Memorandum of Understanding
2017-18

between

Ministry of New and Renewable Energy, Government of India

and

Solar Energy Corporation of India Ltd.

सत्यमेव जयते

Government of India
Ministry of New and Renewable Energy

Renewable Energy is Green,Clean and Sustainable

सेकी SECI सूर्य सदैव SUN FOR EVER

Brief about the CPSE

1.	Name of the CPSE	Solar Energy Corporation of India Limited
2.	Status (Please tick): As per DPE guidelines	None
3.	Reasons of Sickness, if applicable	Not Applicable
4.	Whether registered with BIFR, If yes, details	No
5.	Schedule of the CPSE (Please tick)	A
6.	Purpose for which CPSE has been setup and the main business now	The Main Objectives of the Company are to: • Carry on business of generation, forecasting, purchasing, producing, manufacturing, importing, exporting, exchanging, selling and trading in power products and services in India and abroad. • Own, manage, investigate, plan, promote, develop, design, construction, operation, maintenance, renovation, modernization of power projects in solar, on-shore/off-shore wind, geo-thermal, tidal, bio-gas, bio-mass, small hydro and other renewable energy sources in India and abroad. • Plan and execute an integrated programme on development and implementation of renewable energy projects. • Plan, develop, maintain, lease, hire, manage solar parks, infrastructure facilities, and all related ancillary facilities & services in India and abroad. • Carry on the business of planning, investigation, survey, research, design and preparation of preliminary feasibility and detailed project reports, related to Power Projects in India and abroad. • Co-ordinate the activities of its subsidiaries and Joint Venture Companies, to determine their economic and financial objectives / targets and to review, control, guide and direct their performance with a view to secure an optimum utilization of all resources placed at their disposal.

		• Assist, carry out such directions as may be issued by the Administrative Ministry from time to time in executing, evolving, managing, overseeing and coordinating programmes and projects under Jawaharlal Nehru National Solar Mission and all such other Programmes or Missions as may from time to time to be implemented. • Establish, provide, maintain, conduct, scientific and technical research, experiments, pilot projects and tests of all kinds and to process, improve, innovate and invent new products, technologies, directly or in collaboration with other agencies in India & abroad to achieve commercialization. • Engage in the business of performance monitoring, data analysis, resource assessment, cost engineering, technology forecasting, training & capacity building, skill development, promotion & awareness campaigns etc. in India and abroad. • Promote, organize, conduct and render consultancy services in the related activities of the Company in India and abroad.
7.	Number and Name of subsidiary companies along with amount invested and share in its profit during last five years	Separate sheet may be attached, if more than one subsidiary. Information may be separately given in respect of each subsidiary and aggregated (consolidated) also.

Year	Name of subsidiary	Amount invested (Rs. Cr.)	Share in its profit (Rs.)
2011-12	Nil	NA	NA
2012-13	Nil	NA	NA
2013-14	Nil	NA	NA
2014-15	Nil	NA	NA
2015-16	Nil	NA	NA

8.	Number and Name of Joint Venture companies along with amount invested and share in its profit during last five years	Separate sheet may be attached, if more than one Joint Venture. Information may be separately given in respect of each Joint Venture and aggregated (consolidated) also.

Year	Name of Joint Venture	Amount invested (Rs. Cr.)	Share in its profit (Rs.)

	2011-12	Nil	NA	NA
	2012-13	Nil	NA	NA
	2013-14	Nil	NA	NA
	2014-15	1. Andhra Pradesh Solar Power Development Corporation Private Limited	0.05	Nil
		2. Karnataka Solar Power Development Corporation Private Limited	0.5	Nil
	2015-16	1. Andhra Pradesh Solar Power Development Corporation Private Limited	0.05	Nil
		2. Karnataka Solar Power Development Corporation Private Limited	0.5	Nil
		3. Rewa Ultra Mega Solar Limited	1	Nil
		4. Lucknow Solar Power Development Corporation Limited	0.5	Nil
		5. Renewable Power Corporation of Kerala Ltd.	0.5	Nil
	2016-17	1. Andhra Pradesh Solar Power Development Corporation Private Limited	0.05	-
		2. Karnataka Solar Power Development Corporation Private Limited	0.5	-
		3. Rewa Ultra Mega Solar Limited	1	-
		4. Lucknow Solar Power Development Corporation Limited	0.5	-
		5. Renewable Power Corporation of Kerala Ltd.	0.5	-
		6. Himachal Renewables Ltd.	0.25	Nil
9.	Details of revival plan approved earlier		Not Applicable	

Mandatory Parameters (Part- A)

S. No.	Financial Performance criteria	Unit	Marks	2016-17 Estimates	Best in 5 years	MoU target for the year 2017-18					% Improvement
						Excellent 100%	V. good 80%	Good 60%	Fair 40%	Poor 20%	
1	**Turnover**										
	Revenue from Operations	Rs. Cr.	10	776.93	573.90	1400	1350	1300	1250	1200	73.76%
2	**Operating profit**										
	Operating Profit/surplus as a percentage of revenue from operations (net)	%	20	8.23%	27.95 %	6.20%	6.00%	5.80%	5.60%	5.40%	-27.10%
3	**Return on investment**										
	PAT or surplus/ average net worth[a]	%	20	14.11	15.58%	14.50%	14.00 %	13.50 %	13.00 %	12.50 %	-0.78

Other Parameters (Part- B)

S. No.	Performance criteria	Unit	Marks	2016-17 Estimates	Best in 5 Years	MoU target for the year 2017-18					% Improvement
						Excellent	V. good	Good	Fair	Poor	
1	**Capacity utilisation/ production/ generation/ transmission etc.**										
	Trading of solar power	MU	10	1224	954	2400	2300	2200	2100	2000	87.90%
2	**New Orders received during the year**										
	Issue of RfS for PMC/own assignments (Estimated Project cost)	Rs. Cr.	5	303.8	441.4	550	500	450	400	350	2.8%

