

# MOU

2016-17

## Memorandum of Understanding

between

**Ministry of Power**

and

**NTPC Limited**

Part - I

**NTPC Performance Targets for 2016-17 (Form - I Part A - As per MoU guideline)**

Sl. No.	Evaluation Criteria	Unit	Weight	Excellent	V Good	Good	Fair	Poor
I.	Capacity Utilization							
	Generation	BU	10	248	243	241	239	237
II.	Efficiency Parameters (Physical Operations)							
A	Production Efficiency							
1	Reduction in Specific Coal Consumption over previous year	%	4	2.5	2	1.5	1	0.5
2	Reduction in Specific Water Consumption over previous year	%	2	2.5	2	1.5	1	0.5
3	Reduction in Forced Outages over previous year	%	4	2.5	2	1.5	1	0.5
B	Technology upgradation							
1	Up gradation of Electro Static Precipitators - No. of units to be completed	Nos.	5	6	5	4	3	2
III.	CAPEX *	Rs. Crore	15	30000	28000	26000	24000	22000
IV.	Monitoring Parameter - % 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.	%	5	100	90	80	70	60
V.	Revenue from Operations (Net of excise duty)	Rs Cr.	5	74000	73500	73000	72500	72000
VI.	Operating Profit (Profit before Tax) (excluding Other Income, Extraordinary and Exceptional items)	Rs Cr.	10	9000	8500	8300	8100	7900
VII.	Reduction in Claims against the Company not acknowledged as debt, over the previous year.							
	Claims raised by -							
	a) CPSEs	%	3	50	45	40	35	30
	b) Others	%	2	2	1.75	1.5	1.25	1

\* In case of investment in subsidiaries, the actual CAPEX accounted in their books of accounts will be considered.

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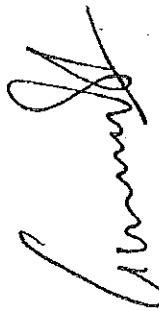
Approved by IMC


Signed


*[Signature]*

Sl. No.	Evaluation Criteria	Unit	Weight	Excellent	V Good	Good	Fair	Poor
VIII.	a) Increase in Ash Utilization over previous year (including both Fly Ash and Bottom Ash)	%	5	12.5	12	11.5	11	10.5
	b) Trade Receivables as percentage of Revenue from Operations (Gross)	%	5	12.5	14	15.5	17	18.5
IX.	<b>RETURN ON INVESTMENT</b>							
	a) Dividend/PAT	%	5	30	29	28	27	26
	b) PAT/Net worth	%	10	11.75	11	10.5	10	9.5
	c) Dividend/Net-worth	%	5	3.53	3.19	2.94	2.70	2.47
X.	<b>Sector / CPSE specific targets</b>							
	a) Return from Investment in JVs	%	5	2	1.75	1.5	1.25	1
	<b>Total</b>		<b>100</b>					

- The targets approved by IMC are based on Provisional/Estimated figures submitted by the CPSE for FY 2015-16. In case of better performance of the CPSE during the year 2015-16 as compared to Provisional/Estimated figures, the difference between actual figures and provisional/estimated figures shall be added to the targets of 2016-17.
- Wherever achievement is not verifiable from annual report of the CPSE, the same would be accepted on the basis of certification by way of resolution from Board of Directors.
- Targets decided in MoU are unconditional except Parameter III and no offset will be allowed in any condition. Further evaluation would be subject to compliance of additional eligibility criteria as contained in para 14.2 and 14.3 of MoU guidelines 2016-17.

