MEMORANDUM

OF

UNDERSTANDING

2012 - 13

BETWEEN

MINISTRY OF POWER, GOVERNMENT OF INDIA

AND

POWER FINANCE CORPORATION LIMITED

MoU 2012-13
Approved by DPE/TF
Signed

MEMORANDUM OF UNDERSTANDING (MoU)

BETWEEN

POWER FINANCE CORPORATION LIMITED

&

GOVERNMENT OF INDIA THROUGH MINISTRY OF POWER

FOR THE FINANCIAL YEAR 2012-13

PART I

I.I VISION / MISSION

VISION

To be the leading institution in financing for sustainable development of the Indian Power Sector and its linkages, with an eye on global operations.

MISSION

PFC shall strive to become the most preferred Financial Institution in power and financial sectors, providing best products and services; to promote efficient investments in Power Sector to enable availability of power of the required quality at minimum cost to consumers; to reach out to the global financial system for financing power development; to act as a catalyst for reforming India's Power Sector; and to build human assets and systems for the Power Sector of tomorrow.

I.II OBJECTIVES

1. To provide financial resources and to encourage flow of investments to the power and associated sectors.

2. To work as a catalyst to bring about institutional improvements in streamlining the functions of its borrowers in finance, technology and management areas to ensure optimum utilisation of the available resources.

3. To classify the States into various categories in terms of performance parameters and status of reform process in the States as well as commercial

MoU 2012-13
Approved by DPE/TF

viability of the utilities, and accordingly to offer differential interest rates to encourage the performing States and Utilities.

4. To mobilise various types of resources, viz. domestic and international, at competitive rates
5. To strive for upgradation of skills in the Power Sector for effective and efficient growth of the sector.
6. To maximise the rate of return through efficient operations and to introduce innovative financial instruments and services for the Power Sector.
7. To facilitate and promote identified schemes/programmes launched by the Govt. of India, such as the establishment of the Ultra Mega Power Projects and the restructured Accelerated Power Development Reform Programme.

PART II

EXERCISE OF ENHANCED AUTONOMY AND DELEGATION OF FINANCIAL POWERS

- To develop ultra-mega power projects, PFC has to play a lead role in setting up the shell companies in the name of the projects. PFC shall require to incur a capital expenditure towards the same.
- Similar dispensation is proposed for implementation for transmission & hydro projects to be developed through competitive bidding route.

PART III

PFC's PERFORMANCE TARGETS FOR 2012-13

In order to achieve the objectives mentioned above, PFC's endeavour would be to achieve the targets as indicated in the enclosed statement and the performance of PFC be judged on the basis of the criteria weights and targets stipulated therein.

PART IV

COMMITMENTS OF GOVERNMENT OF INDIA

Ministry of Power would provide required assistance in getting resolved issues requiring inter-ministerial consultations which may be brought to its notice by PFC from time to time related to mobilisation of cheaper financial resources, which may include Tax Free

MoU 2012-13
Approved by DPE/TF

Bonds/ SLR Bonds/ Taxable Bonds/ Infrastructure Bonds/ Bonds U/s 54EC of IT Act), loan from Banks/ Institutions and ECB (External Commercial Borrowings)/ Direct WB/ ADB Loans etc. Furthermore, required assistance would be provided to PFC for taking up of the issue related to extending exemptions to PFC from NBFC Guidelines of RBI.

Ministry of Power would provide necessary funds from budgetary allocation for R-APDRP scheme. Targets are based on agreements between State Utilities and supplier/implementing agencies and hence are beyond control of PFC due to procurement of metering equipments, testing and installation which is within scope of utilities. As such, PFC will bring to the knowledge of Ministry of Power, the practical difficulties and factors which turn out to be beyond the control of PFC. Ministry of Power /PFC agree that targets for R-APDRP be reduced to the extent of funds released by MoP.

Due to poor financial health of State Power Utilities, payments of dues to developers and lenders are adversely affected. MoP shall facilitate turnaround of state power utilities. Till then, NPA as proposed by PFC may be accepted as the target.

PART V

ACTION PLAN FOR IMPLEMENTATION AND MONITORING OF MOU

Review of performance under each target:

(i) By CMD and Directors on a monthly basis
(ii) By BoD and MoP on a quarterly basis

The monitoring of performance vis-à-vis MOU targets would be carried out quarterly during the Performance Review Meetings being held in the Ministry of Power.

