No. M-03/0004/2024-MoU Division
भारत सरकार/ Government of India
वित्त मंत्रालय / Ministry of Finance
लोक उद्यम विभाग / Department Public Enterprises

नई दिल्ली / New Delhi
10 मार्च/ March, 2025

OFFICE MEMORANDUM

Subject: MoU guidelines for year 2024-25 (Consolidated) - reg.

The undersigned is directed to refer the MoU guidelines issued vide DPE OM No. M-03/0003/2020-DPE(MoU) dated 12th October, 2022 and amendments/ clarifications issued time to time, and to state that the MoU guidelines have been consolidated for the year 2024-25. These guidelines would be applicable on MoUs and their evaluation for the year 2024-25 only.

2. This issues with approval of Competent Authority.

Digitally signed by
Muni Ram Meena
Date: 10-03-2025
13:13:20

(मुनी राम मीना / Muni Ram Meena)
निदेशक / Director
✉ mou-dpe@nic.in

To

i. Secretaries to the Government of India (*as per list*)
ii. CMDs/MDs/Chief Executives of CPSEs (*as per list*)

Copy to:

i. Secretary, D/o Expenditure
ii. Secretary, D/o Investment and Public Asset Management
iii. Chief Economic Advisor, D/o Economic Affairs
iv. Sr.PPS to Secretary, D/o Public Enterprises

Government of India
Ministry of Finance
Department of Public Enterprises
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MoU-Guidelines for the year 2024-25 (Consolidated)

1. Introduction: One of the key ownership functions of the Government being the majority shareholders of Central Public Sector Enterprises (CPSEs) is to undertake regular performance evaluation of CPSEs to assess their efficacy towards fulfilment of core objectives for which these have been constituted. The performance evaluation system, instead of merely evaluating the "efforts" of a CPSE or its management in a given business environment, need to be actually reflecting the economic performance in terms of CPSE's profitability/ return on the invested capital, competitiveness/ usefulness in the given commercial space. The grading/ outcome of the performance evaluation process under the revised MoU system would be reflection of CPSE's performance as per its audited Books of Accounts, both for listed and non-listed companies. This is significant in view of the linkage in Performance Related Pay (PRP) with the performance evaluation through MoU framework.

2. Scope:

2.1 All CPSEs (Holding as well as Subsidiaries) are required to sign MoUs. Holding Companies will sign MoUs with their Administrative Ministries/ Departments, while the Subsidiary Companies will sign MoUs with their respective Holding Companies.

2.2 MoU in respect of a CPSE will be finalized on consolidated basis only (i.e., including all subsidiaries and JVs of the CPSE). In respect of a holding/ independent CPSEs, MoU will be finalized by DPE. MoU target setting and its evaluation in respect of a subsidiary CPSEs may be done by the holding CPSE on the same principles as being followed for the holding CPSE by DPE. For subsidiary CPSEs having Maharatna/ Navratna status, DPE will finalize MoU.

3. MoU Framework:

3.1 MoU Parameters: The parameters included in the revised MoU process are market oriented reflecting the shareholders' interest in terms of growth in revenue, return on net worth, asset turnover ratio and market capitalisation for listed CPSEs. Adequate weightage has been given to productivity linked parameters pertaining to CPSE's core operations. The parameters are further indexed to past performance and future projections of the CPSE; vision of the Administrative Ministry; sectoral benchmarking and peer comparison (if any). All the parameters are quantifiable and verifiable from the documents in public domain. The MoU parameters are clubbed into groups so that weightages of non-applicable parameter(s), if any, for a sector/ CPSE can be redistributed to other parameter(s) of the same group. Besides certain government's priorities/ programmes such as CSR, procurement from MSEs, etc. are also included for compliance by CPSEs, the non-compliance of which would result in deduction of full marks i.e., there would not be any partial deduction. The list of parameters is enclosed at **Annexure I** and the explanatory notes on the parameters is enclosed at **Annexure II**. Weightages of marks in case of National Oil Companies (NOCs), i.e., ONGC Ltd. and Oil India Ltd. would be aligned as per the Cabinet Decision intimated by MoPNG vide letter No. O-12015(11)/1/2019-ONG-II dated 01.03.2019.

3.2 Digital dashboard: A digital dashboard with a centralized portal developed by DPE will be used for entering, signing, monitoring and evaluating MoU agreements. The CPSEs and Administrative Ministries would be onboarded with appropriate user roles.

3.3 Institutional Mechanism

3.3.1 High Powered Committee (HPC): The High-Powered Committee (HPC) is the Apex body under MoU system for laying policy guidelines, recommended by IMC. HPC shall comprise of the Cabinet Secretary as Chairman with following members:

i. CEO (NITI Aayog)
ii. Finance Secretary
iii. Secretary (Expenditure)
iv. Secretary (Statistics and Programme Implementation)
v. Chairman (Public Enterprises Selection Board)
vi. Chief Economic Advisor (Department of Economic Affairs)
vii. Secretary (Public Enterprises)

In particular, the HPC will approve the common template (MoU parameters) (Annexure I).

3.3.2 Inter-Ministerial Committee (IMC) shall comprise of Secretary (DPE) as Chairman, Representative of Chief Economic Advisor (Department of Economic Affairs), Department of Expenditure, MoSPI, NITI Aayog and Secretary/ representative of Administrative Ministry as special invitee and any other expert co-opted on need basis. The IMC will finalise the sectoral template/ CPSE wise MoU parameters. The purpose of sectoral templates is to select and identify the parameters and weightages (from Annexure I) relevant to the core business activities in that sector and or CPSE. IMC will also set the requisite levels of performance against each of the parameters, so decided, as benchmarked targets.

3.4 The benchmarked target would be for "Excellent" level. In order to enable the IMC to determine the benchmarks for various parameters, the CPSE will upload the estimated figures of certain financial and physical attributes on the dashboard by 31st December of the financial year previous to that of MoU financial year (hereinafter referred as base year). Once the actual results of the base year are available, the figures of financial and physical attributes referred to above, will be updated by the CPSE on the dashboard through PE Survey portal by 31st October of the MoU financial year. On uploading of the actuals on the dashboard, the legacy data will stand updated automatically and accordingly, the benchmarked targets will stand revised/ updated. Similarly, by 31st December of the base year, the Administrative Ministry/ Department will upload on the dashboard, the details of sectoral vision plan for three years with annual milestones so that the same can be taken into consideration at the time of benchmarking by IMC. The CPSEs and Administrative Ministries/ Departments concerned are required to e-Sign the final MoU issued by DPE (based on IMC decision) within 15 days on the MoU dashboard. In the event of failure in timely signing of MoU, it would attract penal action by deducting 2.5 marks for delay of each week and its fraction. In case the CPSE fails to sign MoU within 45 days of its issue, the CPSE is liable to be rated as 'Poor, irrespective of actual performance.

