

MEMORANDUM OF UNDERSTANDING

2015-2016

BETWEEN

**THE GOVERNMENT OF INDIA
REPRESENTED BY
MINISTRY OF WATER RESOURCES,
RIVER DEVELOPMENT & GANGA
REJUVENATION**

AND



WAPCOS LIMITED

(A Government of India Undertaking)

Ministry of Water Resources, River Development & Ganga Rejuvenation

**(International Consultants in Water Resources, Power and
Infrastructure Development)**

"KAILASH" 5th Floor, 26 K.G. Marg, New Delhi – 110 001, India

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MoU 2015-16
Approved by DP/TF
Signed 

**MEMORANDUM OF UNDERSTANDING
BETWEEN
WAPCOS LIMITED
AND
MINISTRY OF WATER RESOURCES, RIVER DEVELOPMENT & GANGA REJUVENATION,
GOVERNMENT OF INDIA
2015 - 2016
PART - I**

1.0 MISSION, VISION AND OBJECTIVES OF THE CPSE

1.1.1 Mission

Sustained Profitable Growth, Excellence in Performance, Use of State-of-the-art Technical Expertise, Innovativeness and Capacity Building to Meet Society's Needs Globally.

1.1.2 Vision

To be a Premier Consultancy Organization recognized as a Brand in Water, Power and Infrastructure Development for Total Project Solutions in India and Abroad.

1.1.3 Objectives

- To perform the role of a premier agency for offering integrated package of services of scientific, technological and managerial quality for optimal planning and development of Projects.
- To adopt modern technology and systems to build in quality, reliability and accuracy thereby ensuring customer satisfaction.
- To continue the pace of growth of domestic and overseas business and to transfer know-how to Clients.
- To adopt international standards in surveys, investigations, designs, cost estimates, project planning including environmental studies and project management services for cost-effective and integrated development of Water resources, Power and Infrastructure Projects.
- To promote research and development through interaction with other national and international agencies.
- To maintain pre-eminence in the field of consultancy through diversification in allied fields.
- To secure a fair monetary return to the enterprise as a result of its operations through improved productivity.
- To play a dynamic role in use of state-of-the-art consultancy for innovative design alternatives.
- To attract the best available talent and promote a committed and motivated workforce.
- To strive to achieve client satisfaction.
- To promote WAPCOS as a Brand Name.

MoU 2015-16
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PART – II									
1.2 Performance Evaluation Criteria and Targets.									
Sl. No	Evaluation Criteria	Unit	Weightage (%)	MoU Target 2015-2016					Documentary evidence and source/origin of documents
				Excellent	Very Good (B.E.)	Good	Fair	Poor	
				5	4	3	2	1	
1	Static/Financial Parameters								
Mandatory parameters (sr no. (i)-(iii))									
(i)	Growth/ Size/ Activity (Two)								
(a)	Sales Turnover from Consultancy and Engineering Projects, excluding interest and other income (Operating Turnover)	Rs. in Crore	15	510.00	475.00	450.00	425.00	400.00	Annual Report
(b)	Gross Operating Margin	Rs. in Crore	15	105.00	98.00	96.00	90.00	85.00	Annual Report
(ii)	Profitability								
(a)	PAT/Net Worth	%	10	7.94	7.84	6.06	4.70	3.52	Annual Report
(iii)	Costs and Output Efficiency								
(a)	PAT per Employee	Rs. in Lakh	10	3.13	3.09	2.34	1.78	1.32	Annual Report
Sub-Total (1) :			50						
2	Dynamic/ Non-Financial Parameters								
(i)	Initiatives for Growth								
(a)	Preparation of Business Development Plan 2015-2020 and approval by Board	Date	3	31.10. 2015	30.11. 2015	31.12. 2015	31.01. 2016	29.02. 2016	Certificate by a Practicing CA
(b)	Brand Building/ Marketing Initiatives through participation in at least one International Exhibition	Yes/No	3	Yes	-	-	-	No	Certificate by a Practicing CA
(c)	New Order Booking	Rs. in Crores						Annual Report	
	➤Domestic		4	350	325	300	275		250
	➤Overseas		5	350	325	300	275		250
	Total			700	650	600	550		500
(ii)	Projects Management & Implementation								
(a)	Projects Implementation (Important milestones for on-going Projects to be completed/ in progress during the year 2015-2016) out of 10 identified Projects (Annexure-II)	Date	10	As per Annexure_II					Report by Committee of ED/GMs

