

**MEMORANDUM
OF
UNDERSTANDING**

2018-19



MINISTRY OF POWER, GOVERNMENT OF INDIA

AND

POWER FINANCE CORPORATION LIMITED

POWER FINANCE CORPORATION LIMITED

1	Name of the CPSE	Power Finance Corporation Limited
2	Status (Please Tick): As per DPE Guidelines	Sick/Recipient Sick/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/B/C/D/None
6	Purpose for which CPSE has been setup and the main business now	<p>PFC was incorporated on July 16, 1986, as a part of Government of India's initiative to enhance funding to power projects in India, with an objective to provide financial resources and encourage flow of investments to the power and associated sectors. It was declared a Public Financial Institution (PFI), under Section-4A of Companies Act, in 1990.</p> <p>PFC is a leading Power Sector Public Financial Institution and a Non-Banking Financial Company, providing fund and non-fund based support for the development of Indian Power Sector.</p> <p>PFC provides a comprehensive range of financial products and other services from project conceptualization to the post-commissioning stage for our clients in the power sector, including for generation (conventional and renewable), transmission and distribution projects as well as for related renovation and modernization projects. Products offering includes rupee term loans, foreign currency loan, bridge loans, short term loans, Corporate Loan, Debt Refinancing, Reforms linked transitional loans, Buyers' Line of Credit Scheme</p>

POWER FINANCE CORPORATION LIMITED

7	Number and Name of Subsidiary Companies alongwith amount invested and share in its profit during last five years	Appendix A
8	Number and Name of Joint Venture Companies alongwith amount invested and share in its profit during last five years	Appendix B
9	Details of revival plan approved earlier	NA

Appendix A

POWER FINANCE CORPORATION LIMITED

Rs Crore

Year	Name of Subsidiary Company	Equity Rs Cr	Shareholding %	Dividend
2015-2016	BIHAR INFRA POWER LTD	0.05	100	0
2016-2017	BIHAR INFRA POWER LTD	0.05	100	0
2015-2016	BIHAR MEGA POWER LTD	0.05	100	0
2016-2017	BIHAR MEGA POWER LTD	0.05	100	0
2013-2014	CHEYUR INFRA LTD.	0.05	100	0
2014-2015	CHEYUR INFRA LTD.	0.05	100	0
2015-2016	CHEYUR INFRA LTD.	0.05	100	0
2016-2017	CHEYUR INFRA LTD.	0.05	100	0
2012-2013	CHHATTISHGARH SURGUJA POWER LTD.	0.05	100	0
2013-2014	CHHATTISHGARH SURGUJA POWER LTD.	0.05	100	0
2014-2015	CHHATTISHGARH SURGUJA POWER LTD.	0.05	100	0
2015-2016	CHHATTISHGARH SURGUJA POWER LTD.	0.05	100	0
2016-2017	CHHATTISHGARH SURGUJA POWER LTD.	0.05	100	0
2012-2013	COASTAL KARNATAKA POWER LTD.	0.05	100	0
2013-2014	COASTAL KARNATAKA POWER LTD.	0.05	100	0
2014-2015	COASTAL KARNATAKA POWER LTD.	0.05	100	0
2015-2016	COASTAL KARNATAKA POWER LTD.	0.05	100	0
2016-2017	COASTAL KARNATAKA POWER LTD.	0.05	100	0
2012-2013	COASTAL MAHARASHTRA MEGA POWER LTD.	0.05	100	0
2013-2014	COASTAL MAHARASHTRA MEGA POWER LTD.	0.05	100	0
2014-2015	COASTAL MAHARASHTRA MEGA POWER LTD.	0.05	100	0
2015-2016	COASTAL MAHARASHTRA MEGA POWER LTD.	0.05	100	0

Rs Crore

Year	Name of Subsidiary Company	Equity Rs Cr	Shareholding %	Dividend
2016-2017	COASTAL MAHARASHTRA MEGA POWER LTD.	0.05	100	0
2012-2013	COASTAL TAMIL NADU POWER LTD.	0.05	100	0
2013-2014	COASTAL TAMIL NADU POWER LTD.	0.05	100	0
2014-2015	COASTAL TAMIL NADU POWER LTD.	0.05	100	0
2015-2016	COASTAL TAMIL NADU POWER LTD.	0.05	100	0
2016-2017	COASTAL TAMIL NADU POWER LTD.	0.05	100	0
2015-2016	DEOGHAR INFRA LTD	0.05	100	0
2016-2017	DEOGHAR INFRA LTD	0.05	100	0
2012-2013	DEOGHAR MEGA POWER LTD.	0.05	100	0
2013-2014	DEOGHAR MEGA POWER LTD.	0.05	100	0
2014-2015	DEOGHAR MEGA POWER LTD.	0.05	100	0
2015-2016	DEOGHAR MEGA POWER LTD.	0.05	100	0
2016-2017	DEOGHAR MEGA POWER LTD.	0.05	100	0
2012-2013	GHOGARPALLI INTEGRATED POWER COMPANY LTD.	0.05	100	0
2013-2014	GHOGARPALLI INTEGRATED POWER COMPANY LTD.	0.05	100	0
2014-2015	GHOGARPALLI INTEGRATED POWER COMPANY LTD.	0.05	100	0
2015-2016	GHOGARPALLI INTEGRATED POWER COMPANY LTD.	0.05	100	0
2016-2017	GHOGARPALLI INTEGRATED POWER COMPANY LTD.	0.05	100	0
2012-2013	JHARKHAND INFRA POWER LTD	0	0	0
2013-2014	JHARKHAND INFRA POWER LTD	0	0	0
2014-2015	JHARKHAND INFRA POWER LTD	0	0	0

