

MEMORANDUM OF UNDERSTANDING

FOR THE YEAR
2018 – 19

BETWEEN

**MINISTRY OF NEW AND RENEWABLE
ENERGY (MNRE)**

AND

**INDIAN RENEWABLE ENERGY
DEVELOPMENT AGENCY LIMITED
(IREDA)**

IREDA - MNRE MOU 2018-19

Sl.	Financial Performance Criteria	Unit	Marks	Current Year (2017-18)	Best in 5 years	MoU Targets for the year 2018-19					% Improvement
				Estimated		Excellent	V. Good	Good	Fair	Poor	
A	Compulsory Parameters										
i	Turnover :										
	Revenue from Operations (net)	Rs. / Cr.	10	1800	1480	2050	1950	1875	1800	1725	8.33
ii	Operating Profit:										
	Operating profit as percentage of Revenue from operations (net)	%	20	26.66	36.08	26.00	23.00	21.00	19.00	15.00	-13.73
iii	Return on Investment :										
	PAT as percentage of Average Net Worth	%	20	12.73	15.90	12.50	10.00	8.50	7.00	5.00	-21.45
B	Optional Parameters (Finance CPSEs)										
iv	Loans Disbursed / Total Funds Available	%	10	83.00	93.11	85	77	73	71	70	-7.23
v	Overdue Loans / Total Loans (Net)	%	10	1.00	0.72	0.75	1.25	1.50	1.75	2.00	-25
vi	NPA / Total Loans (Net)	%	10	3.70	0.91	3.60	3.70	3.75	3.80	3.85	Nil
vii	Cost of raising funds through bonds as compared to similarly rated CPSEs / entities as per Reuters (margin over Reuters)	*	5	-1bps	8.07%	-1 bps	+0 bps	+3 bps	+5 bps	+7 bps	-
*	Margin over closing rate of Reuters (in bps)										

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Sl.	Particulars	Marks	MoU Target for the year 2018-19				
			Excellent	V. Good	Good	Fair	Poor
viii	HRM Parameters		5	4	3	2	1
	Assessment of level of People capability Maturity Model(PCMM) 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 not, justifiable reason to be recorded in the Board Resolution. (Date)	5	31.12.18	31.01.19	15.02.19	28.02.19	15.03.19
	Preparation of Career Paths for all levels and its approval by the Board (E0 & above) (Date)	3	31.12.18	31.01.19	15.02.19	28.02.19	15.03.19
	Talent Management and career progression by imparting at least one week training in Centre of Excellence within India e.g. IITs, IIMs, NITs, ICAI, etc. (% of executives)	2	15	12	10	8	6
ix	Other Sector Specific Result Oriented Measurable Parameters						
	Sanction of loan for Bio Energy, Palletization of Agro Waste, Small Hydro & Waste to Energy (Rs./Cr.)	5	500	450	400	350	300
	Total (A+B)	100					
i.	It was agreed that the targets recommended by the PNC are based on provisional/estimated figures submitted by the CPSE for the year 2017-18. In case of better performance of the CPSE as per actual results, the difference may be added to the targets for the year 2018-19 by the IMC. In case figures for the year 2017-18 are recasted/restated in audited accounts, comparison of actual results shall be made based on recasted/restated figures.						
ii.	If provision has been made, target/achievement would be based on net of provisions .						
iii.	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 the negative marks prescribed in MoU guidelines.						
iv.	It was agreed that 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.						



K.S. Popli

Chairman & Managing Director

Indian Renewable Energy Development Agency
Ltd.



Anand Kumar
Secretary

Ministry of New And Renewable Energy

Place: New Delhi

Date: 23.03.2018

Additional Eligibility Criteria

14.2 Score and rating (as per para 14.1 of the MoU Guidelines) would be subject to fulfilling following criteria failing which aggregate MoU score would be reduced by 1 mark for each instance of non-compliance subject to maximum of 5 marks and the rating would be modified accordingly:

i. Compliance of Provisions of The Companies Act, 2013 or the relevant Act under which they have been regulated (To the extent compliances are within the ambit of CPSEs).

ii. In case of listed CPSEs compliance of provisions of Listing Agreement (To the extent compliances are within the ambit of CPSEs).

iii. Compliance of DPE Guidelines having financial implications.

iv. No adverse observations by CAG on Annual Accounts pointing out misappropriation of funds of any amount of Over statement of profit/surplus/assets or understatement of loss/deficit/liabilities amounting to 5% of Revenue from Operation.

v. Holding of AGM without seeking extension of time.

vi. Submission of Draft MoU/MoU evaluation through administrative ministry/department to DPE by prescribed date.

vii. Signing of MoU as prescribed without deviation from minutes of the IMC meeting.

viii. Compliance of Public Procurement Policy for Micro and Small Enterprises issued by M/o Micro Small and Medium Enterprises.

ix. Compliance of DPE guidelines on allocation of CSR fund by CPSEs for Swachh Bharat activities

x. Compliance of DPE guidelines on Digital India.

xi. Compliance of DPE guidelines on any policy, issued from time to time, and prescribed specifically in this regard.

14.3. Compliance of each of additional eligibility criteria to be confirmed/certified by Board of Directors by way of resolution.