Sl. No.	Evaluation Criteria	Unit	Weightage (%)	MoU Target 2015-2016					Documentary evidence and source/origin of documents
				Excellent	Very Good (B.E.)	Good	Fair	Poor	
				5	4	3	2	1	
(iii) Productivity and Internal Processes									
(a)	Customer Satisfaction Feedback to be obtained from customers on the basis of format, on the rating of 10, as per Annexure-III. A total of 15 projects have been identified and are placed at Annexure-III/A for monitoring of customer satisfaction as follows: - 10 High Value Projects (Rs. ≥ 1.00 crore and above) - 5 Small Projects (Less than Rs. 1.00 crore)	No. of Projects	3 2	9 4	8 3	7 2	6 1	5 0	Report by Committee of ED/GMs
(iv) Technology, Quality, Innovative practices									
(a)	Updation of Risk Management Policy to safeguard Business Interests and its approval by Board	Date	4	15.01.2016	31.01.2016	15.02.2016	29.02.2016	15.03.2016	Certificate by a Practicing CA
(b)	Capacity Building for Risk Management through training of executives in Risk Mgt.	No. of man-days	4	15	12	10	8	6	
(v) Human Resource Management									
(a)	Employees' Training	No. of man-days	7	320	290	270	240	210	Certificate by a Practicing CA
3 Sector Specific Parameter/ Enterprise									
(a)	Reduction in Sundry Debtors/ Trade receivable over 6 months old and outstanding as on 31.03.2015	%	5	38	37	36	34	32	Certificate by a Practicing CA
Sub-Total (2+3):			50						
Total (1+2+3)			100						

PART – III

COMMITMENTS/ASSISTANCE FROM THE GOVERNMENT

1. Involve WAPCOS in discussions with overseas missions to promote WAPCOS participation in Government of India programmes of bilateral cooperation with other countries.
2. Facilitate the Company in award of projects contemplated by the Ministry and its attached Departments/ Commissions/ Boards in the Water Resources Sector on nomination basis, as per rules/GFR/DFPR.
3. Facilitate deputation of personnel to WAPCOS from Organizations/attached offices of Ministry of Water Resources, River Development and Ganga Rejuvenation and other Government Organizations.
4. Assist WAPCOS in recovery of outstanding dues with State Governments/Central Government Departments/Ministries, if such cases are brought before Govt.
5. Ensure timely filling up the position(s) of Non-Official Directors on the Board of WAPCOS.

For WAPCOS Limited

(R.K. Gupta)

Chairman-cum-Managing Director

DATED: 30.03.2015

For Ministry of Water Resources,
River Development & Ganga Rejuvenation

(Anuj Kumar Bishnoi)

Secretary



Trends of CPSEs Performance on Financial Parameters

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	Actual (Excellent)	Actual (Excellent)	Actual (Excellent)	Actual (Excellent)	Projected as on 31.03.2015	Projected Very Good (BE)
Capacity Utilisation (for each plant separately)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Production (in Qty.)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Production (in Rs. Cr.)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Profit & Loss Statement Items						
Sales Turnover, excluding interest and other income (Operating Turnover) (Sales Turnover shall not include excise duty, custom duty, VAT or any other duty, tax, etc.) (In Rs. crs.)	180.62	236.47	350.51	400.01	450.00	475.00
	170.56*	78.33*	79.23*	129.10*		
Interest and other income (In Rs. cr.)	5.68	20.65	22.97	19.91	14.55	17.00
Gross Operating Margin** (It is the excess of the proceeds of services rendered over their cost and does not include other income) (In Rs. cr.)	-	-	-	-	97.00	98.00
Balance Sheet Items						
Gross Block (In Rs. cr.)	15.87	17.66	20.63	23.62	27.84	31.59
Less: depreciation (In Rs. cr.)	6.97	7.45	8.54	8.98	12.20	14.45
Net block (In Rs. cr.)	8.90	10.21	12.09	14.64	15.64	17.14
Share Capital of CPSE (In Rs. cr.)	2	3	8	16	25	25
Reserves & Surplus of CPSE (In Rs. cr.)	125.69	161.57	199.74	241.22	248.66	250.98

