

Memorandum of Understanding

2019-20

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



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	<p>The Main Objectives of the Company are to:</p> <ul style="list-style-type: none"> • 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.

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Answer

		<ul style="list-style-type: none"> 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.																			
	<table border="1"> <thead> <tr> <th>Year</th><th>Name of subsidiary</th><th>Amount invested (Rs. Cr.)</th><th>Share in its profit (Rs.)</th></tr> </thead> <tbody> <tr> <td>2014-15</td><td>Nil</td><td>NA</td><td>NA</td></tr> <tr> <td>2015-16</td><td>Nil</td><td>NA</td><td>NA</td></tr> <tr> <td>2016-17</td><td>Nil</td><td>NA</td><td>NA</td></tr> <tr> <td>2017-18</td><td>Nil</td><td>NA</td><td>NA</td></tr> </tbody> </table>	Year	Name of subsidiary	Amount invested (Rs. Cr.)	Share in its profit (Rs.)	2014-15	Nil	NA	NA	2015-16	Nil	NA	NA	2016-17	Nil	NA	NA	2017-18	Nil	NA	NA
Year	Name of subsidiary	Amount invested (Rs. Cr.)	Share in its profit (Rs.)																		
2014-15	Nil	NA	NA																		
2015-16	Nil	NA	NA																		
2016-17	Nil	NA	NA																		
2017-18	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.																			
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	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	(1.04)
		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	-
	2017-18	1. Andhra Pradesh Solar Power Development Corporation Private Limited	0.05	17.75
		2. Karnataka Solar Power Development Corporation Limited	0.50	(0.50)
		3. Rewa Ultra Mega Solar Limited	1.00	1.82
		4. Lucknow Solar Power Development Corporation Limited	0.50	0.05
		5. Renewable Power	0.50	0.05

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		Corporation of Kerala Ltd.		
		6. Himachal Renewables Ltd.	0.25	-
9.	Details of revival plan approved earlier		Not Applicable	

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MoU Parameters for the year 2019-20

S. No.	Performance criteria	Unit	Marks	2018-19 Estimates	Best in 5 years	MoU target for the year 2019-20				% Improvement *	
						Excellent 100%	V. good 80%	Good 60%	Fair 40%		
1	Revenue from Operations (Net)	Rs. Cr.	10	3045	1158	3800	3400	3100	2900	2700	11.66
2	Operating Profit/ surplus as a percentage of revenue from operations (Net)	%	20	5.00	27.95	5.50	4.70	4.00	3.50	3.00	-6.00
3	PAT as percentage of Average Net Worth	%	20	22.54	16.08	25	23	21	20	19	2.04
4	Trading of renewable power	MU	10	6283	2097	8400	8150	7900	7650	7400	29.72
5	Award of work for RE projects	MW	5	9837	5792	13000	11000	10000	9000	8000	11.82
6	Completion of milestones of clients orders/ agreements without time overtur in respect of PMC projects	%	10	100	100	100	95	90	85	80	-5.00
7	CAPEX	Rs. Cr.	5	160	86.19	300	280	260	240	220	75

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S. No.	Performance criteria	Unit	Marks	2018-19 Estimates	Best in 5 years	MoU target for the year 2019-20				% Impro vement *
						Excellent 100%	V. good 80%	Good 60%	Fair 40%	
8	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
9	Trade receivables (net) as number of days of revenue from operations (gross)	No. of Days	5	77	22	60	65	68	70	72
10	Achievement of HR parameters of continuous nature as per list given in Annexure	No. of parameters	4	-	-	7	6	5	4	3
11	Capability development programmes for executives to build their technical & managerial competencies for higher positions with special focus on web learning	No. of programmes	4	-	-	15	14	13	12	11

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S. No.	Performance criteria	Unit	Marks	2018-19 Estimates	Best in 5 years	MoU target for the year 2019-20				% Improvement *
						Excellent 100%	V. good 80%	Good 60%	Fair 40%	
	programmes									
12	Award of works for innovative technology project under PMC/with own investment	MW	4	-	-	150	140	130	120	110

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

Notes:

1. In working out achievements for the year 2019-20, 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.
2. Targets decided are unconditional and no offset will be allowed on any ground. Further evaluation would be subject to compliance of additional eligibility criteria as contained in MoU guidelines.

