

**MEMORANDUM OF UNDERSTANDING
2015-16**

BETWEEN

**MINISTRY OF NEW AND RENEWABLE
ENERGY, GOVERNMENT OF INDIA**

AND

SOLAR ENERGY CORPORATION OF INDIA



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

Renewable Energy is Green, Clean and Sustainable



**MoU 2015-16
Approved by DPE/TF**

Signed

MEMORANDUM OF UNDERSTANDING 2015-16

BETWEEN

MINISTRY OF NEW AND RENEWABLE ENERGY, GOVERNMENT OF INDIA

AND

SOLAR ENERGY CORPORATION OF INDIA

PART – I

VISION AND MISSION

VISION:

To build 'Green India' through harnessing abundant solar radiation and to achieve energy security for the country.

MISSION:

To become the leader in development of large scale solar installations, solar plants and solar parks and to promote and commercialize the use of solar energy to reach remotest corner of India.

To become leader in exploring new technologies and their deployment to harness solar energy.

OBJECTIVES

- Develop Ultra Mega and Large scale solar plants including Solar Parks
- Own, operate , develop & manage both grid connected & off grid solar installations including Rooftops
- To take up energy access programs for rural and remote areas through Solar energy
- To test new technologies in Solar through pilot projects leading to commercialisation.
- To exchange, distribute & trade power in furtherance of JNNSM goals
- To promote integrated power generation projects of Solar with conventional & renewable sources.

PART-II
PERFORMANCE EVALUATION PARAMETERS AND TARGETS

For the purpose of performance evaluation of the Corporation for the year 2015-16, the scale and the weights assigned to various parameters are shown as below:

Evaluation Criteria		Unit	Weight (in %)	MOU Target					Means of verification
1. Static/Financial Parameter				Excell ent	V. Good	Good	Fair	Poor	
1		2	3	4	5	6	7	8	Annual Report 2015-16
1.1 Gross Operating Margin		Rs. Lac	12	2500	2000	1600	1200	800	
1.2 Gross Income		Rs. Lac	15	45000	40000	35000	30000	25000	
1.3 EBIDTA per employee		Rs. Lac	15	30.00	25.00	20.00	15.00	10.00	
1.4 PBT/Networth		%	08	11	10	09	08	07	
Sub-Total (1)			50						
2. Dynamic Parameters		Unit	Weight	Excell ent	V. Good	Good	Fair	Poor	Means of verification
2.1 Project Implementation									
a) Commissioning of 200 MW out of 640 MW under phase-2 batch-1 of JNNISM (440 MW will be done in FY 2014-15)		Timeline	03	15 th April, 2015	28 th April, 2015	30 th June 2015	15 th July 2015	31 st July 2015	Commissioning certificates
b) Signing of PPA under next phase of MNRE Scheme under JNNISM (Capacity achieved by 30 th Nov, 2015)		MW	06	1575 MW	1500 MW	1425 MW	1350 MW	1275 MW	PPA Documents
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	15 th Nov 2015	30 th Nov 2015	15 th Dec 2015	PPA/PSA Documents
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	15 th Feb 2016	29 th Feb 2016	15 th Mar 2016	PPA/PSA Documents
e) Solarisation of Indo-Pak border 5 MW Solar PV Project in Rajasthan - Commissioning		Timeline	01	1 st Feb. 2016	15 th Feb. 2016	29 th Feb. 2016	15 th March 2016	31 st March 2016	Commissioning Certificate

MoU 2015-16
Approved by DPPE/TF
Signed

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	15 th Jan 2016	31 st Jan 2016	15 th Feb 2016	DPR Documents
g) Commissioning of 10 MW Solar Power Project.	Timeline	02	15 th March 2016	31 st March 2016	-	-	-	Commissioning Certificate
h) Commissioning of 20 MW Rooftop PV Projects under MNRE Scheme	Timeline	04	31 st Dec 2015	15 th Jan 2016	31 st Jan 2016	15 th Feb 2016	29 th Feb 2016	Commissioning certificates
i) Issue of allocation letter for establishment of 50 MW Rooftop scheme	Timeline	02	31 st Jan 2016	15 th Feb 2016	29 th Feb 2016	15 th Mar 2016	31 st Mar 2016	Allocation letters
j) Release of subsidy/ VGF for various Schemes of MNRE	(Rs.in Cr.)	01	500	400	300	200	100	Release of subsidy
k) Finalization of standard documents (viz. RfP, PPA, VGF Securitization Agreement) for Defence Scheme of MNRE	Timeline	01	15 th Nov 2015	30 th Nov 2015	15 th Dec 2015	31 st Dec 2015	15 th Jan, 2016	Submission of Standard Documents to Defence
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	04	03	02	Copies of JV/ MOU
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	30 th Nov 2015	31 st Dec 2015	31 st Jan 2016	LoI Documents
b) LoI for Kargil/ Leh solar project of 1.5 MW Capacity	Timeline	01	29 th Feb 2016	15 th Mar 2016	31 st Mar 2016	-	-	LoI Documents
c) Operationalization of Calibration	Numbers	02	10	08	06	05	04	Calibration certificates