Rs Crore

Year	Name of Subsidiary Company	Equity Rs Cr	Shareholding %	Dividend
2015-2016	JHARKHAND INFRA POWER LTD	0.05	100	0
2016-2017	JHARKHAND INFRA POWER LTD	0.05	100	0
2013-2014	ODISHA INFRAPOWER LTD.	0.05	100	0
2014-2015	ODISHA INFRAPOWER LTD.	0.05	100	0
2015-2016	ODISHA INFRAPOWER LTD.	0.05	100	0
2016-2017	ODISHA INFRAPOWER LTD.	0.05	100	0
2012-2013	ORISSA INTEGRATED POWER LTD.	0.05	100	0
2013-2014	ORISSA INTEGRATED POWER LTD.	0.05	100	0
2014-2015	ORISSA INTEGRATED POWER LTD.	0.05	100	0
2015-2016	ORISSA INTEGRATED POWER LTD.	0.05	100	0
2016-2017	ORISSA INTEGRATED POWER LTD.	0.05	100	0
2012-2013	PFC CAPITAL ADVISORY SERVICE LTD	0.10	100	0
2013-2014	PFC CAPITAL ADVISORY SERVICE LTD	0.10	100	0
2014-2015	PFC CAPITAL ADVISORY SERVICE LTD	0.10	100	0
2015-2016	PFC CAPITAL ADVISORY SERVICE LTD	0.10	100	0
2016-2017	PFC CAPITAL ADVISORY SERVICE LTD	0.10	100	0
2012-2013	PFC CONSULTING LIMITED.	0.05	100	0
2013-2014	PFC CONSULTING LIMITED.	0.05	100	0
2014-2015	PFC CONSULTING LIMITED.	0.05	100	0
2015-2016	PFC CONSULTING LIMITED.	0.05	100	0
2016-2017	PFC CONSULTING LIMITED.	0.05	100	0

Rs Crore

Year	Name of Subsidiary Company	Equity Rs Cr	Shareholding %	Dividend
2012-2013	PFC GREEN ENERGY LTD.	110	100	0
2013-2014	PFC GREEN ENERGY LTD.	300	100	0
2014-2015	PFC GREEN ENERGY LTD.	300	100	0
2015-2016	PFC GREEN ENERGY LTD.	300	100	0
2016-2017	PFC GREEN ENERGY LTD.	300	100	0
2012-2013	SAKHIGOPAL INTEGRATED POWER COMPANY LTD.	0.05	100	0
2013-2014	SAKHIGOPAL INTEGRATED POWER COMPANY LTD.	0.05	100	0
2014-2015	SAKHIGOPAL INTEGRATED POWER COMPANY LTD.	0.05	100	0
2015-2016	SAKHIGOPAL INTEGRATED POWER COMPANY LTD.	0.05	100	0
2016-2017	SAKHIGOPAL INTEGRATED POWER COMPANY LTD.	0.05	100	0
2012-2013	TATIYA ANDHRA MEGA POWER LTD.	0.05	100	0
2013-2014	TATIYA ANDHRA MEGA POWER LTD.	0.05	100	0
2014-2015	TATIYA ANDHRA MEGA POWER LTD.	0.05	100	0
2015-2016	TATIYA ANDHRA MEGA POWER LTD.	0.05	100	0
2016-2017	TATIYA ANDHRA MEGA POWER LTD.	0.05	100	0

Appendix B

POWER FINANCE CORPORATION LIMITED

Rs Crore

Year	Name of Joint Venture Company	Equity Rs Cr	Shareholding %	Dividend
2012-13	Energy Efficiency Services Limited	22.5	25	0
2013-14	Energy Efficiency Services Limited	22.5	25	0
2014-15	Energy Efficiency Services Limited	22.5	25	0
2015-16	Energy Efficiency Services Limited	47.5	28.78	0.68
2016-17	Energy Efficiency Services Limited	146.5	31.7	3.39
2012-13				
2012-13	National Power Exchange Limited	2.19	16.67	0
2013-14	National Power Exchange Limited	2.19	16.67	0
2014-15	National Power Exchange Limited	2.19	16.67	0
2015-16	National Power Exchange Limited	2.19	16.67	0
2016-17	National Power Exchange Limited	Company Liquidated w.e.f 31.03.2017		

PART A
POWER FINANCE CORPORATION LIMITED

S No	Financial Performance Criteria	Unit	Marks	Current Year (Estimated)	Best in 5 Years	MoU Target for the Year 2018-19					% Improvement*	
						EXCELLENT	V. GOOD	GOOD	FAIR	POOR		
						100%	80%	60%	40%	20%		
i	Turnover											
	Revenue from Operation (Net)	Rs Crore	10	26,000	27,473	27,000	26,000	25,000	24,000	23,000		0.00%
ii	Operating Profit/Loss											
	Operating Profit as a percentage of Revenue from operation (RO) (net) (Note 1)	%	20	29.84%	34.99%	25.00%	24.00%	22.00%	21.00%	20.00%		-19.57%
iii	Return on Investment											
	PAT as % Average Net Worth	%	20	14.63%	21.03%	11.50%	11.00%	10.50%	10.00%	9.50%		-24.81%
	Total		50									

* Improvement is worked out on Very Good Target for MoU 2018-19 over Current year (2017-18) expected actuals

