

SJVN

MoU

**MEMORANDUM OF
UNDERSTANDING**

BETWEEN

MINISTRY OF POWER

GOVERNMENT OF INDIA

&

SJVN LIMITED

(Mini Ratna, Category-I & Schedule-A Company)

FOR THE YEAR

2019 - 2020

Brief about the SJVN

1	Name of the CPSE	SJVN Limited
2	Status (Please tick): As per DPE guidelines	Sick/ Incipient Sick / weak/ none <input checked="" type="checkbox"/>
3	Schedule of the CPSE (Please tick)	<input checked="" type="checkbox"/> A/B/C/D/ none
4	Purpose for which CPSEs has been setup and the main business now	<p>a) To plan, promote, develop all forms of power, both renewable as well as non-renewable and all ancillary activities related thereto, in India and abroad including planning, investigation, research, design and preparation of preliminary, feasibility and definite Project reports, construction, generation, comprehensive operation, maintenance, Renovation & Modernisation of power stations and projects, transmission, distribution, sale of power generated at Stations in India and abroad.</p> <p>b) To undertake, where necessary, construction of transmission lines and ancillary works for proper evacuation and distribution of power.</p>
5	Any capital restructuring during 2017-18 & 2018-19, i.e., buy-back of shares, issue of bonus shares, issue of fresh shares, splitting of shares and percentage of PAT given as dividend.	SJVN has bought back 20,68,31,325 equity shares of face value of Rs.10/- each of the Company at a price of Rs. 38.75 per share aggregating to Rs. 801.47 Crores during FY 2017-18.
6	Whether shares are listed (if yes, name of Stock Exchange and price of the share as on date)	SJVN Limited listed in BSE and NSE on 20.05.2010. On 24.10.18, price of share on BSE and NSE both was Rs. 25.75
7	Any change in Capacity during the year or proposed in next year (MoU Year)	50 MW Sadla Wind Power Project in Gujarat
8	Any business unit hived off or to be hived off or Added or to be added during the year or proposed in next year (MoU Year)	No
9	Brief about the Sector in which the CPSE is operating and national and international environment, regulatory environment/ benchmarks etc.	<p>SJVN is operating in power sector. All India Installed Capacity as on 24.10.2018 is 344718.61 MW out of which share of Hydro Power is 45487.42MW. Hence, the share of Hydro Power in terms of Installed Capacity is 13.19%. Hydro Power is our richest renewable and environmentally benign source of energy. Hydro power stations have the inherent ability for instantaneous starting, stopping and managing load variations which helps in improving reliability of the power system. Hydro stations are a natural choice for meeting the peak demand. The generation cost is inflation free and in fact reduces over time. A hydroelectric project has a long useful life extending to well over 50 years and helps in conserving scarce fossil fuels. Development of hydro power projects also provides the added advantage of opening up avenues for development of remote and backward regions of the country. Despite these benefits, the cost of generation from Hydro Power is higher in the initial year which is a major impediment in harnessing of Hydro Power potential of the country. Hence, Hydro Power needs to be incentivized. Central Electricity Authority, Ministry of Power, Govt. of India provides the Techno-Economic Clearance of the project. Ministry of Environment and Forest accords the Forest and Environment Clearance to the project. Tariff of the project is regulated by the Central Electricity Regulatory Commission of Govt. of India.</p>
10	Details of revival plan approved earlier	Not Applicable
11	Any adverse comment by statutory auditors and its impact on Revenue/ Profit/ Loss/ Assets/ Liabilities for latest year.	No adverse comments of statutory auditors