MoU 2015-16
Approved by DPE/TF
Signed

PART III

COMMITMENT/ASSISTANCE FROM MINISTRY OF NEW AND RENEWABLE ENERGY

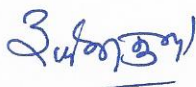
1. Ministry of New and Renewable Energy (MNRE) would facilitate NCEF Grants and Loan facilitation by Domestic/International Funding Agencies, Multi-lateral Banks for various projects.
2. MNRE would release the equity of Rs.985.38 crore as per Budget Estimates. However, MNRE would release equity in proportion to the agreed targets.
3. MNRE will issue Govt. sanction for VGF and Final guidelines by 31st March, 2015 for Setting up of 2000 MW under next phase of MNRE scheme under JNNSM.
4. MNRE will assist for appointment of Non-official Directors on the Board of SECI.
5. MNRE would release of subsidy of Rs. 750 Crores under various schemes of MNRE.
6. MNRE would facilitate availability of Land for setting up of Projects for various CPSUs through consultancy.
7. MNRE will issue Govt. approval by 31st March 2015 in case of KAZA Project and by 31st July 2015 in case of Kargil Project.
8. MNRE will recast profits projected thereupon every quarter (currently PBT projected at Rs. 24.10 Cr. for the financial year 2015-16) based on the various project management consultancy activities being undertaken by SECI and revenue thereon.
9. MNRE would give approval on implementation modalities for rooftop scheme for warehouses by 3rd April, 2015.
10. MNRE would issue govt. approval by 30th June, 2015 for generation forecasting project and for battery storage project.
11. Arrangement of timely completion of transmission and evacuation facilities for Solar Parks by Ministry of Power through PGCIL.

PART-IV

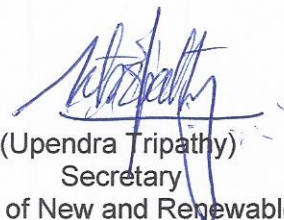
While Solar Energy Corporation of India will periodically review the achievements of MOU targets, Ministry of New and Renewable Energy will also review the same periodically.

GENERAL

- a) All the provisions of this MOU become effective and operative by both the parties, namely Ministry of New and Renewable Energy and Solar Energy Corporation of India, immediately on signing the MOU by Ministry of New and Renewable Energy and Solar Energy Corporation of India.
- b) All the relevant provisions of this MOU will continue to be in force and operative beyond March, 2016 until such time, the same are modified by the signing of the subsequent MOU between the parties.



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



(Upendra Tripathy)
Secretary
Ministry of New and Renewable Energy

Place: New Delhi

Date: 31/03/2015



ANNEXURE VI (Rs. in Lac)

**TREND OF CPSE's PERFORMANCE ON FINANCIAL PARAMETERS SINCE THE YEAR
OF INCORPORATION OF SOLAR ENERGY CORPORATION OF INDIA**

