	1.88%	3.57%	3.24%	4.54%	7.05%
xxix.	Dividend/PAT	%	20.05%	6.47%	6.98%	12.07%	10.00%
xxx	Dividend/ Net Worth	%	0.38%	0.23%	0.23%	0.55%	0.70%
xxxi	Claims against the Company not acknowledge as debt	Rs Crore					
	By Central Government		13.72	14.68	15.12	16.7	19.55
	By State Government		0.25	0.25	0.25	0.25	0.25
	By CPSEs		0	0	0	0	0
	Others		186.88	236.56	245.67	273.99	320.6
	Total		200.85	251.49	261.04	290.94	340.4
xxxii	CPSE specific/ sector specific (List all from Part A)						
	Turnover from Overseas project	Rs Crore	237.64	335.95	345.27	330.66	407
xxxiii.	Resources Raised		N/A	N/A	N/A	N/A	N/A
xxxiv.	Surplus Redeployed		N/A	N/A	N/A	N/A	N/A
xxxv	Major Expenses						
	1. Sub Contractor Expenses	Rs Crore	284.46	316.4	371.66	340.56	641.18
	2. Employee Benefit Expenses	Rs Crore	108.63	122.82	132.66	143.51	176.63
	3. Administrative & Other Expenses	Rs Crore	67	84.4	91.41	82.1	107.86
xxxvi	Return from Joint Ventures	%	7.85	10.48	2.65	10.52	18.9
	Dividend proposed	Rs Crore	1.61	1.02	1.03	2.58	3.651
	Total Expenses	Rs Crore	661.63	688.34	796.48	807.7	1315.84