

Memorandum of Understanding 2016-17

Between

**Ministry of New and Renewable
Energy,
Government of India**

And

**Solar Energy Corporation of
India Ltd.**



**Government of India
Ministry of New and Renewable Energy**

Renewable Energy is Green, Clean and Sustainable



FORM I: PERFORMANCE EVALUATION PARAMETERS AND TARGETS

S. No.	Evaluation criteria	Unit	Wt.	MoU target				
				Excellent	V. good	Good	Fair	Poor
i	Capacity Utilisation							
	Trading of solar power ✓	MU ✓	10 ✓	1000 ✓	950 ✓	925 ✓	900 ✓	875 ✓
ii	Efficiency Parameters (Physical Operations)							
	A Production efficiency							
	Completion of client's assignments (Milestones for 2016-17) in respect of PMC projects without time overrun ✓	% ✓	10 ✓	100 ✓	95 ✓	90 ✓	85 ✓	80 ✓
	B Technology upgradation							
	Implementation of Power Trading software in SECI ✓	Date ✓	5 ✓	31.12.16 ✓	15.1.17 ✓	31.1.17 ✓	14.2.17 ✓	28.2.17 ✓
iii	Leveraging Net-worth							
	Capacity installed under Project Management Consultancy/ Own Capacity ✓	MW ✓	15 ✓	100 ✓	95 ✓	90 ✓	85 ✓	80 ✓
iv	Monitoring Parameter							
a)	Ground-mounted Solar Projects installed under National Solar Mission within scheduled dates till 31.3.2017 ✓	MW ✓	3 ✓	500 ✓	450 ✓	400 ✓	350 ✓	300 ✓
b)	Rooftop Solar Projects commissioned within scheduled dates till 31.3.2017* ✓ (*Installation of the project will be considered only in those cases where the net metering policy is not implemented and in other cases commissioning will be considered). ✓	MW ✓	2 ✓	50 ✓	45 ✓	40 ✓	35 ✓	30 ✓

MoU 2016-17
Approved by IMC
Signed *[Signature]*

v		Turnover for operations											
		Revenue from Operations (Net of excise duty) ✓	Rs. Cr.	5 ✓	650 ✓	600 ✓	575 ✓	550 ✓	525 ✓				
vi		Operating profit/surplus											
		Operating Profit (Profit before Tax) (excluding other income, extraordinary and exceptional items) ✓	Rs. Cr.	10 ✓	50 ✓	45 ✓	40 ✓	35 ✓	30 ✓				
vii		Early signs of weakness											
		Restricting the claims against CPSE not acknowledged as debt. Claims raised by - CPSE & others ✓	Rs. Cr.	5 ✓	0 ✓	0.25 ✓	0.50 ✓	0.75 ✓	1.00 ✓				
viii		Marketing efficiency ratios											
	a)	Income from Project Management Consultancy & Monitoring Income ✓	Rs. Cr.	5 ✓	75 ✓	70 ✓	65 ✓	60 ✓	55 ✓				
	b)	Trade receivables as percentage of revenue from operations (gross) ✓	%	5 ✓	24 ✓	25 ✓	26 ✓	27 ✓	30 ✓				
ix		Return on investment											
	i	Dividend/ PAT ✓	%	5 ✓	30 ✓	29 ✓	28 ✓	27 ✓	26 ✓				
	ii	PAT/Net worth ✓	%	10 ✓	10 ✓	9.5 ✓	9 ✓	8.5 ✓	8 ✓				
	iii	Dividend/Net-worth ✓	%	5 ✓	3 ✓	2.76 ✓	2.52 ✓	2.30 ✓	2.08 ✓				
x		Sector/CPSE specific targets											
	a)	Financial Closure for Ground-mounted Solar Projects within scheduled dates ✓	MW	1 ✓	1700 ✓	1650 ✓	1600 ✓	1550 ✓	1500 ✓				
	b)	Release of RfS for 500 MW of Rooftop Projects ✓	Date	1 ✓	30.6.16 ✓	15.7.16 ✓	31.7.16 ✓	15.8.16 ✓	31.8.16 ✓				
	c)	Preparation of a Scheme for Procurement of Wind Power ✓	Date	1 ✓	15.2.17 ✓	28.2.17 ✓	10.3.17 ✓	20.3.17 ✓	31.3.17 ✓				

