

**FIFTH  
ANNUAL REPORT  
1980-81**

The background of the cover is a textured teal color. It features a large, prominent ripple pattern in the center, resembling a stone dropped in water. In the upper left, there are darker, more intricate ripples. At the bottom, the silhouettes of reeds or grass are visible, adding a naturalistic touch to the design.

**nhpc**





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## BOARD OF DIRECTORS

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**Chairman  
& Managing Director**

Maj. Gen. T.V. Jeganathan  
(Upto 12.6.80)

Shri P.M. Belliappa  
(From 13.6.80)

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**Directors**

Shri V. Subramanian

Shri S.N. Roy  
(Upto 19.5.1980)

Shri A.N. Singh

Shri D. Rajagopalan

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**Secretary**

Shri N.V. Raman

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**Auditors**

M/s. R.K. Khanna & Co.  
B 7/3 Asaf Ali Road,  
New Delhi-110002.

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**Bankers**

State Bank of India

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**Registered Office**

'Manjusha' 57, Nehru Place,  
New Delhi-110019.





## NOTICE

Notice is hereby given that the Fifth Annual General Meeting of National Hydroelectric Power Corporation Ltd., will be held on Wednesday, the 30th September, 1981 at 12 Noon in the Registered Office of the Corporation at 'Manjusha' 57-Nehru Place, New Delhi-110019 to transact the following business :

### ORDINARY BUSINESS :

To receive and adopt the audited Accounts of the Corporation for the year ended March 31, 1981 along with the Auditors' Report and the Directors' Report thereon.

By Order of the Board of Directors  
National Hydroelectric Power Corporation Ltd.

N.V. Raman  
Company Secretary

New Delhi

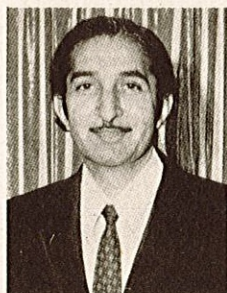
DATED : the 2nd September, 1981

NOTE : A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and vote instead of himself. The proxy need not be a member of the Corporation. A form of proxy is attached.

To :

1. All the Shareholders of National Hydroelectric Power Corporation Ltd.
2. M/s R.K. Khanna & Co.,  
Chartered Accountants,  
B-7/3, Asaf Ali Road, New Delhi.





## CHAIRMAN'S SPEECH

Gentlemen,

It gives me great pleasure to welcome you to the Fifth Annual General Meeting of the National Hydroelectric Power Corporation Ltd. The audited accounts of the Corporation for 1980-81 and Directors' Report along with Auditor's Report are before you for consideration and adoption.

2. When we met last year, I had indicated Government's intention and desire that greater emphasis should be given to the exploitation of the country's hydroelectric resources. In pursuance of this direction, NHPC has been playing its part, in no small measure. During the year under review, NHPC has emerged as a viable and vibrant organisation capable of meeting the great challenges in the field of hydroelectric development. It has built up a strong, cohesive multi-disciplinary team, with a commitment to executing projects on a time-bound basis.

3. You will be happy to know that the Baira Dam has been completed and consequently the flow of power benefits from this Project will accrue about six months ahead of schedule. I would like to avail of this opportunity to convey on my behalf and on behalf of all of you, congratulations to the workers, staff and officers of the Baira Siul Project for having secured this great achievement.

4. Similarly, in Loktak, tunnel boring which had been a critical activity is nearing completion, and I am confident that but for unforeseen geological surprises, the boring of the tunnel would be completed as scheduled by end of October this year. You would be sorry to know that recently the Project was subjected to an ambush by

the members of the People's Liberation Army in Manipur, resulting in the loss of 3 NHPC personnel. I would like to pay homage to them and place on record our appreciation of their dedicated work. While on this sad subject, I would like to inform with regret the demise of Shri A.V. Motwani, who all of you know was associated longest with NHPC Projects. Though unwell for some time, his end came suddenly and surprised everyone of us. I would also like to place on record appreciation of his devoted services to the Corporation.

5. The progress of Devighat Project has been exceedingly good and by all indications, the project will be commissioned well ahead of schedule. Salal which had remained a big question mark all these years, has also been put on a steady track and barring any unforeseen events, the permanent diversion of the river will be achieved between November, 1981 and June, 1982. All these significant achievements have been possible due to the close monitoring of Projects in a systematic and regular manner, through which process, various bottlenecks have been removed.

6. You would naturally like to know the progress of new Projects. Clearance of the Government of India to the execution in the Central Sector through NHPC, of Dul Hasti (390 MW) in Jammu & Kashmir and Koel Karo (710 MW) in Bihar has been received. Chief Engineers in both these Projects have taken position at site. There has been the usual teething problems and work is yet to take off in a sustained manner. There is, however, no cause for apprehension and I am confident that in the next six months all these problems will





be sorted out and by the next financial year both the sites will be humming with activity. In the meantime, all the planning and preparatory action in respect of equipment, contracting, man-power and construction scheduling is being done.

7. A significant achievement has been the entry of NHPC into the field of investigations. For the first time, NHPC has taken up the investigation of Projects and a beginning has been made with the Chamara Hydroelectric Project (approx. 500 MW) in Himachal Pradesh. The investigation of this Project is being done in collaboration with a Consulting Firm from Canada viz. M/s. SNC. The latest geophysical and other techniques are being adopted in this Project and a complete multi-disciplinary approach has been organised. I am optimistic that the feasibility report would be available by the end of this year, which would be a record by itself. Sanction has also been received to take up the investigation of Kol Dam Project in Himachal Pradesh. But due to certain subsequent developments, the matter has not been pursued vigorously. It is expected that shortly sanction will also be received for taking up the investigation of the Dhaulti Ganga Project in Uttar Pradesh (Sarda Valley), the Dhaleshwari Project in Mizoram. Discussions are also in progress with the Government of West Bengal to take up the investigation of the Teesta High Dam Project. All this increasing workload in the field of investigations has necessitated the creation of an Investigation Wing under a Chief Engineer. The NHPC has also set up a nucleus of a Geological Wing as part of its overall strategy in building a multi-disciplinary in-house capability.

8. The Hon'ble Minister for Energy, Shri A.B.A. Ghani Khan Choudhury has continued to be a great source of strength and Hon'ble Minister of State for Energy, Shri Vikram Mahajan, has also maintained his active interest in the activities of the Corporation, which has proved a great source of encouragement. I would like to welcome Shri T. R. Satish Chandran, who has assumed responsibility as Secretary in the Ministry of Energy. We would look forward to his guidance. The Ministry of Finance, Planning Commission, the Central Electricity Authority and the Central Water Commission, and the other agencies with which we have been associated have all been helpful to us. I am grateful to them for their indulgence. I would also like to place on record the continued and close cooperation received from the various State Governments.

9. I am happy to record that NHPC has come a long way since its inception, particularly during the period under review. The forthcoming months are going to be one of activity and sustained work, and hopefully, stories of success and commissioning of some of the Projects. I am thankful to all of you for the guidance and cooperation that I have received during the period I have had the privilege of handling the Organisation. I am thankful to my colleagues for their devoted service and cooperation but for which little could have been achieved.

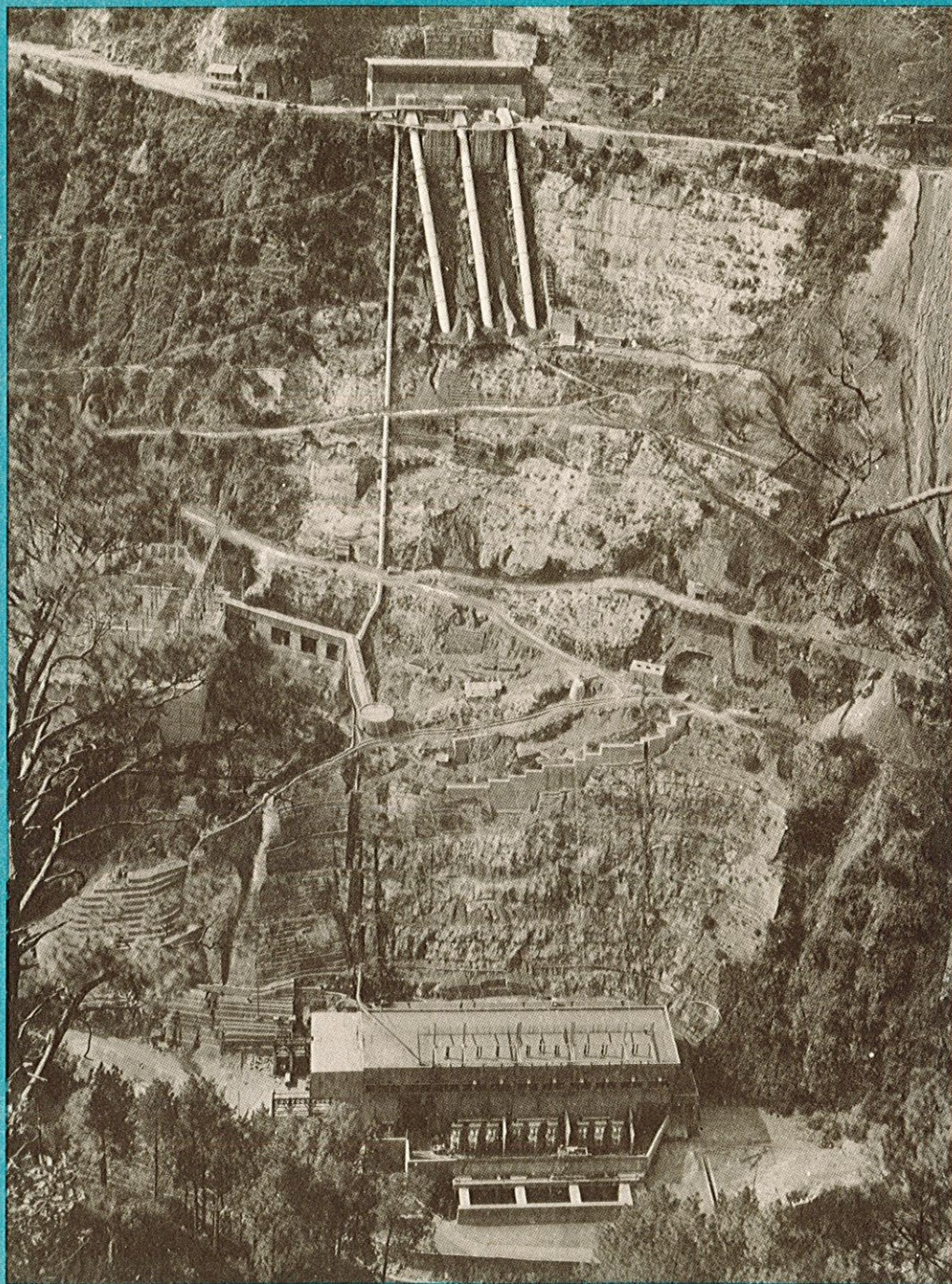
P.M. Belliappa

Chairman & Managing Director

NEW DELHI

Dated : 30th Sep. 1981





*Complete view of Penstocks, Power house, Valve house & Switch yard (Baira Siul)*





## DIRECTORS' REPORT TO SHAREHOLDERS

Gentlemen,

I have great pleasure in presenting to you, on behalf of the Board of Directors, the Fifth Annual Report on the working of the Corporation, incorporating the audited accounts for the year ended 31st March, 1981.

### 2. OPERATIONS :

#### (i) Hydroelectric Projects :

During the year, your Corporation continued the work on construction of the Loktak, Baira Siul, Salal and Devighat Hydroelectric Projects. The Corporation continued to carry on the work of the Salal Project on Agency basis on behalf of the Government of India.

#### (ii) Transmission Lines :

The Corporation continued its work on various transmission lines on behalf of State Governments/National Thermal Power Corporation. In addition, work was also going on, on some of the associated transmission lines of the Projects handled by the Corporation.

### 3. NEW ASSIGNMENTS :

The year, under Report was notable for the business development of the Corporation. There was substantial addition to the workload of your Corporation. The New Projects awarded to the Corporation for investigation/execution are given below:—

#### Execution :

- 1) Dul Hasti H.E. Project in J&K — 390MW
- 2) Koel Karo H.E. Project in Bihar — 710MW
- 3) Uri Hydrel Project in J&K — 480MW

#### Investigation :

- |                                  |           |          |
|----------------------------------|-----------|----------|
| 4) Kol Dam H.E. Project          | ] in H.P. | — 600MW  |
| 5) Chamera H.E. Project          |           | — 640MW  |
| 6) Parvati H.E. Project          |           | — 1900MW |
| 7) Dhauliganga H.E. Project      | ] in U.P. | — 455MW  |
| 8) Eastern Ramganga H.E. Project |           | — 90MW   |
| 9) Goriganga HE Project          |           | — 120MW  |
| 10) Tanakpur HE Project          |           | — 100 MW |

### 4. HIGHLIGHTS OF PERFORMANCE :

The year 1980-81 was one of continued growth in the activities of the Corporation. During the year certain landmarks were reached in regard to Hydroelectric Projects/Transmission Lines handled by the Corporation which are mentioned in brief hereunder :—

#### (i) Loktak H.E. Project :

Record boring of 129.9M per month was achieved in June, 1980 in the critical Faces IV and V. The tunnel boring in the reach is scheduled to be completed in October, 1981 and the lining is planned to be done by using latest continuous pouring techniques.

#### (ii) Baira Siul H.E. Project :

Units I & II were put back in operation after necessary repairs and as soon as sufficient water was available in the Siul River.

#### (iii) Salal H.E. Project :

To condense the construction programme by achieving the river diversion earlier than envisaged in the original programme, a diversion dyke was constructed across the river in the working season 1980-81. This



enabled excavation in the embayment area and treatment of the upstream of Power Dam blocks by putting a 2.5M thick mantle.

The excavation has been completed and concreting achieved upto EL. 408M. This planning has obviated the construction of overflow type dyke thus resulting in a saving of Rs. 3 crores on the over-flow type coffer dam besides compressing the construction schedule.

**(iv) Devighat H.E. Project :**

The land for the main complex on the right bank of the river was mostly handed over to the Project Authorities by September, 1980 and with this, active construction of the main works of the Project commenced from October, 1980.

**(v) Transmission Lines :**

The following transmission lines were completed during the year 1980-81 :-

- (a) 66KV D/C Transmission line from Gangtok to Kalimpong.
- (b) 132KV S/C Transmission Line from Ramnagar to Gandak.
- (c) 220KV S/C Transmission Line on D/C towers from Sarna to Dasuya.

