

SJVN Limited
Corporate Headquarters
Shakti Sadan, Shanan, Shimla

Ref. No. SJVN/CHQ/VIGILANCE/2026-061

Date: 20.04.2026

System Circular

During an intensive examination of an EPC Contract of a solar project by CTE wing of CVC, the need to strengthen payment procedures to EPC contractors, particularly with regard to verification of bills & GST invoices of suppliers/sub-vendors and insurance policies (where applicable), has been brought out.

It has been observed that while requesting release of payment by EPC contractor in respect of items supplied through sub-vendors, bills / GST invoice of suppliers/sub-vendors are not being provided by the EPC contractors due to the absence of explicit provisions in the contract agreements mandating submission of such documents.

In order to strengthen payment process, it is hereby directed that no payment shall be released in respect of items supplied through sub-vendors unless bills & GST invoices of suppliers / sub-vendors and valid insurance policies (where applicable) are submitted and duly verified.

It is further directed that suitable provisions shall be incorporated in all future bid documents to have a clear contractual obligation for submission of such documents at the payment stage.

All concerned shall ensure strict compliance with the above directions for future contracts.

This issues with the approval of CMD.


20/04/2026
(Manmeet Gupta)
Dy. CVO, SJVN

Distribution:

- CMD
- Director (Personnel) / Director (Finance) / Director (Projects)
- Chief Vigilance Officer
- All HOPs / HODs/ CEOs

SJVN Limited
Corporate Headquarters
Shakti Sadan, Shanan, Shimla

Ref. No. SJVN/CHQ/VIGILANCE/2026-063

Date: 20.04.2026

System Circular

During an intensive examination of an EPC Contract of a solar project by CTE wing of CVC, various discrepancies were observed during inspection of the Measurement Book. Accordingly, the need to strengthen the measurement book (MB) procedures, ensure compliance with the accounting system, enforce test checks and align physical MBs with e-MB system was highlighted.

Accordingly, it is directed that the following shall be strictly adhered to for all contracts:

- i. A certified Measurement Book (MB) shall be issued by the competent authority.
- ii. Measurement records shall not be maintained on loose sheets and must be recorded in duly certified & issued Measurement Books.
- iii. Accurate Measurement Book entries shall be ensured, as these form the basis of payments to contractor.
- iv. Measurement Book (MB) entries shall ensure proper quantification of executed work, verification of quantities as per approved BBU / BOQ, verification of payment milestones defined in the contract agreement and accounting of previously paid & balance quantities.
- v. Detailed measurements of all executed items, along with their respective locations, shall be recorded in the MB, instead of recording only final quantities.
- vi. Mandatory test checks shall be performed as per existing system circular issued vide SJVN/CMD/2022-04 dated: 13.06.2022.
- vii. Measurement records shall be properly authenticated and the date of measurement must be clearly recorded which shall be aligned with the dates of signatures of the official recording entries.

All concerned are advised to ensure strict compliance with the above directions.

This issues with the approval of CMD.


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Ref. No. SJVN/CHQ/VIGILANCE/2026-064

Date: 20.04.2026

System Circular

During an intensive examination of an EPC Contract of a solar project by CTE wing of CVC, the need for a robust and comprehensive material monitoring, oversight, and reconciliation mechanism for EPC projects has been brought out.


The existing contractual provisions of EPC contract of solar power projects stipulates mechanism related to material accounting on weekly basis covering receipt of materials at site, material used for installation/ erection, balance materials at store and clearance of surplus items prior to final acceptance. However, a comprehensive material management monitoring system has not been envisaged in the existing contracts.

In context to above, it is hereby directed that the provisions set out below shall be incorporated in all future EPC bid documents:

- i. Material management monitoring system shall be linked with the site execution and erection requirement as per L2 Schedule. The system shall include reporting and review mechanisms to identify any delays, mismatches, or issues in material availability and usage.
- ii. The system shall include information related to receipt of materials at site, material used for installation/ erection, balance materials at store and clearance of surplus items prior to final acceptance.
- iii. Item-wise material reconciliation statements shall be linked with approved Billing Break-up (BBU).
- iv. Mandatory joint verification by representatives of the employer and the contractor shall be carried out for material receipt at site, material used for installation/ erection, balance materials at store and surplus material.
- v. Disposal or removal of surplus materials before final acceptance shall be undertaken strictly in accordance with the contractual provisions and only after due verification.
- vi. Standard procedures, formats, and checklists for Material management monitoring system shall be incorporated.

All concerned are advised to ensure strict compliance with the above in future EPC contracts.

