



**MEMORANDUM
OF
UNDERSTANDING
BETWEEN
INDIAN RAILWAY FINANCE CORPORATION LIMITED
AND
MINISTRY OF RAILWAYS
FOR
FY 2018-19**

Mandatory parameters
PART A

(Applicable to all CPSEs except CPSEs Distributing Government grant)

Sl. No.	Financial Performance Criteria	Unit	Marks	2017-18 (Estimated)	Best in 5 years	MoU Target for the year 2018-19					% Improvement*
						Excellent	V.G.	Good	Fair	Poor	
						100%	80%	60%	40%	20%	
1	Turnover	Rs. crore	10								
	Revenue from Operations			10760.72	9046.77	13000	12500	12400	12300	12200	16.16%
2	Operating Profit/Loss	%	20								
	CPSEs with operating profit (Profit/ Surplus before Tax excluding other Income, Extraordinary and Exceptional Items):- Operating profit/ surplus as a percentage of Revenue from operations (net).			21.79	27.56	21.80	21.00	20.50	20.25	20.00	-3.63%
3	Return on investment:										
	Profit Earning CPSEs with no accumulated losses:										
	PAT or Surplus / Average Net Worth	%	20								
	Net worth is calculated on simple average, however, in respect of buy-back of equity, infusion of equity or receipt of any special grant, for calculation of average net worth, same shall be considered on weighted average for number of months.			12.91	10.04	13.00	12.50	12.25	12.00	11.75	-3.18%
<i>It was agreed that if the opening balance of deferred tax liability is reversed, the same would be ignored at the time of evaluation while calculating this ratio.</i>											
	Total (A)		50								


(S.K.PATTANAYAK)
MANAGING DIRECTOR
INDIAN RAILWAY FINANCE CORPORATION LTD.


(RANJANESH SAHAI)
SECRETARY
RAILWAY BOARD
GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS

PLACE : New Delhi

Date : 16/05/18

Other Parameters

Annex-II (Part-C)

Applicable to all CPSEs Operating in Finance Sector

Sl. No.	Performance Criteria	Unit	Marks	2017-18 (Estimated)	Best in 5 years	MoU Target for the year 2018-19					% Improvement est*
						Excellent	V.G.	Good	Fair	Poor	
						(100%)	80%	60%	40%	20%	
1	Loans disbursed/ Total Funds Available	%	20	96.5	99.97	97	96	95	94	93	-0.5%
2	Overdue loans/ Total loans (Net)		10	0.50	0	0.30	0.50	0.55	0.60	0.65	-
3	Cost of raising funds through bonds as compared to similarly rated CPSEs/ entities ("AAA" Rated Reuters Benchmark Yields of equivalent tenor prevailing at the relevant point of time (+/- in %)	%	10	(-)0.04	(-)0.45	(-)0.05	(-)0.02	0.00	0.02	0.03	50%
4	Assessment of level in line with People Capability Maturity Model (PCMM) or its equivalent in the CPSE & placing the matter before the Board for taking a decision whether to go for up-gradation in level and, if yes, getting the approval for the timelines from the Board and if no, justifiable reason to be recorded in the Board Resolution	Date	4	-	-	15.12.18	15.01.19	31.1.19	15.02.19	28.02.19	-
5	Online Human Resource Management System (HRMS) Implementation (consisting of Online employee data administration, employee self-service, exit procedure, talent management, etc.) and its integration with finance.	Date	6	-	-	15.12.18	15.1.19	31.1.19	15.02.19	28.02.19	-
Total			50								

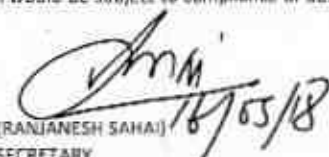
Note:

1. It was agreed that the targets finalised by the IMC are based on provisional/ estimated figures submitted by the CPSE for the year 2017-18. In case of better performance of the CPSE as per actual results, the difference may be added to the targets for the year 2018-19 by the IMC. In case figures for the year 2017-18 are recasted/ restated in audited accounts, comparison of actual results shall be made based on recasted/ restated figures.

2. In working out achievements for the year 2018-19, quantified qualifications of CAG/Statutory Auditors would be adjusted in case of overstatement of Revenue/ Profit/ Surplus or understatement of Loss/Deficit in addition to the negative marks prescribed in MoU guidelines.

3. It was agreed that targets decided in MoU are unconditional and no offset will be allowed. Further, evaluation would be subject to compliance of additional eligibility criteria as contained in MoU guidelines.

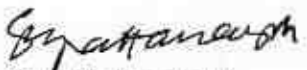

 (S.K. PATTANAYAK)
 MANAGING DIRECTOR
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PLACE: New Delhi
 Date: 16/05/18

Sub: Self Declaration-Certification by CPSE

It is hereby certified that the targets & actual achievement in respect of MoU Parameters have been worked out as per MoU Guidelines by adopting the norms & definitions laid down in Guidelines for MoU for the year 2017-18 & onwards. In case, any deviation is found at any point of time, of appraisal of performance, DPE is free to evaluate the performance as per MoU Guidelines. CPSE has no right of claim in this regard.


(S.K.Pattanayak)
Managing Director