12	Whether C&AG Supplemented the comments of Statutory Auditor. If not, give details along with impact for latest year		No additional comments of C&AG.			
13	Number and name of Subsidiary companies along with amount invested and share in its profit during last five years.					
	Years	Name of Subsidiary	Amount invested (Rs. in Cr.)	Total Profit (Rs. in Cr.)	Share in profit (Rs. in Cr.)	Share in profit (%)
	2013-14	1. SJVN Thermal Private Limited	0.01			
		2. SJVN Arun-3 Power Development Company Private Limited	-			
	2014-15	1. SJVN Thermal Private Limited	0.01			
		2. SJVN Arun-3 Power Development Company Private Limited	3			
	2015-16	1. SJVN Thermal Private Limited	436.68			
		2. SJVN Arun-3 Power Development Company Private Limited	3			
	2016-17	1. SJVN Thermal Private Limited	436.68			
		2. SJVN Arun-3 Power Development Company Private Limited	69.10			
	2017-18	1. SJVN Thermal Private Limited	436.68			
		2. SJVN Arun-3 Power Development Company Private Limited	69.10			
14	Number and name of Joint Venture companies along with amount invested and share in its profit during last five years					
	Years	Name of Joint Venture	Amount invested (Rs. in Cr.)	Total Profit (Rs. in Cr.)	Share in profit (Rs. in Cr.)	Share in profit (%)
	2013-14	1. Cross Border Power Transmission Company Limited	4.94			26%
		2. Kholongchu Hydro Energy Limited	-			50%
		3. Bengal Birbhum Coalfields Limited	-			7.7%
	2014-15	1. Cross Border Power Transmission Company Limited	8.37			26%
		2. Kholongchu Hydro Energy Limited	-			50%
		3. Bengal Birbhum Coalfields Limited	-			7.7%
	2015-16	1. Cross Border Power Transmission Company Limited	10.32	2.10	0.54	26%
		2. Kholongchu Hydro Energy Limited	20.46			50%
		3. Bengal Birbhum Coalfields Limited	0.01			7.7%
	2016-17	1. Cross Border Power Transmission Company Limited	12.61	13.15	3.42	26%
		2. Kholongchu Hydro Energy Limited	70.66			50%
		3. Bengal Birbhum Coalfields Limited	0.01			7.7%
	2017-18	1. Cross Border Power Transmission Company Limited	12.61	12.95	3.37	26%
		2. Kholongchu Hydro Energy Limited	99.66			50%
		3. Bengal Birbhum Coalfields Limited	0.01			7.7%

Mandatory Parameters (Annex.-II, Part – A)

Sl. No.	Financial Performance Criteria	Unit	Marks	Current Year (Estimate)	Best in 5 years	MoU Target for the year 2019-20					% Improvement
						Excellent	V.G.	Good	Fair	Poor	
1	Turnover Revenue from Operations (Net)	Rs. Cr.	10	2326	2817	2450	2400	2270	2180	2140	3.18
2	Operating Profit/Loss Operating Profit as percentage of Revenue from Operations (Net).	%	20	51	61.68	55	53	51	50	49	3.92
3	Return on investment: PAT as percentage of Average Net Worth	%	20	10.13	17.42	11.00	10.20	10.00	9.50	9.10	0.69
Total (A)			50								

Mandatory Parameters (Annex.-II, Part – B)

Sl. No.	Performance Criteria	Unit	Marks	Current year (Estimate)	Best in 5 years	MoU Target for the year 2019-20					% Improvement
						Excellent	V.G.	Good	Fair	Poor	
4	Capacity Utilisation/ Generation Generation	MU	8	8410	9346	9100	8800	8500	8200	8000	4.64
5	Production Efficiency Parameters Plant Availability Factor for Hydro	%	3	101.20	105.75	101.5	101.20	100.00	99.00	98.00	-
6	R&D, Innovation, Technology up-gradation parameter Developing scientific mechanism / model for Hydrology forecasting of Satluj River for SJVN Projects	Date	3	-	-	31.12.19	31.01.20	15.02.20	29.02.20	15.03.20	-
7	CAPEX (including subsidiaries)*	Rs. Cr.	7	900	1344	1175	1125	1075	1050	1025	25
8	Percentages 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	100	95	90	85	80	-
9	Trade receivables (Net) as number of days of Revenue from Operations (Gross)	No. of days	3	60	50	45	60	70	80	90	-
10	Reduction in claims against the Company not acknowledged as debt of total claims.	%	3	20.6	20.6	20	15	12	10	8	-

*: CAPEX excluding Rs. 25 Cr. investment in JV's. For evaluation, instead of investment / equity infusion in subsidiaries, the actual CAPEX accounted in books of account will be considered.