MoU Evaluation:

3.5 Based on the actual figures reported by CPSEs on PE Survey Portal, the assessment will commence as per following timelines:

Event	Timelines (of the year subsequent to the MoU year)
Readiness of evaluation mode by DPE	15th October (will be notified)

Submission of self-evaluation by the CPSEs duly verified by Administrative Ministry.	31st October
Completion of evaluation and release of score/ rating by DPE	31st December

In the event of failure in timely submission of self-evaluation of MoU duly verified by the administrative ministry, it would attract penal action by deducting 2.5 marks for delay of each week and its fraction. ln case CPSE submits self-evaluation with delay of more than 4 weeks, it would be liable to be rated as ‘one rating below what is arrived based on actual performance’, irrespective of its actual scores. If a CPSE fails to submit self-evaluation by 30th December of the year subsequent to the MoU year, the CPSE shall be liable to be rated ‘Poor’, irrespective the actual performance and reason behind it.

3.6 Once the CPSEs’ data from their audited balance sheet and P&L Statement is available on the dashboard, the score would be automatically calculated against the benchmarked targets. **There would be no adjustment in MoU agreement due to changes in exchange rate, prices of raw material or finished goods or due to offset for any other reason as these are deemed to be normal business activity and audited statement of accounts declared shall prevail**. The CPSEs will be allotted marks proportionately for achievement from 50% to 100% of target figure for each parameter (except for parameters on reduction of losses/ expenses in respect of loss making CPSEs). There will be no marks awarded for the parameters having achievement below 50% of target (except for the parameter on Total Return to Shareholders). Score on all parameters would be added to arrive at aggregate score.

3.7 **MoU Rating**: The MoU rating of CPSEs will be assigned as per the following:

MoU Score	MoU Rating
Score ≥ 90	Excellent
90 > Score ≥ 70	Very Good
70 > Score ≥ 50	Good
50 > Score ≥ 33	Fair
33 > Score	Poor

4. <u>Exemption from MoU</u>:

4.1 Following CPSEs are exempted from MoU system:

i. CPSEs under liquidation and or closure (duly approved by competent authority). Administrative Ministry would provide the list of such CPSEs by 31st of December of the base year.

ii. CPSEs which are not in operation or having no employees or on any other ground on the recommendation of Administrative Ministry with approval of DPE. Administrative Ministry would provide the list of such CPSEs by 31st of December of the base year.

iii. Holding CPSE is free to take a decision regarding exemption from MoU for its Subsidiary companies.

iv. Process of exemption shall ordinarily be completed by 31st of March of the base year.

4.2 **CPSEs not signing of MoU:** The CPSEs which have not been given exemption and do not sign MoU by the dates indicated above shall be rated as ‘poor’.

4.3 **Applicability of PRP:** The MoU rating will form the basis of PRP with all the key result area identified in the MoU. No PRP will be eligible for the CPSEs (including subsidiaries) that do not enter into MoU. (OM No. 2(70)/08 DPE(WC) dated 26.11.2008 and OM No. W-02/0028/2017-DPE (WC) dated 03.08.2017).

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Annexure - I

MoU Parameters

SN	Parameter	Formula	Marks	Source/ Verification
A.	**Revenue, Physical Output, CAPEX and Forex earning/ saving:**			
1.	Revenue from Operations (Rs. in Crore)	Revenue from Operations	5	Profit & Loss Statement
2.	Physical Output: Production/ Generation/ Transmission/ Value of Production/ Services/ Total Income		20	Profit & Loss Statement/ Annual Report
3.	CAPEX (Rs in Crore)	*Target is based on Budget document of Union Govt.* Addition to Property Plant and Equipment, capital work-in-progress, capital advances	10	Balance Sheet
4.	(i) Exports as a percentage of Revenue from Operations	$\frac{Value\ of\ Exports}{Revenue\ from\ operations} \times 100$ Should show improvement over previous year.	4	P&L Statement and Balance Sheet
	(ii) Imports as a percentage of Revenue from operations	$\frac{Imports\ consumed\ during\ the\ year}{Revenue\ from\ operations} \times 100$ Should show reduction from previous year.	4	Annual Report of CPSE
B.	**Profitability**			
5.	EBITDA as a percentage of Revenue (%)	$\frac{EBITDA}{Total\ Income} \times 100$ EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization excluding exceptional or extra-ordinary items	10	P&L Statement
6.	Return on Net Worth (%) Or Return on Capital Employed (%)	$\frac{PAT}{Average\ Net\ Worth} \times 100$ Net worth: As per Companies Act $\frac{EBIT}{Total\ Capital\ Employed} \times 100$ Total Capital Employed: Net worth + Non-Current Borrowings	15	P&L Statement and Balance Sheet
7.	Asset Turnover Ratio (%)	$\frac{Total\ Income}{Total\ Assets} \times 100$	5	P&L Statement and Balance Sheet
C.	**Procurement, Trade Receivables and R&D**			
8.	Acceptance/ Rejection of Invoices of Goods and Services by CPSEs through TReDS portals within stipulated time as per MSMED Act, 2006 (%)		5	Administrative Ministry on authorised source
9.	Procurement through Gem portal as per approved procurement plan $\frac{\text{Procurement of goods and services through GeM portal during the year as per GeM}}{\text{Approved procurement plan}} \times 100$		2	Administrative Ministry on the basis of GeM portal
10.	Trade Receivables as number of days of Revenue from Operations	$\frac{Trade\ Receivables}{Revenue\ from\ Operations} \times 365$	3	Balance Sheet and P&L Statement
11.	Expenditure on R&D / Innovations, Initiatives as percentage of PBT (%)		2	Annual Report of CPSE