Note 1 Operating Profit is Profit/Surplus Before Tax excluding other Income, Extraordinary and Exceptional Items

PART C POWER FINANCE CORPORATION LIMITED

Sl. No.	Performance Criteria	Unit	Marks	Current Year (Estimated)	Best in 5 Years	MoU Target for the Year 2018-19					% Improvement*
						EXCELLENT	V. GOOD	GOOD	FAIR	POOR	
						100	80	60	40	20	
1	Loans Disbursed/Total Funds Available**	%	5	91%	99%	92%	91%	90%	89%	88%	0%
2	Overdue Loan/Total Loans Assets (net)	%	5	0.70%	0.05%	0.68%	0.70%	0.80%	0.90%	1.00%	0%
3	Net NPA / Loan Assets (Net) (Excluding RKM Powergen Pvt Ltd and additional NPA on account of fresh disbursement to Shri Maheshwar Hydro Power Corp. Ltd.) (% of C.Y. i.e. 2017-18 achievement)	%	5	5.87%	0.53%	90% of CY	95% of CY	100% of CY	101% of CY	102% of CY	5%
4	Cost of raising funds through bonds as compared to similarly rated CPSEs/entities (Margin over Reuters AAA rated corporate Bonds of equivalent maturity)	bps	5	0	-1 bps	-1 bps	0.00%	+1 bps	+2 bps	+3 bps	0%
5	Return on Equity (i.e. PAT/Average Networth) in PFCCCL, a 100% subsidiary of PFC	%	3	15.18%	26.65%	15.00%	13.00%	12.00%	11.00%	10.00%	-14.36%
6	Human Resource Management										
a)	Assessment of level in line with People Capability Maturity Model (PCMM) or equivalent in the CPSE and 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. If no, justifiable reason to be recorded in the Board Resolution	Date	2	NA	NA	15.01.2019	31.01.2019	15.02.2019	28.02.2019	15.03.2019	NA
b)	Online Human Resource Management System(HRMS) Implementation and integration with Finance Division (Consisting of online employee data administration, employee self-service, exit procedure, talent management etc)	Date	3	NA	NA	15.12.2018	15.01.2019	31.01.2019	15.02.2019	28.02.2019	NA
c)	HR Audit and decision of the Board on recommendation of audit	Date	2	NA	NA	15.12.2018	15.01.2019	31.01.2019	15.02.2019	28.02.2019	NA

PART C POWER FINANCE CORPORATION LIMITED


Sl. No.	Performance Criteria	Unit	Marks	Current Year (Estimated)	Best in 5 Years	MoU Target for the Year 2018-19					% Improvement
						EXCELLENT	V. GOOD	GOOD	FAIR	POOR	
						100	80	60	40	20	
7	Other Sector Specific result oriented measurable parameters (Note 1)										
a	IPDS work completion	No of Circles	5	NA	NA	223	150	125	100	75	NA
b	IPDS Ph-II implementation	No of Towns	5	NA	NA	350	250	200	150	125	NA
c	Award of ERP work of DISCOMs/State Utilities	No of Utilities	2	NA	NA	29	20	15	10	5	NA
d	Verification of Part A- IT completion by TPIEA-IT	No of Towns (Cumulative)	3	NA	NA	1400	1150	950	800	700	NA
e	SCADA under Part A completion	No of Towns (Cumulative)	2	NA	NA	55	25	15	10	5	NA
f	Capacity Building	Mandays	3	NA	NA	5000	4800	4600	4400	4200	NA
Gross Total			50								

* Improvement is worked out on Very Good Target for MoU 2018-19 over Current year (2017-18) expected actuals

** Total fund include opening cash & Bank balance, principal receipts from borrower, loan raised during the year, inflow from Sale of Investment/Assets, principal i.e. payment to lenders, purchase of fixed assets/investment, Share Capital receipts, cash flow from operating activities adjusted for (as per cash flow statement), dividend including CDT and change in Loan Assets

Note

1 Evaluation of sector-specific parameters would be done on the basis of specific recommendation/certification by the Administrative Ministry confirming achievement against targets


 (Rajeev Sharma)
CHAIRMAN & MANAGING DIRECTOR
POWER FINANCE CORPORATION LIMITED

Date: 9th MAY 2018
Place: New Delhi


 (Ajay Kumar Bhalla)
SECRETARY
MINISTRY OF POWER

PART A
POWER FINANCE CORPORATION LIMITED
TREND ANALYSIS

S No	Particulars	Unit	Target v/s Actual	2012-13	2013-14	2014-15	2015-16	2016-17	Current Year	
									Actual up to 30.09.2017	Estimated 31.03.2018
i	Revenue from Operation									
	Gross Revenue	Rs. crore	Actual	21,537	24,907	27,564	27,018	14,040	26,700	
	Net Revenue*	Rs. crore	Actual	21,522	24,861	27,473	26,716	13,914	26,400	
	a. Profit before Tax	Rs. crore	MoU	19,670	-	-	26,000	26,800	26,800	
	b. Other Incomes	Rs. crore	Actual	7,545	8,378	9,060	5,110	4,769	8,177	
ii	c. Extraordinary & Exceptional Income	Rs. crore	Actual	15	45	91	302	127	300	
	d. Prior Period Items	Rs. crore	Actual	-	-	-	-	-	-	
	e. Operating Profit/loss (a-b+/-c+/-d)	Rs. crore	Actual	(0.29)	2.16	2.13	(1.47)	0.07	-	
	a. Profit After Tax	Rs. crore	Actual	7,530	8,330	8,967	4,809	4,642	7,877	
	b. Net Worth at year end	Rs. crore	MoU	NA	NA	NA	NA	NA	NA	
iii	c. Average Net Worth	Rs. crore	Actual	25,714	29,797	33,992	36,118	38,163	38,063	
	d. PAT/Net Worth	%	Actual	19.76%	18.50%	17.09%	5.83%	8.32%	14.05%	
	PAT/Average Network	%	MoU	14.49%	14.69%	16.47%	14.50%	NA	NA	
			Actual	21.03%	20.00%	17.98%	5.89%	8.69%	14.63%	
			MoU	NA	NA	NA	NA	12.69%	12.69%	