Satnam Singh

(Satnam Singh)

CHAIRMAN & MANAGING DIRECTOR
POWER FINANCE CORPORATION LIMITED

Uma Shankar

(P Uma Shankar)

SECRETARY
MINISTRY OF POWER

Date : 26th March 2012

Place : New Delhi

MoU 2012-13
Approved by DPE/TF
Signed

PFC - PERFORMANCE PARAMETERS AND THEIR WEIGHTAGES : YEAR 2012-13

Sl. No.	Parameters	Weights	FY 2012-13					BE (Very Good Category)	
			EXCELLENT	V. GOOD	GOOD	FAIR	POOR		
		%	1	2	3	4	5	2011-12	2012-13
PART A									
1	**Static Financial Parameters**								
a)	**Financial indicators - (Profit related)**								
i)	Sanctions excluding R-APDRP (Rs. crore)	10	45,150	43,000	40,950	38,900	36,950	40,800	43,000
ii)	Disbursements excluding R-APDRP (Rs. crore)	6	40,000	36,300	34,600	32,900	31,200	32,200	36,300
iii)	Sanctioned Project Cost by R-APDRP Steering Committee (Cumulative as on 31.03.2013)(Rs. crore)	1	32,500	29,500	28,100	26,700	25,300	24,800	29,500
iv)	Disbursements under R-APDRP (Cumulative as on 31.03.2013) (Rs. crore)	2	8,500	7,700	7,300	6,900	6,600	5,500	7,700
v)	Tie up of counter part funds from FIs (Cumulative as on 31.03.2013)(Rs. crore)	1	14,271	12,900	12,300	11,700	11,100	NA	12,900
vi)	Disbursement of counter part funds from FIs(Cumulative as on 31.03.2013)(Rs. crore)	1	1,000	900	860	820	780	NA	900
vii)	Resource Mobilisation (Rs. crore)	5	40,500	36,800	35,100	33,400	31,700	27,500	36,800
viii)	Net NPA as % of Loan Assets (%)	4	1.25%	1.38%	1.44%	1.51%	1.59%	1.11%	1.38%
ix)	Return on Networth (%)	5	14.80%	13.50%	12.80%	12.20%	11.60%	13.10%	13.50%
b)	**Financial indicators - (Size related)**								
i)	Gross Margin (Rs. crore)	5	15,130	13,750	13,090	12,440	11,820	10,860	13,750
ii)	Total Income (Rs. crore)	5	15,630	14,200	13,530	12,850	12,210	11,190	14,200
c)	**Financial indicators - (Productivity related)**								
i)	Profit Before Depreciation Interest & Tax (PBDIT) / No. of employees (Rs. crore)	5	33.55	30.49	29.02	27.58	26.21	25.55	30.49
	Sub Total Static Financial Parameters (a+b+c)	***50***							
2	**Dynamic Parameters**								
i)	Overheads/ Total Income (%)	4	1.10%	1.21%	1.27%	1.34%	1.41%	1.26%	1.21%
ii)	Corporate Social Responsibility	5	Details given in Annexure-A					NA	
iii)	Sustainable Development	5	Details given in Annexure-B					NA	
iv)	Human Resource Development	5	Details given in Annexure-C					NA	
v)	Compliance of Corporate Governance as per DPE Guidelines dated 22.06.2011	5							
vi)	Issue of Bonus Shares (Yes/No)	1	Yes				No	NA	
vii)	Reservation for SC, ST andOBC in appointment (Yes/No)	1	Yes				No	NA	
viii)	Posting of Deputationists (Yes/No)	0.5	Yes				No	NA	
ix)	Implementaiton of 2007 Pay Revision (Yes/No)	1	Yes				No	NA	
x)	Switching over from CDA to IDA pattern of pay scales (Yes/No)	1	Yes				No	NA	
xi)	Submission of Report on compliance of DPE Guidelines (Date)	0.5	30.06.2012	31.08.2012	30.09.2012	31.10.2012	After 31.10.2012	NA	31.08.2012
xii)	Compliance of Corporate Governance- Settlement of Audit Paras/ATNs outstanding as on 31.03.2012 (%)	1	95%	90%	85%	80%	75%	85.00%	90%
	Sub Total of Dynamic Parameters	30							