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

Anand Kumar
 (Anand Kumar)

Secretary
 Ministry of New and Renewable Energy

Place: New Delhi
 Date: 27.5.2019

Annexure

List of HR parameters of continuous nature

Sr. No.	Parameter
i	Online submission of ACR/APAR in respect of all executives (E0 and above) along with compliance of prescribed timeline w.r.t. writing of ACR/APAR
ii	Online quarterly vigilance clearance updation for senior executives (AGM and above)
iii	Regular updation of succession plan and its approval by Board of Directors
iv	Holding of DPC without delay for executives (E0 and above level)
v	Talent management & career progression by imparting at least 1 week training of at least 10% executives (E0 and above) in Centres of excellence within India e.g. IITs, IIMs, NITs, ICAI etc.
vi	Regular updation of Online Human Resource Management system (HRMS)
vii	Review & implementation of employee performance on the lines of FR(56)j and submit a compliance report to Board of Directors at the end of the year

PART A Trend Analysis

S.No.	Financial Performance Criteria	Unit	Target vs Actual	2013-14			2014-15	2015-16	2016-17	2017-18	2018-19	
				Actual	4	38	574	785	1158	1267	Actual upto Sept. 2018	Estimated upto 31.3.2019
1	Revenue from operations-Gross	Rs. Cror e	Actual	4	38	574	785	1158	1267	2627		
	Revenue from operations-Net	MoU	-	-	-	-	600					
	a. Profit Before tax	Actual	-4.17	11.92	32.47	72.78	101.74	115.74	148.93			
	b. Other Incomes	Actual	2.42	2.5	5.22	12.97	17.73	13.49	17.66			
	c. Extraordinary & Exceptional Items	Rs. Cror e	Actual	0.01	1.07	0	6.49	-	-	-		
2	d. Prior Period Items	Actual	0	0.02	0.37	0	-	-	-	-		
	e. Operating profit/Loss (a-b+-c+-d)	Actual	-6.58	10.51	27.62	66.30	84.01	102.25	131.27			
	a. PAT	MoU	-	-	-	45	-					
	b. Net Worth at year End	Rs. Cror e	-2.85	10.6	19.1	46.50	64.72	74.43	96.89			
	c. Average Networth		32.06	104	221.15	368.31	436.84	509.06	501.37			
3	d. PAT/Avg.Networth	%	Actual	-12.40	15.58	11.75	15.48	16.28	15.74	20.65		
		MoU	-	-	-	9.50	13.00	-	14.00			

Final

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e. Paid-up Share Capital		42	103.35	204	304	354	354
f. GoI Share	%	100	100	100	100	100	100
g. Reserve and Surplus		-9.94	0.65	17.15	64.31	82.84	155.06

Final

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Part-B TREND Analysis

Sl. No.	Financial Performance Criteria	Unit	Target v/s Actual					Current Year (2018-19)		
				2013- 14	2014- 15	2015- 16	2016- 17	2017- 18	Actual upto Sept, 2018	Estimated upto 31.3.2019
1	Capacity utilisation/ production/ generation/ transmission etc.									
	Trading of Renewable Power	MU	Actual MoU	-	13.65	954	1242	2097	2438	6283
2	New Orders received during the year									
	Issue of LoA for RE projects	MW	Actual	776	37.50	589.5	3127	5791.66	-	9837
3	Completion of milestones of client's orders/ agreements without time overrun									
	Completion of milestones of client's orders/ agreements without time overrun in respect of PMC projects	%	Actual MoU	-	-	100	100	100	100	100
4	CAPEX	Rs. Cr.	Actual MoU	26.23	44.67	86.19	71.14	9.19	35.68	160.93
5	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	%	Actual MoU	-	-	-	-	-	100	100
6	Trade Receivables (Net)	Rs. Cr.	Actual	0.22	10.04	134.36	102.04	125.99	198.01	360
7	Trade receivables (Net) as number of days of RO (gross)	Days	Actual MoU	22	97	85	52	40	57*	77
				-	-	-	-	90	60	

* Number of Days has been calculated on annualised basis.

Jan 2019

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