S No	Particulars	Unit	Target v/s Actual	2012-13	2013-14	2014-15	2015-16	2016-17	Current Year	
									Actual up to 30.09.2017	Estimated 31.03.2018
	e. Paid-up Share Capital	Rs. crore	Actual	1,320	1,320	1,320	1,320	2,640	2,640	2,640
	f. Gol Share	Rs. crore	Actual	973	961	961	895	1,752	1,752	1,752
	g. Reserve & Surplus	Rs. crore	Actual	22,734	26,055	30,899	34,446	33,830	37,215	37,015
iv	Total Expenses	Rs. crore	Actual	11,306	13,993	16,529	18,504	21,908	9,271	18,523
v	Total Income	Rs. crore	Actual	17,272	21,537	24,907	27,564	27,018	14,040	26,700
vi	Total Expenses/Total Income	Rs. crore	Actual	65%	65%	66%	67%	81%	66%	69%
vii	Details of other incomes									
	a. Interest	Rs. crore	Actual	0	2	1	9	30	99	20
	b. Dividend	Rs. crore	Actual	8	2	31	71	261	24	280
	c. Other Incomes	Rs. crore	Actual	4	10	13	11	11	4	0
	d. Total	Rs. crore		12	15	45	91	302	127	300
viii	a. Cash and Bank Balance and equivalent	Rs. crore	Actual	4,754	60	5,071	78	3,573	9.26	3,573
	b. Investment in mutual funds	Rs. crore	Actual	-	-	-	-	-	-	-
	c. Investment in shares other than subsidiary/JVs	Rs. crore	Actual	19	19	519	422	1,341	1,296	1,341
	d. Total (a+b+c)	Rs. crore		4,773	79	5,590	500	4,915	1,305	4,915
	e. Cash Credit / Over-Draft Loan / Short Term Loan	Rs. crore	Actual	8,820	1,314	4,064	7,572	2,401	16,181	5,718
	f. Balance in Current Account	Rs. crore	Actual	3	2	134	47	458	8	50
ix	Dividend paid/declared for the year, excluding Dividend Tax	Rs. crore	Actual	924	1,188	1,201	1,835	1,320	Nil	2,059

* IMC has recorded Current year i.e. 2017-18 estimated "Revenue from Operation" at Rs 26,000 Cr

PART B
POWER FINANCE CORPORATION LIMITED
TREND ANALYSIS

S No	Particulars	Unit	Target v/s Actual	2012-13	2013-14	2014-15	2015-16	2016-17	Current Year	
									Actual up to 30.09.2017	Estimated 31.03.2018
1	Installed Capacity in respect of each product									
2	Capacity Utilization in respect of each Products									
3	Contribution of each product in Sales									
4	New Orders Received during the year									
5	Exports as a percentage of Revenue from Operation									
6	Development or Revenue from new products of product with new features									
7	Production Efficiency parameters									
8	Completion of milestone of clients orders/agreements without time overrun									
9	R&D, Innovation, Technology up-gradation parameter									
10	Market Share									
11	CAPEX									
12	CAPEX contracts/project running/completed without time/cost overrun to total value of CAPEX									
13	Inventory of Finished Goods and work in progress									
14	Inventory of Finished Goods and work in progress to Revenue from operations (Net)									
15	Inventory of Finished Goods of more than one year									
16	Inventory of Finished Goods of more than one year as a percentage of Revenue from operations (Net)									

Not Applicable

S No	Particulars	Unit	Target v/s Actual	2012-13	2013-14	2014-15	2015-16	2016-17	Current Year		
									Actual up to 30.09.2017	Estimated 31.03.2018	
17	Trade Receivables (net)										
18	Trade Receivables (net) as number of days of Revenue from Operation (Gross)										
19	Claims against the Company not Acknowledged raised by:										
	Central Government Department	Rs Crore		0	0	0	0	0	0	0	0
	State Governments/Local Authorities	Rs Crore		0	0	0	0	0	0	0	0
	CPSEs	Rs Crore		0	0	0	0	0	0	0	0
	Others	Rs Crore		0.04	0.04	0.04	0	0	0	0	0
	Total	Rs Crore		0.04	0.04	0.04	0	0	0	0	0
20	Loans Disbursed/Total Funds Available	%	Actual	90%	91%	93%	99%	96%	92%	91%	91%
			MoU	NA	NA	NA	NA	NA	91%	91%	91%
21	Cost of raising funds through bonds as compared to similarly rated CPSEs/entities (Margin over Reuters AAA rated corporate Bonds of equivalent maturity)	bps	Actual	NA	-1	-1	-1	-3	-2	-2	0
			MoU	NA	NA	NA	NA	NA	Minus 1 bps	Minus 1 bps	Minus 1 bps
22	Overdue Loans/Total Loans (Net)	%	Actual	0.05%	0.44%	0.37%	0.52%	0.27%	0.81%	0.70%	0.70%
			MoU	Not Applicable	Not Applicable	Not Applicable	Not Applicable	0.70%	0.70%	0.70%	0.70%
23	NPA/Loan Assets (Net)	%	Actual	0.63%	0.52%	0.87%	2.55%	NA	NA	NA	NA
			MoU	1.25%	1.15%	NA	NA	NA	NA	NA	NA
	Net NPA / Loan Assets (Net) (Excluding RKM Powergen Pvt Ltd and additional NPA on account of fresh disbursement from 01.01.2017 to Shri Maheshwar Hydro Power Corp. Ltd.)	%	Actual	0.64%	0.53%	0.88%	2.60%	10.77%	6.76%	5.87%	5.87%
			MoU	Not Applicable	Not Applicable	Not Applicable	Not Applicable	3.50%	6.50%	6.50%	6.50%
24	Return on Equity (i.e. PAT/Average Network) in PFCCL, a 100% subsidiary of PFC	%	Actual	17.39%	23.26%	15.48%	21.85%	26.65%	3.35%	15.18%	15.18%
			MoU	NA	NA	NA	NA	NA	20%	20%	20%