MoU 2016-17
Approved by IMC
Signed *V. K. Singh*

d)	Financial Closure of Solar Parks	✓	MW	2	✓	4600	✓	4400	✓	4200	✓	4000	✓	3800	✓
	Total			100											

Note:

1. The targets approved by IMC are based on provisional/estimated figures submitted by the CPSE for FY 2015-16. In case of better performance of the CPSE during the year 2015-16 as compared to the provisional figures, the difference between actual figures and provisional figures shall be added to the targets of 2016-17. ✓
2. Wherever achievement is not verifiable from Annual report of the CPSE, the same would be accepted on the basis of certification by way of resolution from Board of Directors. ✓
3. Targets decided in MoU are unconditional (except parameter 7 (iv) (b) of the IMC committee minutes) and no offset will be allowed in any condition. Further evaluation would be subject to compliance of additional eligibility criteria as contained in para 14.2 and 14.3 of MoU guidelines 2016-17. ✓

(Signature)

(Dr. Ashvini Kumar)
Managing Director

Solar Energy Corporation of India Limited

(Signature)
(Shri Upendra Tripathy)
Secretary

Ministry of New and Renewable Energy

Place: New Delhi

Date:



FORM –I PART – B**TREND ANALYSIS**

Sl.No	Evaluation Criteria	Unit	2011-12	2012-13	2013-14	2014-15	2015-16 Estimated upto 31st March,16	2016-17 Projected
i	Capacity Utilisation (Based on Part A)	MU	-	-	-	-	954.00	950.00
ii	Efficiency Parameters(Physical Operations)-Based on Part A		-	-	-	-		
iii	CAPEX	Rs. Crore	0.02	0.97	26.23	44.67	61.76	-
iv	Paid Up Share Capital	Rs. Crore	2.00	21.00	42.00	103.35	204.00	304.00
v	Accumulated Reserves	Rs. Crore	-2.33	-7.10	-9.94	0.65	18.5	39.09
vi	Net Worth	Rs. Crore	-0.33	13.90	32.06	104.00	222.50	343.09
vii	Borrowings(shown in Non-current Liability)	Rs. Crore	-	-	-	-	24.63	105.00
viii	Borrowings/Net Worth	%	-	-	-	-	11.07	26.85

ix	Percentages of value of CAPEX contracts/projects running/completed during the year without time/cost overrun to total value of CAPEX contracts running/completed during the year (wherever applicable)	-	-	-	-	-	-	-
x	Revenue from Operations (Gross)	Rs. Crore	-	-	3.67	37.60	573.90	600
xi	Revenue from Operations (Net of excise duty)	Rs. Crore	-	-	3.67	37.60	573.90	600
xii	Profit before tax	Rs. Crore	-2.66	-4.44	-4.17	11.92	32.24	48.28
xiii	Other Income- Interest -Dividend -Others Total	Rs. Crore	0.00	0.81	2.42	2.50	5.22	6.86
xiv	Extraordinary Items	Rs. Crore	-	-	-	-	-	-
xv	Exceptional Items	Rs. Crore	-	-	0.01	1.07	-	-
xvi	Profit before Tax (excluding other Incomes, Extraordinary and Exceptional Items)	Rs. Crore	-2.66	-5.25	-6.60	8.35	27.02	48.28
xvii	Profit after Tax	Rs. Crore	-2.33	-4.77	-2.85	10.60	20.64	31.57