D.	**Value creation for Shareholders**		
12.	Earnings per Share (for unlisted) (Rs.) Or Total Return to Shareholders (for listed) (%)	15	P&L Statement and Balance Sheet Or BSE / NSE Data
Any other parameter – For loss making CPSEs: reduction in losses/ expenses, etc., For Finance and social sector Finance CPSEs: Loan disbursement/ Overdue Loans/ NPA/ cost of raising funds/ Geographical coverage/ last mile disbursement, etc. If parameter(s) is not applicable, the weightage may be allocated to other parameter(s).			Profit & Loss Statement/ Annual Report of CPSE
Note: In working out achievements for the year, quantified qualifications of CAG/ Statutory Auditors would be adjusted in case of overstatement of Revenue/ Profit/ Surplus or understatement of Loss/ Deficit.			
E.	**Aggregate score would be subject to compliances failing which full marks, as indicated below, would be deducted and there will be no partial deduction:**		
SN	**Compliance Parameters**	**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 (-0.6 for each)	Administrative Ministry on the basis of CAG/ Statutory/ Secretarial Auditor Report(s)
3.	Procurement and timely payment to Micro & Small Enterprises (i) Procurement of goods or services from MSEs as % of Total procurement of goods and services – 25 % (ii) Procurement of goods or services from SC/ST MSEs as % of Total procurement of goods and services – 4% (iii) Procurement of goods or services from Women MSEs as % of Total procurement of goods and services – 3%	-3 (-1 for each)	Administrative Ministry on the basis of Sambandh portal
4.	Steps and initiative taken for Health and Safety improvement of Human Resources in CPSEs (Target to be prescribed by the Administrative Ministry)	-1	Administrative Ministry

Standard Operating Procedure/ Explanatory Note
On
MoU Parameters

A. The parameters in MoU Guidelines are explained as under: -

1. Revenue from Operations:

As per schedule III of the Companies Act, 2013, in respect of a company other than finance company revenue from operations consist of: (a) Sale of products; (b) Sale of services; (c) Other operating revenues. In respect of a finance company, revenue from operations shall include revenue from (a) Interest income; and (b) Other income from financial services.

This would be taken as given in audited Statement of Profit & Loss of the CPSE.

Illustration:

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2022			
		For the year ended (Rs. Crore)	
Particulars	**Note No.**	**31 March 2022**	**31 March 2021**
Income			
Revenue from operations (Gross)		97,000	90,000
Other income		3,000	2,000
Total income		**1,00,000**	**92,000**

This figure shall directly be picked from P&L Statement i.e., in this case, Revenue from Operations for the year 2021-22 would be Rs.97,000 crore and 2020-21 Rs.90,000 crore.

2. Asset Turnover Ratio:

This will be worked out by dividing total income (as given in Statement of Profit & Loss) with Total Assets (as given in Balance Sheet) and multiplying with 100.

Total Income: Revenue from operations and other incomes.

Total Assets: This would be total of Non- Current Assets, Current Assets, etc. i.e., under the head Total Assets as given in Balance Sheet.

Illustration:

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022			
		For the year ended (Rs. Crore)	
Particulars	**Note No.**	**31 March 2022**	**31 March 2021**
Income			
Revenue from operations		97,000	90,000
Other income		3,000	2,000
Total income		**1,00,000**	**92,000**

BALANCE SHEET AS AT 31 MARCH 2022			
			Rs. Crore
Particulars	**Note No.**	**As at 31 March 2022**	**As at 31 March 2021**
ASSETS			
Non-current assets			
Property, plant and equipment		1,56,000	1,25,000
Capital work-in-progress		73,000	91,000
Intangible assets		5,000	7,000
Intangible assets under development		2,000	4,000
Financial assets			
Investments in subsidiary and joint venture companies		26,000	13,000
Other investments		1,000	1,000
Loans		1,000	1,000
Other financial assets		1,000	1,000
Other non-current assets		11,000	13,000
Total non-current assets		**2,76,000**	**2,56,000**
Current assets			
Inventories		11,000	8,000
Financial assets			
Trade receivables		16,000	8,000
Cash and cash equivalents		2,000	2,000
Bank balances other than cash and cash equivalents		2,000	3,000
Loans		3,000	3,000
Other financial assets		12,000	8,000
Other current assets		8,000	15,000
Total current assets		**54,000**	**47,000**
Regulatory deferral account debit balances		9,000	4,000
TOTAL ASSETS		**3,39,000**	**3,07,000**

In this case, Assets turnover ratio for FY 2021-22 and 2020-21 would be 29.50% (1,00,000/3,39,000) and 29.97% (92,000/3,07,000) respectively.

3. **EBITDA as a percentage of Revenue:**

This will be worked out by dividing EBITDA (as given in Statement of Profit & Loss) with Total Income (as given in Statement of Profit and Loss) and multiplying with 100.

EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization excluding exceptional or extra-ordinary or Prior period items.

Total Income: Revenue from operations and other incomes.

Note: In case of CPSEs operating in finance sector, this parameter would be 'EBTDA (Earnings before Tax, Depreciation and Amortization excluding exceptional or extra-ordinary items) as a percentage of Income'.

Illustration:

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022			
			Rs. Crore
Particulars	**Note No.**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Income			
Revenue from operations		97,000	90,000
Other income		3,000	2,000
Total income		**1,00,000**	**92,000**
Expenses			
Fuel cost		54,000	52,000
Electricity purchased for trading		3,000	3,000
Employee benefits expense		5,000	5,000
Finance costs		7,000	5,000
Depreciation and amortization expenses		9,000	7,000
Other expenses		8,000	7,000
Total expenses		**86,000**	**79,000**
Profit before tax and regulatory deferral account balances		**14,000**	**13,000**
Tax expense			
Current tax			
Current year		2,000	3,000
Earlier years		3,000	1,000
Deferred tax		4,000	-6,000
Total tax expense		**9,000**	**-2,000**
Profit before regulatory deferral account balances		**5,000**	**15,000**
Net movement in regulatory deferral account balances (net of tax)		5,000	-4,000
Profit for the year		**10,000**	**11,000**

Calculation of EBITDA:

SN	**Particulars**	**For the year ended (Rs. Crore)**	
		31 March 2022	**31 March 2021**
a	Profit before tax or Earning before tax	**14,000**	**13,000**
b	Interest/ Finance Cost	7,000	5,000
c	**EBIT (Earnings Before Interest Tax) (a+b)**	**21,000**	**18,000**
d	Depreciation and Amortization	9,000	7,000
e	Exceptional Item - Income/ (Expenses)	0	0
f	EBITDA (Earnings Before Interest Tax Depreciation, Amortization and Exceptional item) **(c+d-e)**	30,000	25,000

In this case, EBITDA as a percentage of Income for FY 2021-22 and 2020-21 would be 30% (30,000/1,00,000) and 27.17% (25,000/92,000) respectively.