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2018-19



MINISTRY OF POWER, GOVERNMENT OF INDIA

AND

POWER FINANCE CORPORATION LIMITED

POWER FINANCE CORPORATION LIMITED

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4	Whether registered with BIFR, If yes, details	Not Applicable
5	Schedule of the CPSE (Please Tick)	A/B/C/D/None
6	Purpose for which CPSE has been setup and the main business now	<p>PFC was incorporated on July 16, 1986, as a part of Government of India's initiative to enhance funding to power projects in India, with an objective to provide financial resources and encourage flow of investments to the power and associated sectors. It was declared a Public Financial Institution (PFI), under Section-4A of Companies Act, in 1990.</p> <p>PFC is a leading Power Sector Public Financial Institution and a Non-Banking Financial Company, providing fund and non-fund based support for the development of Indian Power Sector.</p> <p>PFC provides a comprehensive range of financial products and other services from project conceptualization to the post-commissioning stage for our clients in the power sector, including for generation (conventional and renewable), transmission and distribution projects as well as for related renovation and modernization projects. Products offering includes rupee term loans, foreign currency loan, bridge loans, short term loans, Corporate Loan, Debt Refinancing, Reforms linked transitional loans, Buyers' Line of Credit Scheme</p>

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Rs Crore

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2015-2016	COASTAL MAHARASHTRA MEGA POWER LTD.	0.05	100	0

Rs Crore

Year	Name of Subsidiary Company	Equity Rs Cr	Shareholding %	Dividend
2016-2017	COASTAL MAHARASHTRA MEGA POWER LTD.	0.05	100	0
2012-2013	COASTAL TAMIL NADU POWER LTD.	0.05	100	0
2013-2014	COASTAL TAMIL NADU POWER LTD.	0.05	100	0
2014-2015	COASTAL TAMIL NADU POWER LTD.	0.05	100	0
2015-2016	COASTAL TAMIL NADU POWER LTD.	0.05	100	0
2016-2017	COASTAL TAMIL NADU POWER LTD.	0.05	100	0
2015-2016	DEOGHAR INFRA LTD	0.05	100	0
2016-2017	DEOGHAR INFRA LTD	0.05	100	0
2012-2013	DEOGHAR MEGA POWER LTD.	0.05	100	0
2013-2014	DEOGHAR MEGA POWER LTD.	0.05	100	0
2014-2015	DEOGHAR MEGA POWER LTD.	0.05	100	0
2015-2016	DEOGHAR MEGA POWER LTD.	0.05	100	0
2016-2017	DEOGHAR MEGA POWER LTD.	0.05	100	0
2012-2013	GHOARPALLI INTEGRATED POWER COMPANY LTD.	0.05	100	0
2013-2014	GHOARPALLI INTEGRATED POWER COMPANY LTD.	0.05	100	0
2014-2015	GHOARPALLI INTEGRATED POWER COMPANY LTD.	0.05	100	0
2015-2016	GHOARPALLI INTEGRATED POWER COMPANY LTD.	0.05	100	0
2016-2017	GHOARPALLI INTEGRATED POWER COMPANY LTD.	0.05	100	0
2012-2013	JHARKHAND INFRA POWER LTD	0	0	0
2013-2014	JHARKHAND INFRA POWER LTD	0	0	0
2014-2015	JHARKHAND INFRA POWER LTD	0	0	0

Rs Crore

Year	Name of Subsidiary Company	Equity Rs Cr	Shareholding %	Dividend
2015-2016	JHARKHAND INFRA POWER LTD	0.05	100	0
2016-2017	JHARKHAND INFRA POWER LTD	0.05	100	0
2013-2014	ODISHA INFRAPOWER LTD.	0.05	100	0
2014-2015	ODISHA INFRAPOWER LTD.	0.05	100	0
2015-2016	ODISHA INFRAPOWER LTD.	0.05	100	0
2016-2017	ODISHA INFRAPOWER LTD.	0.05	100	0
2012-2013	ORISSA INTEGRATED POWER LTD.	0.05	100	0
2013-2014	ORISSA INTEGRATED POWER LTD.	0.05	100	0
2014-2015	ORISSA INTEGRATED POWER LTD.	0.05	100	0
2015-2016	ORISSA INTEGRATED POWER LTD.	0.05	100	0
2016-2017	ORISSA INTEGRATED POWER LTD.	0.05	100	0
2012-2013	PFC CAPITAL ADVISORY SERVICE LTD	0.10	100	0
2013-2014	PFC CAPITAL ADVISORY SERVICE LTD	0.10	100	0
2014-2015	PFC CAPITAL ADVISORY SERVICE LTD	0.10	100	0
2015-2016	PFC CAPITAL ADVISORY SERVICE LTD	0.10	100	0
2016-2017	PFC CAPITAL ADVISORY SERVICE LTD	0.10	100	0
2012-2013	PFC CONSULTING LIMITED.	0.05	100	0
2013-2014	PFC CONSULTING LIMITED.	0.05	100	0
2014-2015	PFC CONSULTING LIMITED.	0.05	100	0
2015-2016	PFC CONSULTING LIMITED.	0.05	100	0
2016-2017	PFC CONSULTING LIMITED.	0.05	100	0

