

# Memorandum of Understanding FY 2023-24



**REC Limited**  
**and**  
**Power Finance  
Corporation Limited**







# **MEMORANDUM OF UNDERSTANDING FY 2023-24**

**BETWEEN**

**REC LIMITED  
AND  
POWER FINANCE  
CORPORATION LIMITED**



## REC(Consolidated) - MoU 2023-24

S.No.	Name of Parameter	Unit	Weightage	Target 2023-24
1	Revenue from Operations	Rs. Cr.	5	46935
2	EBTDA as per centage of Revenue	%	10	37.00
3	Return on Net Worth	%	10	21.05
4	Return on Capital Employed	%	5	12.24
5	Asset Turnover ratio	%	5	10.60
6	Loans disbursed to Total Funds Available	%	18	100
7	Overdue Loans to Total Loans	%	10	0.10
8	NPA to Total Loans	%	10	1.15
9	Cost of raising funds through Bonds as compared to similarly rated CPSEs	BPS	5	-15
10	Acceptance/ Rejection of Invoices of Goods & Services through TREDS Portal within Specified time	%	5	100
11	Procurement from GeM as per approved Procurement Plan	%	2	100
12	Total Return to Shareholders	%	15	100
		<b>Total</b>	<b>100</b>	

### Notes:

- The targets are based on projections for the FY 2022-23 and the same shall be subject to revision on the basis of audited figures.
- Vision provided by the administrative Ministry is also considered for Benchmarking. TRS parameter will be benchmarked to BSE 500 Index and the proportionate marking for achievement as per benchmarked range.
- Proportionate marks for achievement of 50% to 100% Targets except for the parameter on TRS.
- No marks for achievement below 50.00% of Targets

## Compliance parameters for 2023-24

S.No.	Parameter	Marks	Source/ Verification
1	DPE guidelines issued from time to time on CSR expenditure by CPSEs.	-1	Administrative Ministry
2	Compliance of provisions in the Companies Act, 2013 (or SEBI (LODR) regulations in case of listed entities) on Corporate Governance such as: (i) Composition of Board of Directors (ii) Board Committees (Audit Committee etc.) (iii) Holding Board Meetings (iv) Related Party Transaction (v) Disclosures and Transparency	-3	Administrative Ministry on the basis of CAG/ Statutory/ Secretarial Audit Report(s)
3	Target as given by NITI Aayog on Assets Monetization Milestones	-1	Administrative Ministry on the basis of confirmation from NITI Aayog
4	Procurement of goods or services through MSEs as % of Total procurement of goods and services – 25 %	-1	Administrative Ministry on the basis of Sambandh portal
5	Procurement of goods or services through SC/ST MSEs as % of Total procurement of goods and services – 4%	-1	Administrative Ministry on the basis of Sambandh portal
6	Procurement of goods or services through Women MSEs as % of Total procurement of goods and services – 3%	-1	Administrative Ministry on the basis of Sambandh portal
7	Steps and initiative taken for Health & Safety improvement of Human Resources in CPSEs (Target to be prescribed by the Administrative Ministry)	-1	Administrative Ministry
8	Compliance with provisions relating to TReDS as outlined in DPE OM No. DPE- 7(4)/2007- Fin dated 04-05-2020	-1	Administrative Ministry



Chopra  
8/9/23

**(Parminder Chopra)**  
**Chairman & Managing Director**  
**Power Finance Corporation Limited**

Dewangan  
8/9/23

**(Vivek Kumar Dewangan)**  
**Chairman & Managing Director**  
**REC Limited**

**Place: New Delhi**

**Date : 08/09/2023**









# REC Limited (A Maharatna Government of India Enterprise)

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