Illustration: (in case of Finance CPSE)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022			
			Rs. Crore
Particulars	**Note No.**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Income			
Revenue from operations		40,000	32,000
Other income		1000	1000
Total income		**41,000**	**33,000**
Expenses			
Finance Costs		25,000	20,000
Net Translation/Transaction Exchange Loss/(Gain)		1000	2000
Fees and Commission Expense		100	200
Net Loss/(Gain) on Fair Value changes		-700	-100
Impairment on Financial Instruments		1000	-700
Employee Benefit Expenses		200	200
Depreciation and Amortisation		1000	1000
Corporate Social Responsibility Expenses		200	200
Other Expenses		100	100
Total expenses		**27,900**	**22,900**
Profit/(Loss) Before Exceptional Items and Tax		**13,100**	**10,100**
Exceptional Items		0	0
Profit/(Loss) After Exceptional Items and before Tax		**13,100**	**10,100**
Tax expense			
Current year		2000	3000
Earlier years		0	0
Deferred tax		1000	2000
Total tax expense		**3000**	**5000**
Profit/(Loss) for the Year from Continuing Operations.		**10,100**	**5,100**

Calculation of EBTDA:

SN	**Particulars**	**For the year ended (Rs. Crore)**	
		31 March 2022	**31 March 2021**
a	Profit before tax or Earning before tax	**13,100**	**10,100**
b	Depreciation and Amortization	1000	1000
c	Exceptional Item - Income/ (Expenses)	0	0

SN	Particulars	For the year ended (Rs. Crore)	
		31 March 2022	31 March 2021
d	EBTDA (Earnings Before Tax Depreciation, Amortization and Exceptional item) **(a+b-c)**	**14,100**	**11,100**

In this case, EBTDA as a percentage of Income for FY 2021-22 and 2020-21 would be 34.39% (14,100/41,000) and 33.64% (11,100/33,000) respectively.

4. Return on Net Worth or PAT/ Average Net Worth:

This is worked out by dividing Profit after Tax (PAT) with Avg. Net Worth and multiplying with 100.

PAT: As given in audited Statement of Profit and Loss including Non-controlling Interest in case of consolidated accounts.

Net-worth: It would have the same meaning as defined in Section 2(57) of the Companies Act, 2013**,** i.e., aggregate value of the paid-up share capital and all reserves created out of profits and securities premium account, after deducting the aggregate value of accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Audited Balance Sheet (including of non-controlling/ minority shareholders interest), but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Average Net-worth: will be worked out by adding opening and closing balance of net-worth and dividing it by 2 (including the impact of Issue of Fresh equity and Buyback of shares if any).

Illustration:

Extract from STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022			
			Rs. Crore
Particulars	**Note No.**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Profit before tax and regulatory deferral account balances		**14,000**	**13,000**
Tax expense			
Current tax			
Current year		2,000	3,000
Earlier years		3,000	1,000
Deferred tax		4,000	-6,000
Total tax expense		**9,000**	**-2,000**
Profit before regulatory deferral account balances		**5,000**	**15,000**
Net movement in regulatory deferral account balances (net of tax)		5,000	-4,000
Profit for the year		**10,000**	**11,000**

BALANCE SHEET AS AT 31 MARCH 2022			
			Rs. Crore
Particulars	**Note No.**	**As at 31 March 2022**	**As at 31 March 2021**
EQUITY AND LIABILITIES			
Equity			
Equity share capital		10,000	10,000
Other equity		1,04,000	97,000
Total equity/ Net Worth		**1,14,000**	**1,07,000**

Calculation of Average Net Worth:

SN	Particulars	Rs. in Crore		
		2021-22	**2020-21**	**2019-20**
a	Paid-up Share Capital	10,000	10,000	9,000
b	Reserve and Surplus (Rs. in Crore)	1,04,000	97,000	94,000
c	**Net Worth (a+b)**	**1,14,000**	**1,07,000**	**1,03,000**
d	Reserve not created out of Profit (e.g., Revaluation reserve, OCI etc.) (Rs. in Crore)	800	500	300
e	Net Worth as per Companies Act 2013 **(c-d)**	1,13,200	1,06,500	1,02,700
F	**Average Net Worth (Rs. in Crore) ((Opening + Closing Net worth)/2)**	**1,09,850**	**1,04,600**	**--**

In this case, Return on Net Worth or PAT / Average Net Worth for FY 2021-22 and 2020-21 would be 9.10% (10,000/1,09,850) and 10.52% (11,000/1,04,600) respectively.

5. <u>Return on Capital Employed</u>:

This will be worked out by dividing EBIT (as given in Statement of Profit and Loss) with Capital Employed (as given in Balance Sheet) and multiplying with 100.

EBIT: Earnings before Interest and Taxes as given in Statement of Profit and Loss**.**

Capital Employed: Net worth as given in Balance Sheet + Non-Current Borrowings as given in Balance Sheet.