**5. PROGRESS ACHIEVED ON ON-GOING WORKS :**

**(a) Loktak Hydroelectric Project : (3 × 35MW) :—**

The various works envisaged in Loktak H.E. Project, the present status and programme for completion

of the balance works are described as under :—

**(1) ITHAI BARRAGE :**

The barrage has been completed in June, 1980 as scheduled and is under operation.

**(2) OPEN CHANNEL :**

The Channel including the rectification works has been completed.

**(3) CUT & COVER SECTION :**

Out of a total length of 1077M in this reach, a length of 1069.5m has been completed at the end of the year. The progress of the work suffered a set back due to strike by the workers of the Contractor, the NPCC Ltd.

**(4) HEAD RACE TUNNEL :**

Head Race Tunnel is a critical item for the completion of the Project. During the year, efforts were made to achieve the maximum progress of the work. The work is scheduled to be completed in all respects by November, 1982.

**(i) Power Channel face to Head Race Tunnel :**

The Power Channel face was taken up departmentally in August, 1978 and the complete reach involving a length of 167.4 M had been bored through by March, 1980 upto March, 1981. 153.3 of concreting for invert and 100.65 arch concreting has also been done in this reach. After completing arch concreting upto 153.35 M, the balance concreting of the face will be taken up in December, 1981.





*(ii) Reach 0-1 :*

This reach was also taken up departmentally. Difficulty was experienced in this face, due to bad geology with flowing ground conditions. However, boring of the complete reach involving a length of 665 M has been completed and all lining operations in this reach are expected to be completed by November, 1981.

*(iii) Work relating to reaches faces 2-3 & 6-7*

The excavation of these faces was completed in August, 1978. Small lengths of reaches from these faces remain to be lined to be taken up in July/August, 1982.

*(iv) Reach Face 4-5 :*

This is the most critical reach of the tunnel. A length of 3042.3M has been bored out of a total length of 3825M. During the year a record boring rate of 129.9M was achieved in June, 1980 in this reach and a total of 1099M boring was done during the year. The tunnel boring in this reach is scheduled to be completed in October, 1981 and the lining is planned to be done by using latest continuous pouring techniques, which are being adopted for the first time in the country.

**(5) PENSTOCKS :**

Erection work has been entrusted to M/s Indian Hume Pipe Ltd. 3949MT of erection of penstocks out of a total of 4539MT has been done till the end of the year. Due to non-availability of railway wagons and due to the strike

of transporters in the region, the transportation of the balance items of penstock suffered a set back. The penstock erection is scheduled to be completed by December, 1981 and erection in all respects including expansion joints is scheduled for April, 1982.

**(6) POWER HOUSE CIVIL WORKS :**

The erection of all the three units was complete except intermediate towers from Power House to Switchyard and cabling from Power House to Valve House.

**(7) ELECTRICAL WORKS :**

Unit—I	] Completed and Boxed up.
Unit—II	
Unit—III	

*Auxiliaries :*

All the pending works of auxiliary and switchyard were in progress according to schedule.

The cable connection and checking in Power House and switchyard was going on.

Erection of current transformer and lightning Arrester equipment was also in progress. Testing and pre-commissioning were proceeding.

**132 K V Switch yard :**

Major items of materials in respect of intermediate towers connecting Power House with switchyard had been received and the work has since been completed.



**(8) COMMISSIONING SCHEDULE :**  
The Project is now scheduled to be commissioned by December, 1982.

**(b) Baira Siul Hydroelectric Project (3 × 60 MW) :**

**(1) STAGE-I :**

All works of Stage-I comprising Siul Weir, Desilting Chambers, Drop Shaft, Head Race Tunnel from Siul Adit to Outlet, Valve House, Penstocks I & II, Power House and Tail Race Tunnel have been completed in all respects. Units I & II were put on trial run in May, 1980. During the year 1980-81, 337.75 lakh units of energy were delivered to BBMB Grid at Pong.

**(2) STAGE-II :**

The works comprising Stage-II include Baira Rockfill Dam, Spillway, Bhaleth Diversion Weir, Bhaleth Feeder Tunnel, Head Race Tunnel from inlet to Siul Adit Intake Structure. The progress of the construction of various structures is as follows :—

**(i) Baira Dam :**

On Baira Rockfill Dam, river bed grouting and 65,000 cum of the core trench excavation has been completed in all respects. Excavation, drilling and grouting on the left flank was completed and Excavation and grouting of Right flank was taken up. Clay filling of core trench upto the river bed i.e. Elevation 1085M has been completed. Construction of Dam including clay core, rockfill in overt excavation on upstream, filter

on downstream and rockfill in overt excavation for approach roads and also stripping considered necessary upto EL. 1079 when foundation areas were exposed, and its back filling with rockfill on downstream was completed upto EL. 1085.

**(ii) Spillway :**

Against the total quantity of 62907 cum concreting, 61347 cum of spillway concreting was done representing 89% of the work. The activity was expected to be completed in Dec., 1981.

**(iii) Bhaleth Feeder Tunnel :**

Out of 7,750 M length of the tunnel boring in a length of 7,664 M, overt concreting in a length of 4,003 M and invert concreting in a length of 1,600 M have been achieved.

**(iv) Bhaleth Weir :**

The structure has been completed except for some protection works.

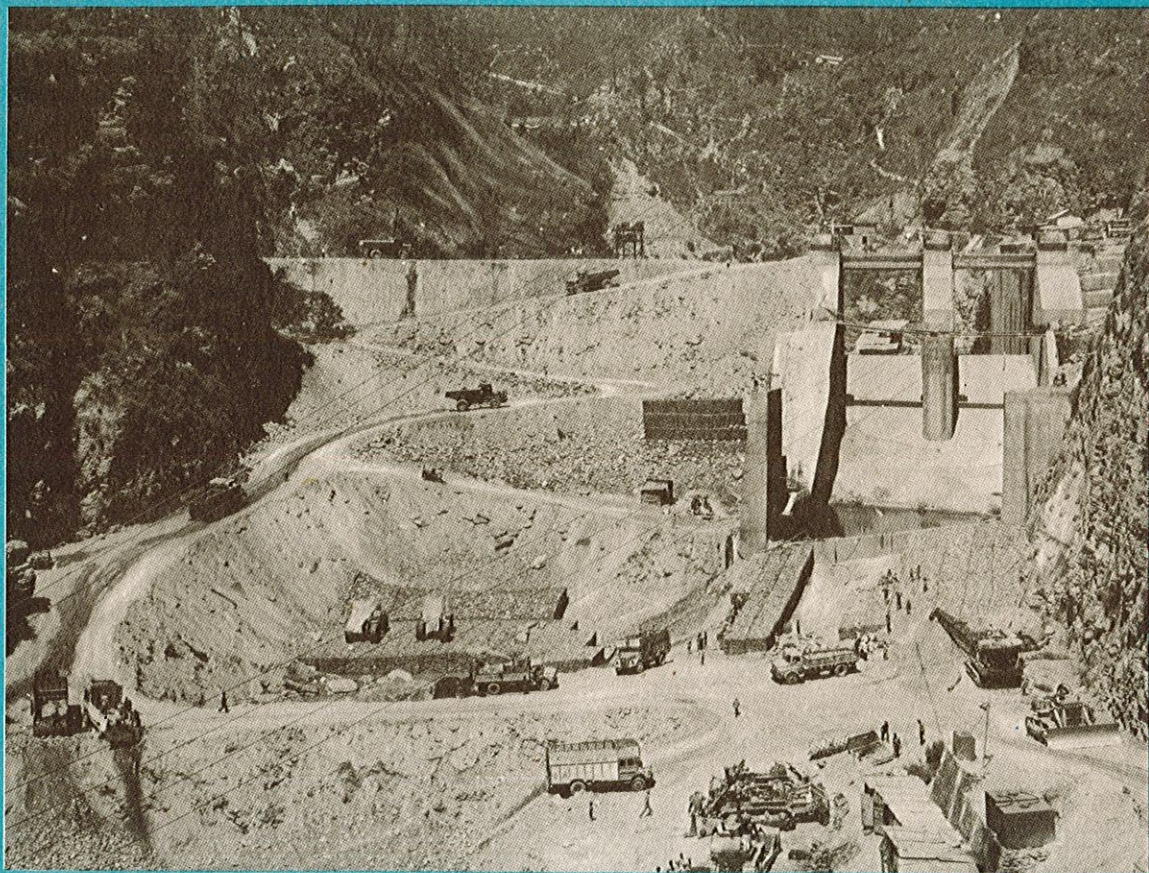
**(v) Construction of Head Race Tunnel from Inlet to Siul Adit :**

Boring of tunnel in a length of 4908 M of stage-II had been completed. Concrete lining was also completed except for 30m and 24m invert and overt respectively. The work has since been completed.

**(vi) HRT Intake Structure :**

Out of the total quantity of 4,800 cum of concreting involved in the structure, 2806 cum had been done leaving a balance of about 1994 cum as at the end of the year under report.





*Baira Dam*



The complete structure is expected to be completed by September, 81.

*(vii) Penstocks :*

Unit-I & II of the Penstocks have already been completed; for Unit III erection and testing has been done in a length of 466 M out of a total length of 479 M and concreting has also been completed in all respects. Grouting has been done in a length of 373 M against the total length of 395 M as at the end of March, 1981. The work has since been completed.

*(viii) Electrical Works :*

As already mentioned machines I & II were put on trial run on 18/19th May, 1980. The machines were put on load one by one utilising the entire discharge of River Siul as available from time to time. After carrying out routine inspection and repairs, both machines were put in operation at the end of the year.

The installation of Unit III had been completed except for assembly and erection of spherical valve and its associated equipment.

**(3) COMMISSIONING OF THE PROJECT :**

With the completion of the second stage, the Project will be commissioned in December, 1981.

**(c) Salal Hydroelectric Project  
(3 × 115MW) :**

**(1) DIVERSION TUNNEL :**

After carrying out dry tests, the water from river Chenab was allowed to flow through the tunnel on the 6th March,

1980. With a view to compressing the construction programme by achieving the river diversion earlier than envisaged in the original Programme, a diversion dyke (non-over-flow type) was constructed across the river in the working season 1980-81 with its top level at EL.423 M. The diversion of the river through the diversion tunnel was thus achieved on 8th January, 1981. This enabled excavation in the embayment area and treatment of the upstream of Power Dam blocks by putting a 2.5 M thick mantle. The excavation has been completed and concreting achieved upto EL.408 M. This planning had obviated the construction of overflow type dyke thus resulting in a saving of Rs. 3 crores on the over-flow type coffer dam besides shortening the construction schedule. This was a major event in history of Salal Hydroelectric Project as it marked the first break-through in the overall construction activity of the Project.

**(2) TAIL RACE TUNNEL :**

*(i) Tunnel Excavation from Exit Portal :*

After carrying out excavation at the exit portal, excavation in the main tail race tunnel for heading was completed upto a length of 371 M and the tunnel supported by R.S. Joists, Laggings and initial concreting.

*(ii) Tunnel Excavation from Inlet Portal :*

After the completion of Shaft No. 1 the excavation of the tunnel heading from the inlet portal end was completed upto a length of 184 M and





supported by R.S. Joists, Lagging and initial concreting. Studies were being carried out in improving the cycle time of the construction.

### (3) CONCRETE DAM :

The concrete dam consists of 25 blocks out of which first three are non-overflow blocks, the next 12 are spillway blocks and the remaining are non-over-flow blocks. The concreting of spillway blocks was continued and 71,430M<sup>3</sup> concrete was placed during the year. As per the revised construction programme, concreting upto the spillway bridge has to be completed by March, 1987. Concreting in embayment portion and spillway was in progress at the end of the year. investigation of downstream river bed zone was also in progress. Design drawings of power dam blocks were finalised. The works on the Power Dam blocks were also in progress. Supply position of cement and steel continued to be critical and efforts were being made to building up a buffer stock in the Project. During the period, a total excavation of 53.85TM<sup>3</sup> was done as against the total target quantity of 60.06TM<sup>3</sup>. Drilling and grouting were in progress. All the six sluice liners and embedded parts were erected.

### (4) POWER HOUSE :

Excavation in the Power House in all the three Units of Stage-I was in progress. The work on construction of approach road and duct to Power House was also in progress. A quantity of 1070 cum. excavation and 909 cum. of concreting was done during the year.

### (5) ROCKFILL DAM :

On Rockfill Dam, excavation, fill placement, guniting and drilling and grouting were in progress. A quantity of 207000 cum. excavation and stripping was carried out during the year. Thus about 74.9% work of excavation and stripping of the Dam foundation in the flanks were completed. 39.2% of drilling and grouting, 42% of concreting of shear zone and 14.3% of fill placement were also completed till the end of the year. Stock piling of additional quantities of filter, impervious and pervious material were being done as advance action so that the fill placement could be undertaken in a big way as soon as the treatment of core base was completed.

### (6) ELECTRICAL WORKS :

(i) Procurement of equipment for Units-I, II & III from M/S. BHEL have been completed. Procurement of other equipment like switchyard equipment and drainage and dewatering equipment etc. was in progress.

(ii) Work of laying of Earth Mat in the Power House was continuing. Other Electrical works shall be started after completing of the necessary civil works.

(iii) 3 Nos. 825 KVA capacity D.G. sets imported from Czechoslovakia have been received on the Project and their installation was in progress.

### (7) COMMISSIONING SCHEDULE :

The Project is scheduled to be



commissioned as per programme given below :—

Unit-I	August, 1987
Unit-II	November, 1987
Unit-III	February, 1988.

**(d) Devighat Hydroelectric Project (3 × 4.7 MW) :**

(1) The handing over of the land for the main complex on the right bank of the River Trisuli to the Project commenced in February, 1980 and was completed by September, 1980 and with that the active construction of the main works of the Project commenced from October, 1980.

The infrastructural facilities like approach roads, residential colonies, stores, workshops, Office accommodation, dispensaries, water treatment plant, arrangements for construction power, electrical and telephone system have already been completed. All the major contracts have been awarded. The Plant and Equipment required for construction works have been procured.

The works on excavation of head regulator, open channels, ledge cutting for cut and cover conduit, Reach-I, cross drainage works, forebay, penstocks, tail race and foundation excavation of Power House pit were in progress. 441 M of tunnel boring

representing 25% of the work was also completed. The concreting work of head regulator, cross drainage works, forebay intake etc. were also taken up.

**(2) ELECTRICAL WORKS :**

The embedded parts of the hydro-generating equipment supplied by BHEL and parts of EOT crane have been received. The diesel power station for emergency construction power has been commissioned. The excavation and laying of ground mat in the switchyard have been completed. The preliminary surveys of Transmission Line have also been completed. The design, tendering and procurement of generating equipment and transmission line equipment are as per schedule.

**(3) COMMISSIONING SCHEDULE :**

The first unit is scheduled to be commissioned in June, 1983 the second unit in August, 1983 and the third unit in October, 1983.

