

MOU

2017-18

Memorandum of Understanding

between

Ministry of Power

and

NTPC Limited

MoU Targets for 2017-18

S N	Performance Criteria	Unit	Marks	Excellent	V Good	Good	Fair	Poor	
1	Revenue from Operations (Net of Excise Duty)	Rs Cr	10	79280	78637	77994	77351	76708	
2	Operating Profit (Profit before Tax) as a % of Revenue from operations (Net)	%	20	13.39	13.26	13.14	13.00	12.85	
3	PAT/Average Net Worth	%	20	8.60	8.40	8.20	8.00	7.70	
4	Gross Generation ¹	BU	8	250	247	242	238	234	
5	Production Efficiency Parameters -								
	i. % Reduction in ECR (Energy Charge Rate) per unit over previous year	%	4	2	1.8	1.6	1.4	1.0	
	ii. % Reduction in Specific water consumption over previous year	%	3	1.50	1.25	1.00	0.75	0.50	
	iii. % Reduction in Forced Outage over previous year	%	3	1.50	1.25	1.00	0.75	0.50	
6	CAPEX ²	Rs Cr	10	23000	20000	18000	16000	15000	
7	% 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	
8	Trade Receivables (Net) as number of days of Revenue from Operations (Gross)	No. of Days	3	38	60	65	70	75	
9	Reduction in claims against the Company not acknowledged as debt (%) - Total Claims	%	3	1.5	1.0	0.8	0.6	0.4	
10	Return (Share of profit/loss) on Investment in JVs	%	3	1.0	0.9	0.8	0.7	0.6	
11	HRM related Parameters -								
	i. Online submission of ACR/APAR of all executives (E0 & above) along with compliance of prescribed timelines w.r.t writing of ACR/APAR (% of number of executives)	%	2	100	95	90	85	80	
	ii. Online quarterly vigilance clearance updation for Senior executives (AGM & above) (% of number of senior executives)	%	2	100	95	90	85	80	

MoU...2017-18...inline with

DPE MoM dated...6/6/2017...

S	Performance Criteria	Unit	Marks	Excellent	V Good	Good	Fair	Poor
N								
iii.	Preparation of Succession Plan and its approval by Board of Directors	Date	1	30.09.17	10.10.17	20.10.17	31.10.17	10.11.17
iv.	Holding of DPC without delay for executive (E0 & above level)	%	1	100	95	90	85	80
v.	HR Audit & Board Decision on findings of HR audit	Date	2	30.09.17	10.10.17	20.10.17	31.10.17	10.11.17
			100					


Notes -

1. Deemed generation would include only that power surrender for which CPSE is paid fixed charges.
2. CAPEX do not include investment in JV and subsidiary; Subject to the condition that if CPSE will not able to invest Rs 5,000 Crore in subsidiaries or JVs, the difference shall be added to the target of NTPC Ltd. Instead of investment in subsidiaries, the actual CAPEX accounted in their books of accounts will be considered.

MoU dated 17-18.
DPE MoM dated 6/15/18.



(Gurdeep Singh)
Chairman & Managing Director
NTPC Limited



(Pradeep Kumar Pujari)
Secretary
Ministry of Power, GOI

Trend Analysis (Part - A & B)