MoU 2012-13
Approved by DPE/TF
Signed

PFC - PERFORMANCE PARAMETERS AND THEIR WEIGHTAGES : YEAR 2012-13

Sl. No.	Parameters	Weights	FY 2012-13					BE (Very Good Category)	
			EXCELLENT	V. GOOD	GOOD	FAIR	POOR		
		%	1	2	3	4	5	2011-12	2012-13
PART B									
3	**Sector Specific**								
i)	Submission of report on Performance of State Power Utilities to MoP (Date)	4	31.01.2013	15.02.2013	28.02.2013	09.03.2013	15.03.2013	28.02.2012	15.02.2013
ii)	Organizing workshops/seminars relating to R-APDRP Programme (No.)	2	4	3	2	1	-	2	3
iii)	Training of personnel under R-APDRP and DRUM (Mandays)	2	8,000	7,200	6,900	6,500	6,200	7200	7,200
iv)	Data Centre (DC)/Disaster Recovery Centre (DR) commissioning (Cumulative as on 31.03.2013)(States - Nos.)	1	16	14	13	12	11	NA	14
v)	Hardware, Software procurement for Data Centre (DC)/Disaster Recovery Centre (DR) (Chhattisgarh, Haryana, Kerala & NE States) (nos.)	1	4	3	2	1	-	NA	3
	Sub Total of Sector Specific Parameters	*10*							
4	**Enterprise Specific Parameters**								
i)	Part-A Completion (Cumulative as on 31.03.2013)(No. of towns)	3	1,050	950	900	860	820	NA	950
ii)	Part-B Award (Cumulative as on 31.03.2013)(No. of towns)	1	1,100	1,000	950	900	850	NA	1,000
iii)	SCADA Award (Cumulative as on 31.03.2013)(No. of towns)	1	60	54	51	49	46	NA	54
iv)	Ring Fencing of towns (Cumulative as on 31.03.2013)(No. of towns)	2	1,400	1,270	1,210	1,150	1,090	NA	1,270
v)	Verification of base line data by third party (Cumulative as on 31.03.2013)(No. of towns)	3	1,100	1,000	950	900	850	NA	1,000
	Sub Total of Enterprise Specific Parameters	10							
	GRAND TOTAL	*100*							

	Definitions:	
i)	Gross Margin	= Profit Before Tax + Depreciation/Amortisation + Interest Expenses excluding other charges+ Prior Period Items
ii)	Net worth	= Paid up capital + Reserves & Surplus Less Reserve for Bad and Doubtful debt
iii)	Profit Before Depreciation Interest & Tax (PBDIT)	= Profit Before Tax + Depreciation/Amortisation + Interest Expenses excluding other charges + Prior Period Items
iv)	Return on Networth (RoNW)	= Profit After Tax (PAT)/ Networth
v)	Overheads	= Personnel & Administrative Expenses + Depreciation + Amortisation of intangible assets
vi)	Net NPA as % of Loan Assets (%)	= (Gross NPAs less Accumulated Provisions)/ Loan Assets
vii)	Distribution Reforms Upgrades and Management (DRUM)	= A bilateral initiative of the GoI and USAID with PFC as implementation partner.
viii)	Sanctions excluding R-APDRP	= Sanctions excluding R-APDRP includes projects sanctioned by PFC's subsidiaries
ix)	R-APDRP	= Restructured Accelerated Power Development & Reform Program (R-APDRP)