Note: Score and rating would be subject to fulfilling additional eligibility criteria as per para 14.2 of MoU Guidelines, dated, January 17, 2019 and issued by DPE from time to time

Sl. No.	Performance Criteria	Unit	Marks	MoU Target for the year 2019-20				
				Excellent	V.G.	Good	Fair	Poor
11	Human Resource Management							
i)	Achievement of HR Parameters of continuous nature as per list given below (Table- A)	No. of Parameters	4	8	7	6	5	4
ii)	Initiatives for women employees for work life balance as well as Leadership development	No. of Initiatives	3	10	9	8	7	6
iii)	Capability development programs for employees to build their technical & managerial competencies for higher positions with special focus on Web learning programs	No. of programs	3	6	5	4	3	2

Table-A

List of HR Parameters 11(i)

S. No.	Performance Criteria
1	Continuation of online 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	Continuation of online Quarterly vigilance clearance updation for Senior executives(E5 and above)
3	Regular updation of succession plan and its approval by Board of Directors.
4	Continues of holding of DPC without delay for executive (E0 and above level)
5	Continuation of talent management and career progression by imparting at least one week training of at least 10% in Centre of Excellence within India e.g. IITs, IIMs, NITs, ICAI etc.
6	Regular updation of online Human Resource Management System(HRMS). Implementation (consisting of online employee data administration, employee self-service, exit procedure, talent management etc.) and its integration with finance
7	Review & Implementation of employee performance on the lines of FR(56)j and submitting a compliance report to Board of Directors at the end of the year.
8	Achieving the next level of People Capability of Maturity Model (PCMM) or its equivalent.

Sl. No.	Performance Criteria	Unit	Marks	MoU Target for the year 2019-20				
				Excellent	V.G.	Good	Fair	Poor
12	Sector Specific Parameters							
i)	Completion of milestone of Naitwar Mori HEP as per list given below (Table- B).	No. of Parameters	4	4	3	2	1	-
ii)	Completion of other sector- specific milestone as per list given below (Table-C).	No. of Parameters	4	4	3	2	1	-
iii)	% Reduction in O&M expenses over 2018-19**.	%	2	FX100	FX75	FX50	FX25	FX0

Table-B

Milestones of Naitwar Mori HEP 12(i)

S. No.	Parameters / Milestones	Unit	Target
1	Excavation of HRT of Naitwar Mori HEP by 31.03.20	m	3300
2	Availability of EOT crane beam in Power House for erection of EOT crane in service bay of Naitwar Mori HEP	Date	29.02.20
3	Power House & Transformer Hall excavation of Naitwar Mori HEP by 31.03.20.	M ³	41000
4	Open excavation for both the desilting tanks of Naitwar Mori HEP.	Date	15.02.20

Table-C

Other Sector-Specific Parameters 12(ii)

S. No.	Parameters / Milestones	Unit	Target
1	Lease Agreement for forest land of Luhri-I HEP.	Date	31.10.19
2	Forest Clearance Stage – I of Sunni Dam HEP.	Date	10.03.20
3	LOI of one renewable project (50MW).	Date	10.03.20
4	Submission of pre-DPR (9 chapters) to CEA for Devsari HEP.	Date	31.01.20

** Factor (F) = [1 - (O&M expenditure allowed as per CERC for the year 2019-20 divided by actual O&M expenditure for the year 2018-19)].



