



**MEMORANDUM  
OF  
UNDERSTANDING  
BETWEEN  
INDIAN RAILWAY FINANCE CORPORATION LTD.  
AND  
MINISTRY OF RAILWAYS  
FOR  
FY 2020-21**

## Brief about the CPSE

1.	Name of the CPSE	INDIAN RAILWAY FINANCE CORPORATION LIMITED		
2.	Status (Please tick): As per DPE guidelines	None		
3.	Reasons of Sickness, if applicable	Not Applicable		
4.	Whether registered with BIFR, If yes, details	Not Applicable		
5.	Schedule of the CPSE (Please tick)	A		
6.	Purpose for which CPSE has been setup and the main business now	Dedicated market borrowing arm of the Ministry of Railways, created to meet the Extra Budgetary Resources (EBR) requirements of Indian Railways for augmenting their plan funding needs		
7.	Number and Name of subsidiary companies along with amount invested and share in its profit during last five years	No subsidiary		
	Year	Name of subsidiary	Amount invested (Rs.)	Share in its profit (Rs.)
	2014-15	No subsidiary		
	2015-16			
	2016-17			
	2017-18			
	2018-19			
	2019-20			
8.	Number and Name of Joint Venture companies along with amount invested and share in its profit during last five years	No Joint Venture		
	Year	Name of Joint Venture	Amount invested (Rs.)	Share in its profit (Rs.)
	2014-15	No JVs		
	2015-16			
	2016-17			
	2017-18			
	2018-19			
	2019-20			
9.	Details of revival plan approved earlier	Not Applicable		

## Mandatory parameters

## PART A

(Applicable to all CPSEs except CPSEs Distributing Government grant)

Sl. No.	Financial Performance Criteria	Unit	Marks	2019-20 (Estimated)	Best in 5 years	MoU Target for the year 2020-21					% Improvement
						Excellent	V.G.	Good	Fair	Poor	
						100%	80%	60%	40%	20%	
1	<b>Turnover</b> Revenue from Operations (Net of taxes)	Rs. crore	10	13823	11133	15700	15500	15300	15100	15000	12.13%
2	<b>Operating Profit/Loss</b> 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)	%	20	26.68	27.96	28.00	27.00	25.75	25.50	25.25	1.20%
3	<b>Return on investment:</b> Profit Earning CPSEs with no accumulated losses: PAT or Surplus/Average Net worth  <i>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, shall be considered on weighted average for number of months</i>	%	20	14.90	15.75	15.75	14.90	14.50	14.25	14.00	0.00%
Total (A)			50								

  
 (AMITABH BANERJEE)  
 CHAIRMAN & MANAGING DIRECTOR  
 INDIAN RAILWAY FINANCE CORPORATION LTD.

  
 (SUSHANT KUMAR MISHRA)  
 SECRETARY  
 RAILWAY BOARD  
 GOVERNMENT OF INDIA  
 MINISTRY OF RAILWAYS

Place : New Delhi

Date : 30.03.2021

**Other parameters**  
Annex II (Part C)

Applicable to all CPSEs operating in Finance Sector

Sl. No.	Performance Criteria	Units	Marks	2019-20 (Estimated)	Best in 5 years	MoU Target for the year 2020-21					% Improvement
						Excellent	V.G.	Good	Fair	Poor	
						100%	80%	60%	40%	20%	
1	Cost of raising funds through bonds as compared to similarly rated CPSE/entities (Margin over Reuters (In bps)	bps	20	-0.05 (Excluding LIC Borrowing)	-0.45	-0.45	-0.12	-0.04	-0.03	-0.02	140.00%
2	Percentage of procurement of goods and services through GeM portal to total domestic procurement of goods and services during the previous year i.e. FY 2019-20 (%)	%	5	-	-	25	20	15	10	5	-
3	Funding for Acquisition of Electrified Assets (Made in India) for Indian Railways during the year 2020-21 (Rs. In Crore)	Rs. crore	10	-	-	10000	7500	7000	6500	6000	-
4	Listing of Shares on stock exchange (Date)	-	5	-	-	01.01.21	08.01.21	15.01.21	22.01.21	28.01.21	-
5	Dividend for the year 2020-21 as decided by DIPAM (%)*	%	10	-	-	100	-	-	-	-	-
Total			50								

**Note:**

- In working out achievements for the year 2020-21, 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.
- Adjustment would be made in the targets in case of improvement in actual performance over the estimated performance in the base year (2019-20) as per MoU guidelines.
- It was agreed that targets decided are unconditional and no offset will be allowed on any ground. Further evaluation would be subject to compliance of Additional Eligibility criteria as contained in MoU guidelines.

  
(AMITABH BANERJEE)  
CHAIRMAN & MANAGING DIRECTOR  
INDIAN RAILWAY FINANCE CORPORATION LTD.

  
(SUSHANT KUMAR MISHRA)  
SECRETARY  
RAILWAY BOARD  
GOVERNMENT OF INDIA  
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Place : New Delhi

Date: 30.03.2021

**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 2020-21. 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.

  
(Amitabh Banerjee)  
Chairman & Managing Director