

MEMORANDUM OF UNDERSTANDING

For the year

2015-16

between

**Ministry of New and Renewable Energy
(MNRE)**

and

**Indian Renewable Energy Development
Agency Limited (IREDA)**

MEMORANDUM OF UNDERSTANDING

Year 2015-16

1.1	Mission/Vision
	“Be a pioneering, participant friendly and competitive institution for financing and promoting self-sustaining investment in energy generation from Renewable Sources, Energy Efficiency and Environmental Technologies for sustainable development”.
1.2	Objectives
	To give financial support to specific projects and schemes for generating electricity and/or energy through new and renewable sources and conserving energy through energy efficiency.
1.3	Commitments / Assistance from the Government
	<ul style="list-style-type: none">▪ To provide allocation of tax free bonds amounting to Rs.1500 Crores▪ Providing sovereign Guarantee on concessional terms by Government to facilitate raising long term overseas resources.

MoU 2015-16
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MOU 2015-16

2 IREDA : PERFORMANCE ASSESSMENT TARGETS

Evaluation Criteria

Sl.No.	Criteria	Weight	2015-16 MOU Target				
			Excellent	V. Good (BT)	Good	Fair	Poor
2.1	Static / Financial Parameters						
	Mandatory Prameters						
(i)	Growth/ Size/ Activity						
(a)	Loan Disbursement (Rs./Crore)	12	3675	3500	3325	3150	3000
(b)	Gross Operating Margin (Rs./Crore)	8	660	625	595	565	535
(ii)	Cost and Output Efficiency						
(a)	PAT Per Employee (Rs./Crore)*	8	2.22	2.12	2.01	1.91	1.82
	Optional Prameters						
(iii)	Liquidity/Leverage						
(a)	Debt Service Coverage Ratio	8	2.1	2.00	1.9	1.8	1.7
(iv)	Efficiency of Asset Use						
(a)	Interest rate spread (in %)	6	2.80	2.67	2.54	2.41	2.29
(b)	Gross NPA (in %)	8	3.25	3.5	3.7	3.9	4.1
	Sub Total 2.1	50					
2.2	Dynamic Parameters#						
a.	Corporate Social Responsibility & Sustainability \$						
(i)	Activities according to the provisions of the Companies Act 2013 & rules framed there under (% of ave.profits of last 3 years)	3	>2.00%	2.00%	1.75%	1.50%	1.25%
b.	Initiatives for Growth						
(i)	Loan Sanction(Rs./Crore)	8	6150	5750	5460	5190	4930
(ii)	Capacity addition of Renewable Energy including consortium & cofinancing (in MW)	5	525	500	475	450	425
c.	Project Management & Implementation						
(i)	Performance evaluation of solar projects fully/partially financed by IREDA and Preparation of Best Practice Manual	6	31.01.16	15.02.16	28.02.16	15.03.16	31.03.16
	Mapping of Solar/Wind/RE projects based on country level survey	4	31.01.16	15.02.16	28.02.16	15.03.16	31.03.16
d.	Productivity and Internal Processes						
(i)	Development of on-line Loan Applications	6	31.01.16	15.02.16	28.02.16	15.03.16	31.03.16
e.	Technology, Quality, Innovative Practices						
(i)	Apply for ISO 27001 for IT Security	5	31.01.16	15.02.16	28.02.16	15.03.16	31.03.16

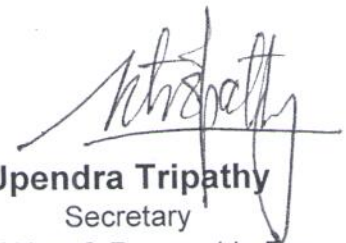
MoU 2015-16
 Approved by IREDA
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f	Human Resource Management						
(i)	Competency & Leadership Development						
	Identification/preparation of Competency Gap Analysis	1	31.08.15	30.09.15	31.10.15	30.11.15	31.12.15
	Organise Training Prg. (in nos.)	1	5	4	3	2	1
(ii)	HR Branding & Excellence : Re-engineering HR Policy						
	Preparation of HR Manual and Employee Hand Book	2	31.01.16	15.02.16	28.02.16	15.03.16	31.03.16
g	Sector Specific Parameter/ Enterprise Specific Parameter						
(i)	Installation of 30-50 mw Solar Power Plant for IREDA	9	10.03.16	15.03.16	20.03.16	25.03.16	31.03.16
	Sub Total	50					
	Total (2.1+2.2)	100					
\$ IREDA will construct 338 number of toilets in schools located in 6 districts of 3 states (Haryana, Chattishgarh & Rajasthan)							
# Means of verification for non-financial targets would be documents/ records/ certification/ physical verification by DPE							
BT - Basic Target							
*The number of employees will be considered as on 31.3.2015 as in the Annual Report 2014-15							
**In terms of DPE guidelines, Negative marking for non-compliance of Corporate Governance, non compliance of DPE guidelines, Late submission and/or non submission of PE survey Data and MoSPI data updation, noncompliance of MSME order and CSR provisions in accordance with companies Act shall be applicable.							
*** All internal documents to be signed at least by a Functional Director of Board							



K.S. Popli

Chairman & Managing Director
Indian Renewable Energy Development
Agency Limited

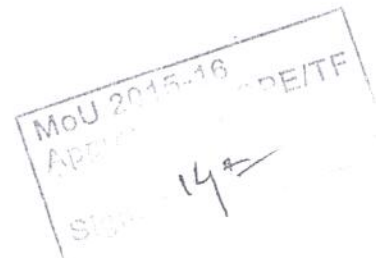


Upendra Tripathy
Secretary

Ministry of New & Renewable Energy

Place : New Delhi

Date: 31.03.2015



TREND OF IREDA'S PERFORMANCE OF FINANCIAL PARAMETERS FOR LAST 5 YEARS
Rs. in crores

Particulars	2010-11		2011-12		2012-13		2013-14		2014-15		2015-16		2016-17		2017-18	
	MoU	Actual	MoU	Actual	MoU	Actual	MoU	Actual	BE	Projected as on 31.03.2015	Projected as on 31.03.2016	Projected as on 31.03.2017	Projected as on 31.03.2018			
A Profit & Loss Statement																
1 Sales Turnover, excluding interest and other income (operatin turnover) (Sales Turnover) (Sales Turnover shall not include excise & custom duty, VAT or any other duty, tax etc.);- (Revenue from Operation)	315.10	400.95	403.00	519.65	641.00	719.07	859.87	993.86	1007.68	1156.41	1326.73	1459.403	1605.3433			
2 Interest and Other Income (Other income)	9.08	1.50	19.97	15.17	4.38	10.49	1.30	4.64	0.34	0.28	0.33	0.363	0.3993			
4 Gross Operating Margin upto 2012-13(1-Dep-Finance cost-provision for NPA & STD-Bad debts- Employee cost), Gross Operating Margin from 2013-14 (Revenue from operations- Interest Cost)	98.65	170.13	217.33	200.99	294.56	254.31	374.83	505.90	342.17	525.93	625.22	687.742	756.5162			
8 Interest Expenses	193.12	168.79	181.69	206.06	342.05	335.11	481.33	417.62	565.28	543.55	701.51	771.661	848.8271			

Handwritten signature and date: 27/03/15