* Engineering

**Parameter introduced w.e.f. 2014-15 onwards

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	Actual (Excellent)	Actual (Excellent)	Actual (Excellent)	Actual (Excellent)	Projected as on 31.03.2015	Projected Very Good (BE)
Net worth of CPSE (In Rs. cr.)	125.69	164.57	207.74	257.22	273.66	275.98
Investments (In Rs. cr.)	0.04	0.04	0.04	0.04	0.04	0.04
Total Current assets (In Rs. cr.)	393.66	468.56	659.14	806.59	811.09	816.04
Total current liabilities & provision (In Rs. cr.)	283.43	317.51	469.22	570.58	572.55	575.21
Net current assets (In Rs. cr.)	110.23	151.05	189.92	236.01	238.54	240.83
Capital employed (In Rs. cr.)	119.13	161.26	202.01	250.65	273.66	275.98
Gross Margin (In Rs. cr.)	57.42	76.70	91.64	91.75	-	-
Total Assets (In Rs. cr.)	125.69	519.92	727.06	918.80	945.11	954.13
No. of employees of CPSE	1312	1370	559 (Regular)	670 (Regular)	700 (Regular)	700 (Regular)


Trends of CPSEs Performance on Non-Financial Parameters

Objective	Action	Criterion	Unit	Actual Value for F/Y 10/11	Actual Value for F/Y 11/12	Actual Value for F/Y 12/13	Actual Value for F/Y 13/14	Projected as on 31.03.2015	Projected 2015-16 Very Good (BE)
Initiative for Growth									
Brand Building/ Marketing initiatives/ new products/ new markets									
		• No. of Associations	Nos.	7	-	-	8	-	-
		• Brand Building/ Marketing Initiatives through participation in at least one International Exhibition	Yes/ No	-	-	-	-	Yes/No	Yes/No
		• Entry into New Market/Country through signing of MoUs/Submission of EOI's or Proposals/Securing New Projects other than the Countries where projects were secured during 2013-14.	No. of Countries	-	-	-	-	2	-
		• Preparation of Business Development Plan 2015-2020 and approval by Board	Date	-	-	-	-	-	30.11.2015
New Order Booking									
		➤ Domestic	Rs. in Crores	204.93	199.70	260.99	336.80	300.00	325.00
		➤ Overseas	Rs. in Crores	191.55	252.42	266.77	564.45	300.00	325.00
Projects Management & Implementation									
		Milestones to be reached for new/on-going projects that cannot be completed during the year Projects Implementation (Important milestones for on-going Projects to be completed/in progress during the year) out of 10 identified projects	No. of Projects	10	10	10	10	6	6
Productivity and Internal Processes									
Customer satisfaction									
		• A total of ten projects identified for monitoring of customer satisfaction.	(%)	90	100	NA	100	-	-
		• A total of 15 projects identified for monitoring of customer satisfaction as follows: - 10 High Value Projects (Rs. ≥ 1.00 crore and above) - 5 Small Projects (Less than Rs. 1.00 crore)	No. of Projects	-	-	-	-	7	8
				-	-	-	-	3	3