3	**Production Efficiency Parameter**									
	Average time from Issue of Notice Inviting Tender (NIT) to finalization of Award recommendations for RE	No. of Days	10	-	-	120	150	160	170	180	-
4	**Completion of milestones of clients orders/ agreements without time overrun**										
	Completion of milestones of clients orders/ agreements without time overrun in respect of PMC projects	%	10	100%	100%	100%	95%	90%	85%	80%	-5.00%
5	CAPEX – Investment in RE projects	Rs. Cr.	3	86.85	86.19	70	65	60	55	50	-25.16%
6	Trade receivables (net) as number of days of revenue from operations (gross)	No. of Days	5	100	22	60	90	100	105	110	10.00%
7	**HRM related parameters**										
A	On-line submission of ACR/APAR in respect of all executives (E0 and above) along with compliance of prescribed timelines w.r.t writing of ACR/APAR	% of no. of executi ves	2	-	-	100	95	90	85	80	-
B	Online quarterly vigilance clearance updation for senior executives (AGM and	% of no. of senior executi	2	-	-	100	95	90	85	80	-

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C	Preparation of Succession Plan and its approval by Board of Directors	Date	1	-	NA	30.09.17	10.10.17	20.10.17	31.10.17	10.11. 17	-
D	Holding of DPC without delay for executives (E0 and above level)	%	1	-	-	100	95	90	85	80	-
E	Talent Management and career progression by imparting at least one week training in Centres of Excellence e.g. IITs, IIMs, NITs, ICAI etc.	% of executives	1	-	-	10	9	8	7	6	-

Note:

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1. CPSE should update land holdings on Government Land Information System (GLIS).
2. Targets recommended by IMC are based on estimates submitted by the CPSE for FY 2016-17. In case of better performance of the CPSE as per final results as compared to estimates, the difference shall be added to the targets for the year 2017-18.
3. The targets decided in MoU are unconditional and no offset will be allowed. Further evaluation would be subject to compliance of additional eligibility criteria as contained in para 14.2 of MoU guidelines 2017-18.

(Dr. Ashvini Kumar)
Managing Director
Solar Energy Corporation of India Limited

(Shri Anand Kumar)
Secretary
Ministry of New and Renewable Energy

Place: New Delhi
Date: 28.06.2017.

PART A Trend Analysis

S.No.	Financial Performance Criteria	Unit	Target vs Actual	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 Actual upto Dec,16	2016-17 Estimated upto 31.3.2017
1	Revenue from operations-Gross	Rs. Crore		0	0	3.67	37.6	573.9	559.93	776.93
	Revenue from operations-Net		Actual	0	0	3.67	37.6	573.9	559.93	776.93
			MoU	-	-	-	-	-	-	600
2	a. Profit Before tax	Rs. Crore		-2.66	-4.44	-4.17	11.92	32.47	29.81	76.16
	b. Other Incomes			0	0.81	2.42	2.5	5.22	4.9	12.20
	c. Extraordinary & Exceptional Items			0	0	0.01	1.07	0	0	0
	d. Prior Period Items			0	0	0	0.02	0.37	0	0
	e. Operating profit/Loss (a-b+/-c+/-d)		Actual	-2.66	-5.25	-6.58	10.51	27.62	24.91	63.96
			MoU	-	-	-	-	-	-	45
3	a. PAT	Rs. Crore		-2.33	-4.77	-2.85	10.6	19.1	19.49	49.81
	b. Net Worth at year End			-0.33	13.9	32.06	104	221.15	333.6	352.98
	c. Average Networth			-0.33	6.79	22.98	68.03	162.58	277.38	302.98
	d. PAT/Networth	%	Actual	-	-		10.19	8.64	5.84	14.11
			MoU	-	-	-	-	-	-	9.50
	e. Paid-up Share Capital			2	21	42	103.35	204	304	304
	f. GoI Share	%		100	100	100	100	100	100	100
	g. Reserve and Surplus			-2.33	-7.1	-9.94	0.65	17.15	29.6	40.33

*Balance in current A/c includes Autosweep balances

Note: Trend given for actual figures for preceding five years (audited) and estimates of current year i.e. previous year to the year in respect of which targets are being negotiated

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Part-B TREND Analysis

Sl. No.	Financial Performance Criteria	Unit	Target v/s Actual	2011-12	2012-13	2013-14	2014-15	2015-16	Current Year (2016-17)	
									Actual upto 31.12.2016	Estimated upto 31.3.2017
1	**Capacity Utilization in respect of each product**									
a	Trading of Solar Power	MU	Actual	-	-	-	13.65	954	815	1224
			MoU	-	-	-	-	-	950	
2	**New orders received during the year**									
a	Issue of RfS for PMC assignments (estimated project cost)	Rs. Cr.	Actual	-	-	-	-	441.4	303.8	303.8
3	**Completion of milestone of clients orders/ agreements without time overrun**									
a	Completion of milestones of clients orders/ agreements without time overrun in respect of PMC projects		Actual	-	-	-	-	100	100	100
		%	MoU	-	-	-	-	-	95	
4	**CAPEX**									
a	Office Building & Other Assets		Actual	0.02	0.97	26.23	44.67	25.87	69.56	82.7
b	RE Assets		Actual	0	0	0	0	60.32	1.84	4.15
5	Trade receivables (Net) as number of days of RO(gross)	Days	Actual	0	0	22	97	85	113	100

Note: Trend given for actual figures for preceding five years (audited) and estimates of current year i.e. previous year to the year in respect of which targets are being negotiated

RO: Revenue from Operations.