

**MEMORANDUM OF UNDERSTANDING**

**FOR THE YEAR**

**2017-18**

**BETWEEN**

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

**AND**

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

## IREDA - MNRE MOU 2017-18

Sl.	Financial Performance Criteria	Unit	Marks	Current Year (2016-17)	Best in 5 years	MoU Targets for the year 2017-18					% Improve ment
						Excellent	V. Good	Good	Fair	Poor	
<b>A</b>	<b>Compulsory Parameters</b>			Estimated		5	4	3	2	1	
<b>i</b>	<b>Turnover :</b>										
	Revenue from Operations (net)	Rs. / Cr.	10	1492.35	1174	1840	1740	1650	1600	1550	(+) 16.59%
<b>ii</b>	<b>Operating Profit:</b>										
	Operating profit/ Revenue from operations (net)	%	20	30.31	36.76	25.50	24.50	24.00	23.50	23.00	(-) 19.17%
<b>iii</b>	<b>Return on Investment :</b>										
	PAT / Net Worth	%	20	12.80	13.32	12.68	11.63	10.51	10.00	9.50	(-) 9.14%
<b>C</b>	<b>Optional Parameters (Finance CPSEs)</b>										
<b>iv</b>	<b>Loans Disbursed / Total Funds Available</b>	%	10	78.85	93.11	80.00	75.50	73.00	71.00	70.00	(-) 4.25%
<b>v</b>	<b>Overdue Loans / Total Loans (Net)</b>	%	10	2.00	0.46	2.00	2.25	2.50	2.75	3.00	(-) 12.50%
<b>vi</b>	<b>NPA / Total Loans (Net)</b>	%	10	3.70	0.91	3.70	4.00	4.35	4.55	4.75	(-) 8.11%
<b>vii</b>	<b>Cost of raising funds through bonds as compared to similarly rated CPSEs / entities</b>	*	5	8.07%	8.46%	-1 bps	+0 bps	+3 bps	+5 bps	+7 bps	-
*	Margin over FIMMDA rate (FIMMDA G- Sec rate +FIMMDA spread) (10 year maturity) (in bps)										
<b>Sector Specific Parameter</b>											
<b>viii</b>	<b>Disbursement of Loan for Bio Energy, Small Hydro &amp; Waste to Energy</b>	Rs. / Cr.	5	-	-	425	400	375	350	325	-

Continue in page 2

Sl.	Particulars	Marks	MoU Target for the year 2017-18				
			Excellent	V. Good	Good	Fair	Poor
ix	<b>HRM Parameters</b>		5	4	3	2	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 ( <b>% of number of executives</b> )	2	100	95	90	85	80
	Online Quarterly Vigilance clearance up-dation for Senior Executives (AGM & above) ( <b>% of number of senior executives</b> )	2	100	95	90	85	80
	Preparation of succession plan and its approval by Board of Directors ( <b>Date</b> )	2	30.09.17	15.10.17	31.10.17	15.11.17	30.11.17
	Holding of DPC without delay for executive ( <b>E0 and above level</b> ) (%)	2	100	95	90	85	80
	Talent Management and carrier progression by imparting at least one week training in Centre of Excellence within India e.g. IITs, IIMs, NITs, ICAI, etc. ( <b>% of executives</b> )	2	10	9	8	7	6
<b>Total (A+C)</b>		100					

\* It was agreed that the targets recommended by the IMC are based on estimates submitted by the CPSE for the year 2016-17. 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 2017-18.

\* 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 para 14.2 of MoU guidelines 2017-18.



**K.S. Popli**

Chairman & Managing Director

Indian Renewable Energy Development Agency  
Ltd.



**Rajeey Kapoor**  
Secretary

Ministry of New And Renewable Energy

Place: New Delhi

Date: 20<sup>th</sup> June 2017

## Excerpt – Guidelines for MoU 2017-18 – No. M-03/0017/2016-DPE(MoU) dated 16.12.2016

14.2 Score and rating as per para 14.1 would be subject to fulfilling additional eligibility criteria as mentioned below:

- a. **Additional Eligibility Criteria (1):** CPSEs have to essentially comply with the following conditions, failing which its MoU rating would be downgraded to next lower rating except CPSEs getting poor rating e.g. CPSEs with “Excellent rating” would be treated as “Very Good” and aggregate score shall be read as 90.00 and CPSEs with “very Good rating” would be treated as “Good” and aggregate score shall be read as 80.00 and so on.
  - 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 or Over/ under statement of profit/ loss (surplus/ deficit)/ assets/ 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.
  
- b. **Additional Eligibility criteria (2):** CPSEs have also to essentially comply with the following failing which its aggregate MoU marks would be reduced by one mark each for non-compliance of each of the conditions and rating would be revised accordingly.
  - i. Compliance of Public Procurement Policy for Micro and Small Enterprises issued by M/o Micro Small and Medium Enterprises.
  - ii. Compliance of DPE guidelines on allocation of CSR fund by CPSEs for Swachh Bharat activities.
  - iii. Compliance of DPE guidelines on Digital India.
  - iv. Compliance of DPE guidelines on any policy (other than mentioned in ii and iii above), issued from time to time, and prescribed specifically in this regard.
  
- c. Compliance of each of additional eligibility criteria to be confirmed/ certified by Board of Directors by way of resolution.