**(e) Transmission Construction Works**

The 66 KV D/C Transmission Line from Gangtok to Kalimpong, the 132 KV S/C Transmission Line from Ramnagar to Gandak and the 220 KV S/C Transmission Line on D/C towers from Sarna to Dasuya have been completed.





The progress in respect of other ongoing Transmission Line Works is given below :

Particulars of Transmission Works	Target date of completion	Overall percentage of work completed upto 31st March, 1981
1. 66/11 KV Sub-station at Melli (10 MVA) Sikkim.	June, 1981 (since completed)	85%
2. 66 KV Transmission/transformation system associated with Devighat HE Project.	June, 1983 (To match with the commissioning of Devighat Project.)	Not yet started. However, preliminary works regarding preparation of specification and field unit establishment/possession of land for sub-station etc. taken up.
3. 132 KV S/C transmission lines from Liematak to Jiribam.	Dec., 81	63%
4. 400 KV S/C transmission line for the Singrauli Super Thermal Power Station.	Dec., 81	83%
5. 220 KV S/C transmission line from Jammu to Sarna for Salal HE Project.	October, 81	82%
6. 220 KV transmission works associated with Chukha HE Project.	To match with the commissioning of Chukha HE Project.	PIB authorisation awaited.
7. 220 KV transmission line on 220 KV structures from Dul Hasti to Batote for construction power for Dul Hasti Project.	June, 1984	Pre-order activities taken in hand.



**(f) New Projects :**

**(1) KOEL KARO H.E. PROJECT  
(710 MW) :**

(i) Koel Karo H.E. Project has formally been handed over by the Bihar State Government to the Central Government for execution by NHPC. The Project envisages harnessing the power potential of the South Koel River and its tributary North Karo River in Bihar. On completion, the Project will have an installed capacity of 6 Units of 115 MW each and one Unit of 20 MW. The Project will provide the much needed peaking power in the Eastern Region and for stabilising the Eastern Region Grid.

(ii) The Public Investment Board cleared the Project on 15.1.1981 at a cost of Rs. 396.59 crores (gross) plus Rs. 48.08 crores of interest during construction. Formal investment sanction was awaited as at the end of the year.

(iii) Advance action for setting up the Project organisation, construction/equipment planning etc. was being taken by the Corporation.

**(2) DUL HASTI H.E. PROJECT  
(3 × 130 MW) :**

(i) The Dul Hasti H.E. Project in J & K forms part of Chenab Basin Development programme. The Project is a run off the river type development on main Chenab utilising a drop of 236 M in a U-Bend near Kishtwar for power generation.

(ii) Stage I of the Project would enable

an annual energy generation of 1928 KWH under firm peaking capacity of 350 MW.

(iii) The Public Investment Board cleared the Dul Hasti H.E. Project. Formal Investment sanction was awaited as at the end of the year.

(iv) Advance action for setting-up the Project Organisation, Construction/Equipment planning etc. was being taken.

**(3) CHAMERA H.E. PROJECT  
INVESTIGATIONS :**

(i) The inauguration of the Investigation of Stage I of the Project was done on 24-1-81 by the Hon'ble Minister of State for Energy.

(ii) The Canadian International Development Agency (CIDA) had agreed to grant a sum of CN \$ 2,50,000/- for field investigations and preparation of feasibility Report for the Chamera H.E. Project Stage-I. For this purpose, as required by the CIDA Regulations, an Agreement has been signed by the Corporation with M/s Surveyer, Nenniger and Chenevert Inc. (SNC) a Canadian Consultancy Firm. Under this Agreement, the SNC experts would be assisting the Engineers of the Corporation in field investigation and preparation of Feasibility Report for Chamera H.E. Project, Stage-I. With this assistance, the investigation work is expected to be completed in one year instead of two years as earlier envisaged by the Corporation.



(4) OTHER PROJECTS :  
Investigations of Kol Dam and  
Dhauliganga are proposed to be taken  
up during the current year. Similarly,

detailed Project Report for Tanakpur  
H.E. Project and PIB Memo for the Uri  
Project would be finalised during the  
current year.

*Geological investigation in left abutment—Chamera*





## 6. PERSONNEL AND INDUSTRIAL RELATIONS :

(i) *Formulation of Rules & Policies :*  
As in the past, emphasis continued to

be laid on formulation of Corporation's own rules and policies. The following rules were finalised during the year :—

*Close up of dam site— Chamera*







- (a) Promotion Policy for Executives,
- (b) House Rent Allowance Rules, and
- (c) Scheme for Rehabilitation of Physically handicapped.

*(ii) Absorption of Deputationists into Corporation's Cadre :*

During the year, the Corporation's efforts for building up its own cadre of employees were intensified.

During the year 1980-81, 37 non-executives and 13 executives were absorbed in the Corporation's Cadre.

*(iii) Industrial Relations :*

During the year under Report, the industrial relations generally continued to be cordial.

*(iv) Use of Hindi :*

In accordance with the Official language Policy of the Government, all efforts were being made during the year for increased use of Hindi in the Corporate Office and the Projects of the Corporation.

Official Language Implementation Committees have been set up in the Corporate Office and Projects which meet periodically to review the progress made in this direction.

A Hindi version of the Personnel Manual has been prepared. A brochure on the Koel Karo Project has been brought out bilingually. Steps are being taken to bring out a number of forms, letter heads, publicity brochures etc. in bilingual form.

An Incentive Scheme for employees for learning Hindi typing and Hindi shorthand was introduced in the Corporation. A special Incentive Scheme for the employees for doing office work in Hindi was also introduced in one of the Projects of the Corporation.

## **7. TRAINING AND MANAGEMENT DEVELOPMENT :**

(1) The Corporation is committed to a system of formal training and development for its employees at various levels. The training programme, launched in January, 1980 continued to make good progress during the year. The Programme has been enlarged to cover all categories of work-force of the Corporation at the executive, supervisory and skilled workers level.

(2) An elaborate Management Development Programme has been underway and by the end of March, 1981 a total of 31 programmes covering the various functional areas of Management were organised and 335 executives were trained under these programmes.

(3) Realising the importance of formal induction and orientation training for fresh Engineering Graduates who join the Corporation, a 5 week training programme, designed to provide the trainees with a broad over-view of the Corporate functioning, basic managerial concepts, technical aspects of hydro-power



generation from the initial investigation stage to the operation and maintenance stage and an exposure to the salient features of on-going hydro projects of the Corporation was organised.

(4) To provide an opportunity for the technical personnel to keep abreast of modern technology and latest innovations in the field of hydro generation, selected personnel were sponsored for attending conferences/symposia/seminars etc. organised by different organisations engaged in the field.

(5) Adequate emphasis is also being

laid on the training of skilled workers employed at the Project sites by organising refresher courses in collaboration with the manufacturers of equipment and machinery. Where required, additional training is provided at the training institutes of the manufacturers of equipment and machinery so that our employees are equipped with the latest know how on operation and maintenance of sophisticated plant and machinery deployed at our projects. Two of our industrial workers were sent to West Germany for a special course on "Operation and Maintenance of Shotcrete Machines."





## 8. FINANCIAL RESULTS:

### (a) Share Capital

The Authorised capital of the Corporation has not changed during the year and remained at Rs. 200 crores. Issued, Subscribed and Paid-up Capital has, however, increased from Rs. 83.3762 crores to Rs. 97.9913 crores. This increase in capital is due to the issue of 146150 Nos. of equity shares of Rs. 1,000 each for cash and 1 No. of equity share for part consideration of cash and for part consideration other than cash which was held as Share Capital deposit. All the shares are entirely subscribed by Central Government.

### (b) Loans:

The total amount of loan has been received entirely from Central Government and has increased from Rs. 83,17,43,600/- to Rs. 1,13,88,89,098.50. Interest of Rs. 2,97,05,354.60 had accrued but not due up to 31.3.81.

### (c) Capitalisation of Interest:

Interest on loans received from Government of India amounting to Rs. 2,080.40 lakhs has accrued and due up to 31.3.81. The interest liability has been discharged partly by issue of Equity Capital (Rs. 1,461.50 lakhs) and partly by fresh loans (Rs. 618.90 lakhs) from Govt. of India.

### (d) Expenditure:

During the year under review, the actual cash expenditure incurred on the Projects/ transmission lines was as under:—

#### I. Corporation's own Projects :

	(Rs. in lakhs)		
	Works	Interest during construction	Total
(i) Loktak	962.26	329.71	1291.97
(ii) Baira Siul	1371.36	567.52	1938.88
(iii) Koel Karo	47.19	—	47.19
(iv) Dul Hasti	3.14	—	3.14
(v) Chukha T.C. Unit	5.18	—	5.18

#### II. Projects on Agency basis:

(i) Salal	3116.77
(ii) Devghat	571.57



<b>III. Transmission Lines (as deposit works)</b>	
(i) Gangtok-Melli-Kalimpong	91.12
(ii) Gangtok-Dikchu	0.56
(iii) Leimatak-Jiribam	54.90
(iv) Ram Nagar-Gandak	15.16
(v) Singrauli-Kanpur	678.71

<b>IV. Investigation Projects :</b>	
Chamera Investigation Project	4.05

**(e) Entertainment:**

The entertainment expenditure during the year totalled to Rs. 54,041.79. Unit wise break up of the expenditure is as given below:

	Rs.
Corporate Office	39,078.39
Baira Siul	8,903.70
Loktak	5,989.70
Koel Karo	70.00

In addition to the above, the following expenditure was incurred on entertainment by the Salal & Devighat Projects and Transmission Construction Units:

	Rs.
Salal Project	32,496.23
Devighat Project	
(a) On entertainment of representational character	25,989.60
(b) Other entertainment	26,084.04
Transmission Construction Units	429.70
Chamera Investigation Project	13,197.06

**(f) Advertisement & Publicity:**

The total expenditure under the head amounts to Rs. 7,96,581.68 and includes Corporate Office expense amounting to Rs. 4,54,946.06. The break up of the expenditure is as under:

	Rs.
(i) On propaganda & Publicity	1,42,437.48
(ii) Advertisement through D.A.V.P.	NIL
(iii) Advertisement through other sources	6,54,144.20

The ratio between expenditure on advertisement & Publicity to income is not worked out as the Company has not yet started revenue operations.





**(g) Guest House:**

The expenditure on maintenance of Guest House at Baira Siul and Loktak Project is Rs. 2,98,938.01 & Rs. 2,11,720.67 respectively. This includes expenditure on field hostels also.

**(h) Rent, maintenance and other Miscellaneous expenditure on Corporate Office**

Following is the expenditure on maintenance, furniture and fixture etc. in the head office of the Corporation during the year :

	Rs.
(i) Rent-Office Building	19,99,392/-
(ii) Furniture (Capital Cost)	2,84,651/-
(iii) Office equipment (Capital Cost)	5,49,117/-
(iv) Communication equipment (Capital cost)	NIL
(v) Maintenance cost of (i to iv)	1,53,265/-
(vi) Electricity & Water charges	78,396/-
(vii) Other expenditure, printing & stationery, postage, telegrams, telephones, Telex and other misc. expenditure	11,57,930/-

**(i) Foreign Tours**

Brief particulars of foreign tours undertaken by employees of the Corporation during 1980-81 are given in Annexure I.

**(j) Social Overheads :**

The expenditure of revenue nature on township, education & health facility is as under:—

	(Rs. in lakhs)		
	Township	Education	Health facility
Baira Siul	18.00	2.69	5.55
Loktak	4.33	1.58	2.10
Corporate Office	—	—	3.70
Koel Karo	—	—	—
Dul Hasti	—	—	—
Chukha T.C.U.	—	—	—

NOTE : The residential buildings in township at projects are mostly of temporary nature to last for period of construction of Projects.



**9. AUDITORS :**

M/s R.K. Khanna & Co. were appointed Auditors of your Corporation for the audit of the accounts for the year 1980-81 also.

**10. OBSERVATIONS OF THE AUDITORS :**

The comments of the Directors on the observations made by the auditors in their reports are given in Annexure II to this Report.

**11. PARTICULARS OF EMPLOYEES :**

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975, is given in Annexure III forming part of this Report.

**12. DIRECTORS :**

During the year, Shri S.N. Roy ceased to be a Director of your Corporation w.e.f. 20.5.80. Major-General T.V. Jeganathan relinquished charge as the Chairman & Managing Director of your Corporation on 12.6.80 on completion of his tenure. The Board of Directors place on record their appreciation of the services rendered by them.

Shri P.M. Belliappa, Joint Secretary, Department of Power, was appointed as Chairman & Managing Director of your Corporation w.e.f. 13.6.80 in addition to his duties as Joint Secretary, Deptt. of Power. Shri V. Subramanian, Shri D. Rajagopalan and Shri A.N. Singh continued to be Directors of your Corporation during the year.

**13. ACKNOWLEDGEMENT :**

The Board acknowledge with grateful

thanks the guidance and help extended by the various Departments of the Government of India, particularly the Ministry of Energy, Ministry of External Affairs, I.C.M. Nepal, HMG Nepal, the Central Water Commission and the Central Electricity Authority, the Survey of India and the Geological Survey of India, CIDA and SNC of Canada. Thanks are also due to the State Government of Manipur, State Government of Sikkim, State Governments of Jammu & Kashmir, Himachal Pradesh, Bihar and other State Governments, State Electricity Boards of Bihar and Uttar Pradesh who have been cooperating with us in our works in their States. But for the help and assistance extended by these and other agencies it would not have been possible for the Corporation to achieve the progress registered so far.

The Board of Directors are also grateful to the Comptroller and Auditor General of India, the statutory Auditors and the bankers for their valued cooperation.

The Board also take this opportunity to place on record their recognition and appreciation of the sincere and hard work done by the officers and employees of the Corporation and have no doubt that they will attain still better levels of performance in the years to come.

New Delhi. for and on behalf of the  
Dated 26.9.81 Board of Directors.

P.M. BELLIPPA  
Chairman and Managing Director.