xxviii	Revenue from Operations (Net)/Total expenses (excluding extraordinary/exceptional items. If shown separately and tax(Income tax))Expense	%	-	-	35.77	138.75	104.94	107.89
xix	Closing Inventory of finished goods	Rs. Crore	-	-	-	-	-	-
xx	Closing inventory of Work in progress	Rs. Crore	-	-	-	-	-	-
xxi	Sale of Products(Net of Excise duty)	Rs. Crore	-	-	-	7.51	529.47	600
xxii	Number of days of inventory of finished goods and work in progress to Sale of Products(wherever applicable)	No. of Days	-	-	-	-	-	-
xxiii	Trade receivables of over 6 months	Rs. Crore	-	-	0.03	0.24	21.09	-
xxiv	Trade Receivables (Total)	Rs. Crore	-	-	0.22	10.04	134.36	149.01
xxv	Trade receivables as percentage of Revenue from operations (Gross)	%	-	-	5.99	26.70	23.41	25.00
xxvi	Cash and Bank Balance	Rs. Crore	0.98	57.78	79.27	171.29	380.96	591.45
	1 Cash and Bank Balance		0.98	12.73	29.62	48.96	113.49	291.45
	2. On account of govt grants and subsidy		0.00	45.05	49.65	122.33	267.54	300.00
xxvii	PAT/Networth	%	-	-	-	10.19	9.28%	9.50%

xxviii	Dividend/PAT	%	-	-	-	-	-	-	10%	29%
xxix	Dividend/Net Worth or Surplus/Net Worth	%	-	-	-	-	-	-	0.93%	2.76%
	Claims against the company not acknowledged as debt	Rs. Crore	-	-	-	-	-	-	-	-
xxx	By Central Government Departments		-	-	-	-	-	-	-	-
	By State Departments		-	-	-	-	-	-	-	-
	By CPSEs		-	-	-	-	-	-	-	-
	By others		-	-	-	-	-	-	-	-
xxxi	CPSE specific/sector specific(List all from Part A)		-	-	-	-	-	-	-	-
xxxii	Resources Raised		-	-	-	-	-	-	-	-
xxxiii	Surplus Redeployed		-	-	-	-	-	-	-	-
	Major Expenses				-	-	-	-	-	-
xxxiv	1. Rent- Office Building		0.46	2.35	2.50	4.93	4.64	4.87		
	2 Preliminary Expenses		2.01	-	-	-	-	-		
	3 Employee Benefit Expense		0.08	1.38	4.47	5.82	7.67	16.01		
xxxv	Loans sanctioned during the year	Rs. Crore	-	-	-	-	-	-	-	-
xxxvi	Capacity to Sanction Loan based on line of credit available & sources of finance etc.	Rs. Crore	-	-	-	-	-	-	-	-
xxxvii	Loans sanctioned/Capacity to sanction loan	%	-	-	-	-	-	-	-	-
xxxviii	Loans disbursed from Loans sanctioned during the year		-	-	-	-	-	-	-	-

xxxix	Loans disbursed/Loans sanctioned		-	-	-	-	-	-	-	-
xl	Overdue loans	Rs. Crore	-	-	-	-	-	-	-	-
xli	Outstanding Loans or Loan Assets	Rs. Crore	-	-	-	-	-	-	-	-
xlii	NPA	Rs. Crore	-	-	-	-	-	-	-	-
xlili	Overdue Loans to Outstanding Loans(Loan assets)	%	-	-	-	-	-	-	-	-
xliv	NPA/Loan Assets	%	-	-	-	-	-	-	-	-

Self-declaration/certification by CPSE

It is hereby certified that the targets/ actual achievements in respect of MoU parameters have been worked out as per MoU guidelines by adopting the norms and definitions laid down in MoU guidelines for the year 2016-17. In case any deviation is found at any point of time, DPE is free to evaluate the performance as per MoU guidelines. CPSE has no right of claim in this regard.


21/07/16

(Dr. Ashvini Kumar)
Managing Director

डॉ. अश्विनी कुमार / Dr. Ashvini Kumar
प्रबन्ध निदेशक / Managing Director
भारतीय सौर ऊर्जा निगम लि./Solar Energy Corp. of India Ltd.
(भारत सरकार का उद्यम) / (A Govt. of India Enterprise)
डी-3, प्रथम तल, 'ए' विंग, डिस्ट्रिक्ट सेंटर, साकेत, नई दिल्ली-17
D-3, 1st Floor, 'A' Wing, District Centre, Saket, New Delhi-110017

FORM IV: MOU TARGETS AND ACHIEVEMENTS FOR PAST YEARS

FY: 2015-16: MoU to be evaluated.