(Nand Lal Sharma)
Chairman & Managing Director
SJVN Limited



(Ajay Kumar Bhalla)
Secretary, Ministry of Power
Govt. of India

New Delhi, 26.06.2019

Annex III, PART-A, Trend Analysis

S L N o.	Financial Performance Criteria	Un it	Target v/s Actual	2013-14	2014-15 Actual as per B/S)	2014-15 (After Adj.)	2015-16	2016-17*	2017-18	Current Year		
										Actual upto 30.09.18	Actual upto 31.12.18	Estimated 31.03.19
1	Revenue from Operations -Gross	Rs. Cr.										
	Sale of Power		1868.92	2816.97	2245.72	2491.28	2677.91	2228.50	1365.74	1850.20	2325.00	
	Consultancy		4.66	0.56	0.56	2.68	1.40	1.47	0.38	0.41	1.00	
	Total Revenue from Operations*		Actual	1873.58	2817.53	2246.28	2493.96	2679.31	2229.97	1366.12	1850.61	2326.00
		MoU	1643.00	1820.00	1820.00	2224.00	2300.00	2120.00	-		2175.00	
	Movement in regulatory deferral Income	Rs. Cr.					(31.22)	51.10				
2	a. Profit before Tax*	Rs.		1338.19	2047.25	1297.79	1704.21	1873.93	1648.37	946.68	1193.06	1450.00
	b. Other Incomes	Cr.		237.14	441.78	263.57	537.47	440.59	357.10	353.12	358.39	260.00
	c. Extraordinary & Exceptional items				132.28	132.28	0.00	0.00	0.00	15.68	50.87	51.00
	d. Prior Period Items			(10.12)	0.00	0.00				-		
	e. Operating Profit/ Loss.	Actual	1101.05	1737.75	1166.50	1166.74	1433.34	1291.27	577.88	783.80	1241.00	
		MoU	848.00	717.00	717.00	1012.00	1050.00	1153.00			1187.00	
f. Operating Profit as percentage of Revenue from Operation(Net)		%	Actual	58.76	61.68	51.93	46.78	53.50	57.91	42.30	42.35	53.35
			MoU						56.00	-		53.00
3	a. PAT*	Rs.	Actual	1114.63	1676.75	1084.38	1406.47	1544.14	1224.88	723.50	905.37	1098.00
	b. Paid-up Share Capital	Cr.		4136.63	4136.63	4136.63	4136.63	4136.63	3929.80	3929.80	3929.80	3929.80
	c. Govt share			2666.61	2666.61	2666.61	2666.61	2666.61	2512.26	2506.62	2463.36	2453.78
	d. Reserves and surplus			4913.72	6066.41	5474.04	7161.24	7347.20	6764.91	7388.64	7568.04	7057.52
	e. Reserve not created out of profit e.g. OCI, Revaluation Reserve etc.						(0.87)	(4.83)	(16.74)			
	f. Net Worth at year end (b+d-e)	Actual	9050.35	10203.04	9610.67	11298.74	11488.66	10711.45	11318.44	11497.84	10987.32	
	g. Buyback amount and date of buyback							807.16 12.03.18				
	h. Average Net worth	Actual	8730.18	9626.70	9330.51	10750.89*	11393.70	11459	11006.58	11096.28	10841.01	
	i. PAT/ Net Worth	%	Actual	12.77	17.42	11.62	13.08	13.55	10.69	6.57	8.16	10.13
		MoU	8.98	7.38	7.38	8.67	11.00	10.00			11.50	
4	Total Expenses	Rs.		772.53	1079.78	1079.78	1327.22	1245.97	989.80	756.88	965.07	1085.00
5	Total Incomes	Cr.		2110.72	3259.31	2509.85	3031.43	3119.90	2638.17	1719.24	2209.00	2586.00
6	Total expenses/ Total Incomes	%		36.60	33.13	43.02	43.78	39.94	37.52	44.02	43.69	41.96
7	Detail of other incomes*											
	a. Interest	Rs.		217.31	412.63	234.42	382.76	333.24	293.54	129.93	199.37	225.00
	b. Dividend	Cr.						2.41	1.64			
	c. Other Incomes			19.83	29.15	29.15	154.57	104.94	113.02	223.19	159.02	35.00
d. Total			237.14	441.78	263.57	537.33	440.59	408.20	353.12	358.39	260.00	
8	a. Cash and Bank Balance and equivalent	Rs. Cr.		2354.05	2819.67	2819.67	3855.23	4314.96	3612.56	3626.82	3610.40	2495.00
	b. Balance in Current account	Rs. Cr.		61.43	36.65	36.65	28.86	9.32	84.70	12.36	100.58	5.00
9	Dividend paid/ declared for the year, excluding Dividend Tax (Accrual / Actual basis)	Rs. Cr.		405.39	434.35	434.35	455.03	1137.57	864.56	0.00	0.00	589.47
10	Long term Borrowings	Rs. Cr.		2213.51	2453.42	2453.42	2464.06	2229.47	2035.34	2139.02	1975.40	1950.00