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Ref. No. SJVN/CHQ/VIGILANCE/2026-065

Date: 20.04.2026

System Circular

During an intensive examination of an EPC Contract of a solar project by CTE wing of CVC, it was observed that approvals of sub-vendors in EPC contract after award are made without adequate assessment, rate analysis and reasoned justification. As such, approvals were primarily based on past experience of the sub-vendors with respect to the items to be supplied.

If contractor requests for addition / substitution of sub-vendors, despite the availability of multiple options within the already identified sub-vendor list, the request of contractor shall be analysed with adequate due diligence with proper recording of reasoned justification.

Further, a comprehensive evaluation framework already exists in the Quality Manual of SJVN under Sub-Vendor Assessment Form (F-06-01). This framework shall be suitably adopted for carrying out comprehensive evaluation at the post-award stage for addition/substitution of sub-vendors.


In addition to the above, a rate analysis shall also be carried out while examining proposals for addition or substitution of sub-vendors. It shall be ensured that such changes do not result in any additional financial implication to the employer. In cases, where such analysis indicates any financial benefit arising from the proposed addition or substitution of sub-vendors, the same shall be passed on to the Employer.

In view of the above, it is hereby directed that all future EPC bid documents shall mandatorily incorporate suitable provisions for robust and comprehensive evaluation for the approval of addition/ substitution of sub-vendors at the post-award stage.

Further, it shall also be ensured that any such addition or substitution of sub-vendors does not result in dilution of tender conditions. All evaluations and approvals shall be properly documented and processed with the approval of the competent authority, ensuring transparency and accountability.

All concerned are hereby directed to ensure strict compliance with the above directions.

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Ref. No. SJVN/CHQ/VIGILANCE/2026-066

Date: 20.04.2026

System Circular

During an intensive examination of an EPC Contract of a solar project by CTE wing of CVC, it was observed that the Performance Bank Guarantee (PBG) submitted by the contractor had been determined based on the contract price without considering the applicable GST.

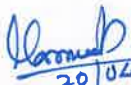
Further, it is observed that in procurement of works, goods and services, payments to the contractor are released on GST-inclusive invoices, and therefore the actual financial exposure to the Employer corresponds to the total payable amount including applicable GST.

With a view to strengthening risk coverage and ensuring adequate financial safeguards for the Employer, it is hereby directed that in all future procurements of works, goods, and services, the basis for determination of Performance Bank Guarantee (PBG) / Contract Performance Guarantee (CPG) shall be aligned with the total financial exposure of the procurement, including applicable GST.

Accordingly, the tender conditions in all future procurements shall be suitably modified at the appropriate clauses of the bid documents to incorporate the above provision.

All officials dealing with procurement of works, goods and services shall ensure strict compliance with the above instructions.

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Ref. No. SJVN/CHQ/VIGILANCE/2026-067

Date: 20.04.2026


System Circular

During an intensive examination of an EPC Contract of a solar project by CTE wing of CVC, it was observed that none of the pages in the tender file were numbered. The absence of page numbering hinders the ability to trace missing pages or correspondence, potentially leading to challenges in document retrieval and accountability.

To address this issue, it is hereby directed that all tender files, including case files and annexures, must be numbered sequentially. Each page should bear a clearly visible page number, starting from the first page and continuing consistently throughout the document without interruption. This will facilitate easy identification, improve traceability, and prevent the misplacement of pages.

All officials handling tender or case files are required to comply with this directive with immediate effect. This measure is intended to strengthen document management practices and promote transparency and accountability across the organization.

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Ref. No. SJVN/CHQ/VIGILANCE/CVO/2026-068

Date: 20.04.2026

System Circular

During an intensive examination of an EPC Contract of a floating solar project by CTE wing of CVC, it was observed that the requirement for submission of Standard Operating Procedure (SOP) for the operation and maintenance of floating/over-water solar systems at detailed design stage was not envisaged in the tender documents/technical specifications.


In order to address the underlying gap observed during examination, it is hereby directed that for all future floating/over-water solar projects, a comprehensive, site-specific Standard Operating Procedure (SOP) for Operation & Maintenance shall mandatorily be prepared, submitted, and approved at the detailed engineering / drawing approval stage itself. The SOP should cover over-water safety, access and rescue arrangements, electrical safety in aquatic conditions, emergency response, environmental safeguards, inspection and maintenance protocols, and coordination mechanisms.

Approval of the SOP at an early stage is essential, as it has cost and design implications which contractors are generally reluctant to absorb at later stages, leading to operational difficulties during O&M. Early finalization will ensure clarity of responsibilities, realistic costing, effective implementation, and avoid post-commissioning disputes or safety lapses.

The above-mentioned requirement shall be incorporated in tender documents and technical specifications for all similar projects in future.

All concerned shall ensure strict compliance with the above directions in future floating/over-water solar systems projects.

This issues with the approval of CMD.


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