MoU 2012-13
Approved by DPE
Signed

Annexure-A

TEMPLATES FOR CSR REVIEW

TABLE 1

DETAILS OF 5 CHOSEN PROJECT

SL No	*Name of the Project*	*Starting Date*	*Completion Date*	*Amount Allotted with Year-wise Breakup (2012-13)*	*Date of Completion of Need Assessment / Baseline Survey & Name of Agency*	*Name of Implementing Agency and Date of Appointment*	*Amount spent on Documentation and Dissemination and Name of Agency Appointed*	*Name of Monitoring Agency*	*Brief Details of Evaluation Report (Separate Sheet to be Attached)*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*	*(9)*	*(10)*
1	*Area : Energy Efficiency(Environment Friendly Technologies) Solar Applications in Kargil*	Q1	Q4	To be finalised	To be finalised	To be finalised	To be finalised	To be finalised	To be submitted after completion of the project
2	*Area :Relief to Victims of Natural calamity Toilet cum Bathroom facilities for dwlling units constructed for the victims of cloudburst in Leh-Ladakh*	Q1	Q4	To be finalised	*To be finalised*	*To be finalised*	*To be finalised To be finalised*	*To be finalised*	-do-
3	*Area : Solar Lighting System Installing Solar Lighting System at ASI Sites / Heritage Buildings*	Q2	Q4	To be finalised	*To be finalised*	*To be finalised*	*To be finalised To be finalised*	*To be finalised*	-do-
4	*Skill Development Programme for SC / ST/ OBC / Women & EWS of society (1000 persons)*	Q3	Q4	To be finalised	To be finalised	To be finalised	To be finalised	To be finalised	-do-
5	*Adoption of a Village for providing Energy Needs (The details would be provided by 31 May 2012)*	Q2	Q4	To be finalised	To be finalised	To be finalised	To be finalised	To be finalised	-do-
	TOTAL								

N.B. Copy of Board Minutes in which specific budget of CSR has been passed is to be enclosed. If this is not available, no marks will be awarded. (Clause 5.1 of CSR Guidelines).

ENCLOSURES

1. 5 samples of detailed documenation/publicity material/dissemination material to be attached, one for each of the Five projects listed.

2. Evaluation reports for Five selected projects to be attached.

3. Details of CSR Training imparted to be attached. (To be treated as CSR expenditure)

MoU 2012-13
Approved by DPE/TF

Signed

TABLE 2

Format for List of All Projects/ Activities Reported to TISS HUB

Sl. No.	Name of the CSR Project/ Activity	Date of Reporting of Details to TISS Database	Date of Acceptance conveyed by TISS
(1)	(2)	(3)	(4)
1.	Solar Applications in Kargil	Q 3	Would be submitted after the acceptance by TISS
2.	Toilet cum Bathroom facilities for dwlling units constructed for the victims of cloudburst in Leh-Ladakh	Q 3	Would be submitted after the acceptance by TISS
3.	Installing Solar Lighting System at ASI Sites / Heritage Buildings	Q 3	Would be submitted after the acceptance by TISS
4.	Skill Development Programme for SC / ST/ OBC / Women & EWS of society (1000 persons)	Q 3	Would be submitted after the acceptance by TISS
5.	Adoption of a Village for providing Energy Needs	Q 3	Would be submitted after the acceptance by TISS

MoU 2012-13
Approved by DPE/TF

Signed

TABLE 3

Details of CSR Expenditure

Sl. No.	Item	Amount in crores or percentage
(1)	(2)	(3)
1.	PAT for the year under review	Would be submitted after the finalization of Annual Accounts
2.	CSR expenditure	0.5% of PAT
3.	CSR expenditure as percentage of PAT	0.5%
4.	CSR expenditure as percentage of minimum prescribed	100%
5.	Training expenditure on CSR (to be treated as CSR expenditure)	2 lakhs
6.	Unspent Balance amount of CSR Budget rolled over to the following year	Nil
7.	Contribution to CSR HUB as percentage of CSR Budget	

MoU 2012-13
Approved by DPE/TF

Signed

Annexure – B

Draft MOU SD Target Setting for the year 2012-13

S.No	Activity	
1	Whether Specific SD Plan and Budget passed by Board or its Designated Committee	The formation of the Committee is under consideration. Approval of the Board for SD Plan & Budget shall be obtained in due course time.