*: Figures for F.Y.2016-17 have been restated

Annex III, PART-B, Trend Analysis

Sl. No.	Financial Performance Criteria	Unit	Target v/s Actual	2013-14	2014-15 (Actual as per B/S)	2014-15 (After Adj.)	2015-16	2016-17	2017-18	Current Year			
										Actual upto 30.09.18	Actual upto 31.12.18	Estimated 31.03.19	
1	Installed Capacity in respect of each product	MW		1500	1959.6		1959.6	1965.2	1971.2	2003.20	2003.20	2003.20	
2	Capacity Utilisation in respect of each product	MU	Actual	7192.55	8135.49		9346.16	9044.93	9280.25	6341.99	7656.46	8410	
			MoU	6930	7920		8520	8700	8950			9200	
3	Contribution of each product in sales	%		100	100		100	100	100	100	100	100	
-	New orders received during the year	Rs. crore	Actual	-	-		-	-	-	-	-	-	
			MoU	-	-		-	-	-	-	-	-	
5	Exports as a percentage of Revenue from operations	%	Actual	-	-		-	-	-	-	-	-	
			MoU	-	-		-	-	-	-	-	-	
6	Development or Revenue from new products or product with new features	%	Actual	-	-		-	-	-	-	-	-	
			MoU	-	-		-	-	-	-	-	-	
7	Production efficiency parameters (Plant Availability Factor)	%	MoU	92	92.5		97	104.75 (NJHPS)	97.50			97.2	
	a) NJHPS	%	Actual	105.75	105.504		104.679	104.963	99.28	102.55	101.40	101.20	
	b) RHPS	%	Actual	-	95.49		99.592	102.317	99.59	102.36	101.226	101.20	
	Weighted Plant Availability Factor for Hydro	%	Actual	105.75	103.35		103.58	104.393	99.34	102.51	101.362	101.20	
8	Completion of milestone of clients orders/ agreements without time overrun	%	Actual	-	-		-	-	-	-	-	-	
			MoU	-	-		-	-	-	-	-	-	
9	R&D, Innovation, Technology up-gradation parameter	%	Actual	-	-		-	-	-	-	-	-	
			MoU	-	-		-	-	-	-	-	-	
10	Market share	%	Actual	-	-		-	-	-	-	-	-	
			MoU	-	-		-	-	-	-	-	-	
11	CAPEX	%	Actual	1344.08	502.11	502.11	753.18	378.29	407.12			900	
			MoU	986.27	1092		1175	500	1068			900	
12	CAPEX contracts/ projects running/ completed without time/ cost overrun to total value of CAPEX	%	Actual	-	-		-	100	67	-	-	-	
			MoU	-	-		-	100	100	100	100	100	
13	Inventory of finished goods and work in progress	Rs. crore		-	-		-	-	-	-	-	-	
14	Inventory of finished goods and work in progress to RO(Net)	%	Actual	-	-		-	-	-	-	-	-	
			MoU	-	-		-	-	-	-	-	-	
15	Inventory of finished goods of more than one year	Rs. crore	Actual	-	-		-	-	-	-	-	-	
16	Inventory of finished goods of more than one year as a percentage of RO	%	Actual	-	-		-	-	-	-	-	-	
			MoU	-	-		-	-	-	-	-	-	
17	Trade Receivables (net)	Rs. crore	Actual	374.47	1507.08	1507.08	1001.23	613.01	302.79	661.90		382.00	
			MoU										
18	Trade receivables (Net) as percentage of revenue from operation (gross)	%	Actual	19.99	53.49	67.09	40.15	22.88	13.58	48.45		16.42	
			Days	Actual	73	195	245	147	84	50	89		60
			-	MoU	-	-		-	-	60			45
19	Claims against the Company not acknowledged raised by:	Rs. crore	Actual	Central Government Departments	12.36	12.36	12.36	12.36	12.36	0	25.75	25.75	
				State Governments / Local Authorities	-	13.07	13.07	13.07	13.07	1.63	1.63	1.63	
				CPSEs	0.75	0.75	0.75	0.75	0	0	0	0	
				Others	423.57	369.84	369.84	351.63	262.01	386.78	327.24	580.11	
				Total	436.68	396.02	396.02	377.81	287.44	388.41	354.62	607.49	