Evaluation Criteria	Unit	Weight (in %)	MoU Target	
1. Static/Financial Parameter			Excellent	V. Good
1	2	3	4	5
1.1 Gross Operating Margin	Rs. Lac	12	2500	2000
1.2 Gross Income	Rs. Lac	15	45000	40000
1.3 EBIDTA per employee	Rs. Lac	15	30.00	25.00
1.4 PBT/Networth	%	08	11	10
Sub-Total (1)		50		
Evaluation Criteria	Unit	Weight	Excellent	V. Good
2. Dynamic Parameters				
2.1 Project Implementation				
a) Commissioning of 200 MW out of 640 MW under phase-2 batch-1 of JNNSM (440 MW will be done in FY 2014-15)	Timeline	03	15 th April, 2015	28 th April, 2015
b) Signing of PPA under next phase of MNRE Scheme under JNNSM (Capacity achieved by 30 th Nov, 2015)	MW	06	1575 MW	1500 MW
c) Signing of PPA/PSA for setting up of 50 MW Solar Power Projects on behalf of CPSU (Consultancy).	Timeline	05	15 th Oct 2015	31 st Oct 2015
d) Signing of PPA/PSA for setting up of 250 MW Solar Power projects on behalf of CPSUs (Consultancy)	Timeline	03	15 th Jan 2016	31 st Jan 2016
e) Solarisation of Indo-Pak border 5 MW Solar PV Project in Rajasthan - Commissioning	Timeline	01	1 st Feb. 2016	15 th Feb. 2016
f) Preparation of Site-specific DPRs for Solar Parks for 5000 MW (including for JVCs)	Timeline	05	15 th Dec 2015	31 st Dec 2015
g) Commissioning of 10 MW Solar Power Project.	Timeline	02	15 th March 2016	31 st March 2016
h) Commissioning of 20 MW Rooftop PV Projects under MNRE Scheme	Timeline	04	31 st Dec 2015	15 th Jan 2016
i) Issue of allocation letter for establishment of 50 MW Rooftop scheme	Timeline	02	31 st Jan 2016	15 th Feb 2016
j) Release of subsidy/ VGF for various Schemes of MNRE	(Rs.in Cr.)	01	500	400
k) Finalization of standard	Timeline	01	15 th Nov	30 th Nov

documents (viz. RfP, PPA, VGF Securitization Agreement) for Defence Scheme of MNRE			2015	2015
Sub-Total (2.1)		33		
2.2 Enterprise Specific Parameter				
a) Partnership with Govt./ Govt. Corporations /Multi-lateral Funding Agencies and other agencies to leverage time bound specific schemes of the company	Number	05	06	05
Sub-Total (2.2)		05		
2.3 Research & Development				
a) LOI for 2.5 MW Solar -wind - battery integrated Project for Kaza under R&D and demonstration	Timeline	02	30 th Sep 2015	31 st Oct 2015
b) LoI for Kargil/ Leh solar project of 1.5 MW Capacity	Timeline	01	29 th Feb 2016	15 th Mar 2016
c) Operationalization of Calibration laboratory for Solar radiation sensors at NISE by March 2016	Numbers	02	10	08
d) Development and setting up of a solar power generation forecasting system on a solar PV project	Timeline	02	15 th March 2016	25 th March 2016
e) Award of contract for setting up of a pilot project of battery storage in a solar PV plant (Storage capacity to be determined as per funds available from MNRE)	Timeline	02	15 th March 2016	25 th March 2016
Sub-total (2.3)		09		
2.4 Human Resource Management	--			
a) 15 days training for executives	Employees	1	15	13
b) Implementation of Performance Management System	Timeline	1	31 st Oct, 15	30 th Nov, 15
c) Re-engineer HR Policy – implementation of New Policies	No. of new policies	1	3	2
Sub-Total (2.4)		03		
Sub-Total 2		50		
Grand Total (1+2)		100		