Rs Crore

Year	Name of Subsidiary Company	Equity Rs Cr	Shareholding %	Dividend
2012-2013	PFC GREEN ENERGY LTD.	110	100	0
2013-2014	PFC GREEN ENERGY LTD.	300	100	0
2014-2015	PFC GREEN ENERGY LTD.	300	100	0
2015-2016	PFC GREEN ENERGY LTD.	300	100	0
2016-2017	PFC GREEN ENERGY LTD.	300	100	0
2012-2013	SAKHIGOPAL INTEGRATED POWER COMPANY LTD.	0.05	100	0
2013-2014	SAKHIGOPAL INTEGRATED POWER COMPANY LTD.	0.05	100	0
2014-2015	SAKHIGOPAL INTEGRATED POWER COMPANY LTD.	0.05	100	0
2015-2016	SAKHIGOPAL INTEGRATED POWER COMPANY LTD.	0.05	100	0
2016-2017	SAKHIGOPAL INTEGRATED POWER COMPANY LTD.	0.05	100	0
2012-2013	TATIYA ANDHRA MEGA POWER LTD.	0.05	100	0
2013-2014	TATIYA ANDHRA MEGA POWER LTD.	0.05	100	0
2014-2015	TATIYA ANDHRA MEGA POWER LTD.	0.05	100	0
2015-2016	TATIYA ANDHRA MEGA POWER LTD.	0.05	100	0
2016-2017	TATIYA ANDHRA MEGA POWER LTD.	0.05	100	0

Appendix B

POWER FINANCE CORPORATION LIMITED

Rs Crore

Year	Name of Joint Venture Company	Equity Rs Cr	Shareholding %	Dividend
2012-13	Energy Efficiency Services Limited	22.5	25	0
2013-14	Energy Efficiency Services Limited	22.5	25	0
2014-15	Energy Efficiency Services Limited	22.5	25	0
2015-16	Energy Efficiency Services Limited	47.5	28.78	0.68
2016-17	Energy Efficiency Services Limited	146.5	31.7	3.39
2012-13				
2012-13	National Power Exchange Limited	2.19	16.67	0
2013-14	National Power Exchange Limited	2.19	16.67	0
2014-15	National Power Exchange Limited	2.19	16.67	0
2015-16	National Power Exchange Limited	2.19	16.67	0
2016-17	National Power Exchange Limited	Company Liquidated w.e.f 31.03.2017		

PART A
POWER FINANCE CORPORATION LIMITED

S No	Financial Performance Criteria	Unit	Marks	Current Year (Estimated)	Best in 5 Years	MoU Target for the Year 2018-19					% Improvement*	
						EXCELLENT	V. GOOD	GOOD	FAIR	POOR		
						100%	80%	60%	40%	20%		
i	Turnover											
	Revenue from Operation (Net)	Rs Crore	10	26,000	27,473	26,000	25,000	24,000	23,000			0.00%
ii	Operating Profit/Loss											
	Operating Profit as a percentage of Revenue from operation (RO) (net) (Note 1)	%	20	29.84%	34.99%	24.00%	22.00%	21.00%	20.00%			-19.57%
iii	Return on Investment											
	PAT as % Average Net Worth	%	20	14.63%	21.03%	11.00%	10.50%	10.00%	9.50%			-24.81%
	Total		50									

* Improvement is worked out on Very Good Target for MoU 2018-19 over Current year (2017-18) expected actuals

Note 1 Operating Profit is Profit/Surplus Before Tax excluding other Income, Extraordinary and Exceptional Items

