

Frequently Asked Questions & their reply

Sl. No.	Query/ Clarification	Reply
1	Extension in date of submission - whether acceptable	No extension in date is allowed. The draft MoU after Board and Administrative Ministry /Holding CPSE appraisal it has to be submitted to DPE by 19.12.2014
2	RFMS portal does not accept on-line entry for MoU 2015-16	RFMS system is under technical upgradation. Separate order for entry in RFMS will be issued. The physical copy of MoU may be submitted as per the timeline given in MoU 2015-16 guidelines
3	In annexure VIA & VIB, projections of 2017/18 have been sought. In this respect it is to bring to your kind notice that as the business environment is yet to come out of uncertain domain, it would be difficult to project for the year 2017/18 so early.	The projections for 2017-18 may be given on the basis of available information and plan of the CPSE.
4	Definition of Capital Work in Progress - whether to include or exclude Advances to suppliers/builders for procurement of capital assets and all investments made.	Capital Work in Progress will be calculated as per MoU guidelines 2015-16. Specific points will be discussed during the negotiation meetings.
5	Whether furnishing of information of financial performance, considered as sensitive information, without being disclosed to SEBI will be proper?	The CPSEs who have highlighted this issue have been requested to give the detail of SEBI Act and Listing agreement. This will be replied to after receiving the said information.
6	Non-financial parameters change every year, therefore it is not possible to give the previous years trend and projections of next two years.	If non-financial parameters are of non-repeating nature, the respective field may be left blank.
7	"How to calculate the "MoU Composite Score" & the "Raw Score", if the actual performance falls in between two points of scale of the 5-point scale of MoU target?"	Please refer to Corrigendum issued vide OM no. M-03/0012/2014-DPE(MoU) dated 16 th December, 2014. An illustration of calculating composite score is at Annexure.

Dir (MoU)

Illustration for calculating of Composite Score for MoU 2015-16:

Performance Criteria	Unit	Wt. %	Targets					Actual Achievement	Computation of Raw Score	Raw Score	Computation of Weighted Raw Score	Proposed weighted Raw Score
			Ex	V. G.	Good	Fair	Poor					
			5	4	3	2	1					
Gross Profit / Capital Employed	%	40	4.91	4.53	2.53	1.66	-0.35	4.63	$4 + (4.63 - 4.53) / (4.91 - 4.53)$	4.263	4.263*40	170.52
CAPEX as a percentage of Plan Outlay	%	30	18.57	17.69	16.81	15.97	15.17	17.5	$3 + (17.5 - 16.81) / (17.69 - 16.81)$	3.79	3.79*30	113.7
Gross Sales	Rs. Crs.	20	708750	675000	641250	609188	578728	617423	$2 + (617423 - 609188) / (641250 - 609188)$	2.26	2.26*20	45.2
Gross Margin	Rs. Crs.	10	1755	1620	1268	1118	780	1017.7	$1 + (1017.71 - 780) / (1118 - 780)$	1.70	1.7*10	17
Total Weighted Score												346.42
Composite Score												346.42/5
Grading												68.28
												Good


 Dir (MoU)