FY: 2014-15: MoU not evaluated

Evaluation Criteria	Unit	Weight (in %)	MoU Target		Achievement
			Excellent	V. Good	
1. Static/Financial Parameter					
1.1 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)	Rs. Lac	12	100	75	1230.59
1.2 Gross Income	Rs. Lac	14	2000	1500	3759.84
1.3 EBIDTA per employee	Rs. Lac	14	1.10	0.83	34.18
Sub-Total (1)		40			
2. Dynamic Parameters					
2.1 Project Implementation					
a) Financial closure for 500 MW out of 750 MW under phase-2 batch-1 of JNNSM	Timeline	05	1 st Mar 2015	15 th Mar 2015	Achieved
b) Issue of LOI for setting up of 1000 MW under next phase of MNRE Scheme under JNNSM	Timeline	03	28 th Feb 2015	15 th Mar 2015	Dropped
c) Issue of RFP documents for selection of EPC for setting up 100 MW CSP projects.	Timeline	05	Aug 2014	Sep 2014	Dropped
d) Placement of LOI for setting up. of 10 MW Grid-connected power project	Timeline	05	15 th Dec 2014	31 st Dec 2014	Dropped
e) Placement of LOI for setting up. of 10 MW solar power project (Owner/Consultancy)	Timeline	02	15 th Feb 2015	28 th Feb 2015	Dropped
f) Commissioning of 25 MW of Roof-top PV projects under MNRE Scheme	% completion by 31 st Jan 2015	03	90%	85%	offset
g) Issue of allocation letter for Estt. of 50 MW Grid-connected Roof top scheme	Timeline	05	31 st Jan 2015	15 th Feb 2015	offset

h) Solar Lighting System (solar lanterns, home lighting system and street light system)	In Lac	05	1.75	1.50	offset
i) Micro/Mini-grid Projects	KW	02	300	250	offset
j) Solarisation of primary health centres	Number	01	20	15	offset
k) Release of 1 Crore subsidy through financing of Solar Systems by commercial banks	Timeline	05	15 th Jan 2015	31 st Jan 2015	Dropped
Sub-Total (2.1)		41			
2.2 Enterprise Specific Parameter					
a) Partnership with Govt./ Govt. Corporations /Multi-lateral Funding Agencies and other agencies to leverage Corporations Schemes	Number	05	05	04	05
b) Conversion of SECI from Section 25 to Section 4 of Companies Act 1956	Timeline	02	15 th Mar 2015	31 st Mar 2015	Target Achieved
Sub-Total (2.2)		07			
2.3 Research & Development					
a) LOI for 2.5 MW Solar - wind -battery integrated Project for Kaza under R&D and demonstration	Timeline	03	15 th Jan 2015	31 st Jan 2015	Dropped
b) Govt. approval for Kargil solar project (2 – 5 MW Capacity)	Timeline	02	15 Dec. 2014	31 st Dec 2014	Dropped
c) Establishment of calibration laboratory for Solar radiation sensors at NISE	Timeline	01	Nov 2014	Dec 2014	Offset
d) Solar Guidelines website hosting & appointment of India consultant for Phase-II	Timeline	01	Sep 2014	Oct 2014	Jun-14
Sub-total (2.3)		07			
2.4 Human Resource	--	05			

Management					
A. Competency & Leadership Development					
a) Compulsory					
1. % actualisation of Training Plan & Training Days	Mandays	10	200	175	244
2. Training budget	Rs. in Lac	10	10	08	10.3
b) Optional					
1. Interventions towards Industry – Academia Interface	Yes/no	05	yes	--	Yes
B. Performance Management					
1. Linkage of Developmental Plan of Executives with PMS	Yes/no	05	Yes	--	Yes
C. Recruitment, Retention & Talent Management					
1. Manpower Rationalisation through Project based planning	%	10	5	4	8
2. Formulation of management talent i.e. job rotation, reward etc.	Initiatives with details	10	yes		Yes
D. Enabling, Creativity & Innovation					
1. No. of suggestions generated per employee per year	Nos. per 30 employee	20	3	2	3
E. Employee Relations & Welfare					
1. Introduction of Pension	timeline	10	15 Dec, 2014	31 Dec, 2014	18-Jun-14
2. Introduction of PRMS	timeline	10	15 Dec, 2014	31 Dec, 2014	12-Sep-14
F. HR Branding & Excellence					

1. Re-engineer HR Policy – implementation of New Policies	No. of new policies	10	5	4	9
Sub-Total (2.4)		05			
Sub-Total 2		60			
Grand Total (1+2)		100			

FY 2013-14: N/A

FY 2012-13: N/A

FY 2011-12: N/A