PART C POWER FINANCE CORPORATION LIMITED

Sl. No.	Performance Criteria	Unit	Marks	Current Year (Estimated)	Best in 5 Years	MoU Target for the Year 2018-19					% Improvement*
						EXCELLENT	V. GOOD	GOOD	FAIR	POOR	
						100	80	60	40	20	
1	Loans Disbursed/Total Funds Available**	%	5	91%	99%	92%	91%	90%	89%	88%	0%
2	Overdue Loan/Total Loans Assets (net)	%	5	0.70%	0.05%	0.68%	0.70%	0.80%	0.90%	1.00%	0%
3	Net NPA / Loan Assets (Net) (Excluding RKM Powergen Pvt Ltd and additional NPA on account of fresh disbursement to Shri Maheshwar Hydro Power Corp. Ltd.) (% of C.Y. i.e. 2017-18 achievement)	%	5	5.87%	0.53%	90% of CY	95% of CY	100% of CY	101% of CY	102% of CY	5%
4	Cost of raising funds through bonds as compared to similarly rated CPSEs/entities (Margin over Reuters AAA rated corporate Bonds of equivalent maturity)	bps	5	0	-1 bps	-1 bps	0.00%	+1 bps	+2 bps	+3 bps	0%
5	Return on Equity (i.e. PAT/Average Networth) in PFCCCL, a 100% subsidiary of PFC	%	3	15.18%	26.65%	15.00%	13.00%	12.00%	11.00%	10.00%	-14.36%
6	Human Resource Management										
a)	Assessment of level in line with People Capability Maturity Model (PCMM) or equivalent in the CPSE and 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. If no, justifiable reason to be recorded in the Board Resolution	Date	2	NA	NA	15.01.2019	31.01.2019	15.02.2019	28.02.2019	15.03.2019	NA
b)	Online Human Resource Management System(HRMS) Implementation and integration with Finance Division (Consisting of online employee data administration, employee self-service, exit procedure, talent management etc)	Date	3	NA	NA	15.12.2018	15.01.2019	31.01.2019	15.02.2019	28.02.2019	NA
c)	HR Audit and decision of the Board on recommendation of audit	Date	2	NA	NA	15.12.2018	15.01.2019	31.01.2019	15.02.2019	28.02.2019	NA

PART C POWER FINANCE CORPORATION LIMITED


Sl. No.	Performance Criteria	Unit	Marks	Current Year (Estimated)	Best in 5 Years	MoU Target for the Year 2018-19					% Improvement	
						EXCELLENT	V. GOOD	GOOD	FAIR	POOR		
7	Other Sector Specific result oriented measurable parameters (Note 1)						100	80	60	40	20	
a	IPDS work completion	No of Circles	5	NA	NA		223	150	125	100	75	NA
b	IPDS Ph-II implementation	No of Towns	5	NA	NA		350	250	200	150	125	NA
c	Award of ERP work of DISCOMs/State Utilities	No of Utilities	2	NA	NA		29	20	15	10	5	NA
d	Verification of Part A- IT completion by TPIEA-IT	No of Towns (Cumulative)	3	NA	NA		1400	1150	950	800	700	NA
e	SCADA under Part A completion	No of Towns (Cumulative)	2	NA	NA		55	25	15	10	5	NA
f	Capacity Building	Mandays	3	NA	NA		5000	4800	4600	4400	4200	NA
Gross Total			50									

* Improvement is worked out on Very Good Target for MoU 2018-19 over Current year (2017-18) expected actuals

** Total fund include opening cash & Bank balance, principal receipts from borrower, loan raised during the year, inflow from Sale of Investment/Assets, principal i.e. payment to lenders, purchase of fixed assets/investment, Share Capital receipts, cash flow from operating activities adjusted for (as per cash flow statement), dividend including CDT and change in Loan Assets

Note

1 Evaluation of sector-specific parameters would be done on the basis of specific recommendation/certification by the Administrative Ministry confirming achievement against targets


 (Rajeev Sharma)
CHAIRMAN & MANAGING DIRECTOR
POWER FINANCE CORPORATION LIMITED

Date: 9th MAY 2018
Place: New Delhi


 (Ajay Kumar Bhalla)
SECRETARY
MINISTRY OF POWER

PART A
POWER FINANCE CORPORATION LIMITED
TREND ANALYSIS

S No	Particulars	Unit	Target v/s Actual	2012-13	2013-14	2014-15	2015-16	2016-17	Current Year	
									Actual up to 30.09.2017	Estimated 31.03.2018
i	Revenue from Operation									
	Gross Revenue	Rs. crore	Actual	21,537	24,907	27,564	27,018	14,040	26,700	
	Net Revenue*	Rs. crore	Actual	21,522	24,861	27,473	26,716	13,914	26,400	
	a. Profit before Tax	Rs. crore	MoU	19,670	-	-	26,000	26,800	26,800	
	b. Other Incomes	Rs. crore	Actual	7,545	8,378	9,060	5,110	4,769	8,177	
ii	c. Extraordinary & Exceptional Income	Rs. crore	Actual	15	45	91	302	127	300	
	d. Prior Period Items	Rs. crore	Actual	-	-	-	-	-	-	
	e. Operating Profit/loss (a-b+/-c+/-d)	Rs. crore	Actual	(0.29)	2.16	2.13	(1.47)	0.07	-	
	a. Profit After Tax	Rs. crore	Actual	7,530	8,330	8,967	4,809	4,642	7,877	
	b. Net Worth at year end	Rs. crore	MoU	NA	NA	NA	NA	NA	NA	
iii	c. Average Net Worth	Rs. crore	Actual	25,714	29,797	33,992	36,118	38,163	38,063	
	d. PAT/Net Worth	%	Actual	19.76%	18.50%	17.09%	5.83%	8.32%	14.05%	
	PAT/Average Network	%	MoU	14.49%	14.69%	16.47%	14.50%	NA	NA	
			Actual	21.03%	20.00%	17.98%	5.89%	8.69%	14.63%	
			MoU	NA	NA	NA	NA	12.69%	12.69%	