## Annexure I

### DETAILS OF FOREIGN TOURS DURING 1980-81

S. No.	Name & Designation	Name of country/place visited	Purpose of visit	Duration of visit	Total expenditure Rs.
1.	Shri V.K. Sharma General Manager (Electrical)	Italy & Holland	Testing 400 KV towers at the test bed of M/s S.A.E. in Italy and testing of insulation string at KEMA Laboratories in Holland.	21.4.80 to 11.5.80	29,122.43
2.	Shri Mahendra Kumar Dy. Manager (Electrical)	-do-	-do-	21.4.80 to 15.5.80	28,727.93
3.	Shri R.K. Malhotra General Manager (Loktak)	Switzerland	To attend Conference on Tunneling in Europe 'Eurotunnel, 80'	9.9.80 to 21.9.80	27,600.15
4.	Shri Vithal Ram Manager	-do-	-do-	9.9.80 to 21.9.80	27,595.15
5.	Shri O.P. Mehta Chief Engineer	France	To attend the Conference in Paris and to visit EEC as a member of Indian Delegation EEC Assistance Scheme.	21.11.80 to 30.12.80	23,289.75



## ANNEXURE-II

### COMMENTS ON THE QUALIFICATIONS CONTAINED IN THE AUDITOR'S REPORT FOR THE YEAR 1980-81.

#### Management's comments

##### Para 2

The funds released by the Govt. of India for the Salal Project have been utilised for the purchase of machinery required by the Salal Project as envisaged and authorised in the Project Estimates of Salal. The machinery so purchased are the assets of the Salal Project and have been taken on the books of that project only. In 1979, the construction of Baira Dam of the Baira Siul Project departmentally was decided upon and on assessment of its machinery requirements, it was seen that the bulk of the machinery was either available/was in the pipeline for Salal. In point of time, the requirement was imminent at Baira Siul and the period of use was of short duration. On an assessment that a temporary use of the Salal equipment for the Baira Dam would avoid duplication of purchase and thus lead to substantial economy in Govt. spending (both Projects are duly funded by Govt. of India), and optimise utilisation of costly machinery, the Board of Directors in 1979 approved the utilisation of Salal machinery on Baira Siul Project. The latter Project was liable to pay hire charges for the machinery and also the transportation charges from and to Salal.

Some of the machinery had yet to be ordered by Salal against its estimates. In

order to save time and avoid infructuous expenditure in double transportation, the said machinery was authorised to be procured by Baira Siul on behalf of Salal. As the assets belong to Salal, the debits were rightly passed on to Salal.

Hiring of equipment and machinery, which are temporarily surplus to requirements, on recovery of hire charges does not amount to diversion of funds and in fact this showed sound financial management of Government funds by the Corporation. All the relevant files and documents pertinent to this matter had been shown to the Auditors. The fact that Govt. of India, was fully in the knowledge of these transactions through their nominees on the Board of Directors of the Corporation, as well as through a special report sent in June, 1981 on which Government confirmed that action taken by the Corporation was in order, were duly brought to the notice of the Auditors. The Government of India which had entrusted the Salal Project to NHPC has not considered that there has been any breach of agreement nor any irregularity in these transactions.

2, reg. Note-16

On completion of the review, changes if any in the transfer value of the Assets will be taken up with the Govt. of India.

Note 19 (a) & (b)

On completion of the review, the Assets in use will be transferred from 'Capital Works in Progress' to 'Fixed Assets' and Depre-





ciation at suitable rates will be provided and necessary adjustments will be carried out with retrospective effect.

#### Note 20(a)

As stated in the note, the adjustment was effected on the basis of original vouchers which are in the office of A.G. and therefore could not be produced for verification by Audit.

#### Note 20(b)

Action will be taken for the transfer of balance of Rs. 81.92 lakhs appearing under the Miscellaneous Expenditure. On completion of the review depreciation at prescribed rates will be provided.

#### Note 21

As stated in the note, details of pre-take over balances of roads, bridges, culverts and buildings in Loktak Project were compiled from original vouchers which are with Accountant-General's Office and therefore could not be produced to Auditors for verification.

#### Note 22

The particulars of land not belonging to the Corporation are being ascertained and the expenditure thereon will be reflected under the correct head of accounts.

#### Note 24

As stated in the note reconciliation between subsidiary books and control accounts in respect of capital work-in-progress/fixed assets is being done.

#### Note 26

The concerned authorities have been addressed to advise the incidence of import duty and Port Trust Charges and these will be reflected in the accounts on receipt of the information.

#### Note 27(b)

Necessary action to get the life of such assets fixed will be taken in 1981-82 and difference in depreciation already charged and due on the basis of life fixed will be adjusted.

#### Note 28

Efforts are being made at the Project to complete the arrears in this respect.

#### Note 29

It may not be possible to quantify the stores as on 31.3.81 of unconsumed stores lying at various work sites as it might involve suspension of the work in some cases; hence they have been charged off to the construction work-in-progress.

#### Note 30

The review in this regard is in hand. On completion of the review, final adjustments will be made.

#### Note 32

Necessary adjustments will be made in the year 1981-82 in respect of scrap arising from time to time.



#### Note 33

Identification of surplus stores and obsolete stocks could not be made as the construction works were at peak during the year 1980-81. However, a review will be conducted in 1981-82 and proper segregation made for eventual disposal.

#### Note 34

The credit balances under the head "Stores issued to contractors" denote recoveries on account of stores issued to contractors which were ab-initio charged to works during the Government period. Steps are being taken to complete the details to carry out necessary adjustments to capital works-in-progress and contractors' accounts.

#### Note 35

The balance of Rs. 51.55 lakhs appearing under the head "Transfer between depots" is being analysed and necessary adjustments will be carried out on completion of detailed analysis.

#### Note 36

Reconciliation of subsidiary records with main ledger has been taken up. On completion of the review, the advances to contractors/suppliers will be suitably adjusted.

#### Note 37

The credit balance under the head "Advance payment to suppliers" is also on account of recoveries made against advances which are initially debited to works du-

ring Government period. These are being reviewed to make necessary adjustments to contractors' accounts.

#### Note 39 & 40

The relevant break up of the accounts will be made available to Audit in 1981-82.

#### Note 43

Unadjusted advances to suppliers are mostly given by different Divisional officers for getting supply at site or for erection of the components. Adjustment of these advances is a continuous process on getting receipts/satisfactory completion certificates from Divisional officers. Efforts are being made to speed up the adjustments of such advances.

#### Note 44 & 45

Subsidiary ledgers in respect of sundry creditors with the General Ledger are under reconciliation.

#### Note 47

Details in respect of provision made for other liabilities will be collected from the Divisions and kept on record.

#### Note 49, 50 & 54

Final adjustments will be made after investigations are completed, in respect of losses on account of damages etc. In respect of the estimated loss of Rs. 7.32 lakhs the accounting adjustment will be carried out in 1981-82 after segregating the expenditure component-wise.





**Note 53 para 1**

Known liabilities of material nature revealed even after cut-off date will be provided for in future.

**Note 53 para 2**

As indicated in Note 3 under Statement of Incidental Expenditure during construction, the use of Company's car by whole time Directors for official purposes free of cost and in respect of private journeys on payment is a factual disclosure.

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**ANNEXURE TO THE AUDITORS  
REPORT REFERRED TO IN PARA 1  
OF THE AUDITORS REPORT.**

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**Sub-para 1 of para 1**

As indicated in paras 19(a) and (b) of the notes on accounts, review of the transactions has already been taken up and on completion of review, transfer from "Capital works-in-progress" account to Assets account will be effected.

Simultaneously, depreciation at suitable rates will be provided with necessary adjustments covering retrospective periods.

**Sub para 2 of para 1 and para 3**

Physical verification of fixed assets and stores & spares will be carried out during 1981-82 and the necessary reconciliation of physical verification with assets register will also be carried out.

**Para 6**

Due to disturbed conditions during major portion of the year at Loktak Project, there were communication gaps which affected internal control system.

**Para 8**

As indicated in Notes Nos. 49 & 50, final adjustments will be made after the investigations are completed.

**Para 10**

Scrap as and when declared by the Divisional officers are transferred to main stores and accounted for as scrap.

**Para 13**

EPF Rules of the Corporation were implemented only from 1.11.1978 and the deductions effected under the erstwhile rules of Government on account of CPF are being reconciled with the records at Loktak Project. Pending reconciliation, a sum of Rs. 1,55,021 has been paid to the EPF Trust on 28.8.81.



**ANNEXURE III**

**Information required Under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.**

Name & Designation	Remuneration	Nature of employment (Contractual or otherwise)
1	2	3
<b>(A) (Particulars of Employees employed throughout the financial year who were in receipt of Remuneration not less than Rs. 36,000/p.a.)</b>		
<b>CORPORATE OFFICE :</b>	Rs.	
1. Sh. V. Subramanian Director (Finance)	75,632.20	On deputation from the Office of the C.A.G. of India up to 25.1.80. Absorbed w.e.f. 26.1.80.
2. Sh. R.C. Gupta General Manager (P&A)	57,812.22	Regular
3. Sh. V.K. Sharma General Manager (Elect.)	61,683.75	On deputation from Bihar State Electricity Board.
4. Sh. R. Rajagopalan General Manager (F&A)	54,337.05	On deputation from the Office of the C.A.G. of India.
5. Sh. K. Madhavan General Manager (C)	51,834.81	On deputation from the Office of the Central Water Commission.
6. Sh. O.P. Mehta General Manager	56,266.00	On deputation from Punjab Irrigation Works Deptt.
7. Sh. A.H. Raina Chief Engineer (G)	42,041.90	On deputation from Power Development Deptt. Govt. of J&K Absorbed w.e.f. 1.12.80
8. Sh. V.K. Joshi Sr. Manager (Forward Planning)	43,889.45	On deputation from Deptt. of Irrigation, Uttar Pradesh.
9. Sh. A.V. Motwani Chief Engineer (MPS)	52,803.70	On deputation from Central Water Commission. Absorbed w.e.f. 9.2.79
10. Sh. V.M. Bajaj Chief Engineer (CPG)	48,819.00	On deputation, H.P. State Electricity Board.
11. Sh. P.P. Jain Sr. Manager (P&A)	40,322.30	Regular
12. Sh. K. Subramanian Sr. Manager (Accounts)	42,077.00	On deputation from R.E.C. Ltd. Absorbed w.e.f. 16.12.80.





Qualification (Experience)	Date of commence- ment of employment in N.H.P.C.	Age (Yrs)	Last employment held
4	5	6	7
B.Sc (Hons.) LL.B (28 years)	27.1.78	52	Accounts Member, Kerala State Electricity Board.
Professional Manager (37 years)	4.4.77	56	Deputy General Manager (Personnel), BHEL.
B.Sc (Engg.) (Elect.) (32 years)	6.12.79	51	General Manager-cum-Chief Engineer, Bihar State Electricity Board.
B.Sc. B.L. (26 years)	19.11.78	52	Accountant General, Jammu & Kashmir.
B.E. (Civil) (29 years)	22.9.78	51	Director (S.G.), Central Water Commission.
B.Sc. Engg. (Civil) (31 years)	1.1.80	52	Chief Engineer, Chukha Project Authority, Bhutan.
BE (Elect.) (20 years)	9.5.74	50	Superintending Engineer, Power Development Deptt. J & K.
BE (Civil) (28 years)	31.3.79	50	Director, Central Water Commission.
BE (Civil) (32 years)	16.7.78	56	Secretary, Central H.E. Projects Control Board.
BE (Civil) (25 years)	10.5.79	48	Director (U.T.) CWC.
M.A., LL.B. Diploma in Labour Laws, Labour Wel- fare & Personnel Manage- ment. (28 years)	26.10.78	51	Manager (Personnel) in BHEL.
B.A., B.L. I.C.W.A. (28 years)	1.3.78	55	Asstt. Chief Accounts Officer, R.E.C. Ltd.



1	2	3
13. Sh. T.C. Jain Sr. Manager (Elect.)	40,997.50	On deputation from Central Electricity Authority. Absorbed w.e.f. 20.3.80.
14. Lt. Col. M.L. Sachdeva Sr. Manager (T&MS)	43,668.86	Regular
15. Sh. K.V. Motwani Manager (Electrical)	39,477.95	On deputation from P.W.D., Punjab.
16. Sh. S.K. Mittal Manager (Generation)	43,433.60	On deputation from Uttar Pradesh State Electricity Board.
17. Sh. R.K. Madan Manager (Electrical)	39,588.40	Regular
18. Miss E. Divetia Manager (Design)	43,218.40	Regular (Lien holder from Central Water Commission)
19. Sh. S.S. Maini Manager (Design)	36,453.05	On deputation from Punjab Irrigation Department.
20. Sh. N. Vishwanathan Manager (Civil)	41,136.05	Regular
21. Sh. R.P. Mandal Manager (Civil)	41,279.30	Regular (Lien holder from Border Roads Development Board)
22. Sh. K.L. Zutshi Sr. Manager (D.H.)	36,342.95	Regular
23. Sh. P. Venkataramiah Manager (Civil)	37,001.15	Regular (Lien holder from Central Water Commission)
24. Sh. O.P. Sharma Manager (CMM)	37,883.75	Regular
25. Sh. N.C. Chatterjee Manager (C)	37,217.80	Regular.
26. Sh. K.M. Nagbhushan Manager (Civil)	38,547.10	Regular (Lien holder from CWC)
27. Maj. V. Gulati Dy. Manager (Systems)	48,187.15	On deputation from Army.
28. Maj. M.R. Prabhakar Dy. Manager (C)	43,235.90	On deputation from Army.
29. Maj. S. Verma Dy. Manager	43,970.55	On deputation from Army.





4	5	6	7
B.Sc. Engg (Elect) (25 years)	15.7.77	48	Deputy Director, Central Electricity Authority.
B.E. (Civil) (26 years)	10.5.79	51	Lt. Col. in Indian Army (SOI Personnel in Western Command).
B.E. (Elect.) (25 years)	8.9.77	50	Executive Engineer, BSL Project, Sundernagar.
B.E. (Elect.) (21 years)	20.5.78	45	Executive Engineer, Uttar Pradesh State Electricity Board
B.Sc. Engg. (Elect.) (17 years)	12.12.79	39	Chief Engineer, M/s R.S. Steel Works, Bareilly.
B.E. (Civil) M. Tech. (22 years)	22.3.79	44	Deputy Director, Central Water Commission.
AMIE, Diploma in Civil Engg. (24 years)	4.2.80	53	Sr. Design Engineer, Punjab Irrigation Deptt.
ME (Civil) (17 years)	17.9.79	41	Asstt. Chief Engineer, Triveni Structurals Ltd. Naini, Allahabad.
B.Sc. (Engg.) (Civil) (19 years)	16.11.79	41	Executive Engineer, Border Roads Development Board (GREF).
M.Tech. B.E. (Civil) (19 years)	June 1973	43	Sr. Lecturer, Regional Engg. College, Srinagar.
B.E. (Civil) (24 years)	25.1.80	49	Superintending Engineer, Chukha Project Authority Bhutan.
B.Sc. Engg. (Civil) (19 years)	24.2.75	43	Executive Engineer, Public Public Works Deptt. (R&B) J & K.
B.E. (Tech) (Mech) (27 years)	9.4.80	43	Sr. Superintendent (Mech) Iron Ore Mining Company
B.E. (Civil) (22 years)	31.3.80	46	Superintending Engineer, Chukha Hydel Project.
AMIE (Mech) (14 years)	1.3.80	34	Major in Indian Army.
AMIE (Civil) (22 years)	12.3.79	43	Major in Indian Army.
BE (Civil) (17 years)	6.3.79	38	F D COY. Commdt. 235 Engr. Regt. Indian Army.