Sl No	FINANCIAL PERFORMANCE CRITERIA	Unit	Target Vs MOU	Financial Year							2016-17 Actual / Estimated
				2011-12	2012-13	2013-14	2014-15	2015-16 IndAS	Actual till Dec 16 (IndAS)		
1	Revenue from operations - (Gross)	Rs. Crores	Actual	62480.88	66200.24	72644.02	73915.69	70843.81	57856.77	74000.00	
	Revenue from operations - (Net)	Rs. Crores	MOU @	62052.23	65673.93	72018.93	73246.06	70114.51	57341.82	74000.00	
2	a. Profit before Tax	Rs. Crores		12326.16	16578.63	13904.65	10546.64	10597.10	9376.69		
	b. Other Incomes	Rs. Crores		2778.42	3101.58	2688.89	2116.32	1210.08	598.68		
	c. Extraordinary & Exceptional Items			0.00	1684.11	0.00	0.00	0.00	0.00		
	d. Prior Period Items			313.58	29.72	-12.84	333.83	0.00	0.00		
	e. Operating Profit (a-b-c-d)		Actual	9234.16	11763.22	11228.60	8096.49	9387.03	8778.01	9000.00	
			MOU @								
3	a. PAT	Rs. Crores		9223.73	12619.39	10974.74	10290.86	10770.93	7303.30		
	b. Net Worth at year end	Rs. Crores		73291.17	80387.51	85815.32	81667.35	91333.96	96860.14		
	c. Average Net Worth			70591.71	76839.34	83101.42	83736.34	86495.66	94097.05		
	d. PAT / Net Worth		Actual	12.59	15.70	12.79	12.60	11.79	10.05		
			Actual-submitted	12.59	10.84	12.79	12.31	11.23*	9.58		
			MOU @	9.78	9.81	8.37	5.73	6.66	8245.46	11.75	
	e. Paid-up Capital			8245.46	8245.46	8245.46	8245.46	8245.46	8245.46		
	f. GOI Share	%		84.50	75.00	74.96	74.96	69.96	69.74		
4	g. Reserves & Surplus	Rs. Cr		65045.71	72142.05	77569.86	73411.89	83088.50	88614.68		
	Total Expenses	Rs. Cr		52504.49	53880.99	60803.17	64815.72	61456.81	49078.76		
5	Total Incomes	Rs. Cr		64830.65	68775.51	74707.82	75362.38	72053.88	58455.45		
6	Total Expenses / Total Incomes	%		80.99	78.34	81.39	86.01	85.29	83.96		
7	Details of Other Incomes	Rs. Cr		2443.28	2509.81	2169.60	1629.59	665.57	161.95		
	a. Interest			169.30	241.32	138.25	276.75	184.20	39.48		
	b. Dividend			270.20	425.49	486.99	412.08	436.69	449.73		
	c. Other Incomes			2882.78	3176.62	2794.84	2318.22	1286.66	651.17		
8	d. Total	Rs. Cr		16146.11	16867.70	15311.37	12878.81	4406.36	5069.24		
	a. Cash & Bank Balance and equivalent			12.00	12.00	12.00	12.00	76.80	88.14		
	b. Investment in mutual funds			16158.11	16879.70	15323.37	12890.81	4483.16	5157.38		
	c. Investment in shares other than subsidiaries/JVs			2.96	17.23	2.71	546.01	1699.50	1799.97		
	d. Total (a+b+c)										
	e. Cash Credit / Overdraft / Loan / Short Term Loan			461.36	351.24	62.95	189.41	61.75	66.38		
	f. Balance in Current Account			3298.19	4741.15	4741.15	2061.38	2762.23	1442.96		
9	Dividend Paid / declared for the year, excluding dividend tax										
	PART-B										
10	CAPEX	Rs. Crores	Actual	15993.52	19925.53	21797.24	23239.25	25959.60	17521.00	30994 (A)	
		Rs. Crores	MOU @							30000.00	
			Actual	5832.51	5365.49	5220.08	7604.37	7803.40	10826.41		
			MOU @								

Sl. No	FINANCIAL PERFORMANCE CRITERIA	Unit	Target Vs MOU	Financial Year							2016-17 Actual / Estimated
				2011-12	2012-13	2013-14	2014-15	2015-16 IndAS	Actual till Dec '16 (IndAS)		
12	Trade Receivables (Net) as number of days of Revenue from Operations (Gross)	Days	Actual	35	30	26	38	40	51**	38 (A)	
			MOU@	*	*	*	*	*	41	46	
13	Claims against the Company not acknowledged as debt. Claims raised by:	Rs. Crores									
	Central Government Departments			4056.46	2483.58	3099.34	5098.36	7859.54			
	State Departments / Local Authorities			579.52	3031.09	1594.58	581.78	2215.32			
	CPSEs			5996.75	4760.43	4896.01	8227.90	9182.82			
	Others			10632.73	10275.10	9589.93	13908.04	19257.68			
	Total			13.03 \$	1.57	6.86	-4.60	0.86			
14	Return (share of profit / Loss) on Investment in Joint Ventures	%									

@ - "Excellent" target

* - Not a MOU parameter

** - annualized

- w/o IndAs impact

\$ - In the FY 2011-12 the profit booked by JV Company but not realized till date.

Note -

- Actual data are as per published in Annual Report of respective financial years / as submitted for evaluation by DPE.
- Actual CAPEX figure is on cash basis. Actual CAPEX for 2016-17 is on accrual basis as per signed MoU.
- Actual figures for the year 2015-16 and 2016-17 are as per IndAS (as per current grouping) whereas for the years 2011-12 to 2014-15 the figures are as per previous GAAP and hence not comparable.
- Cash & Bank balance for 2016-17 includes bank deposits out of loan proceeds not deployed and earmarked balances of Rs. 1203 Crores for Ash fund/IDDUGY/Debtenture redemption etc.
- Item No. 8 (c) - Investment shown for 2015-16 onwards is investment value at market price per IndAS as on 31.12.2016.

Sl. No.	Financial Performance Criteria	Unit	Target v/s Actual	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 Actual / Estimated
Part - B (Contd.)									
1	Gross Generation	BU	Actual	222.1	232.03	233.3	241.3	241.98	186.5
			MoU(E)	235	237	242	244	246	246
2	Production efficiency parameters	%	Actual	--	--	--	--	--	4.17 (A)
	I. Reduction in Sp water consumption over previous year	%	MoU(E)	--	--	--	--	--	2.5
	II. Reduction in Forced Outage over previous year	%	Actual	--	--	--	--	--	16.97 (A)
			MoU(E)	--	--	--	--	--	2.5
3	Upgradation of Electro Static Precipitators- No. of units to be completed		Actual	--	--	--	--	--	4
			MoU(E)	--	--	--	--	--	6 (A)
5	CAPEX contracts/ projects running/ completed without time/ cost overrun to total value of CAPEX	%	Actual	--	--	--	--	--	100
			MoU(E)	--	--	--	--	--	100