Illustration:

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022			
			Rs. Crore
Particulars	**Note No.**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Income			
Revenue from operations		97,000	90,000
Other income		3,000	2,000
Total income		**1,00,000**	**92,000**

Expenses			
Fuel cost		54,000	52,000
Electricity purchased for trading		3,000	3,000
Employee benefits expense		5,000	5,000
Finance costs		7,000	5,000
Depreciation and amortization expenses		9,000	7,000
Other expenses		8,000	7,000
Total expenses		**86,000**	**79,000**
Profit before tax and regulatory deferral account balances		**14,000**	**13,000**
Tax expense			
Current tax			
Current year		2,000	3,000
Earlier years		3,000	1,000
Deferred tax		4,000	-6,000
Total tax expense		**9,000**	**-2,000**
Profit before regulatory deferral account balances		**5,000**	**15,000**
Net movement in regulatory deferral account balances (net of tax)		5,000	-4,000
Profit for the year		**10,000**	**11,000**

Calculation of EBIT:

SN	Particulars	For the year ended (Rs. Crore)	
		31 March 2022	31 March 2021
a	Profit before tax or Earning before tax	**14,000**	**13,000**
b	Interest/ Finance Cost	7,000	5,000
c	**EBIT (Earnings Before Interest Tax) (a+b)**	**21,000**	**18,000**

BALANCE SHEET AS AT 31 MARCH 2022			
			Rs. Crore
Particulars	**Note No.**	**As at 31 March 2022**	**As at 31 March 2021**
EQUITY AND LIABILITIES			
Equity			
Equity share capital		10,000	10,000
Other equity		1,04,000	97,000
Total equity		**1,14,000**	**1,07,000**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings		**1,47,000**	**1,21,000**
Trade payables			
Total outstanding dues of micro and small enterprises		500	5,000

BALANCE SHEET AS AT 31 MARCH 2022			
			Rs. Crore
Particulars	**Note No.**	**As at 31 March 2022**	**As at 31 March 2021**
Total outstanding dues of creditors other than micro and small enterprises		500	1,000
Other financial liabilities		500	1,000
Provisions		500	3,000
Deferred tax liabilities (net)		8,000	4,000
Total non-current liabilities		**1,57,000**	**1,35,000**
Current liabilities			
Financial liabilities			
Borrowings		14,000	15,000
Trade payables			
Total outstanding dues of micro and small enterprises		6,000	4,000
Total outstanding dues of creditors other than micro and small enterprises		9,000	7,000
Other financial liabilities		24,000	25,000
Other current liabilities		6,000	5,000
Provisions		6,000	7,000
Total current liabilities		**65,000**	**63,000**
Deferred revenue		3,000	2,000
TOTAL EQUITY AND LIABILITIES		**3,39,000**	**3,07,000**

Calculation of Capital Employed:

SN	Particulars	Rs. In Crore	
		2021-22	**2020-21**
a	Paid-up Share Capital	10,000	10,000
b	Reserve and Surplus (Rs. in Crore)	1,04,000	97,000
c	Net Worth/ Total Equity **(a+b)**	**1,14,000**	**1,07,000**
d	Long term Borrowings or Non Current Borrowings (Rs. in Cr)	1,47,000	1,21,000
e	Total Capital Employed (Rs. in Crore) **(c+d)**	**2,61,000**	**2,28,000**

In this case, Return on Capital Employed for FY 2021-22 and 2020-21 would be 8.05% (21,000/2,61,000) and 7.90% (18,000/2,28,000) respectively.

6. **Total Return to Shareholder (TRS) (for listed CPSEs)**:

TRS of a listed CPSE will include

(i) Appreciation in Stock Value
(ii) Dividends Paid (including dividend distribution tax if any)
(iii) Redemption of Bonus Preference Shares, dividend on bonus Pref. Shares.
(iv) Redemption of Bonus Debentures, interest on bonus debentures.

TRS for a CPSE will be worked out in % as

$$\frac{\begin{array}{c}\text{(Market cap. at end of FY - Market cap. at end of Previous FY)}\\ \text{+ Dividend Paid + Dividend/ Interest/ Redemption of Bonus Pref. Shares or Debenture, etc.}\end{array}}{\text{Market cap. at the end of Previous FY}} \times 100$$

Benchmarking:

a) TRS benchmark range would be worked out based on top and bottom 25 companies of S&P BSE 500 Index (in order of the market capitalization). The upper value and lower value will be ascertained as below:

i. 80% of the average TRS of top 25 companies will be the upper value of the benchmark range.

ii. Average TRS of the bottom 25 companies will be the lower value of the benchmark range.

b) TRS achievement of a CPSE for a Financial Year will be evaluated as per the benchmark range calculated above for the given FY, in the manner indicated below:

i. Attainment of upper value will give a score of 100%.

ii. For attainment between the upper and lower values will be assigned proportionate marks.

iii. This score will not be less than the score for dividend payout, ascertained as follows:

a. CPSEs paying 125% or more of the minimum dividend: 7.5 marks

b. CPSEs paying dividend below 125% of the minimum dividend: Proportionate marks out of 7.5.

Illustration:

Index: S&P BSE 500

(Rs. in Crore)

SN	Particulars	Top 25 companies of the Index	Bottom 25 companies of the Index
a)	Market Cap. (as on 31st March 2021)	90,00,000	1,10,000
b)	Market Cap. (as on 31st March 2022)	1,15,00,000	1,20,000
c)	Dividend paid during 2021-22	80,000	800
d)	Average TRS as ((b – a) + c) / a * 100 (%)	28.67%	9.82%

Benchmark:

i. Upper Value: 80% of Average TRS of Top 25 i.e., ~**23%**

ii. Lower Value: Average TRS of Bottom 25 i.e., ~**10%**

iii. Mid Value: (23+10)/2 i.e., 16.50%

Scoring against different achievements of TRS:

Achievement	23%	20%	16.5%	13%	Below 10%
Score as % of Marks	100	~77	50	~23	0

The above score is subject to minimum score for dividend payout for the MoU year as detailed in para 6 (b) (iii) above.

7. <u>Earnings Per Share (for Unlisted CPSEs)</u>:

In case of unlisted CPSEs, parameter on basic Earnings Per Share (EPS) in Rupees is to be given. PAT as per the audited accounts will be divided by number of outstanding shares to arrive at achievement of this parameter (including the impact of issue of fresh equity if any).

Illustration:

Extract from STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022			
			Rs. Crore
Particulars	**Note No.**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Profit before tax and regulatory deferral account balances		**14,000**	**13,000**
Tax expense			
Current tax			
Current year		2,000	3,000
Earlier years		3,000	1,000
Deferred tax		4,000	-6,000
Total tax expense		**9,000**	**-2,000**
Profit before regulatory deferral account balances		**5,000**	**15,000**
Net movement in regulatory deferral account balances (net of tax)		5,000	-4,000
Profit for the year		**10,000**	**11,000**

In this case, if number of outstanding shares is 1000 crore, EPS for FY 2021-22 and 2020-21 would be Rs.10 (10,000/1000) and Rs.11 (11,000/1000) respectively.