1	2	3
30. Sh. V.K. Kanjlia Asstt. Manager	38,234.30	On deputation from Punjab State Electricity Board.
<b>LOKTAK H.E. PROJECT</b>		
31. Sh. G.D. Tyagi Sr. Manager (Civil)	44,866.02	On deputation from U.P. Irrigation Deptt.
32. Sh. S.P. Bhattacharjee Dy Manager (Safety)	37,592.40	Regular
33. Maj. A.K. Dogra, Dy Manager (Civil)	43,596.10	On deputation from Indian Army.
34. Dr. Th. Gopiraman Singh Sr. Medical Officer.	43,187.80	On deputation from M/o Health & Family Welfare.
35. Sh. K. Mukherjee Manager (Finance)	42,489.76	Regular
<b>BAIRA SIUL HE PROJECT</b>		
36. Sh. A.S. Chatrath General Manager	49,770.30	On deputation from Punjab PWD Irrigation Branch
37. Sh. A.L. Jaggi Sr. Manager	42,276.14	On deputation from HP State Electricity Board. Absorbed w.e.f. 1.12.1980.
38. Sh. V.A. Kelkar Manager	40,338.56	On deputation from Border Roads Department, Ministry of Transport.
39. Maj G.S. Gotra Dy. Manager	41,468.85	On deputation from Indian Army.
40. Maj. S.S. Chauhan Dy. Manager	41,529.50	On deputation from Indian Army.
<b>SALAL HE PROJECT</b>		
41. Sh. B.P. Mittal Chief Engineer	45,927.40	On deputation from Haryana Public Works Department.
42. Sh. A.K. Jain Manager (Finance)	39,096.30	Regular
<b>DEVIGHAT HE PROJECT</b>		
43. Sh. P.L. Popli Manager (F & A)	58,972.08	On deputation from Ministry of Railways. Absorbed w.e.f. 28.9.79.
44. Sh. M.P. Parasuraman Manager (Civil)	49,364.32	On deputation from Central Water Commission.
45. Sh. G.K. Pharlia Asstt. Manager (Elect)	46,259.90	On deputation from Central Electricity Authority





4	5	6	7
M.Sc. (Engg.) (Electrical) (11 years)	8.5.79	35	Asstt. Executive Engineer, Punjab State Electricity Board
BE (Civil) (25 years)	10.2.78	48	Executive Engineer, Irrigation Deptt. of U.P.
B.Sc. (Mining Engg.) (14 years)	4.8.78	39	Asstt. Manager, Coal India Limited.
BE (Civil) (14 years)	24.3.79	38	Major, Corps of Engrs. Indian Army.
M.B.B.S. (31 years)	18.4.73	56	Medical Officer, Govt. of India, Health & Family Welfare (CGHS)
I.C.W.A. (24 years)	25.1.79	45	Asstt. Finance Manager, FCI, P & D Division, Sindhri.
B.Sc., Engg. (Civil) (30 years)	17.2.78	51	Superintending Engineer, Beas Sutlej Link Project.
B.Sc. Engg. (Elect.) (19 years)	2.9.71	41	Executive Engineer in HP State Electricity Board.
B.E. (Mech.) (16 years)	23.10.79	43	Executive Engineer, Border Roads Department
Degree in Civil Engg. (17 years)	12.3.79	44	Major in Indian Army.
Degree in Civil Engg. (16 years)	19.3.79	37	Major in Indian Army.
B.E. (Civil) 30 years)	15.5.78	52	Additional Chief Engineer, Ministry of Energy.
B.Com.C.A. (12 years)	28.11.78	35	Dy. Accounts Manager, Indian Farmers Fertiliser Coop. Ltd., New Delhi.
B.A., A.I.C.W.A (23 years)	28.9.76	49	Section Officer, Ministry of Railways.
BE (Civil) (31 years)	3.9.79	51	Dy. Director, Central Water Commision.
B.E. (Elect.) M.E. (Control & Measurements) (12 years)	18.4.79	37	Executive Engineer, Central Electricity Authority.



1	2	3
46. Sh. R.V. Godbole Asstt. Manager (PHD)	45,129.00	On deputation from Central Water Commission.
47. Sh. B.K. Chawla Asstt. Manager (F & A)	44,369.75	Regular (Lien holder from A.G., HP & Chandigarh).
48. Sh. D.N. Bhandari Accounts Officer	45,324.00	On deputation from Ministry of Railways. Absorbed w.e.f. 19.6.1980.
49. Sh. M.K. Rajagopal Engineer (Civil)	41,828.25	On deputation from Central Water Commission.
50. Sh. B.N. Chhabra Engineer (Civil)	40,295.32	On deputation from Central Water Commission
51. Sh. Ajit Kumar Engineer (Civil)	39,965.69	-do
52. Sh. R. Doraiswamy Engineer (Civil)	39,270.22	-do-
53. Sh. K.C. Saha Engineer (C)	39,197.55	On deputation from Central Water Commission.
54. Sh. S.S. Babra Engineer (C)	38,221.15	-do-
55. Sh. R.C. Chopra Engineer (E)	37,900.34	On deputation from Central Electricity Authority.
56. Sh. G.L. Dua, Engineer (M)	37,862.66	On deputation from Central Water Commission.
57. Sh. S.N. Kansal Engineer (C)	37,802.89	-do-
58. Sh. Rattan Singh Engineer (C)	37,450.04	-do-
59. Sh. P.S. Arvindarkshan Engineer (C)	36,926.44	-do-

**(B) Particulars of Employees employed for part of the financial year who were in receipt of not less than Rs. 3,000/- p.m.)**

**CORPORATE OFFICE**

1. Sh. I.C. Gupta General Manager (SG)	11,894.15	On deputation from Haryana Irrigation & Power Deptt.
2. Sh. M.L. Swami General Manager (SD)	15,944.10	On deputation from Govt. of Andhra Pradesh.
3. Sh. G.P. Singh General Manager (Gen.)	11,538.65	On deputation from Uttar Pradesh State Electricity Board.





4	5	6	7
B.E. (Civil) M.Tech. (21 years)	5.1.79	43	Dy. Director, Central Water Commission.
BA (Hons.) (28 years)	1.12.79	55	Accounts Officer, Office of A.G., HP.
S.A.S. (37 years)	20.6.77	55	Section Officer, Northern Railway.
L.C.E. (26 years)	4.2.79	47	Asstt. Director, Central Water Commission.
Diploma in Civil Engg. (24 years)	1.12.78	44	Asstt. Engineer, Central Water Commission.
Diploma in Civil Engg. (22 years)	19.11.79	43	Asstt. Engineer Central Water Commission.
L.C.E. (25 years)	2.1.79	46	Asstt. Engineer Central Water Commission.
Diploma in Civil Engg. (16 years)	1.2.79	37	Asstt. Engineer, Central Water Commission
Diploma in Civil Engg. (23 years)	16.7.79	44	Asstt. Engineer, Central Water Commission
Diploma in Elect. Engg. (16 years)	18.3.79	38	Extra Asstt. Director/Asstt. Engineer, C.E.A.
National Certificate Course Diploma in Mech. Engg. (20 years)	26.6.79	42	Asstt. Engineer in Central Water Commission.
B.E. (Civil) (10 years)	1.2.79	36	Extra Asstt. Director, Central Water Commission.
AMIE (C) (25 years)	12.11.79	50	Asstt. Engineer in Central Water Commission.
B.Sc. Engg. (Civil) (10 years)	13.9.79	34	Asstt. Engineer, Central Water Commission.
B.Sc. (Engg.) (29 years)	15.6.79	58	Chief Engineer, Beas Construction Board.
B.E. (Civil) CE (34 years)	26.6.79	56	Chief Engineer, Govt. of Andhra Pradesh.
B.Sc. (Engg.) (Elect.) (21 years)	2.12.76	45	Executive Engineer, Uttar Pradesh State Electricity Board.



1	2.	3
4. Sh. D.N. Rao Sr. Manager (P&M)	35,866.55	On deputation from Central Water Commission.
5. Sh. Narendra Singh Manager (T)	10,184.80	On deputation from Irrigation Department, Uttar Pradesh.
6. Sh. B.P. Singh, Manager (C&MM)	30,547.45	On deputation from Irrigation Department, Govt. of Bihar.
7. Sh. K.K. Gupta Manager (C)	39,637.30	On deputation from Irrigation Branch, Punjab Government.
8. Sh. P.D. Prasada Rao Manager (C)	28,785.80	Regular (Lien holder from Central Water Commission)
9. Sh. M.R. Bandopadhyaya Manager (Geo.)	10,518.75	On deputation from Geological Survey of India.
10. Sh. R.N. Thakur Manager (D)	24,724.00	On deputation from HP State Electricity Board.
11. Sh. M.L. Gupta Manager	36,281.85	Regular

#### **LOKTAK PROJECT**

12. Sh. R.K. Malhotra General Manager	44,618.78	On deputation from Punjab Irrigation Department.
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#### **DEVIGHAT PROJECT**

13. Sh. R. Ramaswamy General Manager	5,677.25	On deputation from Central Water Commission.
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- Notes : (1) None of the above employees is related to any of the Directors of the Corporation within the meaning of Section 6 of the Companies Act 1956.
- (2) The terms and conditions of appointment are as determined by Government/ Rules & Regulations of the Corporation in force from time to time, as the case may be.
- (3) Designations indicated in the list denote the nature of duties performed by employees.





4	5	6	7
B.E. (Mech.) (30 years)	24.5.80	53	Director, Central Water Commission.
B.E. (Civil) (25 years)	1.12.76	47	Executive Engineer, Irrigation Department, Uttar Pradesh.
B.Sc. Engg. (Civil) (27 years)	10.4.80	50	Superintending Engineer, Irrigation Department, Govt. of Bihar.
B.Sc. (Engg.) (Civil) (24 years)	11.4.80	46	Executive Engineer, Chukha Hydel Project.
B.E. (Civil) (17 years)	23.6.80	41	Dy. Director, Central Water Commission.
M.Sc. (Applied Geology) (18 years)	29.12.80	45	Senior Geologist, Geological Survey of India.
B.Sc. Engg. (Elect.) (13 years)	7.5.79	44	Executive Engineer, HP State Electricity Board.
B.Sc. (Engg.) (Mech.) (14 years)	29.4.80	36	Deputy Manager, BHEL
B.Sc. (Engg.) Hons. (Civil) (28 years)	7.4.80	52	Superintending Engineer Beas Construction Board.
B.E. (Civil) (32 years)	19.12.78	55	SE/Director (SG), Central Water Commission.

- (4) (a) The 'Remuneration' includes, cost of hiring Corporation-leased accommodation, wherever applicable, employer's Contribution to PF, etc.
- (b) The Gratuity amount has not been taken into account as the same has been provided on the basis of Gratuity-cum-LIC policy taken with Life Insurance Corporation of India.
- (c) In the case of employees of the Devighat Project, the remuneration includes Foreign Allowance also.



# BALANCE SHEET AS AT 31.3.1981

		(Rs. in thousands)	
Particulars	Schedule	As at 31.3.1981	As at 31.3.1980
<b>SOURCES OF FUNDS</b>			
<b>1. Shareholders' Funds</b>			
a) Capital	'A'	97,99,13	83,37,63
b) Reserves & Surplus	'B'	3,08,12	2,38,52
<b>2. Grant-in-aid</b>	'C'	20,95	—
<b>3. Loan Funds</b>			
Unsecured Loans	'D'	1,13,88,89	95,73,99
<b>TOTAL</b>		<b>2,15,17,09</b>	<b>1,81,50,14</b>
<b>APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>	'E'		
Gross Block		26,04,62	19,46,87
Less : Depreciation		7,04,40	4,12,92
Net Block		19,00,22	15,33,95
<b>2. Capital Work in Progress</b>	'F'	1,84,71,11	1,56,64,20
<b>3. Current Assets, Loans and Advances</b>	'G'		
a) Inventories		6,11,73	5,33,98
b) Cash & Bank Balances		6,62,22	6,37,74
c) Sundry Debtors		84,09	—
d) Other Current Assets		22,85	11,93
e) Loans and Advances		9,76,49	9,92,32
		<b>23,57,38</b>	<b>21,75,97</b>
<b>4. Less : Current Liabilities &amp; Provisions</b>	'H'		
a) Liabilities		12,41,66	12,51,39
b) Provisions		—	4,73
<b>TOTAL</b>		<b>12,41,66</b>	<b>12,56,12</b>
<b>NET CURRENT ASSETS</b>		<b>11,15,72</b>	<b>9,19,85</b>
<b>5. Miscellaneous Expenditure to the extent not written off or adjusted</b>	'I'	<b>30,04</b>	<b>32,14</b>
<b>TOTAL</b>		<b>2,15,17,09</b>	<b>1,81,50,14</b>

Notes to the accounts & contingent Liabilities

'J'

Schedule 'A' to 'K' and accounting policies form an integral part of accounts

N.V. RAMAN  
Secretary

V. SUBRAMANIAN  
Director (Finance)

P.M. BELLIPPA  
Chairman and Managing Director

As per our separate report attached for R.K. Khanna & Co. Chartered Accountants

Anil K. Khanna  
Partner  
Sep. 23, 1981

New Delhi  
Dated : Sep. 21, 1981



**STATEMENT OF INCIDENTAL EXPENDITURE DURING CONSTRUCTION  
FOR THE YEAR ENDED 31.3.1981**

(Rs. in thousands)

	For the year ended 31.3.1981	For the year ended 31.3.1980
<b>Employees' remuneration and benefits</b>		
Salaries, wages, allowances and benefits	1,97,66	1,54,13
Foreign service contribution	9,23	4,01
Contribution to Provident Fund	11,50	3,46
Contribution to Gratuity Fund	41,15	73
Staff Welfare expenses	13,57	12,13
	<u>2,73,11</u>	<u>1,74,46</u>
<b>Repairs &amp; Maintenance</b>		
Buildings	23,27	15,65
Machinery & Construction Equipment	24,12	91,65
Others	57,80	46,51
	<u>1,05,19</u>	<u>1,53,81</u>
Travelling & Conveyance expenses (including Rs. 1,36,335 for foreign travel)	24,80	17,88
Expenses on staff cars	18,61	6,22
Diesel Power House Expenditure		20,04
Compensation for generation of energy	5,07	
Transport expenses	59,70	44,74
Directors' fees and meeting expenses		11
Rent	20,11	11,84
Rent for residential accommodation	6,26	2,56
Rates and Taxes	3,22	1,39
Insurance	1,46	1,14
Electricity charges	3,48	2,41
Water charges	13	8
Telephone, Telex, Postage and Telegram expenses	7,48	8,41
Advertisements	7,97	4,41
Design and Consultation	11,07	90
Entertainment expenses	54	44



