

MEMORANDUM OF UNDERSTANDING

FOR THE YEAR
2019 – 20

BETWEEN

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

AND

**INDIAN RENEWABLE ENERGY
DEVELOPMENT AGENCY LIMITED**

IREDA - MNRE MOU 2019-20

Sl.	Financial Performance Criteria	Unit	Marks	MoU 2018-19		Best in 5 years	MoU Target for the year 2019-20					% Improvement #
				MoU target	likely to be achieved		Excellent	V. Good	Good	Fair	Poor	
A	Compulsory Parameters				Ind AS		5	4	3	2	1	
i	Turnover :											
	Revenue from Operations (net) (Rs./Cr.)		10	2050	1967	1779	2300	2200	2100	2000	1900	11.85
ii	Operating Profit:											
	Operating profit/ Revenue from operations (net) (in %)	%	20	26.00	20.93	36.08	21.50	21.00	20.00	19.00	18.00	0.33
iii	Return on Investment :											
	PAT / Net Worth (in %)	%	20	12.50	11.10	15.90	11.50	11.10	9.00	8.00	7.00	0.00
C	Optional Parameters (Finance CPSEs)											
iv	Loans Disbursed / Total Funds Available (in %)	%	10	85	96.00	84.84	96.25	96	94	92	90	0.00
v	Overdue Loans / Total Loans (Net) (in %)	%	10	0.75	0.76	0.72	0.72	0.76	1.10	1.20	1.30	0.00
vi	NPA / Total Loans (Net) (in %)	%	10	3.60	3.82	2.50	3.70	3.80	3.90	4.00	4.10	0.52
vii	Cost of raising funds through bonds as compared to similarly rated CPSEs / entities (Margin over similarly rate CPSEs/entities).	*	5	-1bps	-1 bps*	- 17bps (FIMM DA)	-1bps	+0bps	+1bps	+2bps	+3bps	-
*	Margin over closing rate of Reuters (in bps).											
#	Percentage of improvement of 'Very Good' target of MoU 2019-20 over 'likely achievement' of MoU 2018-19.											

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	Unit	Marks	MoU 2018-19		Best in 5 years	MoU Targets for the year 2019-20					
			MoU target	likely to be achieved		Excellent	V. Good	Good	Fair	Poor	
viii	Human Resource Management:										
A.	Achievement of HR parameters of continuous nature as per list given below (No. of parameters).	4	-	-	-	7	6	5	4	3	
	1. 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.										
	2. Online Quarterly vigilance clearance updation for Senior Executives (AGM & above).										
	3. Regular Updation of succession plan and its approval by Board of Directors.										
	4. Holding of DPC without delay for Executives (E0 & above level).										
	5. Talent management and career progression by imparting at least one week training of at least 15% Executive (E0 & above) in Centre of Excellence within India e.g. IITs,IIMs, NITs, ICAI, etc.										
	6. Regular updation of carrier paths for all levels and its approval by Board of Directors (E0 & Above).										
	7. Review and 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.										
B.	Capability development programs for executives to build their technical & managerial competencies for higher positions with special focus on Web learning programs (No. of programs).	4	-	-	-	15	14	13	12	11	
ix	Other sector specific result oriented measurable parameters:										
	Sanction of loan for floating Solar, Hybrid wind and solar, storage application, Energy Efficiency, Bio Energy-palletization of Agro waste, Small hydro & waste to energy(Rs.Cr.).	7	-	-	-	400	375	350	325	300	
	Total	100									

Note:

- i) Under-pitching of actual achievement for the year 2018-19: Pro-rata adjustment may be made in the targets in case of improvement in actual performance over the estimated performance in the base year.
- ii) MoU score is an aggregate of score on all parameters with respect to performance vis-à-vis the targets. However, MoU score & rating would be subject to compliance of Additional Eligibility Criteria given at Annexure-'A'.



Praveen Kumar

Chairman & Managing Director
Indian Renewable Energy Development
Agency Limited(IREDA)



Anand Kumar

Secretary
Ministry of New And Renewable Energy(MNRE)

Place : New Delhi

Date: 22/5/19

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:

Additional Eligibility Criteria

- 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(MSEs) issued by M/o Micro Small and Medium Enterprises. Zero Defect and Zero Effect (ZED) Scheme of Gol for procurement from ZED rated MSMEs may be followed.
- ix. Compliance of DPE guidelines issued from time to time for CSR expenditure by CPSEs.
- x. Compliance of DPE guidelines on Digital India.
- xi. Compliance of DPE guidelines on implementation of the Apprenticeship Act. (OM No. DPE/GM-0050/2014-GM-FTS-1980 dated 17th May, 2018).
- xii. Compliance of guidelines issued regarding Accessible India Campaign (Sugamya Bharat Abhiyan) OM No. 6(9)/2005-DPE (SC/ST Cell)/FTS-1955 dated 17th April, 2018.
- xiii. Compliance of registration of IREDA in Trade Receivables Discounting System (TReDS) platforms, setup as per the notification of the Reserve Bank of India.
- xiv. 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.