8. Physical Output (Production/ Generation/ Transmission/ Value of Production/ Total Income etc.):

The CPSEs in Petroleum, Power, Mines, Steel, etc. are expected to give information about its installed capacity, capacity utilization and production as per annual report. The parameter can be given in absolute quantities or % utilization of Capacity or in Rs. Crore.

9. Trade Receivables as number of days of Revenue from Operations:

This will be worked out by dividing Trade Receivables (as given in Balance Sheet) with Revenue from Operations (as given in Statement of Profit and Loss) and multiplying with 365.

Trade Receivables: As given under current assets and non-current assets (excluding unbilled Receivables, if any) without any adjustment of advance shown in advances.

Revenue from Operations: As given in Incomes of Statement of Profit and Loss without any adjustment.

Illustration:

BALANCE SHEET AS AT 31 MARCH 2022			
			Rs. Crore
Particulars	**Note No.**	**As at 31 March 2022**	**As at 31 March 2021**
ASSETS			

BALANCE SHEET AS AT 31 MARCH 2022			
			Rs. Crore
Particulars	**Note No.**	**As at 31 March 2022**	**As at 31 March 2021**
Non-current assets			
Property, plant and equipment		1,56,000	1,25,000
Capital work-in-progress		73,000	91,000
Intangible assets		5,000	7,000
Intangible assets under development		2,000	4,000
Financial assets			
Investments in subsidiary and joint venture companies		26,000	13,000
Other investments		1,000	1,000
Loans		1,000	1,000
Other financial assets		1,000	1,000
Other non-current assets		11,000	13,000
Total non-current assets		**2,76,000**	**2,56,000**
Current assets			
Inventories		11,000	8,000
Financial assets			
Trade receivables		**16,000**	**8,000**
Cash and cash equivalents		2,000	2,000
Bank balances other than cash and cash equivalents		2,000	3,000
Loans		3,000	3,000
Other financial assets		12,000	8,000
Other current assets		8,000	15,000
Total current assets		**54,000**	**47,000**
Regulatory deferral account debit balances		9,000	4,000
TOTAL ASSETS		**3,39,000**	**3,07,000**

Calculation of Trade Receivables as of days of revenue from operations (No. of Days):

SN	**Particulars**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
a.	Trade Receivables- Non-current	0	0
b.	Trade Receivables- Current	16,000	8,000
c.	Unbilled Receivables [as per notes to accounts]	500	100
d.	Receivables not due [as per notes to accounts]	2,000	1,000
e.	Total (a+b-c)	15,500	7,900
f.	Revenue from operations	97,000	90,000
g.	**Trade Receivables as of days of revenue from operations (No. of Days)**	**58**	**32**

In this case, Trade Receivables as number of days of revenue from operations (No. of Days) would be 58 days (15,500*365/97,000) and 32 days (7,900*365/90,000) respectively.

10. CAPEX:

10.1 Capital Expenditure (CAPEX) will be parameter for the CPSEs, where the same is given under the head Capital Outlay of Statement No. 26 **(Investment in Public Enterprises** under Expenditure Profile) of Budget document of Union Government. CAPEX parameter will also be given to the CPSEs where the same is given by the Administrative Ministries.

10.2 CAPEX means any expenditure incurred towards acquisition/ addition of any asset which, on completion, would form part of fixed assets and shown in Annual accounts of the CPSE under the Property, Plant and Equipment, Capital work in progress, Intangible assets etc. CAPEX may be for expansion, modernization or diversification. This has to be considered as per audited Balance Sheet i.e., on accrual basis and not on cash basis and would be calculated as under:

SN	Particulars	Amount
a	Addition to Property, Plant and Equipment, Intangible Assets etc.	
b	Changes in Capital Work-In-Progress (+/-)	
c	Changes in Intangible Assets under development (+/-)	
d	Changes in Capital Advance, if shown separately (+/-)	
	Total	

10.3 CAPEX incurred by subsidiaries and JVs shown in Consolidated Annual accounts of the Parent Company will be treated as CAPEX.

10.4 CAPEX by JVs (as capitalized in the JVs' accounts) and disclosed in Notes to the accounts by the CPSEs can also be treated as CAPEX proportionately to the shareholding of the CPSE.

10.5 CAPEX incurred in PPP mode and shown in Annual accounts of CPSEs as CAPEX will also be treated as CAPEX.

10.6 Investment made by the CPSEs in subsidiaries and JVs will be treated as per audited Annual accounts i.e., if capitalized then it will be treated as CAPEX otherwise it will not be CAPEX.

Illustration:

Note to accounts- Non-Current Assets: Property, Plant and Equipment

As at 31 March 2022 (Rs. in Crore)

Particulars	Gross block				Depreciation and amortization				Net block
	As at 1 April 2021	Additions	Deduct ions/ adjustments	As at 31 March 2022	Upto 1 April 2021	For the year	Deduct ions/ adjustments	Upto 31 March 2022	As at 31 March 2022
Freehold land	40,000	14,000	5,000	49,000	0	0	0	0	49,000
Lease-hold land	25,000	8,750	3,200	30,550	7,500	2,500	1,000	9,000	21,550
Building	30,000	10,500	3,800	36,700	6,500	3,000	2,000	7,500	29,200
Plant and machinery	25,000	8,750	3,200	30,550	16,500	4,000	2,000	18,500	12,050
Computer-hardware	35,000	12,250	4,500	42,750	13,500	12,000	10,500	15,000	27,750
Vehicles	20,000	7,000	2,550	24,450	6,000	4,000	2,000	8,000	16,450
Total	**1,75,000**	**61,250**	**22,250**	**2,14,000**	**50,000**	**25,500**	**17,500**	**58,000**	**1,56,000**

Note to accounts- Non-Current Assets: Capital Work-in-progress (CWIP)

As at 31st March 2022 (Rs. in Crore)

Particulars	As at 1st April 2021	Additions	Deductions/ adjustments	Capitalized	As at 31st March 2022
Building	45,000	4,500	3,000	10,500	36,000
Plant and machinery	46,000	1,000	2,250	5,750	37,000
Total	**91,000**	**5,500**	**5,250**	**16,250**	**73,000**