**STATEMENT OF INCIDENTAL EXPENDITURE DURING CONSTRUCTION  
FOR THE YEAR ENDED 31.3.1981 (Contd.)**

(Rs. in thousands)

	For the year ended 31.3.1981	For the year ended 31.3.1980
Printing and Stationery	11,34	8,66
Training expenses	2,90	1,27
Audit fees (including Rs. 10,000 for 1979-80)	40	30
Audit Expenses	22	16
Interest on Government Loans	8,97,23	7,16,84
Bank Charges and Interest	33	51
Depreciation	2,91,47	3,09,14
Other expenses	47,17	20,40
	<u>17,99,26</u>	<u>15,08,12</u>
<b>Less : Receipts and Recoveries</b>		
Sale of Electric Energy	84,05	—
Sale of Scrap Material	7,95	4,06
Electricity charges	48,94	3,46
Cost of tender forms	47	68
Hire charges of Plant & Machinery	1,28	4,87
Water charges	13	10
Rent	2,72	1,01
Interest : On term deposits and Savings Bank A/c	19,54	18,75
On Loans & Advances	1	15
Miscellaneous Receipts and recoveries	6,88	7,75
Design charges for Koel Karo Project transferred to deferred revenue expenditure	—	2,10
	<u>1,71,97</u>	<u>42,93</u>
Net Expenditure	16,27,29	14,65,19
Less i) Expenditure on repairs and maintenance allocated to capital work in progress	—	1,46,77
ii) Design charges transferred to capital work in progress.	20,50	—
	<u>16,06,79</u>	<u>13,18,42</u>





- Note :** 1. Expenditure on entertainment and foreign travel is as certified by management.  
2. The above expenditure includes the following amounts paid to Directors:—

i) Salaries & Allowances	—	Rs.	45,285	
ii) Leave encashment	—	Rs.	18,600	(This includes Rs. 16,800/- received from A.G.C.R.)
iii) Contribution for Provident Fund	—	Rs.	4,224	
iv) Rent for residential accommodation	—	Rs.	9,210	
v) Medical reimbursement	—	Rs.	1,768	
vi) Leave Travel Concession	—	Rs.	1,752	
vii) Travelling expenses	—	Rs.	48,740	

3. In addition to the above, whole time directors were also allowed the use of Company's Car for official journeys and private journeys upto 500 kms. on payment of Rs. 100/— per month.

N.V. RAMAN  
Secretary

V. SUBRAMANIAN  
Director (Finance)

P.M. BELLIPPA  
Chairman and Managing Director

As per our separate report attached  
for R.K. Khanna & Co.  
Chartered Accountants

New Delhi  
Dated : Sep. 21, 1981

Anil K. Khanna  
Partner  
Sep. 23, 1981



# STATEMENT OF ALLOCATION OF INCIDENTAL EXPENDITURE DURING CONSTRUCTION

(Rs. in thousands)

Particulars	For the year ended 31.3.81	For the year ended 31.3.80
Net expenditure as per statement of incidental expenditure during the year.	<u>16,06,79</u>	<u>13,18,42</u>
<b>ALLOCATED TO:</b>		
<b>A. Transmission Construction Units</b> (Deposit works)		
1. Gangtok-Melli-Kalimpong	1,79	1,09
2. Gangtok-Dikchu	1	91
3. Leimatak-Jiribam	1,08	3,23
4. Ramnagar-Gandak	30	1,29
5. Singrauli-Kanpur	<u>13,31</u>	<u>16,34</u>
	16,49	22,86
<b>B. Projects on Agency Basis:</b>		
1. Salal Project	46,06	21,26
2. Devighat Project	<u>8,37</u>	<u>9,12</u>
	54,43	30,38
<b>C. Investigation Project :</b> Chamera Project	5	—
<b>D. Own Projects:</b>		
1. Baira Siul Project		
(a) Direct Expenditure	8,63,70	8,27,45
(b) Corporate Office Share	<u>20,07</u>	<u>10,35</u>
	8,83,77	8,37,80





**STATEMENT OF ALLOCATION OF INCIDENTAL EXPENDITURE  
DURING CONSTRUCTION (CONTD.)**

(Rs. in thousands)

Particulars	For the year ended 31.3.81	For the year ended 31.3.80
<b>2. Loktak Project:</b>		
(a) Direct Expenditure	6,25,90	4,18,78
(b) Corporate Office Share	14,08	8,60
	<u>6,39,98</u>	<u>4,27,38</u>
<b>3. Koel Karo Project</b>		
(a) Direct Expenditure	10,34	—
(b) Corporate Office Share	69	—
	<u>11,03</u>	—
<b>4. Dulhasti Project:</b>		
(a) Direct Expenditure	21	—
(b) Corporate Office Share	5	—
	<u>26</u>	—
<b>5. Chukha Transmission Construction Project</b>		
(a) Direct Expenditure	71	—
(b) Corporate Office Share	7	—
	<u>78</u>	—
	<u>16,06,79</u>	<u>13,18,42</u>



**SCHEDULE 'A'**  
(Rs. in thousands)

**SHARE CAPITAL**

	As At 31.3.1981	As at 31.3.1980
<b>Authorised Capital</b>		
20,00,000 Equity Shares of Rs. 1,000 each	<u>2,00,00,00</u>	<u>2,00,00,00</u>
<b>Issued, Subscribed &amp; Paid Up Capital</b>		
9,79,913 Equity Shares of Rs. 1,000 each fully paid (out of this 6,29,529 shares have been allotted for consideration other than cash and one share has been allotted for part consideration other than cash)	97,99,13	83,37,62
<b>Share Capital Deposit</b>		
Amount received in cash from Government of India Rs. 400/— and Rs. 600/— being the value of part purchase consideration for Loktak Project awaiting allotment		1
	<u>97,99,13</u>	<u>83,37,63</u>

**SCHEDULE 'B'**  
(Rs. in thousands)

**RESERVES AND SURPLUS**

	As at 31.3.1981	As at 31.3.1980
<b>Capital Reserve</b>		
1. Contribution from Manipur Government for share of lift irrigation component		
Balance as per last Balance Sheet	2,38,52	2,01,28
Additions during the year	<u>69,60</u>	<u>37,24</u>
	3,08,12	2,38,52





**SCHEDULE 'C'**  
(Rs. in thousands)

**GRANT IN AID**

		As at 31.3.1981	As at 31.3.1980
Grant in aid for investigation of hydro-electric Projects			
Koel Karo		5,00	—
Dul Hasti		5,00	—
Chamera	15,00		
Less : Expenditure for the year	4,05	10,95	—
		<u>20,95</u>	<u>—</u>

**SCHEDULE 'D'**  
(Rs. in thousands)

**UNSECURED LOANS**

		As at 31.3.1981	As at 31.3.1980
1. Loans from Government of India		113,88,89	83,17,44
2. Interest accrued and due on loans from Government of India		—	12,56,55
		<u>113,88,89</u>	<u>95,73,99</u>



## FIXED ASSETS

Particulars	Gross block as at 1.4.1980	Additions/ Adjustments	Deductions Sales/ Transfers
1.	2.	3.	4.
Land	29,48	24,77	—
Residential Buildings	4,75,13	71,66	2,09,08
Non-residential Buildings	1,71,63	17,76	7,46
Roads & Bridges	3,53	6,45,66	—
Plant & Machinery	9,50,82	3,17,76	2,21,24
Vehicles & Other Transport	1,15,24	5,15	—
Office furniture & fixtures	17,32	4,37	5
Office equipments and other appliances	17,52	6,07	—
Transmission Lines	91,60	—	—
Street Light fittings	3,53	—	—
Communication equipment	10,95	1,68	4,39
Miscellaneous equipment	56,13	2,00	—
Other Assets	3,99	3,09	—
<b>TOTAL</b>	<b>19,46,87</b>	<b>10,99,97</b>	<b>4,42,22</b>
Previous Year Figures :	8,84,70	10,66,85	4,68





# SCHEDULE 'E'

(Rs. in thousands)

Gross block as at 31.3.1981	Total Depreciation as at 31.3.1981	Net block as at 31.3.1981	Net block as at 31.3.1980
5.	6.	7.	8.
54,25	—	54,25	29,48
3,37,71	72,16	2,65,55	4,23,93
1,81,93	28,64	1,53,29	1,53,54
6,49,19	63,73	5,85,46	3,50
10,47,34	4,24,34	6,23,00	6,69,68
1,20,39	32,00	88,39	94,60
21,64	2,17	19,47	15,90
23,59	3,35	20,24	15,72
91,60	26,50	65,10	78,40
3,53	42	3,11	3,32
8,24	57	7,67	10,77
58,13	49,84	8,29	31,44
7,08	68	6,40	3,67
26,04,62	7,04,40	19,00,22	15,33,95
19,46,87	4,12,92	15,33,95	—



**SCHEDULE 'F'**  
(Rs. in thousands)

**CAPITAL WORKS IN PROGRESS**

Particulars	As at 31.3.1981	As at 31.3.1980
Survey, Investigation, consultancy and other preliminary expenses	52,42	34,60
Buildings & Civil Engineering Works	5,13,87	8,33,69
Communications	60,84	87,07
Hydraulic works including dams, barrages, tunnels and power channels	98,83,04	85,35,04
Penstocks	1,68,92	1,38,74
Plant & Machinery in Generating Station	2 6,84,84	25,68,46
Electrical Installations	1,2 4,50	23,86
Ancillary works	5,65,84	5,61,72
Trunk Transmission Lines	3,66,97	3,66,97
Incidental Expenditure During Construction :		
Balance brought forward from last year :	25,14,05	
Amount transferred for the year	<u>15,35,82</u>	25,14,05
	<u>1,84,71,11</u>	<u>1,56,64,20</u>





**SCHEDULE 'G'**  
(Rs. in thousands)

**CURRENT ASSETS, LOANS AND ADVANCES**

	<b>As at 31.3.1981</b>	<b>As at 31.3.1980</b>
<b>1. Inventories</b> (As per the General Ledger and on estimated cost)		
Stores & Spare parts (estimated cost)	<b>6,11,73</b>	5,33,98
<b>2. Cash &amp; Bank Balances</b>		
i) Cash, Imprest, Postal Orders & Postal Stamps	<b>2,03</b>	1,19
ii) Balances with Scheduled Banks		
Savings Bank Accounts	<b>5,00,86</b>	2,08,16
Deposit Account (Short Term Deposits)	<b>1,00,00</b>	4,00,00
iii) Balances with non Scheduled Banks		
	<b>Maximum balance during the year</b>	
	<b>1980-81</b>	<b>1979-80</b>
Current Accounts		
Nepal Rastra Bank, Kathmandu	<b>53,97</b>	65,09
Nepal Bank Ltd., Trisuli	<b>56,52</b>	14,67
	<b>56,52</b>	12,09
<b>3. Other current assets</b>		
i) Interest accrued on deposit	<b>6,76</b>	6,60
ii) Workshop & General Suspense	<b>16,09</b>	5,33
<b>4. Sundry debtors</b>		
i) Debts outstanding for a period exceeding six months (considered good)	<b>39,53</b>	
ii) Other debts less than six months (considered good)	<b>44,56</b>	
	<b>84,09</b>	—
<b>5. Loans &amp; Advances</b>		
Advances recoverable in cash or kind or for value to be received.		
—Secured (considered good)	<b>2,21</b>	24
—Unsecured (considered good)	<b>9,52,31</b>	9,91,27



**SCHEDULE 'G' (Contd.)**

	As at 31.3.1981	As at 31.3.1980
Loans		
—To employees (Secured)	6,89	81
<b>6. Balance with Customs &amp; Port Trust Authority</b>	<b>15,08</b>	<b>—</b>
	<b>23,57,38</b>	<b>21,75,97</b>

**Note:** i) Advances amounting to Rs. 678.11 lakhs (Previous year Rs. 628.31 lakhs) are for capital works.

ii) Debts due from Government Companies in which Directors of the Company are Directors, amount to Rs. 38.53 lakhs.

	<b>SCHEDULE 'H'</b> (Rs. in thousands)	
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		

Particulars	As at 31.3.1981	As at 31.3.1980
<b>LIABILITIES</b>		
<b>1. Sundry Creditors</b>	<b>1,95,83</b>	<b>3,35,89</b>
<b>2. Unspent amount of deposit works :</b>		
i) Gangtok TCU	48,30	1,05,63
ii) Leimatak-Jiribam TCU	31,20	30,50
iii) Gandak-Ramnagar TCU	21,78	26,63
iv) Singrauli-Kanpur TCU	20,37	33,63
<b>3. Unspent Balance of deposits received from Government of India for execution of Projects on agency basis :</b>		
i) Salal Hydroelectric Project	1,09,41	85,14
ii) Devighat Hydroelectric Project	1,65,03	2,21,60
<b>4. Deposits, retention money from contractors &amp; others</b>	<b>62,83</b>	<b>52,06</b>
<b>5. Other Liabilities</b>	<b>2,89,86</b>	<b>1,36,81</b>
<b>6. Interest accrued but not due on Loans from Government of India</b>	<b>2,97,05</b>	<b>2,23,50</b>
<b>PROVISIONS</b>		
Provision for Gratuity	—	4,73
	<b>12,41,66</b>	<b>12,56,12</b>





# ANNEXURE TO SCHEDULE 'H'—DETAILS OF DEPOSIT WORKS & PROJECTS ON AGENCY BASIS

(Rs. in thousands)

S.No.	Particulars	Amount of Deposit	Expenditure upto 31.3.80	Expenditure during the year	Share of Corporate Office expenditure for the year	Total Expenditure upto 31.3.81	Unspent Amount
<b>A. Deposit works</b>							
Transmission Construction Units							
1.	Gantok to Melli-Kalimpong	3,50,97	2,22,43	89,33	1,79	3,13,55	37,42
2.	Gangtok to Dikchu	57,68	46,24	55	1	46,80	10,88
3.	Liematak—Jiribam	3,05,90	2,19,80	53,82	1,08	2,74,70	31,20
4.	Ramnagar—Gandak	1,77,30	1,40,36	14,86	30	1,55,52	21,78
5.	Singrauli—Kanpur	23,01,19	16,02,11	6,65,40	13,31	22,80,82	20,37
<b>B. Projects on Agency basis</b>							
1.	Salal Project (including Transmission Construction Unit, Jammu)	78,75,82	46,49,64	30,70,71	46,06	77,66,41	1,09,41
2.	Devighat Project	13,30,10	5,93,50	5,63,20	8,37	11,65,07	1,65,03

**Note :** Expenditure on Transmission Construction Units and Projects on Agency basis represents Cash Expenditure only and does not include accrued expenditure except in one case pertaining to Devighat Project where a draft amounting to Rs. 10.95 lakhs was received back on 31.3.81 and for which liability had to be created for arranging fresh payment. However, expenditure includes advances to staff, advances to suppliers, contractors, deposits and un-consumed stock etc.