  
 (Gurdeep Singh)  
 Chairman & Managing Director  
 NTPC Limited

MoU 2016-17  
 Approved by IMC  
 Signed 

  
 (Pradeep Kumar Pujari)  
 Secretary  
 Ministry of Power, GOI

**TREND ANALYSIS (Form I Part - B)**

Sl. No.	Evaluation Criteria	Unit	2011-12	2012-13	2013-14	2014-15	2015-16
i	Capacity Utilisation -	BU	222.068	232.028	233.284	241.262	241.976
	Gross Generation						
ii.	CAPEX	Rs. Crores	15405.64	16699.00	21525.61	23090.35	28302
iii	Paid-Up Share Capital	Rs. Crores	8245.46	8245.46	8245.46	8245.46	8245.46
iv	Accumulated Reserves	Rs. Crores	65045.71	72142.05	77569.86	73411.89	80536.54
v	Net worth	Rs. Crores	73291.17	80387.51	85815.32	81557.35	88782.01
vi	Borrowings (shown in Non-current Liability)	Rs. Crores	NA	NA	NA	NA	NA
vii	Borrowings / Net Worth	%	NA	NA	NA	NA	NA
viii	Percentages of value of contracts/ projects running/ completed during the year without time/ cost overrun to total value of CAPEX contracts running completed during the year.	%	-	-	-	-	-
ix	Revenue from Operations (Gross)	Rs. Crores	62480.88	66200.24	72644.02	73915.69	71235.99
x	Revenue from Operations (Net of Excise Duty)	Rs. Crores	62052.23	65673.93	72018.93	73246.06	70506.79
xi	Profit before Tax	Rs. Crores	12326.16	16578.63	13904.65	10546.64	10058.67
xii	Other Income:						
	Interest	Rs. Crores	2413.59	2486.60	2136.42	1578.68	591.64
	Dividend	Rs. Crores	169.30	241.32	138.25	276.75	184.20
	Others	Rs. Crores	195.53	373.66	414.22	260.89	413.44
	Total	Rs. Crores	2778.42	3101.58	2688.89	2116.32	1189.28
xiii	Extraordinary Items	Rs. Crores	0.00	0.00	0.00	0.00	0.00
xiv	Exceptional Items	Rs. Crores	0.00	1684.11	0.00	0.00	0.00
xv	Profit before Tax (excl. other inc., Extraordinary and Exceptl. items)	Rs. Crores	9547.74	11792.94	11215.76	8430.32	8869.39
xvi	Profit After Tax	Rs. Crores	9223.73	12619.39	10974.75	10290.86	10242.91
xvii	Revenue from Operations (Net) / Total Expenses[excluding extra ordinary/exceptional items, if shown separately and Income Tax expense]	%	117.48	121.82	118.56	112.43	114.00
xviii	Closing Inventory of finished goods	Rs. Crores	NA	NA	NA	NA	NA
xix	Closing Inventory of Work-in-progress	Rs. Crores	NA	NA	NA	NA	NA
xx	Sale of Products (Net of Excise Duty)	Rs. Crores	61573.54	64842.69	72227.72	73307.39	70778.37
xxi	Number of days of Inventory of finished goods and Work-in-progress to Sale of Products (wherever applicable)	No. of days	NA	NA	NA	NA	NA
xxii	Trade Receivables over 6 months	Rs. Crores	18.61	59.41	5.94	17.39	20.97
xxiii	Trade Receivables (Total)	Rs. Crores	5832.51	5365.00	5220.08	7604.37	7843.99
xxiv	Trade Receivables as percentage of Revenue from Operations (Gross)	%	9.33	8.10	7.19	10.29	11.01
xxv	Cash and Bank Balance	Rs. Crores	16146.11	16867.70	15311.37	12878.81	4406.36
xxvi	PAT/ Net worth	%	12.59	15.70	12.79	12.60	11.54
xxvii	Dividend / PAT	%	35.76	37.57	43.20	20.03	26.97

Sl. No.	Evaluation Criteria	Unit	2011-12	2012-13	2013-14	2014-15	2015-16
xxviii	Dividend / Net Worth	%	4.50	5.90	5.52	2.52	3.11
xxix	Claims against the Company not acknowledged as debt, over the previous year	Rs. Crores					
	By CPSEs		579.52	3031.09	1594.58	581.78	2215.3
	By Others		5996.75	4760.43	4896.01	8227.90	
xxx	Major Expenses:						
1	Fuel cost	Rs. Crores	41635.46	41018.25	45829.71	48845.19	43793.25
2	Employees cost	Rs. Crores	3090.48	3360.12	3824.78	3669.78	3609.32
3	Finance Costs	Rs. Crores	1711.64	1924.36	2406.59	2743.62	3230.36
4	Depreciation	Rs. Crores	2791.70	3396.76	4142.19	4911.65	5425.33
5	Generation Administration & Other Expenses	Rs. Crores	3588.79	4211.22	4543.85	4979.31	5787.39

Note

- 1 Data are as per published in Annual Report of respective financial years.
- 2 CAPEX figure is addition to Gross Block and Capital-Work-in-Progress as per Annual Accounts.
- 3 Data shown against Major Expenses (Item no. xxx) for 2016-17 is before amount transferred to fuel cost.

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## Self-Declaration/Certification by NTPC

It is hereby certified that the targets/ actual achievements in respect of MoU parameters have been worked out as per MoU Guidelines by adopting the norms and definitions laid down in MoU Guidelines for the year 2016-17. In case, any deviation is found at any point of time, DPE is free to evaluate the performance as per MoU Guidelines. CPSE has no right of claim in this regard.

  
(Authorised Signatory)

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