Note to accounts- Non-Current Assets: Intangible Assets

As at 31st March 2022 (Rs. in Crore)

Particulars	Gross block				Amortization				Net block
	As at 1 April 2021	Additions	Deductions/ adjustments	As at 31 March 2022	Upto 1 April 2021	For the year	Deductions/ adjustments	Upto 31 March 2022	As at 31 March 2022
Software	8,000	1,000	2,500	6,500	1,000	700	200	1,500	5,000
Total	**8,000**	**1,000**	**2,500**	**6,500**	**1,000**	**700**	**200**	**1,500**	**5,000**

Note to accounts- Non-Current Assets: Intangible assets under development

As at 31st March 2022 (Rs. in Crore)

Particulars	As at 1st April 2021	Additions	Deductions/ adjustments	Capitalized	As at 31st March 2022
Software	4,000	0	1,000	1,000	2,000
Total	**4,000**	**0**	**1,000**	**1,000**	**2,000**

Note to accounts- Non-Current Assets: Investment Property

As at 31st March 2022 (Rs. in Crore)

Particulars	Gross block				Depreciation				Net block
	As at 1 April 2021	Additions	Deductions/ adjustments	As at 31 March 2022	Upto 1 April 2021	For the year	Deductions/ adjustments	Upto 31 March 2022	As at 31 March 2022
Freehold land	0	0	0	0	0	0	0	0	0
Lease-hold land	0	0	0	0	0	0	0	0	0
Building and related fixtures/ assets	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Note to accounts - Other non-current Assets:

As at 31st March 2022 (Rs. in Crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Capital Advances		

(Considered good unless otherwise stated)		
Secured	8,000	7,000
Unsecured		
Covered by Bank Guarantee	2,000	1,500
Others	4,000	4,000
Considered Doubtful		
Less: Allowance for bad and doubtful debts	1,000	1,500
Total	**13,000**	**11,000**

Calculation of CAPEX incurred during the year:

Particulars	Rs. in Crore
Addition in Property, Plant and Equipment (including Right-to-use)	**61,250**
Change in CWIP **(Closing-Opening)**	**-18,000**
Addition in Intangible Assets	**1,000**
Change in Intangible Assets under Development **(Closing-Opening)**	**-2,000**
Addition in Investment Property	**0**
Change in Capital advances **(Closing-Opening)**	**2,000**
Total	**44,250**

11. **Expenditure on R&D/ Innovations Initiatives as % of PBT**: The parameter will be given to profit making CPSEs having activities in R&D/ Innovations or where their Administrative Ministry decides to give this parameter.

12. Exports and Imports related

12.1. Export as a percentage of Revenue from Operations/ Exports in Rs. Crore:

This parameter will be only for the CPSEs having export income or where their Administrative Ministry decides to give target for Exports.

This will be worked out by dividing Exports (as given in segmental Reporting/ Operating Segment of Notes on accounts) with Revenue from Operations (as given in Statement of Profit and Loss) and multiplying with 100.

12.2. Imports as a percentage of Revenue from Operations/ reduction in Imports:

This will be parameter only for the CPSEs having imports and their Administrative Ministry decides to give target for reduction for imports to make country Atma Nirbhar.

This parameter can be given for physical reduction or financial reduction of imports consumed. This (physical/ financial) will depend on the sector practices in which CPSE is operating but should be verifiable from audited annual report of the CPSE.

13. **Acceptance/ Rejection of Goods and Services by CPSEs through TReDS portal within stipulated time**:

Regarding the MoUs 2024-25, the assessment methodologies for related to acceptance/ rejection of invoices on TReDS portal has been modified, in order to address the concerns of the CPSEs/ Administrative Ministries regarding MSE vendors' reluctance for use of TReDS portals, due to readily receipt of payments directly from the CPSEs. This modification aligns with the primary purpose of the TReDS and the parameter already outlined in the CPSEs' MoUs

2024-25 emphasizes onboarding of the CPSEs on the TReDS portals and encouraging timely payments to MSE vendors. The modified methodology to be adopted for assessment of this parameter is given below:

(i) Onboarding of CPSE on all operating TReDS portals (mandated vide notification of MoMSME dated 07.11.2024): **1 mark**. Full (1 mark) for onboarding on all operating TReDS portals. Further, proportionate marks will be awarded considering the onboarding status.

(ii) Integration of CPSE's enterprise resource planning (ERP) or vendor invoice management (VIM) system with GeM portal: **2 marks**. Full (2 marks) on successful completion of integration, or otherwise zero marks will be assigned.

(iii) Timely payments to MSE vendors, directly or through TReDS, within the prescribed timelines (as per mandated by MSMED Act, 2006): **2 marks**. Full (2 marks) for compliance. No proportionate marking would be allowed as making payment within the specified time is mandated by law and allowing proportionate marking means providing room to violate the law.

Verification of achievement for this parameter would be by confirmation of the TReDS Portal/ Administrative Ministry/ MSME Samadhaan or any other authentic source.

14. <u>Procurement from GeM portal as % of Approved Procurement Plan</u>:

It would be calculated by dividing "Procurement of goods and services through GeM portal during the year" with "Approved Procurement Plan of goods and services for the year" and multiplying by 100.

For this, CPSEs need to formulate an annual plan for procurement through GeM in consultation with Administrative Ministry concerned. The amount of approved plan of procurement through GeM will be not less than 25% of annual procurement (irrespective of availability on GeM portal). The plan shall be uploaded on the dashboard substantiating with the documents of approval of the Administrative Ministry.

Verification of this parameter would be by confirmation of the GeM Portal/ Administrative Ministry.

15. For Finance CPSEs, following would be parameters instead of parameters at 8 to 12 above:

15.1. <u>Loans disbursed/ total funds available (in %)</u>: This would be worked out on the basis of total loans disbursed during the year and total funds available. Total funds available would include cash and bank balance in the beginning of the year, share capital received during the year, loans raised/ repaid during the year, any funds received from any source for this purpose, sale of assets, repayment/ pre-payment received during the year, and reducing therefrom any investment in assets. Source for Funds Available will be Fund Flow Statement.

15.2. <u>Overdue loans/ total loans (net) (in %)</u>: Figures of loan due but not recovered and total loan (net) would be based on audited accounts.