Table 1. SD Committee details (**Formation of the Committee is under consideration.**)

Board level Designated Committee Name	Chairman of Board level Designated Committee	Number of regular meetings held	Key decisions during the year
1	2	3	4
		Total Score for this Table	**0.5**
		Score allotted by the Task Force	

Table 2 Total SD Expenditure as a percentage of PAT

*Target Value as % of PAT (on a five-point scale: Para 6.5.2 of Guidelines)		Total expenditure (Current FY) (Rs lakhs)	Profit after tax (Previous FY) (Rs. lakhs.)	Actual Expenditure as % of PAT
1		2	3	4
Excellent	Rs. 50 lakh + 0.10% of PAT exceeding Rs. 100 crore.			
V.Good	Rs. 50 lakh + 0.09% of PAT exceeding Rs. 100 crore.			
Good	Rs. 50 lakh + 0.08% of PAT exceeding Rs. 100 crore.			
Fair	Rs. 50 lakh + 0.07% of PAT exceeding Rs. 100 crore.			
Poor	Rs. 50 lakh + 0.06% of PAT exceeding Rs. 100 crore.			
			Total Score for this Table	**1**
			Score allotted by the Task Force	

MoU 2012-13
Approved by DPE/TF

* Note: - The projected annual expenditure as % of the PAT for the performance year will be considered as target for the year.

Table 3 Projects Chosen by CPSE

Sr. No.	Schedule A / B	*Project / activity (Please refer Annex-I)	Performance Indicator (Please Refer Annex- II and Para 6.5.3 of Guidelines)	Total expenditure on Project / Activity (Rs lakhs)	Proposed Duration S / M / L	Target Set (on a five-point scale: Para 6.5.3 of Guidelines)	Target Achieved
1	2	3	4	5	6	7	8
1	A	Project related to Waste management	Environmental Condition Indicator (ECI)		S	Excellent	
2	A	Project related to Energy Management	Operational Performance Indicator (OPI)		S	Excellent	
3	B	Training to Employees / Partners	Management I Performance Indicator (OPI)		S	Excellent	
3	A/B	Project related to Afforestation	Environmental Condition Indicator (ECI)		S	Excellent	
4	A/B	Project related to Waste/ Energy/ water/SD reporting management	MPI/OPI/ECI		M	Excellent	

*Specific Project/ Activity in table 3 will be submitted after approval of BOD.

Total Score for this Table	2.5
Score allotted by the Task Force	

MoU 2012-13
Approved by DPE/TF
Signed

Table 4- Evaluation of Projects	
No. of projects evaluated by an Independent External Agency/ Expert/ Consultant, etc.	
Details shall be submitted on finalization of Projects.	

Total Score for this Table	**0.5**
Score allotted by the Task Force	

Table 5 - Publication of SD Performance Report

Activity	**Yes / No**	**Mode of SD Report** (If reported, whether a stand-alone SD Report or a part of Annual Report, etc.)
1	2	3
SD performance Report	Yes	**SD performance report shall be published in the Annual Report of 2011-12.**

Total Score for this Table	**0.5**
Score allotted by the Task Force	
Total Score of all Tables	**5**
Total allotted Score for all Tables	

MoU 2012-13
Approved by DPE/TF
Signed

Annexure C

Template for HRM Performance Evaluation under Memorandum of Understanding

Sl. No.	PERFORMANCE INDICATORS	PROPOSED TARGETS						
		Measurement Unit	**Weight**	OS	VG	G	Fair	Satisfactory
A 1	**Compulsory**							
	Competency & Leadership Development							
1	Actual Achievement of Executive Training Mandays	Mandays	5	1017	904	791	678	565
2	Developing leaders through systemized intervention for development	Achievement of mandays for leadership development programs	5	85	80	75	70	65
3	Training budget as % of employee cost	% of employee cost	5	0.90 %	0.80 %	0.70 %	0.60%	0.50%
4	Actual achievement of training mandays for Multi-skilling/Skill Upgradation of non executives	Mandays	5	200	177	155	133	111
A2	**Optional**							
5	Number of executives covered in 360 degree feedback system	Number	5	35	28	21	14	7
	Total		**25**					
B	**Performance Management**							
6	Implementation of a transparent PMS rating based on KRAs	% of executives	4	50%	40%	30%	30%	10%
7	Linkage of Developmental Plan of Executives with Performance Management System	% of executives	4	50%	40%	30%	30%	10%
8	Implementation of PRP linked to Bell curve approach laid down by DPE	Yes/No; details	2					