Objective	Action	Criterion	Unit	Actual Value for F/Y 10/11	Actual Value for F/Y 11/12	Actual Value for F/Y 12/13	Actual Value for F/Y 13/14	Projected as on 31.03.2015	Projected 2015-16 Very Good (BE)
Technology, Quality, Innovative practices									
	New Technologies/ improving/ existing ones/ other innovative practices Promote Roller Compacted Concrete Dam Design and Construction in Hydro-Power Projects-Technical Paper to be presented in a Conference	Date	-	-	-	13.11.2013	-	-	
	Quality Management Renewal of ISO 9001:2008 Certification	Date	-	-	-	-	December, 2014	-	
	Updation of Risk Management Policy to safeguard Business Interests and approval by Board	Date	-	-	-	-	-	31.01.2016	
	Capacity Building for Risk Management through training of executives	No. of man-days	-	-	-	-	-	12	
Human Resource Management									
	(a) No. of Training Man-days	No. of days	198	253	-	-	270	290	
	(b) No. of Employees to be Trained	No. of Employees	-	-	-	183	90	-	
	(c) Preparation of HRM Plan and approval of Board	Date	-	-	-	-	31.10.2014	-	
Sector Specific Parameter/Enterprise Specific Parameter									
	Reduction in Sundry Debtors/ Trade receivable over 6 months old and outstanding as on 1 st April of respective year	%	35.19	43.44	39.64	39.76	37.00	37.00	

Projects Implementation (Important on-going Project to be completed/ in progress during the year 2015-2016) Completion of important milestones during 2015-2016

Sl. No	Name of Project	Date of Start	Date of Completion	Value (Rs. in Crore)	Milestone(s) to be monitored during 2015-2016	Target Date of Achievement of Milestone(s)				
						Excellent	Very Good (B.E.)	Good	Fair	Poor
1	Consultancy Services for Preparation of Strategic Drought Mitigation Plan for Coast Water Services Board Region, Kenya	April, 2014	September, 2015	2.96	Submission of Design Report and Tender Documents for 6 pilot areas	29.09.2015	30.09.2015	15.10.2015	31.10.2015	15.11.2015
2	Monitoring Management Information System and Evaluation of UPWSRP, Phase – II, UP	August, 2014	August, 2020	12.98	Submission of Baseline Report for Impact Assessment	30.03.2016	31.03.2016	-	-	-
3	Consultancy Services for Punatsangchhu – I Hydroelectric Project, Bhutan	November, 2007	May, 2018	As per actual+ 20% (Rs. 125 Crore approx.)	Design Engineering Services for excavation of TRT Out fall	30.03.2016	31.03.2016	-	-	-
4	Consultancy Services and Survey investigation works for Preparation of DPR for Turga Pumped Storage Project, Purulia, West Bengal	November, 2012	October, 2015	13.74+S.T.	Submission of Draft Detailed Project Report	30.10.2015	31.10.2015	15.11.2015	30.11.2015	15.12.2015
5	Consultancy Services for Punatsangchhu –II Hydroelectric Project, Bhutan	June, 2010	January, 2017	As per actual +20% (Rs. 125 crore approx)	Design Engineering Services for excavation of TRT	30.03.2016	31.03.2016	-	-	-
6	Project Management Consultancy for Dar e Salam & Chiliz Water Supply Project, Tanzania	August, 2013	October, 2016	28.68	Submission of Monthly Progress Report	By 6 th of following month	By 7 th of following month	By 10 th of following month	By 15 th of following month	By 20 th of following month

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Sl. No	Name of Project	Date of Start	Date of Completion	Value (Rs. in Crore)	Milestone(s) to be monitored during 2015-2016	Target Date of Achievement of Milestone(s)				
						Excellent	Very Good (B.E.)	Good	Fair	Poor
7	Design Supervision Consultancy (DSC) Bhimtal, Infrastructure Development Investment Program for Tourism Uttarakhand	May, 2013	October, 2017	4.71	Submission of Monthly Progress Report	By 14 th of following month	By 15 th of following month	By 20 th of following month	By 22 nd of following month	By 25 th of following month
8	Monitoring and Evaluation Study for Uttar Pradesh Sodic Land Reclamation Project (Phase-III)	July, 2011	May, 2016	5.98 + S.T.	Submission of Annual Report for the period 1.10.2014 to 30.09.2015	30.10.2015	31.10.2015	15.11.2015	30.11.2015	15.12.2015
9	Feasibility Studies, Preparation of Draft & Final EIA Report, Tender Document and Relevant Manuals for Solid Waste Management Facilities in the Municipalities in Kakamega, Kericho, Kitui and Naivasha Towns, Kenya	October, 2014	October, 2015	2.61	Submission of Design Report and Tender Document	30.10.2015	31.10.2015	15.11.2015	30.11.2015	15.12.2015
10	Consultancy Services for Concurrent Evaluation of Civil works during Construction of 100 Bedded MCH Hospital at various Places in the State of Rajasthan under NRHM	December, 2013	December, 2015	8.06	Submission completion report.	30.12.2015	31.12.2015	15.01.2016	31.01.2016	15.02.2016