S No	Particulars	Unit	Target v/s Actual	2012-13	2013-14	2014-15	2015-16	2016-17	Current Year	
									Actual up to 30.09.2017	Estimated 31.03.2018
	e. Paid-up Share Capital	Rs. crore	Actual	1,320	1,320	1,320	1,320	2,640	2,640	2,640
	f. Gol Share	Rs. crore	Actual	973	961	961	895	1,752	1,752	1,752
	g. Reserve & Surplus	Rs. crore	Actual	22,734	26,055	30,899	34,446	33,830	37,215	37,015
iv	Total Expenses	Rs. crore	Actual	11,306	13,993	16,529	18,504	21,908	9,271	18,523
v	Total Income	Rs. crore	Actual	17,272	21,537	24,907	27,564	27,018	14,040	26,700
vi	Total Expenses/Total Income	Rs. crore	Actual	65%	65%	66%	67%	81%	66%	69%
vii	Details of other incomes									
	a. Interest	Rs. crore	Actual	0	2	1	9	30	99	20
	b. Dividend	Rs. crore	Actual	8	2	31	71	261	24	280
	c. Other Incomes	Rs. crore	Actual	4	10	13	11	11	4	0
	d. Total	Rs. crore		12	15	45	91	302	127	300
viii	a. Cash and Bank Balance and equivalent	Rs. crore	Actual	4,754	60	5,071	78	3,573	9.26	3,573
	b. Investment in mutual funds	Rs. crore	Actual	-	-	-	-	-	-	-
	c. Investment in shares other than subsidiary/JVs	Rs. crore	Actual	19	19	519	422	1,341	1,296	1,341
	d. Total (a+b+c)	Rs. crore		4,773	79	5,590	500	4,915	1,305	4,915
	e. Cash Credit / Over-Draft Loan / Short Term Loan	Rs. crore	Actual	8,820	1,314	4,064	7,572	2,401	16,181	5,718
	f. Balance in Current Account	Rs. crore	Actual	3	2	134	47	458	8	50
ix	Dividend paid/declared for the year, excluding Dividend Tax	Rs. crore	Actual	924	1,188	1,201	1,835	1,320	Nil	2,059

* IMC has recorded Current year i.e. 2017-18 estimated "Revenue from Operation" at Rs 26,000 Cr

PART B
POWER FINANCE CORPORATION LIMITED
TREND ANALYSIS

S No	Particulars	Unit	Target v/s Actual	2012-13	2013-14	2014-15	2015-16	2016-17	Current Year	
									Actual up to 30.09.2017	Estimated 31.03.2018
1	Installed Capacity in respect of each product									
2	Capacity Utilization in respect of each Products									
3	Contribution of each product in Sales									
4	New Orders Received during the year									
5	Exports as a percentage of Revenue from Operation									
6	Development or Revenue from new products of product with new features									
7	Production Efficiency parameters									
8	Completion of milestone of clients orders/agreements without time overrun									
9	R&D, Innovation, Technology up-gradation parameter									
10	Market Share									
11	CAPEX									
12	CAPEX contracts/project running/completed without time/cost overrun to total value of CAPEX									
13	Inventory of Finished Goods and work in progress									
14	Inventory of Finished Goods and work in progress to Revenue from operations (Net)									
15	Inventory of Finished Goods of more than one year									
16	Inventory of Finished Goods of more than one year as a percentage of Revenue from operations (Net)									

Not Applicable

S No	Particulars	Unit	Target v/s Actual	2012-13	2013-14	2014-15	2015-16	2016-17	Current Year		
									Actual up to 30.09.2017	Estimated 31.03.2018	
17	Trade Receivables (net)										
18	Trade Receivables (net) as number of days of Revenue from Operation (Gross)										
19	Claims against the Company not Acknowledged raised by:										
	Central Government Department	Rs Crore		0	0	0	0	0	0	0	0
	State Governments/Local Authorities	Rs Crore		0	0	0	0	0	0	0	0
	CPSEs	Rs Crore		0	0	0	0	0	0	0	0
	Others	Rs Crore		0.04	0.04	0.04	0	0	0	0	0
	Total	Rs Crore		0.04	0.04	0.04	0	0	0	0	0
20	Loans Disbursed/Total Funds Available	%	Actual	90%	91%	93%	99%	96%	92%	91%	91%
21	Cost of raising funds through bonds as compared to similarly rated CPSEs/entities (Margin over Reuters AAA rated corporate Bonds of equivalent maturity)	bps	MoU	NA	NA	NA	NA	NA	91%	91%	91%
			Actual	NA	-1	-1	-1	-3	-2	-2	0
			MoU	NA	NA	NA	NA	NA	Minus 1 bps	Minus 1 bps	Minus 1 bps
22	Overdue Loans/Total Loans (Net)	%	Actual	0.05%	0.44%	0.37%	0.52%	0.27%	0.81%	0.70%	0.70%
			MoU	Not Applicable	Not Applicable	Not Applicable	Not Applicable	0.70%	0.70%	0.70%	0.70%
23	NPA/Loan Assets (Net)	%	Actual	0.63%	0.52%	0.87%	2.55%	NA	NA	NA	NA
	Net NPA / Loan Assets (Net) (Excluding RKM Powergen Pvt Ltd and additional NPA on account of fresh disbursement from 01.01.2017 to Shri Maheshwar Hydro Power Corp. Ltd.)	%	MoU	1.25%	1.15%	NA	NA	NA	NA	NA	NA
			Actual	0.64%	0.53%	0.88%	2.60%	10.77%	6.76%	5.87%	5.87%
			MoU	Not Applicable	Not Applicable	Not Applicable	Not Applicable	3.50%	6.50%	6.50%	6.50%
24	Return on Equity (i.e. PAT/Average Network) in PFCCL, a 100% subsidiary of PFC	%	Actual	17.39%	23.26%	15.48%	21.85%	26.65%	3.35%	15.18%	15.18%
			MoU	NA	NA	NA	NA	NA	20%	20%	20%