



**MEMORANDUM
OF
UNDERSTANDING
BETWEEN
INDIAN RAILWAY FINANCE CORPORATION LTD.
AND
MINISTRY OF RAILWAYS
FOR
FY 2019-20**

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.)
	2013-14	No subsidiary		
	2014-15			
	2015-16			
	2016-17			
2017-18				
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.)
	2013-14	No JVs		
	2014-15			
	2015-16			
	2016-17			
2017-18				
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	2018-19 (Estimated)	Best in 5 years	MoU Target for the year 2019-20					% Improvement
						Excellent 100%	V.G. 80%	Good 60%	Fair 40%	Poor 20%	
1	Turnover Revenue from Operations	Rs. crore	10	11664	11019	13100	13000	12800	12700	12600	11.45%
2	Operating Profit/Loss 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	23.28	27.56	24.00	22.54	22.00	21.50	21.00	-3.18%
3	Return on investment: 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, same shall be considered on weighted average for number of months</i>	%	20	12.80	15.70	13.50	12.00	11.50	11.00	10.50	-6.25%
Total (A)			50								


(VIJAY KUMAR)
MANAGING DIRECTOR
INDIAN RAILWAY FINANCE CORPORATION LTD.


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

Place : New Delhi
Date : 20/05/2019

Other Parameters

Annex-II (Part-C)

Applicable to all CPSEs Operating in Finance Sector

Sl. No.	Performance Criteria	Unit	Marks	2018-19 (Estimated)	Best in 5 years	MoU Target for the year 2019-20					% Improvement	Taregt Date
						Excellent	V.G.	Good	Fair	Poor		
						100%	80%	60%	40%	20%		
1	Loans disbursed/ Total Funds Available	%	20	95.53	99.97	99.25	99.00	98.75	98.50	98.25	3.63%	-
2	Overdue loans/ Total loans (Net)	%	10	0.48	0.17	0.17	0.46	0.49	0.50	0.51	4.17%	-
3	Cost of raising funds through bonds as compared to similarly rated CPSEs/entities ("AAA" Rated Reuters indicative yield of equivalent tenor)	%	10	(-)0.05	(-)0.45	(-)0.08	(-)0.05	(-)0.04	(-)0.03	(-) 0.02	-	-
4	Capability development programmes for employees to build their technical & managerial competencies for higher positions with special focus on Web based learning	Nos.	3	-	-	5	4	3	2	1	-	-
	Achivement of HR Parameter of continuous nature as per list given below: 1. Regular updation of Online Human Resource Management System (HRMS). 2. Review & implementation of Employee performance on the lines of FR (56) (J) and submitting a Compliance Report to Board of Directors at the end of the year.	Nos.	2	-	-	2	1	-	-	-	-	-
5	Completion of milestone with respect of CPSE Conclave - 2018 as per Action Taken Report submitted to DPE - As per list give below: 1. Accessing foreign capital & debt markets including Multilateral and Bilateral agencies for raising aggregate funds of \$ 1.5 billion-Raising aggregate funds of \$ 1.5 billion.	Nos:	5	-	-	3	2	1	-	-	-	31-03-2020
	2. Funding of Electric Locomotives and Passenger carriages through borrowings from domestic market-Borrowing of Rs. 2,500 Crore from domestic market.											31-03-2020
	3. Issuance of Green Bonds, funding from multilateral agencies for financing of electrified assets of railways-With target of funding \$ 1.5 billion equivalent aggregate for financing of electrified assets of railways.											31-03-2020
Total			50									

Note:

- In working out achievements for the year 2019-20, 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.
- 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.



(VIJAY KUMAR)
MANAGING DIRECTOR
INDIAN RAILWAY FINANCE CORPORATION LTD.

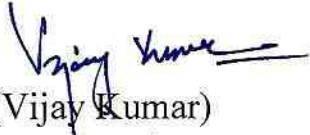


(SUSHANT KUMAR MISHRA)
SECRETARY
RAILWAY BOARD
GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS

Place : New Delhi
Date : 20/05/2019

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 2018-19. 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.


(Vijay Kumar)
Managing Director