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Annexure - III

Customer Satisfaction

15 projects (10 High Value and 5 Small Projects) have been identified and are placed at Annexure-III/A for monitoring of Customer Satisfaction. Customer feedback to be obtained on the basis of following parameters on the rating of 10:-

Sl. No.	Parameters for Customer Satisfaction	Weightage assigned
1	Acceptance of Report	3
2	Receipt of Payment	3
3	Repeat job from same Client	1
4	Appreciation Letter	3
	Total	10

Score ≥ 6 reflects Customer Satisfaction

- High Value Project - Rs. ≥ 1.00 crore and above
- Small Project - Less than Rs. 1.00 crore


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Details of Projects identified for Customer Satisfaction during 2015-2016**• High Value Projects (10 Nos.) - Rs. ≥ 1.00 crore and above**

S. No.	Name of the Project	Value of Project (Rs. in crore)
1	Basin Study for Teesta Basin, West Bengal	1.79
2	Detailed Project Report for Power Transformer and Distribution Project, Liberia	8.10
3	Additional work of Project Improving Quality of Power supply in Maputo Distribution (Lot 1), Mozambique	2.67
4	Updation of Detailed Project Report of Pancheshwar, Hydro Electric Project, Nepal	36.68
5	Detailed Design, Technical Supervision, Monitoring & Quality Assurance of River Training works of Maneri Bhali Stage-II Hydro Electric Project, Uttarakhand	1.716
6	Design Check and Supervision of Works for the Rehabilitation and Expansion of Cuamba City Water Supply System, Mozambique	4.77
7	Survey, Design and Estimate of conveyance system for providing assured supply of 180 cusecs of cooling water to Nuclear Power Plant at Gorakhpur from tail BML (Baillyala Head Works) and Extension of old Sirsa Branch to provide Yamuna Water to take care of the Decay Heat at Nuclear Power Plant at Gorakhpur as an Alternate Arrangement, Haryana	1.35
8	Survey, Investigation, Design for Implementation of West Bengal Piped Water Supply Project, Purulia, West Bengal	1.78
9	Implementation of National Water Policy 2002 and Technical Preparedness for DDSA-2002 for five dams namely Narihalla Project, Hagari Bommanahalli Project, Hirehalla Project, Kanakanala Project and Maskinala Project, Karnataka	4.06
10	Supervision for execution of project work - Fish Processing and Fish Harvesting Plant in Elmina, Ghana	5.38

• Small Value Projects (5 Nos.) - Less than Rs. 1.00 crore

S. No.	Name of the Project	Value of Project (Rs. in crore)
1	Environmental Impact Assessment Study for Surajpura Irrigation Project, Madhya Pradesh	0.119
2	Rapid Environmental Impact Assessment Study for capital dredging in navigation channel at Marmugao Port, Goa	0.27
3	Communication Survey for Sapta Kosi High Dam Multipurpose Project and Sun Kosi Storage-cum-Diversion Scheme, Nepal	0.58
4	Detailed Engineering Survey and Preparation of Land Acquisition Details for Ash Pipeline Corridor for the Cheyyur Ultra Mega Power Plant (4000 MW)	0.66
5	Detailed Project Report for desilting works of Chandan Reservoir Scheme, Patna, Bihar	0.53

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Break-up of Gross Operating Margin

(Rs. in crore)

	Excellent	Very Good (B.E.)	Good	Fair	Poor
Sales Turnover from Consultancy & Engineering Projects excluding interest and other income (A)	510.00	475.00	450.00	425.00	400.00
Less: Consultancy & Engineering project expenses such as salaries, travel, printing & stationery, communication, rent, water & electricity charges, survey expenses, cost of services obtained, transportation expenses, Insurance, construction expenses, tender charges, security, repair & maintenance etc. (B)	405.00	377.00	354.00	335.00	315.00
Gross Operating Margin (A-B) *	105.00	98.00	96.00	90.00	85.00

* Gross Operating Margin is the excess of the proceeds of services rendered during a period over their cost, before taking into account administration, selling, distribution, financing expenses and taxes.