Particular		2012-13	2013-14	2014-15	2015-16	Latest Bench marking Details available
		ACTUAL	ACTUAL	PROJECTED	PROJECTED	
Capacity Utilisation (for each plant separately)		The Corporation was set up on 20 th September 2011. The first full financial year was 2012-13. As against budget for the year 2014-15 for a sum of Rs.1131.64 crores (BE), Rs. 55 crore was only sanctioned in RE. The income generation till 2014-15 is mainly based on the schemes of MNRE being implemented by SECI and consultancy charges & bid processing charges received on this account.				
Production (in Qty.)						
Production (in Rs. Cr.)						
Sl. No	<u>Profit & Loss Statement Items</u>					
1.	Sales Turnover excluding interest and other income (Operating Turnover)	Nil	367.20	2000.00	45000@	@ for excellent rating
2.	Interest and other income	81.49	242.35			
3.	EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)	(440.56)	(399.18)	100	2500@	@ for excellent rating
4.	Depreciation	3.61	16.97	40	90	
5.	Interest Expenses	Nil	Nil	Nil	Nil	
6	Profit Before Tax (3-4-5)	(444.17)	(416.15)	60	2410	
7.	Tax*	(32.52)	132.24	Nil	Nil*	
8.	Profit after Tax (6-7)	(476.69)	(284.56)	60	2410	
9.	Dividend Paid					
10.	Profit transferred to Statutory reserves					
11.	Profit Transferred to Balance Sheet (8-9-10)	(476.69)	(284.56)	60	2410	

Balance Sheet Items

S. No.	Particular	2012-13	2013-14	2014-15 (P)	2015-16 (P)
1	Gross Block	99.15	183.08	250	550
2	Less: depreciation	3.63	20.56	61	151
3	Net block (1-2)	95.52	162.52	189	399
4	Share Capital of CPSE	2100	4200	11200	20400
5	Reserves & Surplus of CPSE	(233.13)	(709.84)	(934.39)	1476
6	Less: deferred revenue exp./ pre-acquisition loss	---	---	---	---
7	Less: Profit & Loss A/c (Loss Figure)	(476.70)	(284.56)	---	---
8	Net worth of CPSE (4+5+6+7)	1390.16	3205.61	10265.61	21876
9	Investments	--	--	5	500
10	Total Current assets	5851.54	8354.21	29373	33678
11	Total current liabilities & provision	4602.36	6578.33	26800	27000
12	Net Current assets (10-11)	1249.18	1775.88	2573	6678
13	Non-Current Liabilities	10.55	1576.66	156	256
14	Non-Current Assets **	56.01	2843.87	7655	14555
15	Capital employed (Net block + net current assets) (3+12)	1344.70	1938.40	2762	7077
16	Total long-term debt (loan funds)	Nil	Nil	Nil	Nil
17	Total Assets (3+9+10+14)	6003.06	11360.06	37222	49132
18	No of employees of CPSE	24	35	38	80
19	% of total resources mobilized from sources other than grant in aid of Government	15.50%	59.43%	100%	100%
20	EBITDA/Total employment	Nil	Nil	2.63 lakhs each	30 lakhs each

* SECI being a section 25 Company, as of now, tax implication has not been considered.

**Estimated Including Capital Work in Progress

(P) – Projected

ANNEXURE-VII

SELF-DECLARATION/CERTIFICATION BY CPSE

It is hereby certified that the targets and actual achievements in respect of financial parameters have been worked out as per MOU Guidelines by adopting the norms and definitions laid down in MOU Guidelines for the year 2015-16. In case, any deviation is found at the time of appraisal of performance, DPE is free to evaluate as per audited accounts as per MOU Guidelines. CPSE has no right of claim in this regard.

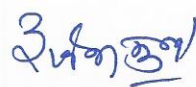


(Dr. Ashvini Kumar)
Managing Director
Solar Energy Corp. of India

ANNEXURE-VIII

**SELF-DECLARATION FOR COMPLIANCE OF DIRECTIVES OF GOVERNMENT &
REGULATORS**

It is hereby Certified that the CPSE has complied all the directives of government and requirements of regulators. In case, any deviation is found at the time of appraisal of performance, DPE is free to evaluate as per Guidelines, directives issued by the Government/Regulators. CPSE has no right of claim in this regard.



**(Dr. Ashvini Kumar)
Managing Director
Solar Energy Corp. of India**

Sl. No	Particulars	Income (Rs. in Crores)
1	Income from rooftop scheme-service charges from developers/subsidy handling charges from MNRE	6.65
2	Project Management Consultancy assignments for CPSUs	75.60
3	Trading of Power	366.67
4	Subsidy Handling Charges/VGF handling charges/Bid process management fee	6.08
	Total Income	455.00
1	Employee Benefit Expenses	14.60
2	Administrative & Other Expenses	14.27
3	Project Management Consultancy expenditure*	37.80
4	Trading of Power	363.33
	Total Expenditure	430.00
	Excess of Income over Expenditure	25.00

***Expenditure excludes Service tax and Income tax**

***SECI being a Section-25 company, therefore Income tax liability has not been considered**