15.3. <u>NPA/ Total loans (net) (in %)</u>: The figures of NPA would be Net NPA taken on the basis of regulatory framework under which CPSE perform as on the last date of the year under reference. Loan assets (net) would be based on Audited balance Sheet.

15.4. Cost of raising funds through Bonds as compared to similarly rated CPSEs/ entities (Margin over Reuters): This would be a compulsory parameter for CPSEs raising funds from the market. Target for excellence would be for raising funds at cheaper rates as compared to similarly rated CPSEs/ entities (margin over Reuters).

16. For Social Sector Finance CPSEs, following would be additional Parameters:

16.1. Loans disbursed to Micro Finance Beneficiaries as a percentage of total disbursement: The intention of this target is to increase the percentage of loans disbursed to Micro Finance Beneficiaries as compared to bigger beneficiaries.

16.2. Geographical coverage (%): This will be worked out by dividing Number of States/ UT Served with Total Number of States/ UTs having targeted population and multiplying with 100.

16.3. Last mile Disbursement to ultimate beneficiary (%): This will be worked out by dividing Loans disbursed to ultimate beneficiaries by the intermediary with Total Funds disbursed to intermediary and multiplying with 100.

Note:

a. All financial figures are to be taken on the basis of Audited Annual Accounts or Annual Report.

b. 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.

c. Target would be fixed at only one level (i.e., 100% level).

d. In working out of the achievements for the year, quantified qualification of CAG/ Statutory Auditors would be adjusted in case of overstatement of Revenue/ Profit/ Surplus or understatement of Loss/ Deficit.

B. Aggregate score would be subject to compliances [as stipulated at Annexure I, Part E] failing which full marks, as indicated below, would be deducted and there will be no partial deduction:

1. CPSEs have to comply with DPE guidelines issued from time to time on **CSR expenditure**. Confirmation and verification will be done by Administrative Ministry/ CSE Cell, DPE.

2. **Provision of the Company's Act on Corporate Governance:**

   CPSEs have to comply with the provisions of the Companies Act, Listing Agreement, wherever applicable. Select parameters as at Annexure I will be taken up for marking.

   Confirmation and verification will be by Administrative Ministry on the basis of CAG/ Statutory/ Secretarial Auditor Report(s).

3. **Procurement and timely payment to Micro Small Enterprises:**

   Confirmation and verification will be by Administrative Ministry on the basis of Sambandh portal. There is no exemption/ relaxation be provided by DPE in the compliance of the parameter. If a CPSE has any limitation, the matter may be taken up with MoMSME and subsequently intimate the outcomes to DPE.

4. **Steps and initiative taken for Health and Safety improvement of Human Resources in CPSEs (Target to be prescribed by the Administrative Ministry):**

   Confirmation and verification will be by the Administrative Ministry.

C. **Formats for BALANCE SHEET and STATEMENT OF PROFIT AND LOSS** for illustration purpose.

BALANCE SHEET AS AT 31 MARCH 2022			
			Rs. Crore
Particulars	**Note No.**	**As on 31 March 2022**	**As on 31 March 2021**
EQUITY AND LIABILITIES			
Equity			
Equity share capital		10,000	10,000
Other equity		1,04,000	97,000
Total equity		**1,14,000**	**1,07,000**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings		**1,47,000**	**1,21,000**
Trade payables			
Total outstanding dues of micro and small enterprises		500	5,000
Total outstanding dues of creditors other than micro and small enterprises		500	1,000
Other financial liabilities		500	1,000
Provisions		500	3,000
Deferred tax liabilities (net)		8,000	4,000
Total non-current liabilities		**1,57,000**	**1,35,000**
Current liabilities			
Financial liabilities			
Borrowings		14,000	15,000
Trade payables			
Total outstanding dues of micro and small enterprises		6,000	4,000
Total outstanding dues of creditors other than micro and small enterprises		9,000	7,000
Other financial liabilities		24,000	25,000
Other current liabilities		6,000	5,000
Provisions		6,000	7,000
Total current liabilities		**65,000**	**63,000**
Deferred revenue		3,000	2,000
TOTAL EQUITY AND LIABILITIES		**3,39,000**	**3,07,000**
ASSETS			
Non-current assets			
Property, plant and equipment		1,56,000	1,25,000
Capital work-in-progress		73,000	91,000
Intangible assets		5,000	7,000
Intangible assets under development		2,000	4,000
Financial assets			
Investments in subsidiary and joint venture companies		26,000	13,000
Other investments		1,000	1,000
Loans		1,000	1,000
Other financial assets		1,000	1,000
Other non-current assets		11,000	13,000
Total non-current assets		**2,76,000**	**2,56,000**

BALANCE SHEET AS AT 31 MARCH 2022			
			Rs. Crore
Particulars	**Note No.**	**As on 31 March 2022**	**As on 31 March 2021**
Current assets			
Inventories		11,000	8,000
Financial assets			
Trade receivables		16,000	8,000
Cash and cash equivalents		2,000	2,000
Bank balances other than cash and cash equivalents		2,000	3,000
Loans		3,000	3,000
Other financial assets		12,000	8,000
Other current assets		8,000	15,000
Total current assets		**54,000**	**47,000**
Regulatory deferral account debit balances		9,000	4,000
TOTAL ASSETS		**3,39,000**	**3,07,000**

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022			
			Rs. Crore
Particulars	**Note No.**	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Income			
Revenue from operations		97,000	90,000
Other income		3,000	2,000
Total income		**1,00,000**	**92,000**
Expenses			
Fuel cost		54,000	52,000
Electricity purchased for trading		3,000	3,000
Employee benefits expense		5,000	5,000
Finance costs		7,000	5,000
Depreciation and amortization expenses		9,000	7,000
Other expenses		8,000	7,000
Total expenses		**86,000**	**79,000**
Profit before tax and regulatory deferral account balances		**14,000**	**13,000**
Tax expense			
Current tax			
Current year		2,000	3,000
Earlier years		3,000	1,000
Deferred tax		4,000	-6,000
Total tax expense		**9,000**	**-2,000**
Profit before regulatory deferral account balances		**5,000**	**15,000**
Net movement in regulatory deferral account balances (net of tax)		5,000	-4,000
Profit for the year		**10,000**	**11,000**

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