MoU 2015-16
Approved by DPE/TF
Signed 



वाष्कोस लिमिटेड WAPCOS LIMITED

(भारत सरकार का उपक्रम)

जल संसाधन, नदी विकास व गंगा संरक्षण मंत्रालय

(A Government of India Undertaking)

Ministry of Water Resources, River Development & Ganga Rejuvenation

Annexure-IV

WAP/MoU 2015-16/1

Dated: 18.03.2015

Self-declaration/certification by CPSE

It is hereby certified that the targets and actual achievements in respect of financial parameters have been worked out as per MoU Guidelines by adopting the norms and definitions laid down in MoU Guidelines for the year 2015-16. In case, any deviation is found at the time of appraisal of performance, DPE is free to evaluate as per MoU Guidelines. CPSE has no right of claim in this regard.

(Sunil K. Puri)
Director (Finance)



वाष्कोस लिमिटेड WAPCOS LIMITED

(भारत सरकार का उपक्रम)
जल संसाधन, नदी विकास व गंगा संरक्षण मंत्रालय
(A Government of India Undertaking)
Ministry of Water Resources, River Development & Ganga Rejuvenation

Annexure-V

WAP/MoU 2015-16/1

Dated: 18.03.2015

Self-declaration for Compliance of Directives of Government & Regulators

It is hereby certified that the CPSE has complied all the directives of government and requirements of regulators. In case, any deviation is found at the time of appraisal of performance, DPE is free to evaluate as per Guidelines, directives issued by the government/regulators. CPSE has no right of claim in this regard.

(K.K. Kandwal)
Company Secretary

Note:

- a) Corporate Governance will be complied with in accordance with Guidelines issued by DPE vide their O.M. No. 18(8)/2005-GM dated 14-05-2010 and 22-06-2011 and self-evaluation report will be submitted

Sl. No.	Performance Parameters	Unit	Criterion Value				
			1 (Excellent) 85 and above	2 (V. Good) 75 to 84	3 (Good) 60 to 74	4 (Fair) 50 to 59	5 (Poor) Below 50
1	Compliance of Corporate Governance	%					
	Penalty for non-submission	Weightage	Nil	Nil	0.5	0.5	1

- b) Company will follow the Public Procurement Policy for Micro, Small and Medium Enterprises (MSMEs) Order, issued vide D.O. No. 21(1)/2011-M.A. dated 25-04-2012, and non-compliance with the aforesaid order will be penalized up to 1 mark at the discretion of Task Force at the time of MoU Evaluation.
- c) Company will give certificate regarding implementation of Guidelines issued by DPE within prescribed timelines and format specified through its administrative ministry as per details in O.M. No. DPE/14(38)/10-Fin dated 28-06-2011 and 15-09-2014. Non-compliance of DPE Guidelines determined on the basis of certificate submitted will be penalized up to 1 mark at the discretion of Task Force at the time of MoU Evaluation.
- d) Company will submit a certificate regarding compliance of the Act, Rules and Guidelines issued by DPE on CSR Guidelines. Non-compliance will be penalized up to 1 mark at the discretion of Task Force at the time of MoU Evaluation.
- e) Non-compliance of any directives of government including submission of data for Public Enterprises (PE) survey, MOSPI data updation on their website etc. and non-compliance of requirements of regulators in serious cases may be penalized upto 1 mark depending on the degree and seriousness of non-compliance. Company will give a certificate regarding compliance of directives of Government and requirement of regulators (Annexure VIII) at the time of MoU Evaluation