Details of CAPEX Projects for Monitoring

Sl. No	Name of Project	Approved Cost / Estimated cost	BE 2019-20 (Rs. Cr.)	Milestone in 2019-20	Date of Milestones
SJVN Limited (SJVN)					
1	Luhri-I Hydro Electric Project	Rs. 1914.59 Crores at March 2018 PL	120**	Pre-construction activities & Award of Civil Works	Mar. 20
2	Luhri-II Hydro Electric Project	Rs. 1882.90 Crores at March 2017 PL	5	Survey & Investigation works	
3	Sunni Dam Hydro Electric Project	Rs. 3000.99 Crores at November 2017 PL	25	Survey & Investigation works	
4	Dhulasidh Hydro Electric Project	Rs. 810.45 Crores at December 2017 PL	20**	Pre-construction activities & Award of Civil Works	Mar. 20
5	Devsari Hydro Electric Project	Rs 2138.67 crores at Feb., 2017 PL	35	Survey & Investigation works	Mar. 20
8	Naitwar-Mori Hydro Electric Project	Rs. 648.33 crores at Oct. , 2016 PL	125	Construction of project	Mar. 20
9	Jakholsankri Hydro Electric Project	Rs. 513.51 crores Feb 2017 PL	20	Preliminary activities	Mar. 20
10	Construction of Office Building at Shimla, New Delhi and Dehradun	-	15	Completion of allied works of Corporate Office Building at Shimla and Construction of Office Building at New Delhi & Dehradun.	Mar. 20
11	New Wind and Solar Power Projects	-	10	Exploration of new Wind & Solar project	Mar. 20
Sub Total (SJVN)			375		
Subsidiaries					
10	SJVN Arun-3 Power Development Company Private Limited (SAPDC) including Arun-III Transmission Line	Rs. 5723.72 crores at May, 2015 PL for generation component & Rs. 1236.13 Crores at June 2017 PL for transmission component	500	Construction of project	Mar. 20
11	SJVN Thermal Private Limited (STPL)	Rs. 10439.09 Crores at Jan 2018 PL	300	Pre-construction activities & Award of Works	Mar. 20
Sub Total (Subsidiaries)			800		
Total (SJVN & Subsidiaries)			1175		
Joint Ventures					
12	Kholongchhu Hydro Energy Limited (KHEL)	Rs. 3868.68 Crore at June, 2013 PL	25	Equity contribution	Mar. 20
Sub Total (JV)			25		
Total			1200		

** Subject to approval of Govt. of India.