Template for HRM Performance Evaluation under Memorandum of Understanding								
Sl. No.	PERFORMANCE INDICATORS	PROPOSED TARGETS						
		Measurement Unit	Weight	OS	VG	G	Fair	Satisfactory
	Total		**10**					
C	**Recruitment, Retention & Talent Management**							
9	Development of Online process for recruitment	Date of operationalization	7	31-01-2013	15-02-2013	28-02-2013	15-03-2013	31-03-2013
10	Introduction of Mentoring Programme	Number of mentors/ mentees	8	5 mentors / 10 mentees	4 mentors / 8 mentees	3 mentors / 6 mentees	2 mentors / 4 mentees	1 mentors / 2 mentees
11	Introducing a reward system for talent management	Date of implementation	5	31-01-2013	15-02-2013	28-02-2013	15-03-2013	31-03-2013
	Total		**20**					
D	**Enabling Creativity & Innovation**							
12	Introduction of the Suggestion Scheme	Suggestion / employee ratio	8	1:10	1: 15	1: 20	1: 25	1:30
13	Number of nominations / entries submitted for national awards (PM Shram awards / Vishwakarma Rashtriya Puraskar not applicable to PFC)	No of nominations / entries submitted for national awards	7	4	3	2	1	0
	Total		**15**					
E	**Employee Relations & Welfare**							
14	Effectiveness of Grievance Redressal System - % of grievances settled vis-à-vis received during the year	% settlement	4	90%	80%	70%	60%	50%
15	Introduction of a Reading Room / Gymnasium / (2 marks for each activity)	Date of operationalization	4	31-01-2013	15-02-2013	28-02-2013	15-03-2013	31-03-2013
16	Instruction sessions on Yoga /	Number of	4	4	3	2	1	0

Template for HRM Performance Evaluation under Memorandum of Understanding

Sl. No.	PERFORMANCE INDICATORS	PROPOSED TARGETS						
		Measurement Unit	Weight	OS	VG	G	Fair	Satisfactory
	Meditation (5 days duration)	sessions per year						
17	Number of structured meeting with employees' representatives	No. of meetings held	4	4	3	2	1	0
18	Organizing health check ups for employees	Number of check ups	4	4	3	2	1	0
	Total		**20**					
F	**HR Branding & Excellence - Indicate achievement in this field for initiatives such as :**							
19	Review/Revisit/Re-engineer HR Policy for meeting changing business priorities.	No. of policies reviewed	4	5	4	3	2	1
20	Organization culture building initiatives (recognition of children/ women's day programs / organization of a get together)	No. of initiatives	3	4	3	2	1	0
21	Implementation of computerized Employee portal for self service of employees	Date of operationalization	**3**	31-01-2013	15-02-2013	28-02-2013	15-03-2013	31-03-2013
	Total		**10**					
	Grand Total		**100**					
	NB:Total score out of 100 awarded on HRM to CPSE will be converted into score out of 5 in MOU on pro-rata basis							

