Memorandum of Understanding 2018-19

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
	2015-16	1. Andhra Pradesh Solar Power Development Corporation Private Limited	0.05	Nil
		2. Karnataka Solar Power Development Corporation Limited	0.50	Nil
		3. Rewa Ultra Mega Solar Limited	1.00	Nil
		4. Lucknow Solar Power Development Corporation Limited	0.50	Nil
		5. Renewable Power Corporation of Kerala Ltd.	0.50	Nil
	2016-17	1. Andhra Pradesh Solar Power Development Corporation Private Limited	0.05	-
		2. Karnataka Solar Power Development Corporation Limited	0.50	-
		3. Rewa Ultra Mega Solar Limited	1.00	-
		4. Lucknow Solar Power Development Corporation Limited	0.50	-
		5. Renewable Power Corporation of Kerala Ltd.	0.50	-
		6. Himachal Renewables Ltd.	0.25	Nil
	2017-18	1. Andhra Pradesh Solar Power Development Corporation Private Limited	0.05	-
		2. Karnataka Solar Power Development Corporation Limited	0.50	-
		3. Rewa Ultra Mega Solar Limited	1.00	-

		4. Lucknow Solar Power Development Corporation Limited	0.50	-
		5. Renewable Power Corporation of Kerala Ltd.	0.50	-
		6. Himachal Renewables Ltd.	0.25	-
9.	Details of revival plan approved earlier		Not Applicable	

MoU Parameters for the year 2018-19

S. No.	Performance criteria	Unit	Marks	2017-18 Estimates	Best in 5 years	MoU target for the year 2018-19					% Improvement*
						Excellent 100%	V. good 80%	Good 60%	Fair 40%	Poor 20%	
1	Revenue from Operations (Net)	Rs. Cr.	10	1124.19	785.36	2600	2500	2400	2300	2200	122.38
2	Operating Profit/surplus as a percentage of revenue from operations (Net)	%	20	6.00	27.95	5.00	2.90	2.80	2.70	2.60	-51.67
3	PAT as percentage of Average Net Worth	%	20	13.13	15.81	15.00	13.00	12.00	11.00	10.00	-1.00
4	Trading of solar power	MU	10	1975.41	1242	5300	5100	4900	4700	4500	158.17
5	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
6	CAPEX	Rs. Cr.	5	45.49	86.19	160	150	140	130	120	-
7	Percentage 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	%	3	-	-	100	90	80	70	60	-

8	Trade receivables (net) as number of days of revenue from operations (gross)	No. of Days	5	39	22	45	60	70	80	90	-53.85
9	Assessment of level of People Capability Maturity Model in the CPSE and placing the matter before the board for taking a decision whether to go for upgradation in level and, if yes, getting the approval for the timelines from the Board. If no, justifiable reason to be recorded in the Board resolution	Date	5	-	-	31.12.18	15.01.19	31.01.19	15.02.19	28.02.19	-
10	Online Human Resource Management System (HRMS) implementation (consisting of online employee data administration, employee self-service, exit procedure, talent management etc.) and its integration with Finance	Date	5	-	-	31.12.18	15.01.19	31.01.19	15.02.19	28.02.19	-
11	Assessment of level of Project Management Maturity Model (Pro MMM) in the CPSE and	Date	7	-	-	31.12.18	15.01.19	31.01.19	15.02.19	28.02.19	-

	placing the matter before the Board for taking a decision whether to go for upgradation in level and, if, yes, getting the approval for the timelines from the Board. If not, justifiable reason to be recorded in the Board resolution										

**Improvement has been worked out on Very Good target of the MoU year over current year expected actuals*

Notes:

1. Targets recommended by IMC are based on estimates submitted by the CPSE for FY 2017-18. 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 2018-19. In case figures for the year 2017-18 are recasted in Audited accounts, comparison of actual results shall be made based on recasted figures.
2. If provision has been made, target/achievement would be based on net of provisions.
3. In working out achievements for the year 2018-19, quantified qualifications of CAG/statutory auditors would be adjusted in case of overstatement of revenue/profit/surplus or understatement of loss/deficit in addition to negative marks prescribed in MoU guidelines.
4. 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 MoU guidelines.

Jathindra Nath Swain

(J. N. Swain)
Managing Director
Solar Energy Corporation of India Limited

(Anand Kumar)
Secretary
Ministry of New and Renewable Energy

Place: New Delhi
Date: 26-03-2018

PART A Trend Analysis

S.No.	Financial Performance Criteria	Unit	Target vs Actual	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	
									Actual upto Sept. 2017	Estimated upto 31.3.2018
1	Revenue from operations-Gross	Rs. Crore		0	3.67	37.6	573.9	785.36	435.80	1124.19
	Revenue from operations-Net		Actual	0	3.67	37.6	573.9	785.36	435.80	1124.19
			MoU	-	-	-	-	600	-	1350
2	a. Profit Before tax	Rs. Crore		-4.44	-4.17	11.92	32.47	72.79	26.00	79.43
	b. Other Incomes			0.81	2.42	2.5	5.22	12.80	6.95	12.00
	c. Extraordinary & Exceptional Items			0	0.01	1.07	0	6.49	0.00	0.00
	d. Prior Period Items			0	0	0.02	0.37	0.25	0.00	0.00
	e. Operating profit/Loss (a-b+/-c+/-d)		Actual	-5.25	-6.58	10.51	27.62	66.73	19.05	67.43
			MoU	-	-	-	-	45	-	-
3	a. PAT	Rs. Crore		-4.77	-2.85	10.6	19.1	46.54	17.00	51.94
	b. Net Worth at year End			13.9	32.06	104	221.15	367.69	394.21	452.83
	c. Average Networth			6.79	22.98	68.03	162.58	294.42	380.95	410.26
	d. PAT/Networth	%	Actual	-		10.19	8.64	12.66	4.31	11.47

								%		
			MoU	-	-	-	-	9.50		14.00
	e. Paid-up Share Capital			21	42	103.35	204	304.00	304.00	354.00
	f. GoI Share	%		100	100	100	100	100	100	100
	g. Reserve and Surplus			-7.1	-9.94	0.65	17.15	63.69	90.21	98.83

Part-B TREND Analysis

Sl. No.	Financial Performance Criteria	Unit	Target v/s Actual	2012-13	2013-14	2014-15	2015-16	2016-17	Current Year (2017-18)	
									Actual upto Sept, 2017	Estimated upto 31.3.2018
1	**Capacity utilisation/ production/ generation/ transmission etc.**									
	Trading of Solar Power	MU	Actual	-	-	13.65	954	1242	520.65 (till Aug, 17)	1975.41
			MoU	-	-	-	-	950	-	2300
			MoU	-	-	-	-	-	-	500
2	**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	%	Actual	-	-	-	100	100	100	100
		%	MoU	-	-	-	-	95	-	95
3	**CAPEX**									
a	Office Building & Other Assets	Rs. Cr.	Actual	0.97	26.23	44.67	25.87	69.07	0.04	37.98
b	RE Assets	Rs. Cr.	Actual	0	0	0	60.32	2.07	7.51	7.51

			MoU	-	-	-	-	-	-	65
4	Trade Receivables(Net)	Rs. Cr.	Actual	0.00	0.22	10.04	134.36	102.04	94.98	121.00
5	Trade receivables (Net) as number of days of RO(gross)	Days	Actual	0	22	97	85	47	39	39
			MoU	-	-	-	-	-	-	90