



असीमित ऊर्जा, अनन्त संभावनाएं  
Endless energy. Infinite possibilities.

A MAHARATNA COMPANY

## Memorandum of Understanding FY 2025-26

**BETWEEN**

*REC Limited*

&

*Power Finance  
Corporation Limited*





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## REC Limited Consolidated MoU FY 2025-26

SI	Parameter	Unit	Wt.	Target 2025-26
1	Revenue from Operations	₹ Crore	15	63010
2	EBTDA (as a percentage of Total Income)	%	10	38.33
3	Return on Net Worth	%	10	21.70
4	Return on Capital Employed	%	5	11.45
5	Asset Turnover Ratio	%	5	11.00
6	Loan Disbursed to Total Fund Available	%	10	100.00
7	Overdue Loans to Total Loans	%	10	0.28
8	NPA to Total Loans	%	10	0.75
9	Cost of Raising funds through bonds as compared to similarly rated CPSEs	BPS	8	-13.00
10	Procurement through GeM (as percentage of Total Procurement) Target to be set by Ministry of Power	%	2	100.00
11	Total Return to Shareholders	%	15	100.00
<b>Total</b>			<b>100</b>	

Applicable Guidelines for **Total Return of Shareholder** (TRS) is as per S&P BSE 100/ 500 index, wherein TRS includes -

- Appreciation in stock value,
- Dividends paid (including dividend distribution tax if any),
- Redemption of bonus preference shares, dividend on bonus pref. shares,
- Redemption of bonus debentures, interest on bonus debentures, etc.

TRS shall be calculated on year-end basis (i.e. change in TRS as on 31st March of the base year to 31st March of the MoU year). TRS benchmarking: a range up to one standard deviation ( $\pm \sigma$ ) in the set of TRS of year-end S&P BSE 100/ 500 constituent companies' performance

### Notes:

SI	Particulars
(i)	Targets finalized based on estimates/ projections are subject to revision by DPE upon receipt of the audited figures.
(ii)	Parameters (except for loss /expenses reduction) will be evaluated based on proportionate marking for achievements between 50% to 100% of the target. Achievements below 50% will score zero, except for the Total Return to Shareholders parameter, unless otherwise specified.
(iii)	The aggregate score will be contingent upon fulfilling the compliance parameters. Failure to comply will result in the deduction of full marks, as indicated, without any partial or proportional deduction.
(iv)	There would be no adjustment in targets or achievements due to changes in exchange rate, regulatory prices of raw material or finished goods or reduction in margins or due to any other reasons.
(v)	The target for Total Return to Shareholders is set at 100%, would be evaluated against the benchmarks computed at the financial year-end, as per MoU guidelines.



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## Part-II : Compliance Parameters

Sl	Parameter	Marks	Source/ Verification
1	DPE guidelines on CSR expenditure	-1	Administrative Ministry based on Board Resolution / Annual Report, and inputs from CSR Cell of DPE
2	Provisions in the Companies Act, 2013 [or SEBI (LODR) regulations in case of listed entities] on Corporate Governance: (i) Composition of Board of Directors (ii) Board Committees (iii) Holding Board and Committees' (iv) Meetings (v) Related Party Transactions (vi) Disclosures and Transparency	-3.0	Administrative Ministry on the basis of CAG/ Statutory/ Secretarial Auditor Report(s)/ Annual Report
3	Onboarding of CPSE on all operational TReDS platforms Moved from financial parameters to Compliance parameter in FY 2025-26	-0.5	MSME Sambandh/ TReDS portals
4	Timely payments to MSE vendors as prescribed in MSMED Act Moved from financial parameters to Compliance parameter in FY 2025-26	-3.0	MSME Samadhaan / TReDS portals /Administrative Ministry based on Annual Report/ any other authentic source
5	Procurement of goods and services (as % of total procurement), from: (i) MSEs overall – 25% (ii) SC/ST owned MSEs – 4% (iii) Women owned MSEs – 3%	-2	MSME Sambandh portal/ Annual Report/ PE Survey
6	Steps and initiative taken for Health & Safety improvement of Human Resources in CPSEs  Target set by Ministry of Power	-1	Administrative Ministry based on Board Resolution [targets have been prescribed by Administrative Ministry]
7	Targets under PM Internship scheme of MCA [Applicable to the CPSEs participating as partner companies]  Newly introduced in FY 2025-26	-1	Ministry of Corporate Affairs and / or Administrative Ministry based on Board Resolution/ Annual Report [
8	Leadership Development Plan  Newly introduced in FY 2025-26	-1	Inputs from concern Division of DPE and / or Administrative Ministry
9	Surplus non-core assets (land & building) monetization plan. Newly introduced in FY 2025-26 --> 'Nil' plan has been submitted to MoP.	-1	DPE by plan submitted through Administrative Ministry within prescribed timelines.

CMD, REC Limited

CMD, Power Finance Corporation Limited

Place : Delhi / Gurugram  
Date : 25th Aug 2025 (E-signed)