## SCHEDULE 'I'

(Rs. in thousands)

### MISCELLANEOUS EXPENDITURE

	As at 31.3.1981	As at 31.3.1980
Miscellaneous Expenditure to the extent not written off or adjusted		
1. Preliminary expenses	30,04	30,04
2. Deferred Revenue Expenditure	—	2,10
	<u>30,04</u>	<u>32,14</u>



## EXPLANATORY NOTES

1. As the Corporation's own Projects are at construction stage and in respect of other Hydroelectric Projects and Transmission Construction Units, it is merely recovering the Overheads, no Profit & Loss Account has been prepared. The information required under Part-II of Schedule VI of The Companies Act, 1956, has been disclosed in the statement of Incidental Expenditure during Construction.
2. Contingent Liabilities to the extent of Rs. 14.09 lakhs (Previous Year Rs. 146.89 lakhs) exist in respect of the Claims against the Company not acknowledged as debts.
3. Estimated amount of contracts remaining to be executed on Capital accounts and not provided for is Rs. 1180.78 lakhs (Previous Year estimated at Rs. 232.05 lakhs).
4. (a) The construction of Transmission Lines has been undertaken as deposit works on behalf of State Governments, State Electricity Boards and Public Sector Undertakings. The estimated value of works remaining to be executed is of the order of Rs. 389.16 lakhs (Previous Year Rs. 1199.42 lakhs).  
(b) Construction of Hydroelectric Projects at Salal and Devighat have also been undertaken on behalf of Government of India. The estimated value of work remaining to be executed is of the order of Rs. 9058.30 lakhs (Previous Year Rs. 12426.41 lakhs).
5. Expenditure of Corporate Office for the year has been apportioned to Transmission Construction Units at the predetermined rate of 2% of the direct expenditure incurred at each Unit. The balance amount has been apportioned on pro-rata basis to the Corporation's own Projects as well as other Hydroelectric Projects being executed as deposit works.
6. The Corporation has received grants-in-aid upto 31.3.1981 for investigation of Chamara Investigation Project (Rs. 15 lakhs), for Dulhasti Project (Rs. 5 lakhs), for Koel Karo Project (Rs. 5 lakhs). Whereas the Grants-in-aid for Chamara has been reflected in accounts after deducting expenditure on investigation work at Chamara, the grants-in-aid for Dulhasti and Koel Karo have been shown in full on liability side and expenditure on these projects has been exhibited as expenditure on Corporation's Projects as these Projects have been cleared by the Government and entrusted to Corporation.
7. Corporation has not received funds from Government of India for Koel Karo, Dulhasti, and Chukha Transmission Line Projects.
8. An amount of Rs. 9.00 lakhs has been paid to National Remote Sensing Agency for survey of proposed hydro-





electric projects in Konkan Region, Maharashtra. This amount has been reflected in the accounts under the head 'suspense' in 'current assets'.

9. (a) Interest on Government of India loans was provided @ 10.5% till last year. Government has allowed capitalisation of interest @ 10.25% as at 31.3.1981 amounting to Rs. 2080.40 lakhs comprising Equity Capital Rs. 1461.50 lakhs, Loan Capital Rs. 618.90 lakhs.

(b) An amount of Rs. 35.20 lakhs excess provided in previous year has been adjusted during this year.

10. The transfer value of Baira Siul Project has been taken in accounts as per Sale Deed. In figures appearing in Sale Deed and in the sanction letter issued by Ministry of Energy there is a difference of Rs. 10 lakhs in equity share capital and Rs. 6.63 lakhs in loan capital. The matter has been taken up with the Ministry to revise the figures of their sanction letter.

11. The incidental expenditure during construction includes interest amounting to Rs. 897.23 lakhs (Previous Year Rs. 716.84 lakhs) on loans from the Government of India.

12. (i) Liability on account of Gratuity is met by payment of requisite premium to L.I.C. The liability on this account upto 31.3.1981 works out to Rs. 45.84 lakhs which has been duly provided for in accounts, and has been discharged in 1981-82.

(ii) By an amendment to the Gratuity

Rules, service rendered by eligible employees prior to take over of the projects has been covered, the liability for which is yet to be worked out for recovery from the Government of India.

13. Corporation has not started revenue operations. Moreover, under the payment of Bonus Act, bonus is not payable. Therefore, no provision has been made for bonus.

14. Amounts standing to debit/credit of parties and stocks issued to contractors and fabricators are subject to confirmation/reconciliation.

15. Previous year's figures have been suitably re-arranged wherever practicable to correspond to the current year's figures.

16. The transfer value of assets and liabilities in respect of Projects taken over from the Government of India, were taken in the books of the Corporation as determined by the Government of India. Detailed verification of the cost of the various components comprising assets as on the date of transfer was taken up in respect of both Baira Siul and Loktak Project. In Loktak Project necessary adjustments/reclassification are being made continuously. Necessary changes in respect of Baira Siul Project will also be carried out. When the review is complete, changes if any, in the transfer value of the assets will be taken up with the Government.

17. Transactions booked by Divisional Offices under debt, deposit, and



remittance heads under the CPWD system of accounting are being analysed to arrive at the balance recoverable from/payable to the Central Government, as on the date of transfer of Project to the Corporation. To the extent the review has been completed, recoveries are being effected from the Central Government.

18. (a) The cost of land represents provisional/initial payments towards compensation and other incidental expenses. Final accounts regarding compensation are yet to be received from the concerned authorities.

(b) Reconciliation of the value of the land as shown in the Accounts and as per the land Register maintained at Baira Siul Project is being done. Land Register has not been maintained at Loktak Project, pending collection of relevant details from the Government of Manipur.

(c) The title of land has not yet passed to the Corporation as the legal formalities are yet to be completed.

19. (a) Review is being conducted in Baira Siul and Loktak Projects to ascertain the assets in use. To the extent indicated by the review, assets in use have been transferred from capital work in progress to fixed assets. However, there are instances where assets already in use, as in the case of trucks in respect of Baira Siul Project for which Rs. 33.25 lakhs was paid, have not been capitalised.

(b) At Baira Siul Project, in the absence of information of actual cost

being readily available, assets have been transferred from capital work in progress to fixed assets at provisional cost pending adjustment. Adjustments, in regard to depreciation at suitable rates, necessary as a result of review will be made thereafter.

20. (a) In Loktak Project Rs. 217.56 lakhs has been transferred from miscellaneous equipment to tools and equipment after obtaining necessary details from the original vouchers. As the original vouchers are with the concerned Accountant General's Office, these could not be produced before the Auditors for their verification.

(b) Balance of Rs. 81.92 lakhs appearing under Miscellaneous equipment relates to pre-takeover period for which details are being collected. Pending collection of details, depreciation has been provided on provisional basis.

21. In Loktak Project for pre-takeover balance of roads, bridges, culverts and buildings, details have been compiled from original vouchers asset-wise to the extent possible. As the original vouchers are with the concerned Accountant General's Office, these could not be produced before the Auditors for their verification.

22. The amount spent on roads, bridges and culverts on land not belonging to the Corporation has not been ascertained.

23. (a) Physical verification of fixed assets at Baira Siul Project could not be conducted since take over of the





Project by NHPC due to administrative reasons.

(b) In Loktak Project physical verification of vehicles, tools and works equipment only was conducted. In view of the fact that the assets registers are under completion, reconciliation of results of physical verification was done with quantitative registers maintained by Divisions.

24. Reconciliation between subsidiary books and control accounts in respect of capital works in progress/fixed assets is being done.

25. In Baira Siul Project, the details regarding individual assets comprising Plant and Machinery and Equipments etc. appearing under capital work-in-progress are being worked out.

26. In Baira Siul Project, pending receipt of necessary details regarding import duty and Port Trust charges from the concerned authorities on import of two wheel dozers which have been capitalised, the amount of Rs. 15 lakhs paid on this account has not been capitalised/adjusted.

27. (a) On assets capitalised during the year but which were put into use in earlier years and on part of the assets in respect of which depreciation had been earlier provided on a provisional basis, prior period depreciation amounts to Rs. 227.87 lakhs.

(b) The assets in respect of which depreciation rates have not been prescribed by the Corporation, depreciation has been provided on a provisional basis.

(c) A review will be made as to the applicability of Companies Act, 1956 or the Indian Electricity (Supply) Act, 1948 in regard to the method of providing depreciation and after the completion of the review, necessary modification on account of provision for depreciation will be carried out in the accounts for 1981-82.

28. Price Stores Ledgers in respect of operating stores in Loktak Project and for both capital stores and operating stores in regard to Baira Siul Project are not complete. In absence of valued inventory of these items as at 31.3.1981, the balance reflected in the accounts is as per the General Ledger of the respective units.

29. Stock of unconsumed capital stores (amount not ascertained) lying at work sites has been charged off to construction work-in-progress.

30. In Loktak Project unreconciled stores of Rs. 18.44 lakhs are being analysed to ascertain whether these represent any capital stores or not. On completion of the review final adjustments will be made.

31. Materials which have been inspected at Calcutta office and transported through the transporters of the Corporation have not been shown as material in transit as on 31.3.1981 and was shown under advances to suppliers (amount not ascertained). Necessary adjustment will be carried out in the accounts of 1981-82.

32. The value of part of the scrap in projects has been assessed and account-



- ted for. Necessary adjustments in respect of balance scrap will be made next year.
33. Surplus stores and obsolete stocks lying at the Projects have not been identified as the projects are at the peak of construction activities.
  34. In Baira Siul Project, the balance of Rs. 110.01 lakhs shown as stores issued to contractors is after netting off of credit balance (amount not ascertained). Details in respect of this head of account have not been compiled and reconciled with the General Ledger pending analysis of pre-take-over balances. Steps are being taken to compile the details and to carry out necessary adjustments to capital work-in-progress and contractor's accounts.
  35. In Baira Siul Project, balance of Rs. 51.55 lakhs of stock appearing under the head "Transfer between Depots" is a result of either misclassification or non-receipt of adjustments from the Divisions. The itemwise details of this balance are under analysis. Misclassifications and non-adjustments have had the resultant effect of either reducing the value of stock or of capital work-in-progress.
  36. In Baira Siul Project, reconciliation of the contractor's ledger, register of advances to contractors/suppliers and other subsidiary record with main ledgers has been taken up with a view to arrive at the correct figures of the unadjusted issues awaiting incorporation in works.
  37. In Baira Siul Project, the balance of Advance Payments to suppliers and contractors of Rs. 105.90 lakhs has been shown after netting off credit balances. The list of balances are subject to reconciliation with general ledger. The credit balances are being reviewed to make necessary adjustments to capital work in progress and other accounts to reflect them at their correct values.
  38. In Baira Siul Project, balance of Rs. 4.40 lakhs appearing under workshop suspense represents expenditure on maintenance and repairs of vehicles and equipment. This is awaiting adjustment to the relevant accounts in the absence of necessary details.
  39. In Baira Siul Project, the balance of Rs. 23.14 lakhs shown as departmental advance is subject to reconciliation with the General Ledger. The relevant break up of the amount has not been extracted from the books of accounts.
  40. In Loktak and Baira Siul Projects, pending reconciliation between the subsidiary registers of the Works Divisions with General Ledger, relevant details relating to Advances to staff (Amount Rs. 16.37 lakhs) could not be prepared.
  41. In Baira Siul Project, the details of deposits with other Government Departments of Rs. 1.03 lakhs are being analysed to determine the nature of these deposits.
  42. In Baira Siul and Loktak Projects, the





matter regarding recovery of claims recoverable from Government and other Departments is under pursuit with the concerned authorities. The balances are not considered to be doubtful/irrecoverable.

43. In Loktak Project, in the absence of receipt of information from works divisions regarding receipt and consumption of material, the provision for necessary liabilities in the books of accounts and their adjustments with advances to suppliers could not be done in all cases. To the extent of these unadjusted amount (amount not ascertained), advances to suppliers/contractors are overstated.
44. In Baira Siul Project, the subsidiary books in respect of sundry creditors for supply of material are subject to reconciliation with the General Ledger. The balance of Rs. 117.58 lakhs of Miscellaneous Sundry creditors appearing in the subsidiary books is subject to analysis and adjustment with the debit balances of Rs. 163.87 lakhs. The figures of Rs. 33.29 lakhs shown as Sundry Creditors for material is after netting off of debit balances. After the analysis is completed relevant adjustments will be made in the accounts.
45. The subsidiary ledgers in respect of Sundry Creditors (others) and Sundry Creditors for works with the General Ledger are under reconciliation.
46. The detailed schedules of Security Deposits and Earnest money from contractors/suppliers amounting to Rs. 43.78 lakhs in Baira Siul Project could not be prepared because of a very large number of items involved and therefore reconciliation with control accounts could not be done.
47. In Baira Siul Project, provision of other liabilities amounting to Rs. 53.38 lakhs was made on the basis of information from Divisions but details thereof could not be furnished to the Auditors for their verification.
48. In Baira Siul Project, the balances appearing in the Balance Sheet under head "Material Purchase Suspense" and "General Suspense" are being analysed for making necessary adjustments.
49. In Baira Siul Project, loss on account of damages due to heavy rains and avalanche was initially estimated at Rs. 64 lakhs. Other losses on account of accidents, defects and shortages etc. were estimated at Rs. 49.42 lakhs. However, the cases are still under investigation. Final adjustments will be made after the investigations are completed.
50. In Baira Siul Project, accounting adjustments have not been carried out during the year in respect of the losses estimated at Rs. 7.32 lakhs of certain assets under capital work in progress for which write off sanction was accorded by the Board of Directors, pending componentwise segregation of assets involved.
51. The balance of Rs. 36.69 lakhs held in electricity suspense head in last year in Baira Siul Project has been transferred to Receipts and Recoveries



under the head "Electricity charges recovered".

52. In Baira Siul Project, the generation of electricity is treated as trial run since the generating machines are under test for rectification of teething problems and also because regular discharge of water is not vouchsafed until the entire Dam is completed and proven production capacity established.
53. Liabilities for the year 1980-81 known upto the cut off date viz. 30th April, 1981 were provided for. In case of Baira Siul and Loktak Projects, liabilities amounting to Rs. 23.57 lakhs (approximately) and Rs. 67.60 lakhs (approximately) respectively, which came to notice after the cut off date when Project

accounts were at final stage, could not be provided for.