MoU 2012-13
Approved by DPE/TF

Signed

POWER FINANCE CORPORATION LIMITED

Rs. crore unless otherwise specified

Particulars	2007-08 Excellent Targets	2007-08 ACTUAL	2008-09 Excellent Targets	2008-09 ACTUAL	2009-10 Excellent Targets	2009-10 ACTUAL	2010-11 Excellent Targets	2010-11 ACTUAL	2011-12 Excellent Targets	2011-12 Projections	2012-13 MOU Proposed Excellent Targets
Gross Sales (Total Income)		5,040	5,465	6,584	6,118	8,077	9,350	10,161	12,360	12,650	15,625
Gross Margin (as per PFC Definition)	1,385	1,777	1,720	1,998	1,890	3,015		NA		NA	NA
Gross Margin (as per DPE Definition)		4,866		6,083		7,935	9,120	9,862	12,000	11,337	15,129
Profit before tax		1,787		1,990		3,013		3,544		3,164	4,483
Net block		77		75		75		77		82	84
Share capital of CPSE		1,148		1,148		1,148		1,148		1,320	1,320
Reserves & surplus of CPSE		8,182		10,360		12,113		14,035		18,816	21,030
Net worth of CPSE		8,688		10,790		12,419		14,198		18,993	21,207
Investment		66		36		31		54		54	54
Total Current assets		2,990		3,669		4,815		4,933		3,333	3,499
Total current liabilities & provision		2,416		3,576		3,698		3,318		1,335	1,402
Net current assets		574		92		1,118		1,614		1,998	2,098
Capital employed (Net block + net current assets +loan assets+ investments)		52,285		64,632		81,080		101,316		127,397	158,819
Total debt (loan funds)		41,715		53,069		67,772		86,050		107,178	136,386
Total assets		52,285		64,632		81,080		101,316		127,397	158,819
No of employess of CPSE		307		316		324		373		425	451
Dividend paid (incl. CDT) #		470		537		604		699		847	923
Add value (gross margin less capital recovery factor 4% of capital employed for social sector and 10% for other CPSE)		(363)		(380)		(173)		(269)		(1,402)	(753)
Ratios											
Debt/equity		4.80		4.92		5.46		6.06		5.64	6.43
Return on Net worth (% age)	12.50%	13.89%	13.00%	18.26%	13.51%	18.98%	15.96%	18.45%		12.46%	14.80%
PBDIT/ Total employment of CPSE		15.85		19.25		24.49	23.69	26.44	28.24	26.68	33.55
Net Profit / Net Worth (% age)	12.50%	13.89%	13.00%	18.26%	13.51%	18.98%	15.96%	18.45%		12.46%	14.80%
Working of gross margin (as per DPE Definition)											
Net profit		1,207		1,970		2,357		2,620		2,366	3,138
Tax		580		20		656		925		798	1,345
Net profit before tax		1,787		1,990		3,013		3,544		3,164	4,483
add Prior period		(5)		(0)		(0)		0		-	-
add extra ordinary items		-		-		-		-		-	-
Profit before prior period		1,782		1,990		3,013		3,544		3,164	4,483
Add: Interest Expenses excluding other charges		3,080		4,089		4,918		6,313		8,169	10,640
Gross profit		4,861		6,079		7,931		9,857		11,332	15,123
add depreciation, amortisation		5		4		4		5		5	6
Misc. expenditure written off		-		-		-		-		-	-
Gross Margin before Interest, depreciation & misc. expenditure written off		4,866		6,083		7,935		9,862		11,337	15,129
Additional for Financial Sector											
Financial Indicator-profit related											
Disbursement Other than R-APDRP	14,440	16,211	19,300	20,729	21,160	24,487	27,000	34,121	35,500	35,500	40,000
Disbursement under R-APDRP	NA	-	NA	325	1,321	1,321	2,500	2,257		NA	NA
Resource Mobilisation	NA	16,903	17,475	21,488	19,200	22,283	27,700	28,310	30,300	32,110	40,520
Sanctions Other than R-APDRP	27,720	69,498	50,600	55,082	58,100	59,228	60,000	61,532	45,000	45,000	45,150
Sanctions under R-APDRP	-	-	-	1,948	1,900	6,237	9,000	13,665		NA	NA
Project Commissioned in value terms		NA		NA		NA				NA	NA
Financial return (difference of cost of borrowing & disbursement		NA		NA		NA				NA	NA

Gross Margin (as per DPE Definition) '= Profit Before Tax + Depreciation/Amortisation + Interest Expenses excluding bther charges + Prior Period Items

Gross Margin (as per PFC Definition) '= Total Income - Interest Expense - Issue Expense -P&A Expenses

ANNEXURE-X

Self declaration/certification by CPSE

It is hereby certified that the targets and actual achievements in respect of financial parameters have been worked out as per MoU Guidelines by adopting the norms and definitions laid down in MoU Guidelines for the year 2012-13 **subject to the deviations**. In case, any other deviation is found at the time of appraisal of performance, DPE is free to evaluate as per audited accounts as per MoU Guidelines. CPSE has no right of claim in this regard.

Authorised Signatory

दिनेश विज / DINESH VIJ
कार्यपालक निदेशक (निगम आयोजना)
Executive Director (Corporate Planning)
पावर फाईनेंस कॉर्पोरेशन लिमिटेड / P.F.C. Limited
(भारत सरकार का उपक्रम) / (A Govt. of India Undertaking)
"ऊर्जानिधि" 1, बाराखंबा लेन, कनॉट प्लेस,
"URJANIDHI" 1, Barakhamba Lane, Connaught Place,
नई दिल्ली-110001 / New Delhi- 110001