54. There have been thefts of A.C.S.R. aluminium conductor (Panther) at certain places on transmission line at Loktak Project. Necessary adjustments for the loss will be made after investigation and ascertainment of losses involved.
55. The accounts were originally adopted by the Board of Directors on 25.8.1981, but these accounts have been revised as a result of observations of Government Audit (CAG). The results of observations of Government Audit have been incorporated in notes No. 18(c), 23(a), 27(c), 53, 54 supra, and note below annexure to Schedule 'H'—Details of Deposit works & projects on agency basis.





## SCHEDULE 'K'

### ADDITIONAL INFORMATION REQUIRED UNDER PART II OF SCHEDULE VI OF THE COMPANIES' ACT, 1956

		1980-81	1979-80
<b>1. Expenditure on employees</b>			
Expenditure on employees who are in receipt of remuneration not less than Rs. 36,000 per annum if employed throughout the year or Rs. 3,000/- per month if employed for part of the year.			
<b>a) Employed throughout the year</b>			
i) Number of employees		21	7
ii) Salary & Wages	(Rs.)	8,91,653	2,80,164
iii) Value of perquisites	(Rs.)	20,855	6,883
<b>b) Employed for part of the year</b>			
i) Number of employees		7	7
ii) Salary & Wages	(Rs.)	1,50,347	1,57,543
iii) Value of perquisites	(Rs.)	1,239	—

(This does not include employees at Salal & Devighat Projects which are being executed on Agency basis and the remuneration of such employees is debited to deposits from Government of India and are not debited to Corporation Incidental Expenditure during construction).

However, information for Salal & Davighat Projects is as under:

		1980-81		1979-80	
		Salal	Devighat	Salal	Devighat
<b>(a) Employed throughout the year</b>					
i) Number of employees		2	17	1	5
ii) Salary & Wages	(Rs.)	73,898	7,16,140	36,413	2,22,156
iii) Value of perquisites	(Rs.)	5,408	—	3,036	—



# SCHEDULE 'K' (Contd.)

	1980-1981		1979-80	
	Salal	Devighat	Salal	Devighat
<b>(b) Employed for part of the year</b>				
i) Number of employees	—	6	—	3
ii) Salary & Wages (Rs.)	—	24,114	—	10,616
iii) Value of perquisites (Rs.)	—	—	—	—

**Note :** 1. The gratuity amount has not been taken into account as the same has been provided on the basis of Gratuity-cum-L.I.C. policy taken with Life Insurance Corporation.

2. Emoluments of Devighat employees include foreign allowance.

	1980-81 Rs.	1979-80 Rs.
<b>2. Expenditure incurred in Foreign currency</b>		
i) Know-how	9,41,845	20,63,727
ii) Other matters		
a) Purchase of tenders	378	2,323
b) Books, periodicals & Journals	18,184	6,509
c) Foreign Tours	78,191	16,290

## 3. Value of spare parts and components (Both indigenous & imported consumed)

NOT ASCERTAINED

## 4. Value of imported Plant & Machinery and spares

76,78,139 1,20,08,469

## 5. Licensed/Installed Capacity and Actual production

	LOKTAK	BAIRA SIUL
i) Licensed capacity	Not appli- cable	Not appli- cable
ii) Installed capacity	—	2 × 60 M.W. (under trial run)
iii) Actual Production	—	337.75 lacs Units

**Note:** Value of import has not been calculated on C.I.F. basis in all cases.





## ACCOUNTING POLICIES

### 1. DEPRECIATION :

Depreciation on fixed assets is provided on Straight line method keeping the residual value of the assets at 10% of the original cost. For purpose of depreciation, the life of various assets has been adopted from :—

- i) Ministry of Energy (Department of Power) Gazette Notification No. G.S.R. 272 (E) dated 27.3.1979 and
- ii) Table appended to the guide book issued by the Government of India, Central Water Commission.

In respect of certain equipments such as Alpine Miners, Continuous Concreting Machines, Telescopic Shutters, etc., the life is taken on the basis of assessment made by the Corporation. As regards the 2nd class and 3rd class buildings etc., the life is taken on the basis of rates indicated in the guidelines issued by the Bureau of Public Enterprises (Notification No. BPE (15)—Adv. Fin/69 dated 8.8.1969).

As provided in the Gazette Notification dated 27.3.1979, full year's depreciation is charged from the year of account next following that in which the particular asset was put into use.

### 2. VALUATION :

- a) Inter-Project/Unit transfers of stores for capital works are valued at cost.
- b) Construction plant and machinery transferred from one unit to another is

valued at cost indicating the original cost less provision made for depreciation earlier by the Project from which the plant and machinery has been transferred.

### 3. GRATUITY

Liability accruing from year to year on account of service gratuity is discharged by paying requisite premium on a policy taken up with the L.I.C.

By an amendment to the Gratuity Rules, the scheme covers the pre-takeover period in respect of the eligible employees.

### 4. RATE OF EXCHANGE :

Liability for payment for imported equipment/services is worked out with reference to the rate of exchange ruling on the date of payment.

### 5. CLASSIFICATION :

Classification is generally made according to the natural heads of accounts.

### 6. TRANSFER OF CAPITAL WORKS-IN-PROGRESS TO FIXED ASSETS ACCOUNT :

Transfer of completed assets from capital works in progress to fixed assets is made at cost/provisional cost.

### 7. ALLOCATION OF DESIGN EXPENSES :

Design expenses incurred in the Corporate Office in respect of the Projects are allocated on the basis of the quantum of services rendered to the respective projects.



## AUDITORS' REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of National Hydroelectric Power Corporation Limited as at 31st March, 1981 and the Statement of Incidental Expenditure during construction of the Corporation for the year ended on that date. The accounts were originally adopted by the Board of Directors on 25th August 1981 and were reported upon by us on 27th August 1981. As explained in Note No. 55 of Schedule 'J', the accounts have been revised and we report on the revised accounts as under :—

1. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1975 issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Subject to our comments in the annexure referred to in Paragraph 1 above, we report as under :

We have noted from the accounts of Salal Hydroelectric Project, Jammu & Kashmir, which the Corporation is looking after as agents of the Government of India, that machinery and equipment of substantial value has been purchased with funds released by the Government of India for Salal Project for initial use in Baira Siul Project, which belongs to the Corporation.

For a major portion of such machinery and equipment tenders were invited and orders were placed by Baira Siul

Project and these machineries and equipments were taken directly to Baira Siul Project but the cost thereof was debited to Salal Project. We have also noted from our discussion with the Management that this decision was taken by the Board of Directors. However, the question of utilisation of funds of Salal Project for Baira Siul Project has not been satisfactorily explained. It is specifically provided in clause VI(g), of the agreement dated 19th May, 1978 executed by the Corporation with the Honourable President of India that funds released by the Government would be "solely and exclusively" utilised for the purposes of the Salal Project only and "such funds shall not in any manner be dealt with, used or utilised by the Corporation, for any other work, purpose or projects".

The Management has not offered any comments on the fact that the utilisation of funds and assets of Salal Project for the Project at Baira Siul is in direct contravention of the aforesaid clause.

Subject to our above comment we report that :

- a) Except for the explanation referred to in paragraph 2 above we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of accounts as required by law have





been kept by the Corporation so far as appears from our examination of these books;

c) the Corporation's Balance Sheet and Statement of Incidental Expenditure During Construction dealt with by this report are in agreement with the books of accounts;

d) in our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the accounting policies and explanatory notes forming part thereof and subject to :

## NOTES

No. 16 regarding adjustments/re-classifications required in the transfer value of assets and liabilities;

No. 19 (a) regarding non-capitalisation  
& (b) of assets in use and capitalisation of assets at provisional costs;

No. 20 (a) regarding non-verification of  
& (b) transfer of Rs. 217.56 lakhs to tools and equipment and regarding non-availability of details of Rs. 81.92 lakhs appearing under Miscellaneous equipment and the related depreciation;

No. 21 & 22 regarding nonverification of details of roads, bridges, culverts and buildings and non-disclosure of amount spent on roads and bridges built on land not belonging to the corporation;

No. 24 regarding reconciliation of subsidiary books and control accounts in respect of capital work in progress/fixed assets;

No. 26 regarding non-capitalisation of related import duty and other charges on two Wheel Dozers;

No. 27 (b) regarding provision of depreciation on provisional basis;

No. 28 regarding the balances of General Ledger being reflected as stock-in-hand and in absence of proper records non-verification of the quantity of stock and its basis of valuation;

No. 29 regarding unconsumed capital stores being charged off to construction work-in-progress;

No. 30 regarding unreconciled stores of Rs. 18.44 lakhs at Loktak Project;

No. 32 regarding non accounting of total amount of scrap lying at Projects;

No. 33 regarding non-determination of obsolete, damaged and un-serviceable stores;

No. 34 regarding "stores issued to contractors" being shown after netting off credit balances and the resultant effect of understatement of "Stores issued to contractors" and either the overstatement of construction work-in-pro-



	gress/fixed assets or non adjustment of contractor's accounts;				the accounts and regarding non reconciliation of subsidiary ledgers with control accounts in the General Ledger;
No. 35	regarding misclassification etc. in respect of "Transfer between Depots Account" and the resultant effect on value of stock and construction work-in-progress;	No. 47			regarding non availability of details of other liabilities and resultant non verification of the same;
No. 36	regarding reconciliation of contractors' accounts to ascertain unadjusted issues awaiting incorporation in works;	No. 49, 50 & 54			regarding non provision against losses at Baira Siul Project and Loktak Project on account of reasons explained in the notes;
No. 37	regarding "advances to contractors and suppliers" being shown after netting off credit balances and the resultant effect of understatement of "advances to contractors and suppliers" and either overstatement of construction work-in-progress/fixed assets or non adjustment of contractors' accounts;	No. 53			regarding non provision of liabilities amounting to Rs. 91.17 lakhs; and  Subject to the non disclosure of perquisite value of Rs. 5,040/- in respect of company car provided to Directors for private journeys;  give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view : i) in the case of the Balance Sheet of the state of affairs of the Corporation as at 31st March, 1981; and ii) in the case of Statement of Incidental Expenditure during Construction, of the expenditure and its apportionment for the year ended on that date.
No. 39 & 40	regarding non reconciliation and non verification of departmental advances and staff advances appearing under Advances recoverable in cash or kind;				
No. 43	regarding non accounting of purchases and consumption and its resultant effect on advances to suppliers/contractors accounts;				
No. 44 & 45	regarding "Sundry Creditors" being shown after netting off debit balances and the resultant effect of understatement of sundry creditors in				

for R.K. KHANNA & COMPANY,  
CHARTERED ACCOUNTANTS,

NEW DELHI :  
Dated : Sep. 23, 1981.

Anil K. Khanna  
Partner





## **ANNEXURE TO THE AUDITOR'S REPORT**

Referred to in paragraph 1 of our report.

1. The Corporation has maintained proper records in respect of major portion of the assets which have been transferred to Fixed Assets account. The records maintained show full particulars in respect of assets shown in the registers except the situational details in certain cases. However, as indicated in notes No. 19(a) & (b) and 20(b) to the accounts, some of the assets which are already in use have not been capitalised and shown in fixed assets registers; some assets have been capitalised at provisional cost and for some items appearing under fixed assets, details of individual components are not available and therefore the registers are not complete in respect of these assets. Physical verification of fixed assets was conducted during the year for assets in corporate office and for a portion of assets in Loktak Project and no serious discrepancy was noticed on such verification in respect of Corporate office. In Loktak Project, as explained in Note 23(b) to the accounts, reconciliation of the results of physical verification with assets register has not been done and in Baira Siul Project physical verification of assets was not conducted during the year and therefore discrepancies, if any, have not been identified in both the projects.
2. No fixed asset in use has been re-valued during the year.
3. The Management has certified that

except for some stock lying at Divisions the stock of operating stores, capital stores, and spare parts has been physically verified on perpetual inventory system during the year. However in absence of proper book records, shortages/excesses have not been determined and therefore, proper adjustments have not been carried out for differences. Stock of stores and spares in both projects except for capital stores in one project, as explained in Note No. 28 to the accounts has been reflected in the accounts as per the balances appearing in the General Ledger. In absence of proper books of accounts, it is not possible for us to offer our comments in respect of the basis of valuation of inventory. However, the Management has certified that the valuation of stock has been done on estimated cost basis and that there has been no change in the basis of valuation as compared to earlier years.

4. The Corporation has not taken any loans secured or unsecured from Companies, firms or other parties listed in the register maintained under Section 301 and 370(1-C) of the Companies Act, 1956.
5. The Corporation has given advances by way of loans only to employees. The employees are generally repaying the principal amounts as stipulated and are also generally regular in payment of interest.
6. The Corporation has laid down internal control procedures for the purchase of stores, plant and machinery, equipment and other assets. In our



opinion these procedures need to be strengthened and the laid down procedures to be strictly followed to ensure proper control over such purchases.

7. On the basis of information made available, no purchases have been made during the year, of stores and spare-parts or components exceeding Rs. 10,000/- in value for each type from firms or companies or other parties in which the Directors are interested.
8. In Loktak Project some unserviceable and damaged stores amounting to Rs. 7.87 lakhs have been identified but necessary provisions for losses have not been made in the accounts. In Baira Siul Project, unserviceable and damaged stores have not been determined and as such no comments can be offered in respect of provisions required.
9. The Corporation has not accepted any deposits from the public.
10. As explained to us, no by-products or scrap has been generated during the course of generation of electricity at Baira Siul Project. However, in our

opinion, reasonable records have not been maintained in respect of scrap being generated during the process of construction.

11. In our opinion the system of internal audit existing in the corporation is commensurate with the size of the Corporation and nature of its business except that scope of internal audit needs to be widened.
12. Maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956.
13. The Corporation has generally been regular in depositing provident fund dues with the appropriate authorities. From the records at Loktak Project, we have observed that deductions and matching contribution of provident fund amounting to Rs. 1,55,021 made during the period 1.1.1977 to 31.10. 1978 have not been deposited with the relevant authority.

for R.K. KHANNA & COMPANY,  
CHARTERED ACCOUNTANTS,

NEW DELHI  
Dated : Sep. 23, 1981

Anil. K. Khanna  
Partner

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**Comments of the Comptroller and Auditor General of India under section 619 (4) of the Companies Act, 1956.**

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I am to state that there are no Comments upon the Auditor's Report under Section 619 (4) of the Companies Act, 1956 on the Accounts of the National Hydroelectric Power Corporation Limited, for the year ended 31st March, 1981.

Bhopal  
24th Sep. 1981

HARBANS LAL  
Member Audit Board and Ex-Officio  
Director of Commercial Audit  
Bhopal